CITY OF TIGARD, OREGON

RESOLUTION NO. 02-58

A RESOLUTION ACCEPTING A STAFF REPORT AS A COMPREHENSIVE DELINEATION OF THE CITY'S AFFORDABLE HOUSING PROGRAM

WHEREAS, one of the 2002 Tigard City Council goals is to "Consider ways to support the provision of affordable housing"; and

WHEREAS, during 2001-02, Council considered potential new affordable housing measures in four workshops and one budget committee meeting; and

WHEREAS, the City's efforts in the area of affordable housing are directed to serve the income group with the greatest need, households earning 50% or less or area median income; and

WHEREAS, the attached report titled Affordable Housing Program is intended to serve as a comprehensive delineation of the City's program to emphasize and encourage affordable housing in the community; and

WHEREAS, these efforts include Tigard Comprehensive Plan policies and Beyond Tomorrow community vision goals and strategies as well as specific land use and non-land use measures; and

WHEREAS, this program reflects the level of support for affordable housing determined by Council to be appropriate for Tigard based on local conditions and resources,

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The City of Tigard City Council does hereby find and declare that the report entitled "Affordable Housing Program", attached as "Exhibit A," serves as a complete and official statement of the City's overall affordable housing program.

SECTION 2: The City of Tigard City Council does hereby find and declare that the said report also is a definitive statement of how the City is addressing the Council Goal of "Consider ways to support the provision of affordable housing."

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This 24th day of September, 2002.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

EXHIBIT "A"

CITY OF TIGARD

AFFORDABLE HOUSING PROGRAM

SEPTEMBER 2002

Acknowledgements

Mayor
Jim Griffith

Councilors
Craig Dirksen
Brian Moore
Joyce E. Patton
Ken Scheckla

Community Development Director
James N.P. Hendryx

Long Range Planning Manager
Barbara Shields

Project Manager
Duane Roberts, Associate Planner

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I. executive SUMMARY

Why is affordable housing an important issue?

Having a home is one of the most fundamental human needs. A home represents shelter, safety, and security. While Washington County is one of the most affluent areas of the state, many families find it difficult to obtain safe, decent, and affordable housing. Housing cost burdens are especially severe among households with low incomes. Elderly and large family renters are the most likely to experience housing problems, such as living in unaffordable, overcrowded, or substandard housing. The lack of sufficient affordable housing opportunities reduces overall livability and economic viability for all residents.

What is affordable housing?

The accepted definition of affordable housing found in federal and state programs is housing that costs a household no more than 30% of its gross income for rent and utilities. The shortage of affordable housing most affects households earning 50% or less of the region's median income. Tigard's twenty-year, 1997-2017, Metro-determined need for affordable housing among this income group is 3,205 new units.

Does Tigard meet state and regional affordable housing mandates?

Tigard complies with all state and regional policies that relate to affordable housing. These include, most importantly, Statewide Planning Goals 10-Housing and 14-Urbanization, the State Metro Housing Rule; and the Metro Urban Growth Management Functional Plan (Title 7).

Who provides affordable housing in Tigard?

The Washington County Housing Authority owns and manages 224 public housing units within the Tigard city limits. The agency also administers key federal rent voucher and low-interest loan housing assistance programs within Tigard as a local government unit. The State Housing and Community Services Division administer a federal tax credit program to private housing providers, including the providers of some 600 units in Tigard. Two non-profit affordable housing corporations own and manage a combined 262 units within and adjacent to Tigard. The majority of households served by these various public and private affordable housing activities have incomes at 50% or below of median income.

How has Tigard addressed the issue of affordable housing?

Various Tigard Comprehensive Plan policies and Tigard Beyond Tomorrow community vision goals and strategies support the provision of affordable housing. The City of Tigard program to address the Council Goal of Consider(ing) ways to support the provision of affordable housing includes these policies and vision statements and specific land use and non-land use program measures. These measures include pre-existing measures and new measures adopted by Council during a comprehensive, four-meeting review of potential policies and strategies to improve opportunities for the development *of affordable housing. The following are the steps Tigard has taken to address the affordable housing issue.*

Affordable Housing Program

Land use strategies adopted

- An updated and streamlined development review process completed
- Reduced parking requirements for affordable housing projects implemented
- Allowance of accessory dwelling units, which benefit the elderly and disabled

Non-land use strategies implemented

- Tax abatement for affordable housing instituted
- A budget set-aside to reduce fees and charges imposed on affordable housing development established
- Support for sale or donation of tax foreclosed and surplus County and City-owned properties to non-profit housing providers initiated
- Financial support for the operation of the Tigard-based Good Neighbor Center homeless shelter established
- Identification and pursuit of available grants to finance needed on- and off-site public improvements, such as sidewalks, streets, and storm sewers, serving affordable housing areas or projects instituted
- The Housing Inspection Program to maintain the quality of the City's existing housing stock developed
- The Housing Emergency Fund to assist occupants of housing declared to be unsafe or uninhabitable established
- The Enhanced Safety Program, administered through the Tigard Police Department, to improve the safety of rental properties instituted
- Membership in the County-wide Housing Advocacy Group initiated

II. INTRODUCTION

One of the 2002 Tigard City Council goals is to: *Consider ways to support the provision of affordable housing.* The present report describes the approach the City is taking to address this goal. The first part of the report provides basic information on: the local need for affordable housing, state and regional housing promotion policies, and the present providers of affordable housing in Tigard. The main part of the report is a description of the range of existing City policies and past and present actions related to the provision of affordable housing in the Tigard community. The policies discussed include relevant Comprehensive Plan policies and *Tigard Beyond Tomorrow* goals and strategies. The actions discussed include land use and non-land use measures taken to implement the affordable housing policies and goals. The report also includes a description of approaches considered but not taken by Council to facilitate affordable housing. Taken together, the various adopted policies, goals, and actions describe how the City is supporting the provision of affordable housing in the community. These efforts make up the City's official affordable housing program.

III. affordable housing NEED

The US Department of Housing and Urban Development (HUD) defines affordable housing as costing a household no more than 30% of its gross income. For renters, housing costs include rent and utilities. For homeowners, it includes principal, interest, taxes, and property insurance, if applicable. A household is defined as all of the people, including unrelated people, who occupy a house, apartment, or mobile home.

According to 2000 Census data for Tigard, 2,775, or 41%, of renter households and 2,030, or 23%, of homeowner households spend more than 30% of their incomes on housing costs. In terms of the HUD national standard, these figures reflect the overall need for affordable housing in Tigard for all income levels. A profile of regional and local level affordable housing needs at particular income levels is scheduled to be tabulated from the 2000 Census by the PSU Population Research Center and made available early next year.

According to Washington County and Metro housing studies, the income group with the greatest need for affordable housing are those earning 50% or less of median income. Rents affordable to households at different income levels and sizes are available from HUD published tables. The 2002, 50% of median income standard established by HUD for the Portland metropolitan area is shown in the chart below, along with the corresponding rents that would be affordable to households at those income levels and persons per household. By way of comparison, Tigard's 2000 median income for households of all sizes was $51,581. Median household size was 2.5.

Affordable Housing Standards for Low Income Households

Portland Metropolitan Statistical Area, 2002

Number of Persons in Household	50% of Median Income	Affordable Monthly Rent/Mortgage plus Utilities (30% of Income)
1	$20,000	$500
2	22,900	573
3	25,750	644
4	28,600	715
5	30,900	773
6	33,200	830

Number of Persons in Household	50% of Median Income	Affordable Monthly Rent/Mortgage plus Utilities (30% of Income)
7	35,450	886
8	37,750	944

Metro is the elected regional government that covers Clackamas, Multnomah, and Washington Counties. Metro's Urban Growth Management Plan provides the basis for coordination of local comprehensive plans and implementing regulations. In January 2001, Metro Council amended the Urban Growth Management Plan to include an affordable housing section (Title 7). The section focuses on the 50% of median group. According to the resource information upon which this section is based, Tigard's twenty-year, 1997-2017, Metro-determined unmet need for affordable housing among this income group is 3,205 new units. This number is in the nature of a "fair share" estimate based on the regional housing need and the City's percentage of regional population.

Another indicator of local housing need is the waiting list for housing units owned and managed by the Washington County Housing Authority. In June 2002, the list included 677 households with Tigard-area zip codes and the estimated wait for eligible new applicants was six to eight years.

These data indicate the magnitude of the local need for affordable housing. The policies and actions of Tigard in response to this need are described below, after a discussion of existing state and regional housing promotion policies and a description of local public and non-profit housing providers.

IV. state & regional POLICIES

Several state and regional policies address affordable housing. These include, most importantly, Statewide Planning Goals 10 - Housing and 14 - Ubanization, the State Metro Housing Rule, and the Urban Growth Management Functional Plan (Title 7).

Statewide Goal 10: Housing, "To provide for the housing needs of the citizens of the State", was adopted in 1973 as part of the Statewide Planning Program. The basic requirements of this rule are:

- Buildable lands inventory must ensure that there is sufficient residential land available.
- Comprehensive plans shall encourage adequate number of housing units at price and rent levels that are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type, and density

Statewide Goal 14 - Urbanization, "to provide for an orderly and efficient transition from rural to urban land use", also was adopted in 1973. This goal mandates that:

- Establishment and change of urban growth boundaries will be based on consideration of the need for housing as well as jobs and other urban land uses.

Tigard's Comprehensive Plan has been formally acknowledged to be consistent with the statewide rules. The City complies with this goal by allowing smaller single family housing and options for attached and manufactured housing.

The State Metropolitan Housing Rule, adopted in 1981, requires that all Portland metropolitan area jurisdictions allow for a mix of housing types and meet minimum residential development density. The rule requires Metro to:

- Coordinate local comprehensive plans to meet the projected housing need.
- Provide for an appropriate housing mix and range of affordability.
- Maintain minimum average densities and mixes to provide for the efficient use of buildable lands.
- Designate sufficient buildable land to provide the opportunity for at least 50% of new residential units to be attached single family or multi-family housing.
- Meet minimum residential development density, which, as applied to Tigard, is 10 units per net buildable acre.

In order to comply with the rule, the City amended its Comprehensive Plan and implementation ordinance to allow residential development densities of ten units per net developable acre and an overall 50/50 single family/multi-family housing mix.

As mentioned, in January 2001, the Metro Council amended the Urban Growth Management Functional Plan to include Title 7: Housing and Affordable Housing. The Title recommends changes to City and County policies related to affordable housing. It also establishes mandatory requirements that local governments must undertake as part of Metro's regional planning effort. The focus of this effort is on households earning 50% or less of median household income. In order to monitor local goal progress, Metro has designed a three-year reporting schedule:

January 2002. Local governments are required to consider adoption of:

I. A voluntary housing production goal established by Metro for each jurisdiction within the region;

II. Comprehensive plan changes that ensure a diverse range of affordable housing types, maintain the existing supply of affordable housing, and increase opportunities for new affordable housing;

III. Seven specific tools and strategies identified in the Regional Housing Strategy Plan. These include:

1. allowing density bonuses
2. providing for replacement housing
3. encouraging voluntary inclusionary zoning
4. allowing for transfer of development rights
5. addressing elderly/disabled housing needs
6. correcting existing regulatory constraints
7. reviewing surface parking requirements

IV. Other land use and non-land use tools that promote affordable housing.

January 2003. Local governments are required to submit a report on the status of comprehensive plan amendments and adoption of land use related affordable housing tools.

January 2004. Local governments are required to report on the amendments to the comprehensive plan, the outcomes of affordable housing tools implemented, and developed, or expected affordable housing.

The City has fulfilled its first year or 2002 obligations under Title 7. It has submitted the required progress report that describes how the City meets or could meet each of the four 2002 objectives. Within the report is a discussion of five Metro-recommended tools and strategies considered but not adopted by Council. The following is a description of the approaches that Council decided were not appropriate for Tigard:

1. Affordable Housing Production Goal

During 2001-02, City Council considered the utility of setting a voluntary affordable housing goal for the community, but took no formal action regarding the adoption of such a goal. Council's view was that, while adoption of a benchmark goal might help highlight the need for more affordable housing, it would not in and of itself result in the production of additional units.

2. Density Bonus

A density bonus is a land use incentive that allows a developer to construct more units than otherwise would be allowed in a specified residential zone in exchange for the provision of affordable housing units.

In order to implement a density bonus program, a City/developer agreement and periodic monitoring would be needed to make sure the units are rented at affordable rates and rented to households who have incomes falling within the range established by the City. Also, periodic updating of the income levels would be necessary. The administration and monitoring requirements of a density bonus program would require considerable staff time and expertise. For this and other reasons, Council considered, but did not adopt this tool.

3. Transfer of Development Rights

Transfer of Development Rights (TDR) is a zoning strategy designed to direct development from one site to another in order to preserve a publicly valued (and typically natural) resource. As applied to housing, it allows the transfer of unused density or development potential from one site to another.

Council has discussed the TDR concept, but taken no action with regard to its implementation. In addition to presenting administrative difficulties, this measure does not appear to be needed at this time.

4. Replacement Housing

Replacement housing is the concept that affordable housing units lost through demolition or conversion must be replaced by an equal number of similarly sized, priced, and located units by the agency or individual deemed responsible for the loss of the original units.

An inventory of existing housing would be required to implement this tool. As a practical matter, the City does not have an inventory of affordable housing and the creation of such an inventory would require considerable staff time. Moreover, a replacement housing requirement could discourage individuals from undertaking in-fill development. Council considered, but did not endorse this tool.

5. Inclusionary Housing

In its various forms, inclusionary housing is a mandatory requirement or voluntary objective that assigns a percentage of housing units in new residential developments to be sold or rented to lower or moderate-income households at an affordable levels. Most inclusionary housing programs rely on a combination of incentives. These can include a density bonus, fee waivers, or reduced impact fees. In 1999, the State enacted a law prohibiting mandatory inclusionary housing in Oregon. Council has declined to support a voluntary program.

V. local housing PROVIDERS

The City does not itself develop or acquire affordable housing within the community. The public body responsible for providing affordable housing opportunities for the low-income residents of Tigard and the County as a whole is the Washington County Housing Authority. Tigard has a renewable, ten-year cooperative agreement with the Housing Authority that allows the agency to build and/or purchase and manage affordable housing inside the City. Currently, the agency owns and manages 224 units located within the City limits. Along with smaller projects, these include the Colonies Apartments, acquired in late-2001, and the Bonita Villa Apartments, formerly Tiffany Court, acquired in mid-2002. (It is of interest that as of July 2002 the agency was proposing to invest $800,000 in the rehabilitation of the second mentioned complex, which is located along Bonita Road opposite a new grant-funded City park, proposed for development during 2002-03.)

In addition to its role as a public housing developer, the agency administers two key federal housing assistance programs within Washington County. These programs involve the provision of rent vouchers to low income households and of low-interest loans to non-profit housing providers for affordable housing development. The rent vouchers can be used for the rental of any safe and sanitary housing unit. The program pays the difference between the rent level and 30% of income, up to a reasonable rent standard. A third key federal housing program is administered by the State Housing and Community Services Division and provides tax credits to private housing providers.

As of early 2002, Tigard's inventory of subsidized affordable housing included the following units and programs. As indicated, because a rent voucher holder may live anywhere, including in a public housing or privately-owned tax credit unit, some overlap exists between the number of rent voucher holders and number of housing units. An important qualification in terms of target population is that whereas almost all rent voucher holders have incomes at or below the 50% of median level, Housing Authority units serve a variety of income levels. On average, somewhat more than half of these units are rented to households with incomes at 50% of median or lower. The federal tax credit program is targeted at households earning at or below 60% of median income.

- Washington County Housing Authority/State Housing Division
  - single family & duplex housing 32 units
  - The Colonies 96

- Bonita Villa	96
- Rent vouchers to households	180 vouchers
- State administered Federal tax credits to private providers	600 units
Total units/vouchers/credits	1,004

Other affordable housing providers who own and manage units in Tigard include the private non-profit housing corporations Community Partners for Affordable Housing (CPAH) and the Tualatin Valley Housing Partners (TVHP). As of early 2002, Tigard's inventory of private non-profit affordable housing included the following. It should be noted that one of the apartments, Metzger Park, is not located in Tigard but is adjacent to the City limits. The majority of rent levels in the non-profit units are set to be affordable to the 50% of median and below group.

- Non-Profit Housing Corporations

1. CPAH

- Greenburg Oaks	84 units
- Metzger Park (unincorporated Metzger)	32
- Village at Washington Square	26
- Single family house	1

2. TVHP

- Hawthorn Villa	119
Total	262 units

As suggested, because of lack of available data on the overlap between voucher and tax credit programs, on the one hand, and public and private housing units, on the other, it is not possible to determine the number of unduplicated assisted units located in Tigard. However, despite the difficulty of putting together a spreadsheet of the City's housing stock and of whom it serves, it is very significant to note that during the 12-month period from mid-2001 to mid-2002, the inventory of Housing Authority and private non-profit units increased dramatically from 286 to 505 units, in the form of three new housing projects.

VI. policies, goals, & STRATEGIES

Tigard has adopted Comprehensive Plan policies, Community visioning goals and implementation strategies intended to improve opportunities for development of affordable housing. These various policies, goals, and strategies are described below.

Comprehensive Plan

The Tigard Comprehensive Plan includes two policies, 6.1.1 and 6.2.1, that address housing. Under each policy are implementing strategies designed to fulfill the City's housing objectives.

6.1.1 The City shall provide an opportunity for a diversity of housing densities and residential types at various prices and rent levels.

Implementation strategies include:

- Establish a "broad range of zoning districts that allow for a variety of housing types, and comply with the Metropolitan Housing Rule".
- Allow for manufactured homes in all the zoning districts.
- Provide for opportunities for proposals to develop specialized housing for the area's senior citizens and handicapped based on the needs of these groups by allowing special needs housing for these groups in all development districts.
- Coordinate with the Washington County Housing Authority, HUD, and other agencies for the provision of the subsidized housing programs.

6.2.1 The City shall develop clear and concise development regulations and standards to facilitate the streamlining of development proposals, and will eliminate unnecessary provisions which could increase housing costs without corresponding benefit.

Implementation strategies include:

- The Tigard Code shall include a clear and concise process for the review and approval of development proposals.

- The City shall seek ways to minimize the cost of housing by encouraging a variety of home ownership alternatives, such as, but not limited to, townhouses and condominiums.

In brief, the City's Comprehensive Plan contains policies and a range of implementation strategies designed to fulfill the City's housing objectives. Highlights are that the City establishes 1-, 2-, 3.5-, 4.5-, 7-, 12-, 25-, 40- unit per acre residential land use districts that provide development opportunities ranging from detached single-family to high-density multi-family units.* Manufactured homes are a type of detached housing that are more affordable than site built housing. The City allows this type of housing in all the residential zoning districts.

Specialized housing to meet the needs of the elderly and handicapped also is allowed in all the residential zoning districts. These are groups that generally need access to affordable housing. In addition, the City allows transitional housing (public or non-profit group housing with tenancy of less than one month) in most residential zones.

Community Vision Goals

Tigard Beyond Tomorrow is a detailed community-visioning document that defines the City's long term goals. It includes direction statements and goals for each of six "target areas". One of the six target areas is "Growth and Growth Management", defined as what Tigard will look like twenty years from now. Under this target area is a major goal that relates to affordable housing.

Growth and Growth Management, Goal #3: Partnerships for advocacy for development of additional units and preservation of affordable housing are encouraged and supported by the City and the community.

Under the goal are strategies, action plans, and progress details. The following list of strategies and action plans includes updates contained in the *Tigard Beyond Tomorrow, 2001 Progress Report.*

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* It should be noted that the City's supply of vacant land zoned R-40 appears to be severely depleted. This is a density required by many non-profits in order to develop projects affordable to the 50% of median group. Somewhat mitigating against this problem are Community Development Code rules that allow land designated for development at the R-25 density to be upgraded to R-40, provided applicable code criteria are met. Although more difficult to justify, the code also allows for upzoning of R-12 to R-40, subject to the applicable Comprehensive Plan criteria and approval process. This comment is not intended to minimize the importance of the multi-family land supply problem as the City becomes increasingly built out.

1) Strategy: Implement a program to educate Tigard citizens about the importance of affordable housing.

Action Plans:

- Start community dialogue on affordable housing issues.
- Define community goals for affordable housing.
- Develop and implement outreach program.
- Ensure that mobile homes are considered affordable housing.
- Ensure the public is aware of available housing resources.

2) Strategy: Make incentive programs available to providers of affordable housing units.

Action Plans:

- Study committee consider targeting financial incentive to specific areas of the City.
- Council consider and implement recommendations of study committee.
- Develop outreach program to "advertise" incentives.

3) Strategy: Review City's zoning code and Comprehensive Plan policies to provide maximum opportunities for affordable housing.

Action Plans:

- Consider minimum densities, inclusionary zoning and density bonuses as tools to encourage affordable housing.
- Develop a mechanism to track affordable housing units constructed.

4) Strategy: Incorporate affordable housing policies into study of downtown, Washington Square, and other mixed use areas.

Action Plans:

- None, strategy achieved

5) Strengthen ties between City, Washington County, and other Washington County cities to jointly provide affordable housing services.

Action Plans:

- Hold summit on affordable housing with policy makers, develop community and technical resources to identify issues.

- Summit follow-up to consider jointly providing technical assistance for affordable housing developers.
- Consider increase in number of Washington County subsidy units allowed in Tigard.

Briefly stated, the Progress Details portion of the community visioning progress report indicates that the City has made important advances in addressing these strategies:

- The City participates in the Countywide Housing Advocacy Group, which promotes affordable housing efforts in the County, with a focus on public education.
- The Community Development Code allows manufactured dwelling units in all single family residential areas.
- The City provides a property tax exemption to low income housing.
- The City identifies and pursues grants to improve roads and sidewalks serving affordable housing projects and areas.
- A minimum density requirement in all residential districts of 80% of allowed density is in place.
- The Washington Square Regional Center Plan provides the opportunity for increased density, while Citywide housing policies apply to the downtown.

VII. affordable housing PROGRAM

The City has taken a number of actions in order to facilitate affordable housing in the community in accordance with the Comprehensive Plan, visioning report, and Council goal of *Consider(ing) ways to support the provision of affordable housing*. These include land use and non-land use actions. The major land use actions taken to date are discussed below, followed by a description of non-land use actions. Under each action is a description of the particular problem or barrier addressed. Together, these actions form the City's approved affordable housing program.

LAND USE ACTIONS

Elderly and disabled housing

Problem: According to a recent study, half of elderly renters in Oregon spend over 35% of income on rent. A majority of people with disabilities are at 30% or less of median household income.

The City historically has been and continues to be willing to consider tools that support the development of housing for the elderly and people with disabilities. In 1998, the Tigard Community Development Code was revised to allow accessory dwelling units, or so-called granny flats. Accessory dwellings often provide an affordable housing option for the elderly. Group care facilities are permitted in all of the residential districts and in the City's two mixed-use districts. Mixed-use developments provide access to key services needed by these groups.

Comprehensive Plan and implementing ordinance changes that remove unnecessary constraints, discrepancies, and streamline the permitting and approval processes.

Problem: Delays in the permitting and approval process force builders and developers to pay extra interest on borrowed money. This increases the overall cost of housing. Discrepancies in planning and zoning codes can impact the cost of development by reducing the number of units that can be built on a parcel.

A top priority of the City has been to find ways of streamlining and expediting the approval process. As a major example, in 1997-98, the City undertook a yearlong effort to re-write and improve the user-friendliness of the Development Code. A consultant was hired to assist with this effort. The Code, as currently written, contains clear and

objective standards. Staff regularly propose "housekeeping" Development Code amendments intended to remove or revise standards that are unnecessary, conflict with other provisions, or are not as clear and objective as they were intended. The City's development permit procedures promote efficient and effective review of affordable housing projects.

Parking

Problem: Parking can be a large component of developing housing. Parking spaces are expensive to provide where land values are high.

Parking is an important cost consideration in the provision of affordable housing. In 1998, the City changed the Community Development Code to allow adjustments to parking requirements for projects serving special resident populations, including affordable housing projects. The rationale for the affordable housing adjustment was a local study showing that low-income people generally own fewer cars and use transit more than the general population. Individual projects can apply for the exemption.

NON-LAND USE ACTIONS

In addition to the land use strategies described above, the City uses a number of non-land use approaches to increase the supply of affordable housing. The goal of these approaches is to reduce the cost of producing affordable housing.

System Development Charges/Permit fees

Problem: System Development Charges and permit fees increase the cost of building housing and are required up front which increase the amount of money a developer needs to start a project. Typical fees and charges imposed on a single family house in Tigard are in the $10-11,000 range. A typical multi-family housing project is assessed approximately $3,000 per unit in fees and charges.

System development charges (SDCs) are collected for improvements to water and sewer systems, parks, roads, and other infrastructure. The purpose of the SDCs is to impose an equitable share of the cost of future capital facility needs upon those developments that create the need for or increase the usage of those facilities. Of the five SDCs that apply to development within Tigard, the City imposes only two, the park and water SDCs. The other SDCs are imposed by other agencies, such as Clean Water Services and

Washington County. In 2001, the City provided a special, one-time park SDC fee reimbursement of $8,000 to a non-profit housing provider. As part of the 2002-03 budget process, Council established a set aside within the Social Services and Events Fund to offset fees and charges on affordable housing development. The first-year set-aside amount is $10,000.

Property Tax Exemption

Problem: Property taxes add to the cost of operating affordable housing and are passed on to tenants in the form of higher rents.

Property tax exemptions allow the owners of targeted low-income housing to reduce rents or allow homeowners to reduce monthly housing costs. Tigard has provided a tax abatement program for owners or leaseholders of property used to provide affordable housing within the City since 1996. In addition to the City process, the housing provider must make separate application to overlapping jurisdictions that represent a minimum of 51% of the taxes levied on the property in question before the Washington County Tax Assessor can certify the abatement. The property tax exemption must be applied for each assessment year. As of mid-2002, three projects received the exemption.

Land Cost and Availability

Problem: The supply of land available to develop for housing is limited and land costs are high.

One way the City is dealing with the land supply problem is by supporting the active implementation of the County's policy of re-selling at below market cost or donating tax foreclosed properties to non-profits for affordable housing development. The procedures established by the County for the disposal of these properties to eligible housing providers include a requirement that the project have the support of the affected local jurisdiction.

Other Non-Land Use Strategies

In addition to the non-land use actions highlighted above, Tigard has and continues to employ a number of other ongoing and one-time non-land use strategies to support and/or reduce the cost of producing affordable housing.

- During the five year period, 1997-2002, the City provided rent-free office space to Community Partners for Affordable Housing (CPAH), the Tigard-based non-profit housing provider, in a City-owned building. The value of the space, which CPAH shared with Neighborshare, was estimated at $8,000 annually.

- During the mid- to late-nineties, the City applied for and received three Community Development Block Grants (altogether $460,000) to improve the roads and sidewalks bordering the CPAH owned and managed Greenburg Oaks low income housing project. In 1998, the City was awarded a $60,000 grant to improve the storm drainage facilities within a low income neighborhood. The City continues to look for grant opportunities to fund needed public improvements serving low income neighborhoods and housing projects.

- The City financially supports the Good Neighbor (homeless) Center located on Greenburg Road, contributing $15,000 annually to the agency's operating budget from the Social Service and Community Events fund. This fund is set at .5% of the prior year's operating budget.

- In the late nineties, after two years of work by a task force composed of tenant, landlord, and community representatives, Tigard implemented a Residential Property Maintenance Code, becoming only the fourth city in Oregon to do so. The City's intent in setting up the code and in hiring a full-time Housing Inspector to administer it was to insure continued safe and sanitary housing.

- The "Housing Emergency Fund" was established in 1999 to assist occupants of housing declared to be unsafe or uninhabitable. For fiscal year 2002-03, the fund amount is $10,000.

- Two years ago, the City established the Enhanced Safety Program (ESP). This is a three-phase program designed to reduce crime and increase the livability of rental properties. The phases include landlord training, a security assessment, and tenant crime prevention training. The CPAH owned Greenburg Oaks and Village at Washington Square apartments participate in this program. One of the proposed requirements for the new program to offset fees and charges on affordable housing development is that the project sponsor must guarantee that the project will be enrolled in the ESP and maintain certification for the life of the housing structure.

- The City is a member of the Housing Advocacy Group (HAG), contributing $500 in annual dues. The HAG was established in late 1999 and focuses on Washington County housing advocacy issues. The group monitors affordable housing throughout Washington County and sponsors a periodic housing symposium, designed to educate the public about housing issues. Present members include the three County-based low income housing corporations; various other non-profit organizations, such as handicapped and elderly service providers; the County Housing Authority; the State Housing Agency; HUD; and the Cities of Beaverton and Tigard. City staff have participated in the HAG monthly meetings since early 2000. These meetings assist staff in staying abreast of County and regional housing issues and activities.

VIII. CONCLUSION

This report details the approach the City is taking to meet the Council goal of *Consider(ing) ways to support the provision of affordable housing.*

The City's guiding documents relative to affordable housing policy are the *Tigard Comprehensive Plan* and the community visioning report, *Tigard Beyond Tomorrow.* The Comprehensive Plan policies reflect the City's commitment to maintaining a variety of housing choices and to removing barriers to the development of affordable housing. The community visioning goals and strategies reflect citizen support for the application of a variety of locally appropriate measures to promote affordable housing.

The action program followed by the City as a means to make progress toward maintaining and increasing the supply of affordable housing includes:

Land Use Measures

- Allowing accessory dwelling units
- An updated and streamlined development review process
- Reduced parking requirements for affordable housing projects

Non-Land Use Measures

- Tax abatement for affordable housing
- A budget set-aside to reduce fees and charges imposed on affordable housing development
- Support for the sale or donation of tax foreclosed properties to non-profit housing providers
- Annual financial support for the operation of the Tigard-based Good Neighbor Center homeless shelter
- Rent-free office space for a Tigard-based affordable housing provider
- Identifying and pursuing available grants to finance needed on- and off-site public improvements, such as sidewalks, streets, and storm sewers, serving affordable housing areas or projects
- The Housing Inspection Program to maintain the quality of the City's existing housing stock
- The Housing Emergency Fund to assist occupants of housing declared to be unsafe or uninhabitable
- The Enhanced Safety Program to improve the safety of rental properties
- Membership in the Countywide Housing Advocacy Group

Except for the first mentioned measure, allowing accessory dwelling units, all of these are voluntary actions taken by the City to support and enhance opportunities for affordable housing. These adopted policies, goals, strategies, and voluntary actions reflect the City's current level of effort to meet the affordable housing needs of the community and to improve the quality of life for its low income residents.

IV. next STEPS

Future steps under Tigard's Affordable Housing program include the following:

- Adopt standards for requests for funds from the newly-established set-aside to offset fees and charges on affordable housing development .
- Complete and submit Metro-required 2003 and 2004 affordable housing progress reports.
- Continue to provide support for the donation or reduced price sale of tax foreclosed and surplus properties to non-profit affordable housing providers.
- Provide yearly updates to Council on the affordable housing program.

I/lrpn/barbara/housing.affordable housing action plan