

CITIZENS ADVISORY COMMITTEE
May 8, 2018 - 6:00 p.m.
Council Chambers at Central Point City Hall

I. MEETING CALLED TO ORDER

II. ROLL CALL/INTRODUCTIONS

David Painter (Chair), Sam Inkley, Jr., Larry Martin, Cameron Noble, Cinda Harmes, Patrick Smith and Caitlin Butler

III. MINUTES

Review and approval of January 9, 2018 minutes

IV. PUBLIC APPEARANCES

V. BUSINESS

- A. Consideration of Regional Housing Strategies for adoption into the City's Housing Implementation Plan to satisfy requirements of the Regional Plan and Housing Elements. File No. CPA-18001. Applicant: City of Central Point.

VI. DISCUSSION

- A. Planning Update.

VII. MISCELLANEOUS

VIII. ADJOURNMENT

**City of Central Point
Citizens Advisory Committee Minutes
April 10, 2018**

I. MEETING CALLED TO ORDER AT 6:03 P.M.

II. ROLL CALL

Present were: David Painter (chair), Larry Martin, Cinda Harmes, Pat Smith, Sam Inkley Jr. and Caitlyn Butler.

Also in attendance were: Tom Humphrey, Community Development Director, Stephanie Holtey, Principal Planner and Karin Skelton, Planning Secretary

III. MINUTES

Cinda Harmes made a motion to approve the minutes of January 9, 2018. Larry Martin seconded. All members said "aye". Motion approved.

IV. PUBLIC APPEARANCES – NONE

V. BUSINESS

- A. Consideration of Regional Housing Strategies for adoption into the City's Housing Implementation Plan to satisfy requirements of the Regional Plan and Housing Elements. Applicant: City of Central Point.

Stephanie Holtey, Principal Planner, explained the purpose of the meeting was to review and rank possible housing strategies for inclusion in the City's Housing Implementation Plan. She stated that housing strategies address land use efficiency and affordability.

On August 9, 2012, the City adopted a Regional Plan Element to comply with and implement the Greater Bear Creek Valley Regional Plan. One of the requirements of the Plan was for communities to adopt housing strategies that encourage a diverse range of housing types. This was to be done within 5-years of the Regional Plan acknowledgment. The Department of Land Conservation and Development (DLCD) hired ECONorthwest to work with communities, including Central Point, to develop regional housing principles and a corresponding list of housing strategies for community consideration.

Committee members asked for information about ECONorthwest and Tom Humphrey explained that they are a reputable company, located in Eugene, who participated in the development of the Regional Plan. They have been instrumental in aiding Central Point, along with other Cities in developing housing strategies consistent with the Regional Plan.

Ms. Holtey said the Regional housing principles describe the desired outcomes of the housing strategy to be developed and adopted by the City of Central Point and other participating communities. She summarized the Regional Housing Principles saying that they anticipate residential growth in the Urban Reserve Areas consistent with the City's Committed Residential Density which is 6.9 units per acre. Housing strategies are intended to increase density in residential development and provide for a range of housing types with a focus on "Missing Middle Housing". Strategies would promote medium and high density residential development within the UGB, introduce a common definition of "affordable housing," and evaluate and identify opportunities and policy tools to support development of affordable low- and moderate-income housing.

Ms. Holtey stated that Regulatory Reforms presented would focus on providing a broader range of housing types at higher densities, remove barriers to development, and minimize fees for qualified affordable housing. She reviewed the benefits and challenges of higher density housing types. She also reviewed the Systems Development Charges and the typical rate per single family home.

The committee discussed the different types of housing and the origin of transportation SDC fees. Mr. Humphrey explained that the International Transportation Engineer's Guidebook was used to develop those fees.

Ms. Holtey explained the Committee was being asked to rate proposed policies individually as a) good for the City, b) not good for the City or c) requires more information.

Policy 1. Provide a variety of housing types consistent with Committed Residential Density

1a: Zone land newly brought into the UGB to allow for medium and high density single family housing per the Regional Plan and minimum/maximum densities per the 2017 Housing Element. The Committee was in favor of this (it was good for the City).

1b: Zone land newly brought into the UGB consistent with the applicable Urban Reserve Area. The Committee discussed the wording in the concept Plan for zoning Urban Reserve Area CP-5/6. They suggested changing the language to add clarification. The Committee decided they would like more information on this.

Policy 2: Update the zoning Code to take advantage of planning innovation, best practices and technological improvements. The Committee was in favor of this policy.

Policy 3: Encourage the development of a wider range of housing types.

3a: Evaluate lowering SDC charges for qualifying affordable housing. The committee discussed the SDC charges and how any discount would impact City infrastructure. They discussed alternative infrastructure funding and clarified the intention of the proposed discounted SDC fees. The Committee was not in favor of this item.

3b: Consider a cottage housing ordinance for small single family detached housing such as cottages, carriage houses, and two/three family homes designed to look like single family homes. The Committee discussed the definition of cottage housing. They were in favor of this item.

3c: Evaluate development of a tiny home ordinance to allow for development of small units, typically smaller than 500 square feet, clustered on a lot possibly with the inclusion of park or open space. The Committee discussed the definition of tiny homes and the difference between them and cottage housing. They were not in favor of this item.

3d: Allow manufactured home parks as a permitted use in R-2, R-3, MMR and LMR zones. They are currently conditional uses in the R-2 and R-3 zones and not mentioned in the LMR and MMR zoning districts. The committee discussed the Conditional Use procedures. Tom Humphrey explained the difference between a type II procedure and a type III procedure. The Committee was not in favor of this item.

8:12 p.m. Larry Martin said he needed to leave and proposed to continue the meeting. Pat Smith also needed to leave. The Committee agreed to continue the meeting to June 12, 2018. Cinda Harmes was not going to be able to attend so staff suggested meeting again in May and would notice CAC members.

VI. DISCUSSION

VII. MISCELLANEOUS

VIII. ADJOURNMENT

David Painter moved to adjourn. All parties said aye. Meeting adjourned at 8:15 p.m.

The foregoing minutes of the April 10, 2018 Citizens Advisory Committee were approved by the Citizens Advisory Committee at its meeting of _____, 2018

Chairman

HOUSING STRATEGIES DISCUSSION



STAFF REPORT

May 8, 2018

SUMMARY

Consideration of Regional Housing Strategies to provide a diverse range of housing types and address affordability within the City. **Applicant:** City of Central Point. **File No.** CPA-18001.

STAFF SOURCE

Stephanie Holtey, Principal Planner

BACKGROUND

At the April 10, 2018 Citizen's Advisory Committee (CAC) meeting staff presented several regulatory policies and actions designed to address housing needs in Central Point. Those policies and actions represent a portion of the possible actions the City may consider to a land use efficiency and housing affordability. The purpose of the May 8th meeting is to continue discussion on housing needs in the City and to determine which policies and programs should be included in the City's housing strategy for further study. The CAC is being asked to recommend the list of strategies to the Planning Commission for consideration as part of the Housing Implementation Plan (HIP) required by the Housing and Regional Plan Elements to monitor and address housing needs in the City.

ISSUES

Housing affordability is a major concern at the national, state, and local level. Following the Great Recession there has been an increase in the number of cost burdened households (i.e. households paying more than 30% of total household income on housing cost). Although there are a variety of contributing factors, housing affordability is a function of the basic dynamic between supply and demand. Constrained supply and strong demand coupled with other cost contributors result in higher home prices. Although wages have increased somewhat, in Central Point they are not enough for 54% of renter households and 37% of owner households to keep pace with rising housing costs.

To manage the situation locally, the City is considering policies to improve housing affordability. These are focused on the supply side of the equation and are directed primarily at decreasing the cost to build in the city. This can be achieved through regulatory reforms designed to increase land availability and land use efficiency while permitting a diverse range of housing types to respond to market demand. Other programs that can be considered include those that more directly impact development and/or housing cost, such as fee reduction programs, tax abatement programs, etc. In considering these possible solutions, it is important to realize that housing affordability is a complex issue that will fluctuate over time in response to changing economic conditions. As such the City's housing strategy will be most

effective by providing a toolkit of solutions that can be explored, implemented, monitored and adjusted over time.

The draft Central Point Housing Strategy prepared by ECO|NW includes the list of possible policies and programs the City can implement to address housing needs in the community (Attachment “A”). At the meeting, staff will review each policy/program and the CAC will rank each as a strategy that either warrants further consideration or does not warrant further consideration.

ATTACHMENTS

Attachment “A” – Central Point Regional Housing Strategy (Draft)

ACTION

Consider the policies and actions in the draft Central Point Housing Strategy memo by ECO|NW and rank the policies and actions as follows:

- Acceptable – This strategy is appropriate for Central Point and warrants further consideration.
- Not Acceptable – This strategy is not appropriate for Central Point and should not be considered. When a strategy is considered “Not Acceptable” the reasons for this ranking need to be noted.
- More information needed.

The CAC may continue discussion to a third meeting, Tuesday, June 12, 2018, or forward a recommendation to the Planning Commission for consideration.

RECOMMENDATION

Consider the policies and actions in the draft Central Point Housing Strategy memo and recommend the CAC’s draft Central Point Housing Strategy to the Planning Commission.

DATE: 3/28/2017
TO: Tom Humphrey
FROM: Beth Goodman
SUBJECT: CENTRAL POINT HOUSING STRATEGY: DRAFT STRATEGY

The City of Central Point is currently participating at a regional level with the development of Regional Housing Principles agreeable to all cities. As part of that effort this memorandum identifies housing strategies that meet the RPS requirement to address regulatory issues and those strategies needed to increase development of housing in general and affordable housing in particular. It is further the purpose of this memorandum to identify housing strategies in a form to be discussed by the City of Central Point's decision makers for formal discussion, consideration, and adoption as part of the City's Housing Implementation Plan.

Central Point has an adopted Regional Plan Element, which was developed through the Regional Problem Solving (RPS). The Regional Plan Element requires the development of a regional housing strategy within five years of acknowledgement of the Regional Plan, by March 2018. The requirement in the Regional Plan is broad and does not specify what a housing strategy would include. The requirement is as follows:

Housing Strategies. Participating jurisdictions shall create regional housing strategies that strongly encourage a range of housing types throughout the region within 5 years of acknowledgement of the RPS Plan.

Housing strategies in Oregon generally focus on two broad issues: (1) increasing efficiency of land use in residential development; and (2) strategies that encourage development of housing affordable to low- and middle-income households. These strategies may be mutually supportive, as housing developed more densely or on smaller lots (i.e., more efficient use of residential land) may result in development of lower-cost housing. Increased densities, however, do not necessarily equate to affordability. Moreover, encouraging development of affordable housing requires a broader focus than issues related to land use efficiency.

Housing costs have increased faster than incomes in recent years. The median home value in Central Point increased from 3.0 times the median household income in 2000 to 3.7 times median household income in the 2011-2015 period. Forty-one percent of households in Central Point are cost burdened, with 33% of homeowners cost burdened and 54% of renters cost burdened.¹ In the fourth quarter of 2017, the median home sale prices in Central Point was \$256,500 for existing homes and \$275,000 for new homes.²

¹ Cost burden is a measure of whether a household can afford its housing costs. HUD defines a household as cost burdened if the household pays more than 30% of its gross income on housing costs, such as rent or mortgage, utilities, and housing insurance and property taxes.

² Data sources: 2000 Decennial Census, 2011-2015 American Community Survey, and Rogue Valley Realtors.

The City of Central Point has conducted a substantial amount of research about the city’s housing market and housing needs within the City. The City conducted a housing needs analysis and updated its Comprehensive Plan Housing Element in 2017. The Housing Strategy presented below builds on the research and analysis completed to-date to address housing needs and affordability in Central Point.

Affordability Definitions

Within this memorandum, housing affordability is divided into the three-categories based on income: (1) housing for low-income households (e.g., households earning less than 60% of Median Family Income); (2) housing for moderate-income households (e.g., households earning between 60% and 80% of Median Family Income); and (3) housing for middle-income households (e.g., households earning between 80% and 120% of Median Family Income).

According to HUD, the Median Family Income in Jackson County in 2017 is \$53,600, which is an average income of \$4,467 per month. HUD guidelines specify the affordable monthly housing costs should not exceed 30% of gross household income. Table 1 shows how affordability is defined for the purpose of this strategy.

Table 1. Definition of affordable housing based on 2017 Median Family Income for Jackson County

	Percent of Median Family Income	Monthly Income in 2017	Affordable Monthly Housing Costs in 2017
Low-income affordable housing	Low Income: 0% - 60%	Up to \$2,680	Up to \$804
Moderate-income affordable housing	Lower Middle: 60% to 80%	\$2,680 to \$3,575	\$804 to \$1,072
Middle-income affordable housing	Upper Middle: 80% to 120%	\$3,575 to \$5,360	\$1,072 to \$1,608

Central Point’s Comprehensive Plan Housing Element shows that over the 2017-2027 period, the City will have need for about 1,770 new dwelling units. In 2015, about 54% of renters and 37% of owners were cost burdened (spent more than 30% of their gross income on housing costs). The City is planning that 70% of new housing would be owner-occupied and 30% would be renter-occupied. Based on the historical data about cost burden and planned for split in tenure, this suggests that about 275 of Central Points’ future renter households and 455 of the City’s future owner households may fit into the one of the three categories shown in Table 1, needing some type of relatively affordable housing.

This memorandum also discusses housing development densities. As part of the RPS, Central Point agreed that future development in urban reserves and unincorporated areas within the urban growth boundary (e.g., areas in the UGB but outside of the city limits) would occur at the following average minimum densities:

- Development for the 2010-2035 period: 6.9 du/gross acre
- Development for the 2036-2060 period: 7.9 du/gross acre

The RPS gives the City the option of developing at lower average densities in urban reserve areas newly added to the urban growth boundary if the City achieves higher densities for development within the rest of the urban growth boundary.

Over the 2007 to 2016 period, the average density of new single-family development was 6.66 dwelling units per gross acre. The average density of new multifamily housing over the same period was 22.1 dwelling units per gross acre. The City’s overall average density was 9.3 dwelling units per gross acre. It is important to note that the period 2007-2016 includes the Great Recession, a period during which the construction of new housing by type was skewed toward higher density renter occupied multiple-family housing. Over a longer period (1980-2016), which included numerous business cycles, and therefore is more inclusive of the true housing demand by type, Central Point’s average density was 5.31 dwelling units per gross acre.

Regulatory Reforms

The policies and actions discussed in this section relate to changes in Central Point’s land use regulations that can: (1) improve the efficiency of residential land use by increasing densities under certain circumstances, (2) increase opportunity for development of housing types that are comparatively affordable, such as missing middle housing types, or (3) both increase land use efficiency and provide opportunities for development of comparatively affordable housing.

Policy 1: Provide a variety of housing types in Central Point at densities that support maintaining average densities of 6.9 dwelling units per gross acre through 2035 and 7.9 dwelling units per gross acre between 2036 and 2060 in urban reserves and unincorporated areas within the urban growth boundary.

Action 1.a: Ensure that zoning on land newly brought into the UGB is zoned to allow for development of moderate and higher density single-family as presented in the Regional Plan Concept Plans and the minimum and maximum gross densities per the Housing Element:

Development Requirements	Residential Zoning Districts – (Gross Density)								
	R-L	R-1-10	R-1-8	R-1-6	R-2	R-3	LMR	MMR	HMR
Density – Units per <i>Gross Acre</i>									
Minimum Density	1	4	5	6	7	12	7	12	25
Maximum Density	2.5	5	6	8	12	25	12	25	50

Implementation Steps: Continue to work with the Planning Commission and City Council to revise the zoning code to align with the Housing Element.

Priority: High priority

Action 1.c: Areas of land newly brought into the UGB shall be zoned consistent with applicable URA Concept Plan.

Implementation Steps: Complete Concept Plans for all URAs per the Regional Plan. As URA properties are brought into the UGB apply the zoning consistent with the adopted URA Concept Plan.

Priority: High priority when expanding the UGB

Policy 2: To continue to update the Zoning Ordinance, as necessary to take advantage of planning innovation, best practices, and technological improvements that could have applications in Central Point to the benefit of the community.

Action 2.1: Revise the zoning code to group all residential land use, development, and design standards into a single chapter. Use approaches such as presenting development standards in a consolidated table for all zones.

Implementation Steps: Continue to work with Planning Commission to determine if such change is appropriate and implement any change through a public process.

Priority: High (in progress)

Policy 3: Encourage development of a wider range of housing types in Central Point.

Action 3.a: Evaluate lowering or eliminating systems development charges for qualifying affordable housing

Implementation Steps: Evaluate whether the City will reduce SDCs for qualifying affordable housing for streets, parks, and water. Adjust the City's SDC to reflect the changes. Sewer SDC's are assessed by Rogue Valley Sewer Services, separately from the City.

Priority: Medium

Action 3.b: Evaluate development of a cottage housing ordinance to allow for development of small single-family detached housing, such as cottages, carriage houses, and two/three unit homes designed to look like single family detached housing.

Implementation Steps: Develop standards for allowing cottage housing in specific zones, such as the R-1, R-2, and LMR zones. Develop standards for cottage housing.

For example, the City might consider standards that include density bonus of 1.5 units/acre, allow reduced front and side yard setbacks consistent with building codes to maximize private and common open space, provide parking requirements commensurate with dwelling size and allow for reductions based on factors that justify a lower standard. The floor area for cottage housing might be limited to a maximum of 1,500 square feet; where and least 40% but not more than 50% in a Cottage Housing Development must be 700 square feet or less.

Priority: High (in progress)

Action 3.c: Evaluate development of a tiny home ordinance to allow for development of small units, typically smaller than 500 square feet in size, clustered on a lot, possibly with the inclusion of park or open space. Tiny homes could also be very small multifamily apartments.

Implementation Steps: Develop standards for allowing tiny homes in specific zones, such as the R-1-8, R-1-6, LMR, R-2, MMR, and R-3 zones.

Priority: Medium

Action 3.d: Allow Manufactured Home Parks as a permitted use in the R-2, R-3, LMR, and MMR zones. Manufactured Home Parks are a conditional use in the R-2 and R-3 zones and not mentioned in the LMR and MMR zones. ORS 197.480 (1) (b) requires that cities allow manufactured dwelling parks as a permitted use in areas zoned for a residential density of six to 12 units per acre. Each of these four zones allow six to 12 units per acre.

Implementation Steps: Revise the permitted uses in the R-2, R-3, LMR, and MMR zones.

Priority: Medium to High

Policy 4: Encourage development of new attached and multifamily in areas zoned for attached and multifamily housing by diversifying the types of housing allowed and increasing the amount and density of development.

Action 4.a: Increase the building height from 35 feet tall, which would allow a three-story building to 45 feet tall, to allow a four-story building, in the R-3 zone.

Implementation Steps: Continue to work on revising the existing zoning code to change the height limitation.

Priority: High

Action 4.b: Increase the lot coverage ratio for buildings in the R-3 zone. Currently, the maximum amount of the lot that can be developed with covered structure is 50% R-3 zone. Increasing lot coverage ratios to 65% to 75% would allow for more development on each site, while still requiring that a substantial amount of the lot is not in covered structures.

Implementation Steps: Revise the existing zoning code to change the lot coverage ratio

Priority: High

Action 4.c: Evaluate the need for new buffering standards in R-3 zone where adjacent to R-1/LMR, to provide separation between single-family zones and newly developing multifamily zones. The buffers could be as simple as requiring a setback from the property edge of newly development R-3 land from adjacent land in a single-family zone.

Implementation Steps: Continue to work on modifying the zoning code setback table and/or the landscape buffer chart.

Priority: High

Policy 5: Monitor residential land development to ensure there is enough residential land to accommodate the long-term forecast for population growth.

Action 5.a: Develop and implement a system Use the BLI Database to monitor the supply of residential land as building permits are requested.

Implementation Steps: (1) Develop a monitoring system for land development based on development applications, starting with the existing inventory of buildable lands. (2) Update the inventory of buildable lands on an annual basis.

Priority: Medium

Action 5.b: Develop and implement a system to monitor development of all new housing built within the Central UGB to ensure compliance with RPS average density requirements.

Implementation Steps: The system should monitor all residential development, including mixed-use development. The information collected should include: the location of development (geo-coded), the size of the site in gross unconstrained acres, the number of units developed, the type of units developed, the year when the development was permitted, and plan designation and zoning when the permit was issues. The information should be presented for three areas: (1) within the city limit, (2) unincorporated areas within the UGB, and (3) urban reserve areas. While the data should be collected on an annual basis, we suggest the City report the data on a 5-year basis to smooth over the annual variation that naturally occurs in development density.

Priority: High

Affordable Housing Strategies

This section presents policies and actions to encourage development of both low-income affordable housing and middle-income affordable housing.

Table 1 shows that low-income households have income below \$2,680 per month and can afford up to \$804 in housing costs without being cost burdened. These housing costs are below market rents in Jackson County. New housing affordable to low-income households will generally be government-subsidized housing.

Table 1 shows that middle-income households have income of between \$2,680 and \$5,360 per month, affording housing costs of \$804 to \$1,608. At the low end of this income spectrum, households may be able to afford existing housing in areas with lower rents. At the other end of the income spectrum, households can afford most rental costs and some may be able to afford purchase lower-cost existing homes.

Policy 6 and 7 present options and ideas for strategies to approach affordable housing issues. **The City should focus on developing a comprehensive affordable housing program by implementing interrelated programs described below.** The affordable housing tools in Policy 6 are frequently implemented together. For example, a city may contribute the development of a government-subsidized affordable housing project by offering tax incentives, lower or no SDCs, and low- or no-cost land (from a land bank) for the development. In addition, identifying sources of funding (under Policy 7) will be essential to implementing the affordable housing program using the tools described in Policy 6.

Policy 6: Develop policies to support affordable housing by lowering the costs of housing development for low-income affordable housing and/or middle-income affordable housing.

Action 6.a: Evaluate barriers to the use of the existing vertical housing tax credit, which has only been used once.

Implementation Steps: (1) Identify the barriers to use of the vertical housing tax credit through discussions with developers, financiers, or other stakeholders who either considered using it or would be likely to develop housing that would qualify for use of the tax credit. (2) Where appropriate and possible, make changes to the City's implementation of the vertical housing tax credit program or other City policies to lower barriers to use of the program. (3) Provide more information to developers about use of the program to make it more accessible and easier to use.

Priority: High

Action 6.b: Evaluate additional opportunities for a tax abatement program, such as the multiple-unit limited tax exemption program to promote development of affordable multifamily housing.

Through the Multiple-Unit Limited Tax Exemption Program, a jurisdiction can incent diverse housing options in urban centers that lack housing choices or workforce housing units. Through a competitive process, the City can select multi-unit projects to receive a property tax exemption for up to ten years on structural improvements to the property in exchange for setting aside a percentage of the units in the project as affordable. The City has the opportunity to control the geography of where the exemption is available, the application process and fees, the program requirements, the criteria (return on investment, sustainability, inclusion of community space, the percentage of affordable or workforce housing, etc.), and the program cap to shape the program to achieve its goals.

Implementation Steps: (1) Select the tax abatement program the City prefers to implement. (2) Set the program criteria, such as the type of housing it will apply to (low-income affordable housing and/or middle-income affordable housing), the length of tax abatement, or the location for where the program is applied.

Priority: High

Partners: Developers and nonprofit organization that use the program, other taxing jurisdictions that need to approve the program and foregone tax revenue.

Estimate of impact: Moderate to large impact on multifamily housing development. Tax abatements substantially increase development feasibility by increasing revenue through lowered operational costs. The capitalized value of a tax abatement can offset the construction cost by tens of thousands of dollars per unit. However, unless market-rate units are feasible, a tax-abatement would not be enough to offset the cost of a mixed-income project.

Action 6.c Evaluate development of a program to provide grants or low-interest loans to support rehabilitation of existing, older single-family detached homes in poor condition.

Implementation Steps: Develop a program to support rehabilitation of existing single-family homes, including determining whether there is any requirement that the newly rehabilitated unit have future price limitations that keep it affordable for middle-income households. Identify one or more funding sources, such as Urban Renewal. Determine how the program will be implemented and the criteria for awarding grants or low interest loans to for rehabilitation of single-family homes, such as the conditions that warrant rehabilitation, the location of housing eligible for the program (e.g., within the Urban Renewal District), or income limitations for homeowners awarded funding through the project.

Priority: Medium

Action 6.d: Evaluate lowering or eliminating systems development charges for newly developed qualifying affordable housing.

Implementation Steps: Evaluate whether the City will reduce SDCs for ADUs for streets, parks, and water. Adjust the City's SDC to reflect the changes. Identify one or more funding sources, such as those in Action 7b or Action 7c, to fund the lowering of SDCs for ADUs. Sewer SDC's are assessed by Rogue Valley Sewer Services, separately from the City.

Priority: Medium

Action 6.e: Evaluate lowering or eliminating systems development charges for newly developed Cottage Housing units.

Implementation Steps: Evaluate whether the City will reduce SDCs for Cottage Housing units based on the smaller size of the units or lower impact of the units on streets, parks, and water. Identify one or more funding sources, such as those in Action 7b or Action 7c, to fund the lowering of SDCs for Cottage Housing. Adjust the City's SDC to reflect the changes. Sewer SDC's are assessed by Rogue Valley Sewer Services, separately from the City.

Priority: Medium

Action 6.f: Develop a program to pay the SDCs for low-income affordable housing when developed with Federal Government subsidies that have income restrictions limiting tenants to those with income below 60% of Jackson County's Median Family Income.

Implementation Steps: Identify one or more funding sources, such as those in Action 7b or Action 7c, to fund the lowering of SDCs for low-income affordable housing. Develop criteria and conditions to identify the conditions under which the City will pay for SDCs for low-income affordable housing, such as the level of income restriction, type of housing, or location of low-income affordable housing.

Priority: High

Partners: Jackson County Housing Authority, Access Inc., or a community development corporation

Estimate of impact: Paying the SDCs for low-income affordable housing would have a large impact on development feasibility as it results in a cost savings of typically \$10,000 to \$20,000 per unit in the Portland Metro region. The City may choose to develop an estimate of the potential impact specific to Central Point.

Action 6.g: Work with nonprofit agencies and developers in conjunction with the Continuum of Care to provide supportive housing and services to people experiencing homelessness in Central Point.

Implementation Steps: Identify strategic actions and partnerships that target high priority homeless subpopulations. Consider partnerships with other cities in the Rogue Valley, especially Medford.

Priority: Medium

Partners: Nonprofit agencies and developers addressing homelessness.

Action 6.h: Establish a land bank or a land trust.

Land banks support affordable housing development by reducing or eliminating land cost from development. 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.

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.

Implementation Steps: Decide what the City's role would be in a land bank or land trust. If the City wants to be a leading partner, a land bank may be the right choice. If the City wants to be a partner with some leadership in a community partnership, a community land trust might be the right choice.

Priority: Medium

Partners: Interested nonprofits and government agencies

Estimate of impact: This action has a moderate to large impact on development feasibility – being able to offer land for free, or at below-market rates, can decrease development costs by up to approximately 15%. The true level of impact to feasibility varies based on the market value of the land, the amount of land per unit, and the parking requirements per unit.

Action 6.i: Work with public agency partners to identify publicly-owned properties that could be used for affordable housing and partner with the Jackson County Housing Authority to develop affordable housing.

The City of Central Point or other public agencies (i.e., the school district) may have publicly-owned properties that they have identified as surplus that may be suitable for affordable housing development. These surplus properties could contribute to the land bank for future low-income affordable housing development.

Another potential source of properties is receivership of properties that are foreclosed on by Jackson County. The City could partner with Jackson County to identify foreclosed properties to use for affordable housing development and to transfer the ownership to the City or the appropriate partner.

Establishing such a program will require staff resources to implement and administer. The City should consider whether the City has the resources to implement and administer this program.

Implementation Steps: (1) Establish partnerships with Jackson County Housing Authority, Jackson County, and other public agencies for the program. (2) Develop a formal agreement with Jackson County to give the City priority choice of foreclosed properties. (3) Develop criteria for selecting foreclosed properties to add to land bank.

Priority: On-going, Medium priority

Partners: Jackson County Housing Authority, Jackson County, and other public agencies

Estimate of impact: This action has a moderate to large impact on development feasibility – being able to offer land for free, or at below-market rates, can decrease development costs by up to approximately 15%. The true level of impact to feasibility varies based on the market value of the land, the amount of land per unit, and the parking requirements per unit.

Policy 7: Develop funding sources to pay for the costs of implementing the affordable housing programs described in Policy 5.

Action 7.a: For affordable housing development in Central Point’s Urban Renewal District, the City can use revenues from tax increment finance (TIF) to pay for a portion of the costs of the affordable housing programs in Policy 7.

Urban renewal funds can be invested in the form of low interest loans

and/or grants for a variety of capital investments, including affordable housing development.

Implementation Steps: Work with the Urban Renewal District to identify projects to support affordable housing for inclusion in the Urban Renewal Plan. Affordable housing projects developed within the Urban Renewal funding may be combined with other programs, such as land banking, payment of SDCs for government-subsidized affordable housing, or use of other affordable housing funding (e.g., CET funds).

Priority: High

Partners: Jackson County Housing Authority, Access Inc., or a community development corporation

Estimate of impact: The impact on development feasibility will vary from moderate to high depending on whether TIF dollars are used for grants or loans. In general, general fund dollars are successful at bridging gaps in development feasibility. Additionally, compared to other actions, they have lower administration costs for both the private and public sectors because the application requirements and administrative requirements may be less costly and easier to implement for a city.

Action 7.b: Develop a Construction Excise Tax (CET) on new development to pay for developer incentives, such as fee and SDC waivers, tax abatements, or finance-based incentives.

Central Point, like most cities in Oregon and across the nation, does not currently have funding to support affordable housing development. Being able to support development of affordable housing can make an important difference in the financial feasibility the housing development, increasing the opportunities for affordable housing development.

Cities can adopt a CET of 1% of the permit value on residential construction and at an uncapped rate on commercial and industrial construction, for use on affordable housing projects. A 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.

Implementation Steps: Evaluate potential adoption of a CET. If the City chooses to adopt a CET, develop the rules and program to implement the CET. Identify the affordable housing program(s) that the CET will support.

Priority: High

Partners: Housing Advisory Committee, Jackson County Homebuilders Association, Association of Realtors

Estimate of impact: The impact varies depending on the resulting programs that use the CET revenues, how much revenue is generated, and if new housing also has to pay a CET.

One of the largest limitations that cities generally face in supporting affordable housing development is a lack of funding. CET could be a crucial funding source to pay for other affordable housing policies, such as paying SDCs for low-income affordable housing.

Action 7.c: Identify other sources of funding to pay, such as paybacks from Community Development Block Grants or transient lodging tax receipts, for programs that support affordable housing development. As discussed in Action 6b, Central Point does not currently have funding to support affordable housing development.

Implementation Steps: Identify one or more appropriate funding sources. Identify one or more affordable housing programs to devote the funding to, creating a cohesive, funded program to support development of affordable housing.

Priority: High

Estimate of impact: The impact varies depending on the resulting programs that use the revenues and how much revenue is generated.