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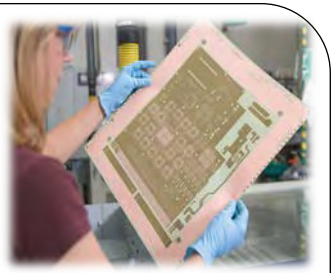

Affordable Housing Options
City Council Work Session
November 27, 2017

Project Team:

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What is Affordable Housing

- HUD definition:
  - AFFORDABLE HOUSING: In general, housing for which the occupant(s) is/are paying no more than 30 percent of their income for gross housing costs, including utilities. Please note that some jurisdictions may define affordable housing based on other, locally determined criteria, and that this definition is intended solely as an approximate guideline or general rule of thumb.
- Typical affordable housing program income categories:
  - Moderate Income: between 50% and 80% of median income
  - Low Income: above 30% and at or below 50% of median income
  - Very Low Income: at or below 30% of median income
- Cost burdened households:
  - HUD defines severe rent burden as paying more than 50% of household income on rent

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Forest Grove vs. Washington County

Metric	Forest Grove	Wash. County	Oregon	National Avg.	Source
Home Value	224,000	285,100	237,700	178,600	2015 ACS
Avg. Sales Price	*293,588*	386,300	*321,787*		Zillow
Median Rent	799	1,055	907	928	2015 ACS
Median Rent	*1,403*	1,871	*1,609*		Zillow
Median Income	*54,172*	74,700	64,600	53,889	HUD
Rent Burdened	53.6%	49.9%	53.7%	51.8%	2015 ACS
Affordable Rent	1,083	1,494	1,292	1,077	Formula (simple)

Needs Assessment

- The state of affordable housing in Forest Grove
  - Based on the Metro 2015 Affordable Housing Inventory there are 652 subsidized affordable housing units in Forest Grove including Section 8 housing vouchers.
  - A *sample* of regulated housing units include:

Development	Number of Units
Covey Run Townhomes	40
Elm Park Phase 1 and II	78
Forest Senko Villa	84
Garden Grove Apts.	48
Jose Arciga Apartments	49
Juniper Gardens	46
Willow Park Apts.	46
Forest Manor Apts.	28
Villager	36
Parkside	24
Vanrich	17

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Needs Assessment

Jurisdiction	Regulated Subsidized Units (2015)	Subsidized Per Capita (per 1000 persons)
Forest Grove	652	28.2
Tualatin	604	25.5
Hillsboro	2,337	24.0
Tigard	695	14.1
Wash Co. (uninc.)	1,863	7.8
Beaverton	670	7.1
Cornelius	36	3.0

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Apartment Inventory

- Estimated Apartment Vacancy Rate may be as low as 1% or as high as 3% depending on data source and time of year.
- A 5% vacancy rate is considered to be a healthy market providing choice and helping to curtail rent increases.
- Apartments currently under construction:
  - Forestplace Apartments (192 units)
  - Jesse Quinn Apartments (78 units)
  - Cedar Manor Apartments (28 units)
    - All market rate units, however
- Completion of these projects may improve the vacancy situation at least in the short term.

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Current Efforts (State)

- SB 1533
  - Inclusionary zoning
  - Construction Excise Tax
- SB 1051
  - Forbids city from reducing density of project if zone allows
  - Requires allowance of ADUs
  - Requires cities to allow affordable housing on religious use sites
- HB 2737
  - Requires State Building Codes to develop rules for tiny homes (under 600 square feet)

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Current Efforts (Region/County)

- Portland Affordable Housing Bond (Approved).
- Metro bond (Discussion).
- Metro Equitable Housing Initiative.
- Washington County Discussion of County-wide Construction Excise Tax.
- Washington County HOME and Community Development Block Grant (CDBG) Program.
- Section 8 Project Placed Vouchers.

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Current Efforts (Local)

- Affordable housing density bonus in the Town Center.
- Increase to the target density in the Community Commercial zone from 20 units per acre to 30 units per acre.
- Allow accessory dwelling units in all residential zoning districts.
- City utility assistance program (CAPE)
- Bienestar housing developments. Most recently Juniper Gardens.
- Various Habitat for Humanity projects.

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Affordable Housing Strategies

Strategy	Tigard	Newberg	Ashland	Bend	Sisters
Affordable Housing Trust Fund		*		*	
Inclusionary Housing			*		*
Mobile Home Preservation Ordinance		*		*	
Developer Incentives –Fee Reductions	*		*	*	
Developer Incentives – Density Bonus	*		*		*
Land Banking – Surplus Land			*		
Community Land Trust			*		
Employer Assisted Housing			*		
Home Rehabilitation Programs		*	*	*	*
Tax Abatement/Relief	*			*	
Rental Assistance – Emergency	*			*	*
First Time Homebuyer Program				*	*
Accessory Dwelling Units	*			*	*
Reduced Parking Requirements	*				
Annexation Agreement Requiring Affordable Housing			*	*	
First-Time Homebuyer Program		*		*	*

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Temporary Committees

- Priority Recommendations
  - Promote accessory dwelling units by providing incentives through reduced costs and fees;
  - Adopt an affordable housing tax exemption program;
  - Establish a security deposit/rent assistance program;
  - Adopt an inclusionary housing ordinance
  - Adopt an ordinance establishing a construction excise tax for affordable housing;
  - Identify/set-aside land for a manufactured home village;
  - Expand City partnerships with affordable housing providers
  - Adopt a system development charge (SDC) waiver/offset for affordable housing
  - Adopt micro-housing village regulations
  - Implement a streamlined development approval process/identify an affordable housing point person to shepherd projects.

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Questions & Discussion

- What next steps would Council like to pursue?
- Are there other programs or policies that Council would like to explore further at this time?