



HEALTH HOUSING & HUMAN SERVICES

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June 14, 2022

To: Nancy Bush, County Operations Officer
From: Rodney A Cook – Director Health, Housing & Human Services

RE: Housing Implementation Team – June 2022

DIVISIONS

HOUSING AUTHORITY OF CLACKAMAS COUNTY

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INTERIM DIRECTOR

CHILDREN, FAMILY & COMMUNITY CONNECTIONS

ADAM FREER
DIRECTOR

COMMUNITY DEVELOPMENT

PAMELA ANDERSON
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MARY RUMBAUGH
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HEALTH CENTERS

SARAH JACOBSON
INTERIM DIRECTOR

PUBLIC HEALTH

PHILIP MASON-JOYNER
DIRECTOR

SOCIAL SERVICES

BRENDA DURBIN
DIRECTOR

Dear Nancy,

On behalf of the Housing MFR Implementation Team, in addition to the review form reflecting our work to date, we are pleased to submit a few highlights via this memo.

The team has been overseeing the housing development that will help to achieve the Board's goal of developing 1,500 affordable housing units, stratified across various Area Median Income (AMI) ranges, by 2025. This work has been guided by Clackamas County's Local Implementation Strategy for the Metro Affordable Housing Bond resources and changes to Clackamas County's Zoning and Development Ordinance. Below is an update on the work to date.

Key Strategies

- Leverage Metro Affordable Housing Bonds funding to spur development interest and equity investment.
- Encourage innovative collaborations among nonprofit groups, private developers, and County agencies.
- Leverage Housing Authority of Clackamas County (HACC) resources like Section 8 Rental Assistance Vouchers and partnership incentives to support deeper affordability.
- Remove code barriers to facilitate the development of more accessory dwelling units (ADU).
- Consider changing certain Zoning and Development Ordinances (ZDO) regulations to facilitate increased density and affordability for multifamily housing.
- Implement HB2001 to enable more "middle housing" development by increasing the allowed density in urban low-density, single-family residential zones.
- Explore surplus tax properties (A&T) and the potential for land banking authority (BCS).

Key Activities

- Successfully leveraged County and HACC resources to develop and complete 336 units of housing affordable to households earning 60% of AMI and below.
- Paired Metro Affordable Housing Bond funds with other HACC and County resources to create a pipeline of 461 units of affordable housing (60% of AMI and below) under construction and an additional 160 units slated to start construction this summer.
- Amended ZDO to implement state requirements related to development barriers for ADUs.
- Removed owner-occupancy and off-street parking requirements for urban ADUs in county's ZDO.
- Amend ZDO to increase density in multifamily and commercial zoning districts.
- Implemented HB 2001 rulemaking to increase allowed density in urban low-density, single-family residential zones.

Project Partners and Opportunities

- Encourage innovative collaborations among nonprofit groups and private developers.
- Explore policies like a Property Tax Exemption for affordable housing that will encourage investment and offset operating costs for affordable housing developments.
- Leverage Federal funding opportunities.
- Leverage Supportive Housing Services funding to support deeper affordability and service-enriched housing.
- Planning and Zoning Division's Land Use Housing Strategies Project.

Barriers and Challenges

- Rising construction costs and interest rates
- Zoning code changes created places for additional and more affordable dwelling units, but whether these dwellings are realized is dependent on the private market or the availability of public funding.

Thank you for the opportunity to share this update. Please let us know if you have any questions or would like additional details.

Respectfully,

Rodney A. Cook

Rodney A. Cook, Director

Health, Housing & Human Services

BCC Strategic Results

Strategic Result

By 2025, 1,500 affordable housing units will be developed*. Those units will be stratified across Area Median Income (AMI) ranges as shown below:

Lead responsibility	Units	AMI
All County	700	61-110%
Mostly H3S	800	0-60%

* Included in the overall count are rehabbed units and units at various construction phases (Viable, Committed, In Development, and Completed).

Team Members/Department (*Chair)

H3S	Rodney Cook*	Devin Ellin
DTD	Dan Johnson	Jennifer Hughes
A&T	Tami Little	Lynn Longfellow
BCS	Sarah Eckman	
Fin	Elizabeth Comfort	
County Admin	Emily Klepper	
MFR Facilitator	Chanin Bays	

Key Strategies

Leverage Metro Bond dollars to produce a minimum of 812 new affordable housing units in Clackamas County. The approved Local Implementation Plan calls for: up to 81 units affordable to households earning 61%-80% of AMI and at least 333 for 0-30%. The remaining bond-funded units will be reserved for households earning 31%-60% of AMI. At least 408 units will be 2-bedroom or larger for families (per Bond requirements).

Partner with non-profits/501(c)(3)'s and other organizations to build units

Explore the opportunity to develop a Property Tax Exemption policy to support the development of units serving households earning 80% AMI and below.

Code changes for unincorporated areas:

1. Zoning & Development Ordinance (ZDO) ADU changes – remove certain code barriers to facilitate more accessory dwelling unit (ADU) development
2. Land Use Housing Strategies Project (ZDO amendments, some Comprehensive Plan amendments):
 - Phase 1: Consider changing certain ZDO regulations to facilitate more multi-family housing and more affordable housing. Will consider (1) increasing maximum units per acre allowed in some commercial zones; (2) reducing off-street parking requirements for multi-family developments, and (3) restructuring the affordable housing bonus in the ZDO.
 - Phase 2: Implement HB2001 (ZDO changes) to enable more “middle housing” development. Changes will increase allowed density in urban low-density, single-family residential zones.

Code changes for incorporated areas: HB2001 (Middle Housing) and 2003 (Housing Production Strategies) implementation

Explore surplus tax properties (A&T) and the potential for land banking authority (BCS)

Related Metrics

Reducing Chronic and Youth Homelessness
Subtotals of Affordable Housing Unit creation (Bond-funded and other, AMI ranges, etc.)
HOME-funded projects (Community Development/HUD)

Activities Completed to Date

Local Implementation Plan for Metro Housing Bond
Amend ZDO to implement state requirements related to development barriers for ADUs.
Removed owner-occupancy and off-street parking requirements for urban ADUs in county's ZDO.
HB 2001 rulemaking
Grant-funded outreach to historically underrepresented communities on HB 2001 implementation
Housing Strategies Project – Phase 1 outreach, technical work, code drafting, public hearings and adoption of code amendments
Housing Strategies Project – Phase 2 outreach, technical work, code drafting, Planning Commission public hearing for code adoption
Rosewood Station Project completed construction (212 units)
Acquired Clayton Mohr Commons (24 units)
Approval of Webster Road project and its under construction (48 units)
Approval of Fuller Road Station project and its under construction (100 units)
Approval of Good Shepherd Village and its under construction (143 units)
Approval of Maple Apartments (171 units), closing on construction financing May 31, 2022
Approval of Molalla Apartments (60 units), closing on construction financing June 30, 2022
BCS provided information on specific tax-foreclosed properties for the Implementation Team to review.
A&T compiled data on the number of parcels with a single dwelling and the potential to add a housing unit.

Activities Planned for FY 22

Q1: July-September	Q2: October-December	Q3: January-March	Q4: April-June
Housing Strategies Project – Phase 1 public notice and Planning Commission public hearing for adoption of code amendments	Housing Strategies Project – Phase 1 BCC public hearing for adoption of code amendments, followed by final written adoption		
Housing Strategies Project – Phase 2 technical work and initial code work	Housing Strategies Project – Phase 2 outreach and continued initial code.	Housing Strategies Project – Phase 2 Planning Commission and BCC policy sessions refinement of draft code, continued outreach, and Planning Commission hearing for code adoption.	Housing Strategies Project – Phase 2 BCC public hearings for code adoption

<p>Section 18 application submitted to HUD for Hillside Park Redevelopment. Development team selected and contract in negotiations.</p> <p>2 Metro Housing Bond-funded projects, totaling 147 units (Tukwila Springs - 48 units and Fuller Road Station - 99 units), moving into operations.</p> <p>Closing on construction financing for 1 Metro Housing Bond project (Marylhurst Commons -100 units).</p>	<p>3 Metro Housing Bond projects and 1 HACC-supported project, totaling 474 affordable units, in construction (Maple Apartments - 171 units, Good Shepherd Village - 143 units, Marylhurst Commons – 100 units and Molalla Apartments – 60 units).</p>	<p>Boones Ferry Developer RFP released for 50 units in Lake Oswego</p>	<p>Phase 1 of Hillside Park Redevelopment Commences</p>
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Overall Status/Progress

What’s Working Well	Barriers/Challenges
Dedicated Funding Source (Metro Bond), which has drawn the interest of affordable housing developers to Clackamas County	Unsure of the impact of ‘missing middle’ code changes on number of units
Regional thinking and partnerships	Little influence on market and rents (especially above 60% AMI)
Solid teamwork among Departments	Can be hard to manage income variation in developments
Pending Land use changes	Tracking tools of rents and income (for market units) are limited
Approval process for the first round of Bond-funded developments went well	

Changes recommended due to COVID or other factors

Recommended Change	Reason

H3S Performance Clackamas Affordable Housing Development Pipeline - Updated June 2022							Regional Affordable Housing Bond Goals	
		Unit Progress						
	Units (0-60% AMI)	Viable	Committed	In Construction	Complete	30% AMI or below	total units	30% AMI or below
Clackamas County Production Goal by 2025	800						812	333
Rosewood Station, Unincorporated	212				212	20		
Clayton Mohr Commons, Oregon City	24				24	13		
Hillside Manor, Milwaukie**	100				100	0		
Webster Road, Gladstone	48			48		48	48	48
Fuller Road Station, Unincorporated	99			99		30	99	30
Good Shepard Village, Happy Valley	143			143		58	143	58
Maple Apartments, Oregon City	171			171		70	171	70
Marylhurst Commons, Lake Oswego*	100		100			40	100	40
Molalla Apartments, Molalla*	60		60			8		
Boones Ferry Road, Lake Oswego	50	50				20	50	20
Hillside Park Redevelopment, Milwaukie**	300	300				100	250	100
Regional Housing Bond Solicitation – Round 2	200	200				80	200	80
Total H3S Pipeline (0-60% AMI)	1507	550	160	461	336	487	1061	446

*Slated to start construction in 2022

**200 units are rehabbed (Hillside Manor) or new construction (Hillside Park) replacement public housing units