

Housing Affordability and Homelessness Task Force



Meeting #6 Summary

November 28, 2018 | 6:00 – 8:30 p.m.
Development Services Building, Auditorium
150 Beaver Creek Road, Oregon City, OR

Attendees:

Name

Cole Merkel
Ruth Adkins
Alma Flores
Nate Ember
Nina Carlson
Shelly Mead
Bonnie Pickens
Katrina Holland
James Adkins
Yelena Voznyuk

Affiliation

Clackamas County Citizen Representative
Kaiser Permanente
City of Milwaukie
Built Architecture, Community + Design
NW Natural
Bridges to Change
Providence
Community Alliance of Tenants
Home Builders Association of Metro Portland
NW Housing Alternatives

County staff

Jill Smith
Dan Chandler
Jennifer Hughes
Abby Ahern
Vahid Brown
Chuck Robbins
Sarah Present
Don Krupp

County Commissioners

Commissioner Paul Savas
Commissioner Sonya Fischer

Guest Presenters

Jes Larson, Metro

Facilitators

Alice Sherring, EnviroIssues
Emma Sagor, EnviroIssues

Apologies – Anna Geller, Bart Berquist, Chris Scherer, Dave Carboneau, Jane Leo, Kari Lyons, Ken Fisher, Larry Didway, Pastor Jesse Christopherson, Commissioner Nancy Ide, Patty Jay, Rob Hawthorne, Shelly Yoder, Wilda Parks

Welcome and opening remarks

Alice Sherring, facilitator, welcomed Task Force members to the meeting. She reviewed the group's meeting ground rules agreed to in the Task Force charter. Ms. Sherring then reviewed the agenda and meeting packet for tonight's meeting.

Ms. Sherring asked if any edits were needed to the meeting #5 summary. No edits were noted, and the summary will be considered final.

Ms. Sherring invited opening remarks:

- Chuck Robbins, Housing Authority for Clackamas County, shared an update on the results of the Affordable Housing and Services Fund grant program Request for Proposals (RFP). The Board of County Commissioners allocated \$1.2 million general fund dollars to be used for affordable housing development and services. The Health, Housing and Human Services department received 16 responses to the RFP across five focus areas: gap financing, alternative housing, resident services, houseless services and veteran services. Mr. Robbins noted the County received at least two proposals within each category. County staff are currently reviewing the proposals, and Mr. Robbins said Jill Smith will follow up via email to identify Task Force members who would like to be involved in this review process. He noted the County would ideally like one individual to assist in reviewing development-focused applications and one individual to review service-focused applications.
- Alma Flores, City of Milwaukie, said the City is hosting a forum on December 6 with Dr. Richard Rothstein and other expert panelists on the barriers and solutions to achieving equitable and affordable housing in Milwaukie. This event will inform Milwaukie's comprehensive planning efforts and kick-off the implementation of Milwaukie's Housing Affordability Strategy.
- Dan Chandler, Clackamas County, said the County is working with ECONorthwest on its Housing Needs Assessment (HNA). He noted this work will also include an assessment of the historic roots of inequities in the County's housing system and an equity analysis of the current housing market.

Task Force process and path forward

Mr. Chandler thanked Task Force members who participated in interviews with the facilitation team over the last month. EnviroIssues summarized the findings from these interviews and presented this summary to the County. Task Force members received a copy of this summary in their meeting packet. Mr. Chandler noted the following key findings from the interview process:

- **Staff support and direction:** Mr. Chandler noted there was a desire to see more staff support to guide the Task Force process and keep moving the discussion forward.
- **Charge of the Task Force:** Mr. Chandler noted more clarity was requested around the charge of the Task Force and what the County would like to see as the output of this work. He said the Board of County Commissioners is looking for a memo of actionable items for them to act on. Mr. Chandler noted this process was modeled off a similar committee process in Bend. He said the County is open to considering whether certain recommendations should be forwarded to the Commission for consideration earlier than the final memo. Mr. Chandler also said the County hopes to discuss how the Task Force entities can work together on these issues long term, including whether a version of this Task Force or another committee should continue to meet. The Task Force charter states this group is an advisory committee, and by request and approval of the Task Force, the charter also states the group will develop an equity lens through which to consider all recommendations. The Board approved this addition to the charter.

- **Meeting process and work plan:** Mr. Chandler noted the Task Force work plan has been revised based on the feedback received through the interview process. He acknowledged the breadth of the topics the Task Force will cover and the need to allow enough time for these discussions. The new work plan includes the following steps:
 - In December, the Task Force will engage in an action planning conversation around a third focus area, Housing Stability.
 - In January, the Task Force will split into subcommittees to discuss recommendations all three focus areas in more detail simultaneously: Shelter, Services and Assisting Key Populations; Planning, Zoning and Development; and Housing Stability.
 - Mr. Chandler also noted the Task Force will specifically consider the houseless population who are not unsheltered but not in stable housing.
 - In February and March, the Task Force will continue to meet in subcommittees and discuss funding, strategy, engagement and equity considerations for recommended actions.
 - In April and May, the Task Force will discuss data resulting from the HNA and confirm draft recommendations to move forward.
 - The County plans to host a community summit in June.

Information sharing – Planning, zoning and development

Metro Presentation – Regional Affordable Housing Bond

Jes Larson, Metro, provided a presentation about the Regional Affordable Housing Bond approved by voters in the November election. The slides are appended to this summary. Key points from the presentation are summarized below:

- On Nov. 6, 2018, voters approved the Regional Affordable Housing Bond with 59.4% of the vote. A statewide constitutional amendment allowing bonds for affordable housing to be more flexible and paired with other tax incentives also passed with 56% percent of the vote. The regional bond passed in all three counties.
- The Regional Affordable Housing Bond will allow the development of 3,900 homes that are permanently affordable. The homes will be developed according to the following principle metrics:
 - At least 1,600 of the homes will be affordable to families earning less than 30% of the area median family income (MFI)
 - At least half of the units will be sized for families (2+ bedrooms)
 - All units must be permanently affordable for households earning 80% MFI and below; only 10% of the homes can be designated for households earning between 60-80% MFI (the rest must be more affordable)
- Other goals Metro established for the Regional Affordable Housing Bond include:
 - Lead with racial equity—do not perpetuate racial disparities and find ways to mitigate for historic policies that have created these disparities (e.g. screening criteria, marketing, etc.)
 - Create opportunity for those in need—specifically where the market is not providing the housing (e.g. family-sized units; units in areas that have been exclusively zoned)
 - Create opportunity throughout the region

- Ensure long-term benefits and good use of public dollars
- Metro expects to follow this implementation timeline:
 - **Nov-Dec 2018:** Stakeholder engagement to inform Metro plan for accountability/oversight
 - **Jan 2019:** Metro Council work plan adoption and appointment of the community-led oversight committee.
 - Each jurisdiction that will request funds from the Bond will develop their own implementation strategy that will be approved by that jurisdiction's elected bodies. Once this occurs, the plan will also need to be approved by the Metro oversight committee to receive funding.
 - **Spring 2019:** Implementation strategy and community engagement; phase 1 projects begin
 - Phase 1 projects are projects already identified that can get started immediately.
 - **Summer 2019:** Implementation strategy adoption and IGAs; full program launch
- Ms. Larson described Metro's role:
 - Metro is not an affordable housing developer and does not want to be an affordable housing developer. Through the Bond, Metro will provide funding to jurisdictions who do this work.
 - Metro will appoint and support the community oversight committee.
 - Metro will set expectations for community engagement and advancing racial equity.
 - Metro will define the funding requirements and process.
 - Metro will oversee compliance, monitoring and reporting.
 - Metro will oversee the regional site acquisition program.
- Ms. Larson described the role of the implementation partners working with Metro to develop affordable housing through the Bond.
 - *Within Clackamas County:* There is only one implementation partner in the County (Clackamas County) because no cities in the county have over 50,000 people and receive federal funds for affordable housing.
 - *Within Multnomah County:* The cities of Gresham and Portland as well as Home Forward (on behalf of Multnomah County) serve as implementation partners.
 - *Within Washington County:* The cities of Beaverton and Hillsboro as well as Washington County serve as implementation partners.
 - Implementation partners will:
 - Create local plans for achieving targets
 - Advance racial equity
 - Plan community engagement
 - Conduct compliance/monitoring and reporting
 - Solicit RFPs for Phase 1 projects
- Ms. Larson explained the Community Oversight Committee will be an appointed group of 7-15 people and will meet at least quarterly. The Metro Council will appoint the committee in mid-January. The group will review implementation strategies before they are put forward to Metro Council for approval.

Jill Smith, Clackamas County, noted the County has identified a potential Phase 1 project that it plans to support with Bond funding. The County is currently conducting a due diligence process to purchase a building for acquisition rehab to create 50 affordable units, a health clinic and other wrap-around services. Had the Bond not passed, the County was considering using a 108 loan to acquire the property.

Task Force members asked the following questions related to the Regional Affordable Housing Bond:

- Alma Flores, City of Milwaukie, asked how the stated goals of the Bond will be measured.
 - Ms. Larson said Metro has developed preliminary draft materials that describe how it will evaluate demonstration of these goals and said she would distribute these to the Task Force. She noted local jurisdictions will be responsible for developing implementation strategies. Metro will focus on what it can measure in terms of outcomes.
- James Adkins, Home Builders Association of Metro Portland, asked if the Oversight Committee will be responsible for determining how these goals will be measured.
 - Ms. Larson said the Committee and Metro will help define this. She noted the top priority metrics are what was defined in the bond, e.g. developing 3,900 affordable units, half of which will be family sized and at least 1,600 will be reserved for the deepest need.
- Mr. Adkins asked what “acquisition rehab” and a “108 loan” are.
 - Ms. Smith said a 108 loan is a revolving loan provided by the federal department of housing and urban development (HUD). The loan must be repaid, so for a project like this which will provide deep services and serve people with low or no incomes, supporting it with Bond funds is preferred.
 - Ms. Smith said acquisition rehab refers to purchasing and remodeling an existing building for occupancy.
- Cole Merkel, Clackamas County resident, noted the Bond will support the construction of 1,600 deeply affordable units but not fund the services that help keep people in the units. Her said there is more work to do.
 - Ms. Smith said the Governor’s draft budget includes significant funding for housing, which the County is hopeful can be used to develop more permanent supportive housing. She also noted the County made a commitment in recent stakeholder meetings to provide services in addition to housing. She referred to the County’s Affordable Housing and Services Fund grant program as an example of how they are tackling this issue in new ways.
- Nate Ember, Clackamas County resident, asked if the projects supported by the Bond will access the funds in the same ways affordable developers currently apply for funding. He also asked if there is flexibility to use the funds for turn key acquisitions or rent buy downs.
 - Ms. Larson said that “bonds build and buy things,” and Metro does not want to limit the funding any further than that. She noted acquisition rehab is one of the ways the Bond funding can be used to bring existing housing into permanently affordable supply. Bond funds can also be used to buy newly built housing and make it permanently affordable. She noted Metro is working to review the legal parameters

of other strategies, including rent buy downs. While the funds cannot be given to tenants as vouchers, it could be used to apply an affordability covenant for a building.

County Presentation – Planning, Zoning and Development

Jennifer Hughes, Clackamas County, provided a presentation to inform the Task Force’s Planning, Zoning and Development action planning conversation. The presentation summarized strategies that Task Force members have raised to date related to this focus area and information around existing County efforts in these areas. Key points from the presentation and discussion are summarized below:

- Ms. Hughes presented the County’s existing housing development goal adopted by the County in its Performance Clackamas Strategy Plan:
 - By 2022, 2000 units of housing, affordable to a variety of residents, will be developed within Clackamas County, through a combination of public and private partnerships, and appropriate regulatory changes. Of that number, the Housing Authority goal will be to provide 1000 units affordable to households earning 60% of the area median income or less.
- Ms. Hughes noted the County only has zoning jurisdiction in the unincorporated area. There is a separate zoning authority in each of the 16 cities in the County.
- The on-going HNA will look at what is the land supply, what is the allowed density on that land supply, and options to increase one or both of those. Ms. Hughes noted it is difficult to add more land supply without changing the urban growth boundary, so the more realistic way to increase housing supply is to increase density.
- **Previous Task Force suggestion:** Offer density bonuses for affordable housing
 - Ms. Hughes said the current County code allows one bonus unit per affordable unit up to 5% (single-family) or 8% (multi-family) of the base density. She said she is only aware of one time this bonus has been used in the County.
- **Previous Task Force suggestion:** Provide for “missing middle” housing.
 - Ms. Hughes explained the current code allows duplexes/triplexes as a conditional use in single-family zones on lots 2/3 the size of a single-family lot per unit. Duplexes/triplexes are allowed in multifamily zones, typically at 12 units per acre. Clustered single-family is generally not allowed.
 - Ms. Hughes noted the County has seen some conditional use permit requests and a slight increase in the number of requests for duplexes, but generally the preference has been for detached single-family homes.
 - Katrina Holland, Community Alliance of Tenants, asked how many multifamily zones have duplexes and triplexes.
 - Ms. Hughes said the HNA will provide more data on what is built out, but she expects to find the supply of multifamily zoned land is pretty minimal.
 - Nina Carlson, Northwest Natural, asked if the county will evaluate the HNA results to determine if the “buildable land supply” is actually buildable.
 - Mr. Chandler said the assessment will consider actual buildability (e.g. include slopes data, etc.) and will be based on GIS data and local knowledge.
 - Ruth Adkins, Kaiser, asked if the HNA will include public land owned by other agencies (e.g. TriMet, ODOT, etc.).

- Mr. Chandler said the HNA will consider vacant and re-developable generally without regard to ownership. He said the County is working on developing a map that shows land ownership throughout the County based on Task Force requests.
 - Ms. Adkins asked if clustered single-family refers to cottage clusters.
 - Ms. Hughes confirmed this.
 - Ms. Flores noted Milwaukie is conducting a feasibility study on cottage cluster development. Milwaukie currently allows clusters at 12 units per acre.
 - Jerald Johnson, Johnson Economics, said HNAs typically do not reflect the disposition of land owners (i.e. whether the owner is willing to sell/develop or whether they have a realistic sense of the land value). He also said it is important to consider the true carrying capacity of a site and whether certain densities are viable in market conditions.
 - Ms. Flores asked whether the County code allows for cohousing and live-work units.
 - Ms. Hughes said the code does not refer to “live-work” units but does allow for home occupation permits. These are very restrictive. The County does not currently allow for cohousing. This could be a recommendation from the Task Force.
- **Previous Task Force suggestion:** Increase housing supply at all levels
 - The current code allows for a range of housing types. Allowed density ranges from unlimited to one dwelling per 30,000 square feet, typically in areas with environmental constraints.
- **Previous Task Force suggestion:** Allow Accessory Dwelling Units (ADUs)
 - Ms. Hughes noted the County has allowed ADUs for 20 years and recently made changes to the ADU code based on state law.
 - The current code allows one ADU per primary single-family dwelling in all single-family residential zones inside an urban growth boundary. The maximum size is 900 square feet in most zones and 500 square feet in attached single-family zones. Owner occupancy of the either the ADU or the primary dwelling is required except at Sunnyside Village or the Hoodland Residential Area.
 - Ms. Holland asked why the County requires owner occupation.
 - Ms. Hughes said she is not sure but believes this stems from concern about concentrating rental housing in one place.
- **Previous Task Force suggestion:** Reduce parking requirements for affordable housing
 - Current code requires one space behind front setback line for each ADU and each single-family dwelling, 1.5 spaces per unit for duplexes/triplexes, and between 1.25-1.75 spaces per unit for multi-family depending on number of bedrooms.
 - Mr. Merkel asked what “1.5” parking spaces refers to.
 - Ms. Hughes explained owners must calculate the number of parking spaces they need to provide by multiplying the total number of units by the ratio in the code and rounding to the nearest number.
 - Ms. Hughes explained these ratios match Metro’s parking maximums and said he County cannot require more parking than this.
 - Yelena Voznyuk, Northwest Housing Alternatives, asked when the latest parking requirements were set.

- Ms. Hughes said these have been stable since the early 2000s. She noted non-conforming uses are protected if they were implemented before these requirements were adopted.
 - Mr. Robbins asked what the County’s experience has been with projects that aim to reduce the parking requirement.
 - Ms. Hughes noted there was one project where data on this was presented which the County could look into. She also recalled a project where the developer guaranteed it would not permit the residents to own more than one vehicle, but this poses enforcement challenges.
 - Mr. Robbins noted it would be helpful to have a standard. He referenced Town Center, where a transit-oriented development case was made for reducing the parking requirement.
 - Ms. Hughes said the Task Force should consider what should trigger a reduced parking requirement if this is a recommendation they would like to forward.
- **Previous Task Force suggestion:** Implement inclusionary zoning
 - Ms. Hughes noted state law limits inclusionary zoning to structures of 20 units or more. The affordability requirement applies to a maximum of 20 percent of the units, and a fee-in-lieu must be offered as an alternative. A financial incentive must be provided unless fee-in-lieu option is chosen.
 - Ms. Flores asked about the other component of this state law—construction excise taxes—and whether that has been considered.
 - Ms. Hughes noted this presentation did not focus on financing strategies, which will be discussed later in the work plan.
 - Ms. Carlson asked if the County will review Portland’s experience with inclusionary zoning.
 - Ms. Hughes clarified these are not the County’s recommendations but responses to suggestions made by the Task Force at earlier meetings. She said staff are aware the Portland examples must be considered if this moves forward as a Task Force recommendation.
- **Previous Task Force suggestion:** Expedite permitting for affordable housing
 - Ms. Hughes said the County has a maximum of 100-120 days under state law. Typically the timeline is shorter. Mr. Chandler noted the County tracks its permit timing and 95% or more multi-family design review applications are determined in 45 days or less.
- **Previous Task Force suggestion:** Reduce or waive fees for affordable housing
 - Ms. Hughes noted there are two key types of fees: permit fees and system development charges.
 - Ms. Flores asked about street frontage improvements that can be triggered by ADU and housing development.
 - Mr. Adkins asked if suggestions had been made regarding design standards and more flexibility to expedite permitting.
 - Ms. Hughes noted design requirements and street frontage improvements have not been raised in previous conversations but should be added to the recommendation list if the Task Force would like. The County does not

require additional improvements for ADUs but does have a sidewalk requirement for development of vacant single-family lots.

- Ms. Flores asked if the County has a regulatory framework for short-term rentals.
 - Ms. Hughes said the zoning code doesn't really allow short-term rentals unless they are occupied for 30 days or more, however this is not very clear. She said short-term rentals are occurring and are considered a low priority violation. Short-term rental regulations are on the planning department's current work program.

Action planning – Planning, zoning and development

Following the information sharing session, the Task Force engaged in an action planning session to refine and add to the list of previously identified suggestions around planning, zoning and development. The group was provided a Recommendation Framework to use to record thoughts and suggested edits. Task Force members broke into two groups to discuss proposed refinements. Each group then reported out its recommendations to the group. The results of this discussion are captured on the Planning, Zoning and Development Draft Recommendation Framework appended to this summary.

Ms. Hughes noted all proposed zoning changes will need to go through the County's designated process for approval.

Next steps and closing remarks

Ms. Sherring reviewed the outcomes of the meeting and the following action items:

- Task Force members were provided a revised set of recommendations related to Shelter, Services and Assisting Key Populations. This version reflects the edits suggested by the Task Force at the October meeting. Task Force members are invited to send thoughts and edits on this version to Dan Chandler.
- County staff will circulate an invitation to Task Force members to participate in reviewing applications through the Affordable Housing and Services Fund grant program.
- County staff will circulate the Metro slides and draft materials from Metro related to how it plans to evaluate goals of the Regional Affordable Housing Bond.
- County staff will circulate the results of this meeting's Action Planning process, and Task Force members are invited to provide additional feedback and suggestions via email to the County.
- The Task Force will complete a similar action planning process on the next focus area—Housing Stability—at the December 12 meeting.

Mr. Chandler thanked the Task Force for their time and contributions and adjourned the meeting.