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DATE: July 20, 2018
TO: Clackamas County Housing Affordability Task Force
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SUBJECT: AFFORDABLE HOUSING FUNDING TOOLS

Many planning, policy, and financing tools exist to encourage, support, or incentivize development of affordable housing. This memorandum identifies a range of affordable housing tools in Oregon, based on research ECONorthwest conducted while working with cities across Oregon and the western U.S.

The purpose of the memorandum is to provide information about the range of tools available for encouraging development of affordable housing for Oregon cities. Clackamas County may consider one or more of these tools as they work through their regional affordable housing strategy.

Defining Affordable Housing

When discussing affordable housing, one of the first questions asked is "what is affordable housing?"

At the broadest level, affordable housing refers to a household's ability to find housing within its financial means. A number of indicators exist that can be used to determine whether housing is affordable. One indicator is cost burden: households that spend more than 30% of their income on housing and certain utilities are considered to experience *cost burden.* Any household that pays more than 30% experiences cost burden and does not have *affordable* housing. Thus, affordable housing applies to all households in the community.

In developing policies to support development of "affordable housing," cities and counties generally focus effort on supporting housing affordable to households with low- and moderate-incomes. In much of our work, we use the following definitions of affordable housing:

- **Government-subsidized affordable housing** is housing that is affordable to households with income below 60% of the Median Family Income (MFI), as defined by HUD. In Clackamas County, a household with 60% of MFI has an annual income of $48,840 and can afford monthly housing costs of $1,220. Developing new housing affordable at this rent level is not financially feasible without subsidy, such as Federal or State government subsidy.
- **Naturally-occurring affordable housing** (e.g., market-rate affordable housing) is housing that is affordable to households with income above 60% of the Median Family Income (MFI), as defined by HUD. In Clackamas County, a household with 60% to 120% of MFI has an annual income of $48,840 to $97,680 and can afford monthly housing costs of $1,220 to $2,440. Developing housing affordable in this price range is generally

difficult for cities and is especially challenging in the existing housing market in the Portland Region.

The tools discussed in this memorandum may apply to both types of affordable housing. Some tools, however, are restricted to use for development of specific types of affordable housing, as described in the memorandum.

Evaluative Criteria

We suggest that Clackamas County use the following criteria (or a variation on these criteria) when evaluating these tools:

1. **Economic feasibility.** This category covers everything related to creating and maintaining net revenues. We break efficiency into four subcategories: (1) revenue-generating capacity, (2) administrative costs, (3) revenue stability, and (4) revenue flexibility:
    a. **Revenue-generating capacity** considers how much money the source can generate.
    b. **Administrative cost** considers the portion of gross revenues that will be spent on administration. The easier it is to administer the tax or fee, the more of the gross revenue collected that will be available as net revenue for transportation projects and programs in the corridor.
    c. **Revenue stability and predictability** considers whether the source is likely to avoid large fluctuations each year and whether the source is likely to be close to the forecasts analysts might make.
    d. **Revenue flexibility** considers limitations on the types of projects that can be funded with a given source. A funding source may be a little less useful to jurisdictions if its use is limited to certain types of projects.
2. **Political acceptability.** Will stakeholders accept or support the tool? Political acceptability considers whether elected officials and the public at large are likely to support the funding source. This depends to a large extent on the efficiency components described above: if a revenue source is legal, efficient, and fair, then it should get political support from the public, advisory groups, and decision makers. For this analysis, we evaluate whether a source is politically acceptable using two approaches: (1) is the source widely used elsewhere in Oregon? And (2) does the source collect revenue mostly from non-locals (as opposed to local residents)?
3. **Fairness.** In the context of transportation funding, the key question related to fairness is “who pays?" A standard definition of fairness in public finance is that the charges that fund the transportation system are tied to the users who receive benefits from (or impose costs on) the transportation system. Fairness may also be referred to as equity.

4. **Legality.** All the benefits of a funding source are moot if the source is not legal or cannot become legal within the desired timeframe. If the source is currently prohibited by State statute, then there is a very big administrative hurdle to be surmounted up front.

Affordable Housing Tools

This section organizes affordable housing tools into four categories, although many tools could fit into more than one category. Categories are: (1) Land Use and Development Tools; (2) Funding Tools; (3) Financing Tools, Tax Credits, and Abatements; and (4) Loans, Grants, and Programs.

Land Use and Development Tools

Expedited and Fast-tracked Building Permits

How It Works	Expedite building permits for pre-approved development types (e.g. multi-family housing) or building characteristics (e.g. green buildings).
Fund Sources	Limited costs
Benefits	• *High Impact* o May improve the development bottom line and the financial viability of projects. When developers receive their permits quicker, it reduces the overall project timeline. Drawn out project timelines increases costs.
Drawbacks	• *Administrative Ease* o While the program can be targeted to specific development types, it may require staff to move more quickly on procedures than they previously needed to.
Implementation	• Assess internal process and procedures. Identify opportunities to refine procedures. Identify projects (development types) that may receive expedited or fast-tracked services.

Incentives for Space-Efficient Housing

How It Works	General policy focus on encouraging development of more dense neighborhoods to increase housing options. More communities are experimenting with this as cities grow, focusing on encouraging dwellings that are nonintrusive and that are compatible with existing neighborhoods, such as: cottage clusters, internal division of larger homes, corner duplexes, and accessory dwelling units. Generally, this type of development is accomplished through changing the zoning code, as such homes are traditionally either not allowed or not encouraged by the zoning code. In theory, these units are more affordable than other units because they are smaller.
Benefits	• Changing the zoning is an inexpensive market solution. • Can increase total land available for new market rate units, and may increase supply of smaller homes, which may be more affordable. • Does not require large empty properties. • Complements the shrinking sizes of households. • Depending on market conditions and property owner motivation, may be more likely to be privately funded (without public support).
Drawbacks	• Not guaranteed to promote housing of a certain price. • There are drawbacks to higher density. • A cut to zoning restrictions may be detrimental; e.g. a common one is to reduce parking requirements
Implementation	• Amend zoning code
For more information	• Through its Transportation Growth Management program (TGM), the State of Oregon has conducted substantial research into zoning and other policy approaches to space-efficient

Reduced Parking Requirements

How It Works	Parking is one of the more expensive parts of project development. To the extent that code requires more parking than a developer would otherwise want to provide, the cost of meeting these requirements creates financial burden. A city can adjust the zoning requirements for parking production relative to unit production, specifically for affordable housing projects. This reduces the construction and development costs of a project, especially for higher density projects with structured parking.
Benefits	• In interviews, developers listed reduced parking requirements as among one of the most useful supports for more affordable housing production. • Changing the zoning is an inexpensive solution from a public-sector perspective. • Supports transit ridership, if development is near transit.
Drawbacks	• Reduced parking can have spillover effects. • On its own, reduced parking requirements may not provide enough incentive power to change development feasibility for affordable units. • If developers / tenants demand more parking than the lower ratios provide, the incentive power is lessened, as developers may be obligated to provide a greater amount of parking than the ratios require.
Implementation	• Amend zoning ordinance.
For more information	• ECONorthwest has worked with the City of Portland and the City of Gresham on analysis of changes to parking ratios and found that, in both cases, reducing parking ratios improved development feasibility.

Reduced / Waived Building Permit Fees, Planning Fees or SDCs

Summary	Programs that reduce various development costs as an incentive to induce qualifying types of development or building features.
How It Works	There are a number of avenues to seek reduced or waived fees. For example, storm water improvements can be made through the Commercial Storm water Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes.
Fund Sources	General Fund or SDC fund, respectively
Benefits	• *Economic Feasibility and Flexibility* o Increases development feasibility by reducing soft costs for developers. o Fee cost structures are within City control and can be easier to manipulate than other components of the development cost structure.
Drawbacks	• *Economic Challenges* o Reduces revenues to provide permitting and compliance services. o If impact fees are reduced for some developments, that revenue burden will be shifted to other developments.
Implementation	• Address existing methodology to assess fees. Modify as necessary.

Inclusionary Zoning (IZ)

How It Works	IZ requires or incents developers to set aside a certain share of new housing at a price affordable to people of low or middle income. In 2016, the Oregon Legislature passed Senate Bill 1533 which allows for a jurisdiction to implement an inclusionary zoning policy if it meets certain requirements. These requirements relate to the income at which the units are affordable (80% MFI or 60% MFI), the percent of the project set aside as affordable (no greater than 20% of the project), the size of the projects (only if greater than 20 units) and the requirement for both an in-lieu fee option and incentive package. In theory, private market-rate development supports some portion of the cost of the affordable units in an inclusionary project. However, in almost all cases, public incentives are also required. These incentives can be regulatory (reduced parking requirements or density bonuses, for example) or financial (property tax abatements or other forms of public investment). Funds can come from general fund, urban renewal, or other municipal sources described in this report.
Benefits	• Has opportunity to create some new affordable units, especially in "high-opportunity areas" (high rent) areas with good schools, jobs, and amenities. • Designed to lead to mixed-income projects; helps avoid economic and racial segregation • Can create a revenue source for affordable housing if the inclusionary program allows fee-in-lieu payments
Drawbacks	• IZ does not work unless market-rate development is feasible. • Programs can be administratively difficult to design and implement. Staff must ensure that tenants comply with income-qualification requirements. • If incentives are insufficient to offset program requirements, IZ may encourage developers to develop less housing or charge more for the non-zoned housing, pushing up overall rental costs. • Overall, evidence of success is mixed and seems largely dependent on which specific policies are adapted as part of the IZ policy and how they match the city's need. • Given the structure of Oregon's program requirements, IZ would result in relatively few new affordable units being constructed.
Implementation	• Develop IZ concept and coordinate how the program will be staffed. Draft code concept to be reviewed by legal counsel. Allow opportunity for public comment and stakeholder feedback. Draft proposed zoning code. Take to City Council to pursue public adoption.
Issuing Legislation	• Senate Bill 1533

Land Assembly

Summary	The process of forming a single site from a number of lands, usually for eventual development or redevelopment.
How It Works	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. Publicly owned parcels can often be disposed of at lower costs or more flexible terms to induce redevelopment. The public sector can provide technical assistance with the process of acquiring a private parcel for redevelopment or combining parcels together into one developable site. Other times, the public sector acquires the parcel(s), combines them, and sells to a private party.
Fund Sources	Tax Increment, CDBG/HUD 108, EB-5, LIHTC
Benefits	• *Administrative Ease:* o Can help overcome development feasibility challenges by creating more viable redevelopment sites. Public ownership of assembled land makes land write-downs or ground leases more viable. • *Economic Feasibility:* o Reduces development costs. • *Political Feasibility* o Gives the public-sector leverage to achieve its goals for the development via development agreement process with developer.
Drawbacks	• *Economic Challenge* o Public agencies sometimes buy land at the appraised value because they want to achieve multiple goals – which can impact costs of future public and private acquisitions. • *Administrative Challenge:* o Requires careful underwriting and program administration to reduce public sector risk and ensure program compliance.
Implementation	• Inventory publicly and privately-owned properties within the city. Identify adjacent parcels of land that could feasibly be developed or redeveloped. Identify property owners of these parcels, reach out, and explain the concept. Develop a plan to raise public support and buy-in. Acquire the land (that is not publicly-owned) to assemble the properties. This could involve forming a land bank. Market the newly assembled property(s) to developers. Consider an RFP to solicit redevelopment proposals.

Land Banking

How It Works	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.
Benefits	• *Economic Advantages:* o Can greatly lower costs for the owner of the planned development. o If donating surplus land, the donation/disposition can relieve the upkeep costs for the city. o Can leverage federal, philanthropic or private (if a non-governmental organization), or other sources of funding for land acquisition. • *Political Favorability* o In interviews, developers listed land donation or write down as among the most critical tools for supporting affordable housing production. • *Administrative Ease:* o Can manage land as a portfolio of properties, employing a strategy of buying when land prices are low and holding for desired market conditions in the future. o Can control the location of the development within the city.
Drawbacks	• *Political Challenges:* o Requires political commitment over time and across market cycles. • *Administrative Challenges:* o Donating surplus land might require the coordination between multiple departments. • *Costs and Funding Acquisition* o Purchasing new land requires the additional step of finding and securing the property and funding land acquisition and due diligence. o Administering a land-bank can be costly.
Implementation	A city has three general options for implementing a land bank: • Partner with / contribute funds to an existing non-profit land banking entity or participate in the formation of a new non-profit land bank if one does not exist with sufficient capacity to serve Hillsboro. Partnering is the most administratively efficient of the potential approaches to land banking. • Land bank informally using land that is already publicly-owned, or by acquiring new land. This approach could work well for individual developments. However, without a separate governance structure, it may be difficult to maintain focus on using publicly-owned land consistently for affordable housing across changes in elected leadership and as market cycles progress through peaks and troughs. • Create a city-run affordable housing land bank. The City of Eugene provides one local example. Another pathway is to form a Land Bank Authority (LBA), using statutory authority recently provided by the Oregon Land Bank Authorities Bill. LBAs are boards that purchase and acquire environmentally contaminated properties ("brownfields") and promote their rehabilitation and development. LBAs could focus on leveraging federal clean-up dollars for affordable housing projects, creating a governance structure that can focus explicitly on land banking over time.
Issuing Legislation	• Oregon House Bill 2734. Amends; ORS 244.050, 465.255, 466.640, 486B.310.
For more information	• Metro's January 2016 *Opportunities and Challenges for Affordable Housing* report provides examples of land banks in other communities, including details of Eugene's land bank model.

Land Trusts

How It Works	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.
Benefits	• Can greatly lower costs for the owner of the planned development. • Encourages homeownership and wealth-building. • If working with an external non-profit, administrative costs will be low as an external party administers the program. • May be less expensive than other options, because it focuses on underwriting land costs.
Drawbacks	• Requires an appropriate accompanying funding structure. • A more cumbersome way of accomplishing affordable housing goals. • Depending on the structure, some land trusts limit the appreciation and wealth-building benefits of home ownership.
Implementation	• Land trusts can be used along with land banks. • One option is to contribute funds to an existing land trust. Proud Ground is an active, local land trust model.
For more information	• Metro's January 2016 *Opportunities and Challenges for Affordable Housing* report provides an overview. • Proud Ground's website describes its model

Funding Tools

The following tools can be used to pay for affordable housing tools described in the prior section.

Construction Excise Tax

Summary	Funds land use planning throughout the region by taxing construction permits.
How It Works	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. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET: • 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.) • 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. • 15% flows to Oregon Housing and Community Services for homeowner programs. If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.
Fund Sources	Funding is development derived Revenue comes from new development that is subject to the CET at the time the building permit is issued. No additional new funding would be needed for program administration, as CET allows 4% of the revenues generated through CET to be retained to cover administrative costs.
Benefits	• *Economic Political Acceptability:* o Community can implement public projects that can in turn catalyze other development (e.g. affordable housing)
Drawbacks	• *Politically Challenging:* o In tight markets, will be passed on in the form of higher housing costs.
Implementation	• Evaluate potential adoption of a CET by estimating revenue of commercial / industrial CET. • Determine what use CET will be tied to. • 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.
Issuing Legislation	ORS 320.170-320.195 • 320.192: permits a city or county to levy the tax • 320.195: describes how CET may be used
Other Cities that use this	• Portland, Corvallis, Tillamook County, Cannon Beach, Hood River County, Hood River City, and Newport

Real Estate Transfer Tax

Summary	Taxes the transfer of real property that raises funds for the body imposing the tax. They may be used for specific purposes, such as affordable housing and open space development.
How It Works	Prohibited in Oregon by constitutional amendment. Other states and jurisdictions levy taxes, fees, or other assessments based upon the transfer of any interest in real property or measure by the consideration paid or received upon the transfer of any interest in real property. Most statutes list a number of cases where the transfer is exempt from taxation.
Fund Sources	Sales tax paid by parties exchanging real property.
Benefits	• *Politically Acceptable:* o Can allow jurisdictions to recover benefits from overheated housing market, which may be negatively impacting affordability.
Drawbacks	• *Question Equitability* o Can be regressive taxes whose burden is higher for lower income households.
Implementation	• Estimate the tax revenue and assess feasibility of a new tax in the community. If the new tax is appropriate, pursue levy.
Issuing Legislation	• ORS 306.815

Sales Tax

Summary	Generates revenue that can be used to fund public provisions, services, or projects by taxing sales.
How It Works	A sales tax is a tax paid to a governing body for the sales of certain goods and services. Usually laws allow (or require) the seller to collect funds for the tax from the consumer at the point of purchase.
Fund Sources	Consumer derived
Benefits	• *Economically Feasible:* o Studies show that sales taxes are one of the least harmful taxes for growth.

Drawbacks	• *Equitable and Legal Concerns:*
	  o Regressive tax that impacts lower income households more due to the share of income spent on consumer goods that are taxed.
	  o General sales tax is constitutionally prohibited in Oregon.

Implementation	• Estimate the tax revenue and assess feasibility of a new tax in the community. If the new tax is appropriate, pursue levy.
Issuing Legislation	• ORS 305.620

Transient Lodging Tax (TLT)

Summary	Generates revenue by primarily taxing tourists and guests using temporary lodging services.
How It Works	Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.
Issuing Legislation	ORS 320.300-320.350
Fund Sources	In general, local and statewide transient lodging taxes apply to tourists and local customers of overnight lodging facilities.
Benefits	• *Economic Feasibility:* o An external source of revenue for economic development, which does not hamper growth.
Drawbacks	• *Administratively Challenging:* o Uses are restricted to tourism-related activities, and spending on administration may be complicated.
Examples of where it is used	• Bend, Redmond, Newport, Portland, Gresham, Fairview. • Bend's City Ordinance (NS-2291) established a Transient Lodging Tax, but Bend reduced their tax allocation to tourism to 31.2 percent and is appealing a Deschutes County Circuit Court decision to that requires them to raise their allocation to 35.4 percent.
Implementation	• Consider an appropriate tax rate. Estimate the tax revenue and assess feasibility of a new tax in the community. If the new tax is appropriate, pursue levy.
Issuing Legislation	• ORS 320.300

Linkage Fees

Summary	Fees charged to developers and then spent on affordable housing preservation or production through existing housing programs.
How It Works	Linkage fees are charges on new development, usually commercial and / or industrial development only, that can be used to fund affordable housing. A city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.
Fund Sources	Development derived
Use	• Can be used for acquisition and rehabilitation of existing affordable units. • Can be used for new construction.
Benefits	• Creates a revenue source that can be used to fund incentives or development. • Depending on results of nexus study (which determines the legally allowable maximum amount of the linkage fee), could generate more revenue than CET.
Drawbacks	• Requires a nexus study, plus impacts of administering the program. • Additional fee on new development, which could affect development feasibility and potentially affect. business recruitment and retention actions. • Revenue stream ebbs and flows with the development of market cycles.
Implementation	• A city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees.

General Fund and General Obligation (GO) Bonds

Summary	Allows funding for a project that is not dependent on revenue from the project to back the bond.
How It Works	City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.
Fund Sources	Property taxes are increased to pay back the GO bonds.
Benefits	• *Economic and Political Acceptability:* o Community can implement public projects that can in turn catalyze other development (e.g. parking garage, transportation improvements…).

Drawbacks	• *Administrative Challenge:*
	    o Requires public vote.
	• *Economic Challenges:*
	    o Takes time and money to run a campaign for public vote.
	    o Raises property owner taxes.
	    o Lending of Credit provision prohibits City from contributing to private sector projects.

Implementation	• Prepare Capital Improvements Plan. • Determine city's borrowing / debt capacity. • Obtain credit rating from recognized, national rating agency. • Ensure project is financially viable and offers public benefit. • Structure bond to attract investors. • Pursue public and stakeholder outreach. Pursue steps to pass bond. This includes, developing the prospectus that explains the purpose of the bond, the full amount of the bond, and the impact the bond will have on individual households. (Requires a public vote)
Issuing Legislation	• Article XI, Section 11 and 1b of the Oregon Constitution. ORS 287A.001-287A.145

Local Improvement District (LID)

Summary	Enables a group of property owners to share the cost of a project or infrastructural improvement.
How It Works	A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records. An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners. The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment was placed property owners (due to underestimation).
Fund Sources	LID bonds are backed by revenue committed by property owners (which can be public as well as private). Property owners can obtain low-interest financing through the City.
Benefits	• *Politically acceptable:* Organizes property owners around a common goal. • *Economic feasibility* o Allows property owners to make payments over time to bring about improvements quickly that benefit them individually. o Improvements within smaller areas can enhance catalytic and redevelopment value of the area. o LIDs can be bundled with other resources such as TIF.
Drawbacks	• *Equity Challenges:* o Setting up fair LID payments for various property owners, who are located different distances from the improvement, is challenging. o Small geographic areas may not have sufficient LID revenues to support bonds for the desired improvement. • *Administrative Challenges:* o Some lenders insist that LIDs be paid off when properties are transferred. o LIDs require significant coordination, attention to detail, and administrative time to manage. • *Limited Scope:* o LIDs only address the financing of improvements to existing infrastructure rather than construction of new infrastructure.
Implementation	• Create or update code before pursuing a LID. • Determine what local improvement is to be provided and the LID boundary. Submit notice of intent to form LID. Estimate cost of improvement. Determine if property owners are able to afford the cost. • Design the project. • Pursue authorization of LID by council. • If approved, prepare bid package to solicit services from contractors. • Pursue construction. Post-construction, certify the completion of the project. Approve the final cost assessment and send to property owners. • Close the LID.
Issuing Legislation	• ORS 223.001, ORS 223.161. ORS 223.389

Urban Renewal / Tax Increment Finance (TIF)

Summary	Subsidizes redevelopment and other community-driven projects by using the increased property taxes to pay off bonds.
How It Works	Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., city, county, school portions) is used to pay off the bonds. When the bonds are paid off the entire valuation is returned to the general property tax rolls. Urban renewal funds can be invested in the form of low interest loans and/or grants for a variety of capital investments: • Redevelopment projects, such as mixed-use or infill housing developments. • Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs. • Streetscape improvements, including new lighting, trees and sidewalks. • Land assembly for public as well as private re-use. • Transportation enhancements, including intersection improvements. • Historic preservation projects. • Parks and open spaces.
Fund Sources	Local taxing jurisdictions' permanent rate property tax impacts.
Benefits	• *Revenue generating:* o Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. • *Revenue flexibility:* o TIF can be used to help pay for infrastructure improvements (including parking garages) and provide loans/grants for adaptive re-use and new development. o Among the most flexible incentives. • *Political acceptability:* o Option exists to have a single project-based TIF district.
Drawbacks	• *Costly:* Defers property tax accumulation by the city and county until the urban renewal district expires or pays off bonds. o Investing over $750,000 in TIF directly into a new or rehab private project triggers prevailing wage requirements, which can increase overall project costs by 10 – 20%. • *Time consuming:* o Due to the sometimes slow or indirect nature of property tax growth in relation to targeted projects, urban renewal can often take five or more years to produce meaningful levels of revenue resulting in loss of project alignment. • *Politically challenging:* o Complex process requires extensive public involvement and community support, especially from other taxing jurisdictions. The City would need to explore options with county officials and elected leadership, tracking legislative changes in urban renewal law, and meeting with adjacent jurisdictions and overlapping taxing entities. o Use of urban renewal can be politically contentious because of its impact on funds available to overlapping taxing districts, and because of the perception that the school districts are adversely impacted.
Implementation	• Through a process that involves public involvement, establish urban renewal agency, boundary, and projects. Consult with affected taxing districts, stakeholders, affected municipalities, and legal counsel. Pursue public hearings and determine noticing requirements.
Issuing Legislation	• ORS 457.010-457.470. Updated January 2017, ORS 457.085(1)

Financing Tools, Tax Credits, and Abatements

System Development Charge (SDC) Financing or Credits

Summary	May help to offset the an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.
How It Works	SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.
Fund Sources	SDC fund / general fund. In some cases, there may be no financial impact.
Benefits	• *Economic Feasibility:* o Reduced up-front costs for developers can enable quicker development timeframe and increase the availability of property to be taxed.
Drawbacks	• *Economic and Political Challenging:* o Reduces the availability of SDC funds over the short term.
Implementation	• Determine parameters for program.

Vertical Housing Tax Abatement (Locally Adopted)

Summary	Incentivizes mixed-use development and affordable housing by partially exempting property taxes for mixed-use or affordable housing projects.
How It Works	The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program. The legislation subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below). The proposed zone must meet at least one of the following criteria: • Completely within the core area of an urban center. • Entirely within half-mile radius of existing/planned light rail station. • Entirely within one-quarter mile of fixed-route transit service (including a bus line). • Contains property for which land-use comprehensive plan and implementing ordinances effectively allow “mixed-use” with residential. Before a city or county can propose a vertical housing project, they must establish a Zone, which is usually dedicated for the specific project. The zone may be a single tax lot, one of many adjoining lots, or a portion of the city’s urban core. Once the Zone is established, the developer may apply for the Vertical Housing Tax Abatement Program.
Issuing Legislation	ORS 307.841 to 307.867
Fund Sources	General funds of local taxing jurisdictions that agree to participate–cities, school districts, counties, etc.
Benefits	• *Equitable* o Targeted tool to support mixed-use development in places with locational advantages. • *Politically Feasible:* o City-controlled on project-by-project basis. • *Economically Feasible:* o Projects offering housing to low income tenants may be eligible for an additional property tax exemption.
Drawbacks	• *Administrative Challenges* o Requires retail space, which may not be viable or appropriate for all projects. • *Economically Challenging:* o Reduces general fund revenues for all overlapping taxing districts. o Requires a lengthy approval process with taxing districts. o May provide insufficient incentive to lead to affordability unless paired with other tools.
Where else this is used	• The City of Tigard -has established a Vertical Housing Development Zone. • The City of Hillsboro- currently in the process of developing its Vertical Housing Program

Multiple-Unit Limited Tax Exemption Program (Locally managed)

Summary	Incentivizes high-quality, mixed-use, and diverse housing options by selecting a development to award a property tax exemption.
How It Works	Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process. The passing of *HB 2377 - Multiunit Rental Housing Tax Exemption* allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines "Multi-unit rental housing" as: "(a) residential property consisting of four or more dwelling units" and; "does not include assisted living facilities." All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of $55,000 (common outside of Portland), that's rent of $1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program.
Fund Sources	Local taxing jurisdictions that agree to participate–cities, school districts, counties, etc.
Issuing Legislation	ORS 307.600-307.637
Where else this is used	Use of the program in the State includes: **City of Portland Multiple-Unit Limited Tax Exemption Program.** Within eligible areas, this program allows multi-unit projects to receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. This program limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community that would otherwise be possible. The applicant must submit documentation that the anticipated rate of return for the project for the period of the exemption will not exceed 10%. In 2014, the City made $1,210,000 in foregone tax revenue available. **City of Eugene Multi-unit Property Tax Exemption Program.** This program offers a property tax exemption on the new structure or incremental change in the property value of a building for a maximum of 10 years. Projects eligible for the tax exemption include construction, addition or conversion of rental or ownership multi-unit housing within the MUPTE boundary. In FY17, there were no new MUPTE applications.

Benefits	• *Equitable Advantage:* o Targeted tool to support mixed-use development in places with locational advantages. • *Administrative and Political Feasibility* o City-controlled on project-by-project basis. o Does not require active ground floor use. o Has been used for student housing in Eugene, Oregon. o Can be paired with other tools that incent density and allow for cost reductions. o Possible flexibility to tailor length of exemptions on a case-by-case basis, depending on the project benefits to the public. o The city can set an annual cap on the total amount of tax exemptions in any given year for all projects.
Drawbacks	• *Economic Challenges:* o City must weigh the temporary (up to 10 years) loss of tax revenue against the potential attraction of new investment to targeted areas. o Reduces general fund revenues for all overlapping taxing districts, which could make it harder to promote the tool to partner jurisdictions that do not perceive the same project benefits. o Can be competitive, depending on the criteria that the City outlines. • *Administrative Challenges:* o If the City also seeks abatement from overlapping taxing districts, requires a lengthy approval process. o Some programs have requirements for local and minority businesses to complete a portion of project construction, which can extend development timelines. o Requires regular reporting. Property owners must submit to city annual audited financial statements, tax returns and 10-year operating cash flow with current rate of return.

Affordable Housing Property Tax Abatement (Locally Managed, Enabled by State of Oregon)

Summary	Incentivizes construction of affordable housing by offering property tax abatements.
How It Works	Since 1985, the State of Oregon has allowed for affordable housing property tax abatements when they are sought separately by non-profits that develop and operate affordable rental housing. Only the residential portion of a property located within a City that is used to house very low-income people, or space that is used directly in providing housing for its low-income residents is eligible for a property tax exemption.
Fund Sources	Local taxing jurisdictions' general funds–cities, school districts, counties, etc.
Benefits	• *Equitable:* o Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. • *Economic Feasibility and Flexibility:* o The affordable housing tax abatement can stand alone (without tax credits). For example, if a non-profit housing provider were to use bonds, it could still be eligible for an abatement, but it must apply for them separately. o Can be blended with other resources such as TIF, tax credits, housing bonds.
Drawbacks	• *Economic and Political Challenge:* o Reduces general fund revenues for all overlapping taxing districts if property tax abatement is sought by affordable housing providers and approved by local jurisdictions.

Strategic Investment Program (State of Oregon)

Summary	Grants 15 years of property tax exemption on a large portion of capital investments to enable large, capital-intensive facilities to prosper in Oregon.
How It Works	Exempts a portion of large capital investments from fifteen years of property taxes. Most often used for manufacturing firms and other "traded-sector" businesses.
Fund Sources	Local taxing jurisdictions' general funds–cities, school districts, counties, etc.
Benefits	• *Economically Feasibility* o Targeted specifically to support traded-sector firms. o Can be very beneficial for businesses, depending on the investment size, in terms of net present value.
Drawbacks	• *Administrative Challenge:* o *Visitation clause* is necessary to ensure that the program is functioning for the jurisdiction and the business. • *Economic Challenge:* o Reduces general fund revenues for all overlapping taxing districts.

Financing building permit and planning fees

How It Works	These programs reduce the impact of development fees on the development cost of the project by allowing the developer to avoid the upfront cost and finance the fees over time. A financing program can be used as an incentive to induce qualifying types of development or building features (in this case, affordable housing). The city still receives fees, but at a later date. This can, however, create cash flow challenges.
Benefits	• *Economic Advantages* o Nominally increases development feasibility by reducing soft costs for developers. o Fee cost structures are within city control and can be easier to implement than other components of the development cost structure.
Drawbacks	• *Economic Challenges* o Reduces revenues, in the short term, to provide permitting and compliance services. o Financing fees adds costs to a developer's operating budget, which is already very constrained. Although this tool will decrease the development cost, it will increase the operational cost of a project by having an additional debt payment. Employing this tool in an affordable deal might not be feasible due to a constrained operating budget relative to revenue.
Implementation	• Determine parameters for program.

Loans, Grants, and Programs

This section documents opportunities to apply for funds through competitive and non-competitive processes. Local governments are ineligible to apply for some of these but may still be relevant if Clackamas County pursues public – private partnerships.

General Fund Grants or Loans

How It Works	A city can use general fund or tax increment dollars to directly invest in a specific affordable housing project. These grants or loans can serve as gap funding to improve development feasibility. There are several options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time, as recently approved in the City of Portland. Another option is to use general fund dollars to contribute to other programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.
Benefits	• Flexible source of funds for gap financing. • Community can implement public projects that can, in turn, catalyze other development (e.g. parking garage, transportation improvements…).
Drawbacks	• General fund dollars may be limited and allocated to other city priorities. • Investing over $750,000 of public funds directly into a new or rehab private project triggers prevailing wage requirements, which can increase overall project costs by 10 – 20%. • Lending of Credit provision prohibits a city from contributing to private sector projects, so the use of these funds should be evaluated carefully for legal compliance.

Tenant Improvement Grants/Loans

Summary	Incentivizes owners to improve conditions for tenants by issuing grants and loans.
How It Works	Assist property owners and new business owners with tenant improvements to the interiors of commercial spaces. Used for office and industrial assistance in addition to retail.
Fund Sources	Urban Renewal and CDBG loans or grants, tax exempt revenue bonds
Benefits	• *Economic Feasibility:* o Reduces costs of tenant improvements
Drawbacks	• *Political Challenges:* o Often tied to job goals o In some cases, prevailing wage would apply

Community Development Block Grants (CDBG)

Summary	Targeted at low- and moderate-income persons, CDBGs provide communities with resources to address a wide range of community development needs.
How It Works	The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.
Fund Sources	Federal HUD funds
Benefits	• *Financial Flexibility:* o Funds are fairly flexible in application. • *Politically Feasible:* o Program has been run since 1974 and is seen as being fairly reliable. o HUD Section 108 is one mechanism that increases the capacity of block grants to assist with economic development projects, by enabling a community to borrow up to 5 times its annual CDBG allocation
Drawbacks	• *Funding Challenges* o Competitive process to secure loans/grants for individual projects. o Amount of federal funding for CDBG has been diminishing over the past few years. • *Administratively challenging:* o Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • *Politically Challenging* o CDBG program is run through the County and is not in the control of the City.
Implementation	• Competitive grant process.

HOME Investment Partnerships Program

How It Works	• The HOME Investment Partnerships Program supports the development of low and very-low income affordable housing. It distributes federal funds, but each administering agency has unique structures and requirements.
Fund Sources	• Federal HUD funds
Use	• Can be used for acquisition and rehabilitation of existing affordable units. • Can be used for new construction, depending on housing types, how the program is set up, and what community development efforts are prioritized. • Minimum of 90 percent of HOME funds used for rental housing must assist persons with household incomes below 60 percent of the median income. 20 percent must assist persons with household incomes below 50 percent of the median income. • Rents cannot exceed published low and high HOME rents for period of affordability. (Term of affordability is 5 to 20 years depending on type of activity).
Benefits	• Provides funding to support development of low and very-low income affordable housing.
Drawbacks	• Subsidy limits that range from $28,000 to $187,000 per unit. • Prohibits the combining of other federal resources on HOME assisted projects. • Must provide 25 percent non-federal match.
Implementation	•
Issuing Legislation	•

Local Innovations and Fast Track (LIFT) Housing Program

How It Works	• Competitive grants awarded for the provision of affordable housing. Priority given to projects that request a maximum of $38,000 per unit and provide 100 percent of units (financed with LIFT funds) to persons with household incomes at or below 60 percent area median income.
Fund Sources	• Oregon general obligation bonds
Use	• Prioritizes projects in rural areas and communities of color, projects with short development periods (units ready for initial lease-up) within the minimum threshold of 30 months, projects that provide strong social service partnerships, can effectively serve DHS recipients earning 60 percent of area median income or below, and demonstrate innovative design, efficiency, or address equity and diversity issues through the use of Minority, Women, and Emerging Small Businesses (MWESB) services.
Benefits	• Targeted at new construction, providing an additional source of funding to support affordable housing development.
Drawbacks	• Competitive process to secure funding for individual projects.
Implementation	• A competitive NOFA process through the Oregon Department of Housing and Community Services.

Local Income Weatherization Program (LIWP)

How It Works	• The Low-Income Weatherization Program (LIWP) provides funds for improving energy and heating efficiency in multifamily housing through various installations and housing improvements.
Fund Sources	• Federal HUD funds
Use	• A project must demonstrate "measurable cost-effective energy conservation" to be considered eligible for funding. • At least one-half of the units in the project must be rented to households whose income is at or below 60 percent of the HUD-defined area median income.
Benefits	• Provides funding for improving energy and heating efficiency in multifamily housing.
Drawbacks	• Eligible projects must be located in a Portland General Electric (PGE) or Pacific Power service area.
Implementation	• NOFA process through the Oregon Department of Housing and Community Services.

Lottery Backed Bonds

How It Works	• The Conduit Program's objectives provide for additional flexibility in the financing structure using tax-exempt bond financing (an allocation of the State's volume cap). Experienced affordable housing development teams have the ability to maximize control in selecting the financing team and negotiate financing terms. The Conduit process assumes the tax-exempt bond allocation request is coupled with a request for 4% Low Income Housing Tax Credits (LIHTC) and possibly other OHCS funding sources; bond allocation requests that do not include LIHTC requests will be evaluated on a case-by-case basis.
Fund Sources	• Oregon Department of Housing and Community Services
Use	• Flexible Funding Source • Use as gap Financing
Benefits	• Conduit bond allocation requests are non-competitive at this time and the application is open year-round.
Drawbacks	• Borrowers pay a $1,500 application charge at the time they submit the loan request (this is in addition to any LIHTC charges). Bonds totaling less than $10,000,000 will pay a 1.5% issuance charge (with a cap of $100,000). Bonds greater than or equal to $10,000,000 will pay a 1.0% issuance charge (with a cap of $100,000). A draw down of funds can be requested on an exception basis. A draw down is only allowed on bonds of $10,000,000 or greater and will incur and additional 0.5% issuance fee.
Implementation	• NOFA process through the Oregon Department of HOuisng and Community Services.

Oregon Affordable Housing Tax Credit (OAHTC)

Summary	Reduces cost of living in affordable, multi-family rental units by awarding a state income tax credit to the owner, who is required to pass the entire amount of the credit along to the residents through a reduction in rent.
How It Works	Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate a 20-year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants. The tax credits are provided for affordable housing loans where a lender has reduced the interest rate by up to 4%. The program contains a stipulation that the credit be used solely to reduce rents for tenants for a twenty-year term
Fund Sources	Institutional investors or high net worth individuals makes investments. State general fund is impacted.
Benefits	• *Advances in Equity:* o Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. o The credit contributes to project equity, reducing developer's out-of-pocket investment and can be a significant incentive for the provision of affordable housing. • *Economic Feasibility:* o Lowers interest rates on financing for up to 4%, typically for a 20-year loan. This lowers the costs of borrowing and reduces operating costs for the development.
Drawbacks	• *Administrative Challenges:* o The state allows for affordable housing property tax abatements. These are applied for separately. o Highly competitive process. • *Economic and Political Challenge:* o One hundred percent of savings must be passed on to tenants in the form of lower rents.
Implementation	• NOFA process through the Oregon Department of Housing and Community Services.

Low-Income Housing Tax Credit (Federal Program, Administered by State of Oregon)

Summary	Incentivizes investment in affordable housing by providing state income tax credits for projects with demonstrated commitment to affordable housing.
How It Works	Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate that the project will be maintained as affordable housing for a minimum 30-year term. To be eligible, at least 20% of units must be at or below 50% or AMI, OR 40% must be at or below 60% AMI. There are two rates: • **The "9%" credit rate.** New construction and substantial rehabilitation projects that are not otherwise subsidized by the federal government earn credits at a rate of approximately 9% of qualified basis, each year for a 10-year period. "9%" credits are more powerful but also more competitive. • **The "4%" credit rate.** The 4% rate applies to acquisition of eligible, existing buildings and to federally-subsidized new construction or rehabilitation. The 4% rate also applies to all eligible bases in projects that are financed through the issuance of volume-cap multi-family tax-exempt bonds (the associated LIHTCs are sometimes called "as of right" credits because they are automatically attached to the volume-cap bonds).
Fund Sources	Institutional investors or high net worth individuals make investments by purchasing tax credits, which infuses cash equity into a project that does not require repayment. Income tax receipts are impacted because investors' income tax payments are reduced.
Benefits	• *Advances in Equity:* o Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. • *Economic Feasibility and Flexibility* o The credit contributes to project equity, reducing developer's out-of-pocket investment and can be a significant incentive (particularly at the 9% level) for the provision of affordable housing. o Can be blended with other resources such as TIF, property tax abatements, and housing bonds.
Drawbacks	• *Administrative Challenges* o Obtaining the tax credits is a very competitive process, especially for the 9% tax credits. Demand for the tax credits generally outstrips funding from the tax credits. o The application process is complex and takes several months. The reporting requirements are also complex. • *Economic Feasibility* o Oregon has a relatively small allocation of tax credits from the Federal government because our population is relatively small. o The market for the price of tax credits is subject to drastic changes based on national policy changes. • *Political Acceptability* o The type of housing built with the tax credits does not meet the needs of the lowest income households (those with income below 30% of median family income) because the rents of affordable housing built with the tax credits targets households earning 50% to 80% of median family incomes.
Implementation	• Competitive NOFA process through Oregon Department of Housing and Community Services.

Section 108 Loan Guarantee Program

Summary	Section 108 provides communities with financial loans that are substantial enough to fund major economic development projects, housing rehabilitation, public facilities, or other developments.
How It Works	This program increases the capacity of block grants to assist with economic development projects, by enabling a community to borrow up to 5 times its annual CDBG allocation. Loans are typically $500,000 to $140 million, varying with the size of the project. Loans can be repaid with flexible payment plans over time and are offered at lower interest rates than those offered from private financing sources.
Fund Sources	Federal HUD funds
Benefits	• *Economic Feasibility and Flexibility:* o Funds are fairly flexible in application. o Enables a larger amount of very low interest-rate-subordinate funding for eligible projects. o Borrowers can take advantage of the lower interest rates. • *Political Acceptability* o Program has been run since 1974, and is seen as being fairly reliable
Drawbacks	• Competitive process to secure loans/grants for individual projects. • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years.
Implementation	• Competitive application process.

EPA Brownfields Grants

Summary	EPA funds several grant programs that help to pay for assessment, planning, remediation, revolving loan funds and environmental job training for sites identified as brownfields. EPA also collaborates with other federal partners and state agencies to leverage resources for a variety of brownfields activities.
How It Works	These grants include: • **Revolving Loan Fund Grants.** Enables states, local jurisdictions and tribes to make low interest loans to fund cleanup activities at brownfield sites. • **Assessment Grants.** Assessment grants provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites. • **Cleanup Grants.** Directly fund remediation of brownfield sites. • **Area-Wide Planning Grants.** Grants fund research, planning and development of implementation strategies for areas affected by brownfields. Plans should inform the assessment, cleanup and reuse of brownfields and promote area-wide revitalization. • **Environmental Workforce Development and Job Training Grants.** Provide funding for recruitment, training and placement of low-income, minority, unemployed and under-employed residents of solid and hazardous waste-impacted communities with the skills needed to secure full-time, sustainable employment in environmental fields, including the assessment and cleanup work taking place in their communities. • **Training, Research and Technical Assistance Grants.** Provide funding to eligible organizations to facilitate brownfields revitalization.
Fund Sources	Federal and State funds
Benefits	• *Economic Feasibility:* o Direct public investment into private projects. o Does not impact City funds.
Drawbacks	• *Administrative Challenge:* o Highly competitive and must meet EPA-identified criteria (varies by program).
Implementation	• Competitive application process.