

CITY OF SILVERTON
AFFORDABLE HOUSING TASK FORCE MINUTES

Silverton Community Center – Council Chambers – 421 South Water St.

October 15, 2019, 8:30 a.m.

I. CALL TO ORDER

Member Jason Freilinger called the meeting to order at 8:32 a.m.

Present	Absent	
	Excused	Kyle Palmer
X		Dana Smith
X		Jason Freilinger
	Excused	Sarah DeSantis
	Excused	Harry Douglass
X		Kari Johnsen
	Excused	Bonnie Logan
X		Laurie Chadwick
	Excused	Sarah White
	Absent	David Goldblatt
X		Gene Oster
X		Terry Caster
X		Molly Ainsley

Staff Present: Community Development Director, Jason Gottgetreu and Assistant to the City Manager/City Clerk, Angela Speier

II. APPROVAL OF MINUTES

Member Oster made a motion to approve the minutes from the September 17, 2019 meeting as presented. Member Caster seconded the motion. Member Dana Smith announced she would be abstaining from the vote, because she was not at the majority of the meeting. The minutes were unable to be approved due to a lack of quorum and will be voted on at the November 19, 2019 meeting.

III. PUBLIC COMMENT - None

IV. HOUSING STRATEGY: DISCUSS PROPOSED NEW POLICIES, OBJECTIVES, AND ACTIONS

Beth Goodman with ECONorthwest reviewed the meeting timeline and announced an open house has been scheduled for December 3, 2019.

At the last meeting the Task Force reviewed the first two draft policies and actions for the Housing Strategy. The members feedback is reflected in the updated document located in the meeting packet. Ms. Goodman is seeking feedback on the third and fourth polices today. At the November meeting members will be able to review the complete document one last time and provide additional comments. Input from the public will occur at the open house. The last meeting of the process will occur in December in order to review the final document and make any necessary changes. She explained the Housing Needs Analysis could be adopted as an appendix to the Comprehensive Plan. The objectives and policies will replace the existing policies in the Comprehensive Plan and the actions would live on in a separate document that will guide staff's work with the Planning Commission and City Council over the next few years.

Ms. Goodman provided a high level review of the housing policies and actions discussed at the last meeting.

Policy 3: Provide opportunities for development of housing affordable to all income levels.

Ms. Goodman explained this policy is to support the development of affordable housing for very-low and low-income households, as well as middle-income households. The members reviewed Objective 3.1 under this policy which is to support the development of government-subsidized low-income housing through partnering with non-profit, for-profit, and governmental developers of low income affordable housing. This would be housing available at 50 percent or less median family income (MFI). She explained this housing cannot be built by the market and is the hardest housing to finance and build. The action item under this objective would be to provide density bonuses and other incentives that support the development of affordable housing, including entry-level ownership units. Another action item is to identify surplus of publicly owned properties that could be used for affordable housing. This would require partnering with the developer(s) of low-income housing to develop affordable housing for households earning less than 60 percent of MFI. The members discussed adding an action regarding partnering with developers of government subsidized housing which would allow for a broad range of options including low income senior housing. Ms. Goodman is recommending splitting out objective 3.1 in order to have actions related to meeting the housing needs for households at 50 percent MFI and a separate objective for market rate housing. Discussion ensued on potential city property and having an action item to identify and evaluate city owned surplus properties. Not having to purchase land can make the development more financially feasible to partner entities.

Member Ainsley would like to see more community education around the type of housing currently in Silverton and the lack of affordable housing. This could include a series of articles in Our Town, press releases, and spreading the message at community events. This outreach could help to reduce resistance later in the process. Members discussed hosting a representative from Oregon Housing and Community Services (OHCS) to discuss their rural housing initiative.

Ben Wilt, 225 Franklin Ave, Mt. Angel. Mr. Wilt is the Construction Manager with North Willamette Valley Habitat for Humanity. He said a number of larger cities are pursuing community land trust models. This allows for the land cost to be taken out the equation regarding the development.

Ms. Goodman said if the City does decide to donate surplus land or even with some of the other policies discussed there needs to be a mechanism in place where the City can ensure the affordability of the units for a certain period of time. If the City puts in a lot of subsidy, it may be appropriate to require affordability over a 50 year period. The Task Force discussed the possibilities of using tax credits as an incentive and Member Johnsen explained NeighborWorks will be offering classes about this topic later this year.

Ms. Goodman referred members to the appendix part of the packet and asked them to review the potential strategies to modify land use regulations in order to increase housing affordability. She explained if the City chooses to utilize one of the strategies listed additional analysis will need to be done in order to make sure it will work for Silverton. That process will be done outside of the Housing Needs Analysis.

The Task Force reviewed objective 3.2 supporting development of all types of multifamily affordable housing, market rate or government subsidized affordable housing, through use of tools to lower development or operational costs or make the development process simpler or faster. Ms. Goodman will remove the word multifamily from the first sentence. The City could look into performing an audit on the development code to find ways to be more efficient. One of the action items is to reduce or waive system development charges (SDCs) for development of housing affordable at or below 60 percent or less of MFI. Member Freilinger would like to add the following statement: there needs to be an alternate funding source identified to backfill the loss of revenue. This will have a fiscal impact to the City. Member Johnsen explained one of the easier funding grants for a developer to get from the federal government is money to cover the SDC fees of the development. She would hate to see the City lose SDC income, because the City needs that money for infrastructure projects. Ms. Goodman said a different approach could be to develop a sliding scale for SDCs. Member Freilinger said the sliding scale seems like a more workable

option. Member Smith said the language needs to make it clear the sliding scale would be based on the size of the development.

Ms. Goodman reviewed the next action item which is to reduce development costs through changes to infrastructure development standards, when appropriate. For example, allow development of duplexes with a single-sewer line or allow one water meter for multiple cottage units. The Task Force would like to add where safety and public health is not impacted.

The fourth action item is to evaluate developing a tax exemption program, such as the Multiple Unit Housing tax exemption or the Low-Income Rental Housing tax exemption. Ms. Goodman will add a table that describes the various programs and the pros and cons with each. The City would have to develop the program which includes setting the district, award criteria, and the process for evaluating. The program is discretionary so it is a good program for cities. Ms. Goodman will provide additional information about tax exemption programs so members can pick the ones they are most interested in.

Member Ainsley proposed adding language regarding diverse and/or mixed income neighborhoods. The members were supportive of Ms. Goodman including similar language in an overarching goal for this document.

The members decided to remove the action item related to inclusionary zoning.

The last action item discussed was to partner with organizations to establish or participate in a land bank or land trust, to support affordable housing by reducing or eliminating land cost from the development process. ECONorthwest will provide additional information regarding this action item.

The members decided to include an action item related to density bonuses to allow for more quadplexes. This is something the City Council could grant on a discretionary basis through certain criteria. The City would have to determine where the density bonuses would be allowed, it could apply to certain types of houses in certain zones. Director Gottgetreu said this could be a tool for infill development. The Task Force discussed clustered residential development and how to streamline the Planned Unit Development (PUD) process and costs associated with it.

Policy 4: Identify funding sources to support development of infrastructure and housing affordability programs.

This policy is related to the development of funding sources to pay for the costs of implementing the affordable housing programs described in Policy 3 and infrastructure improvements in Policy 1. Ms. Goodman explained how Urban Renewal funds could be used to support the development of infrastructure necessary to support housing development in key areas of Silverton. Members discussed how the City's current Urban Renewal District is focused on the downtown, commercial and industrial development. Member Freilinger said it would be nice to focus on housing for the next district specifically in the North side of town. It could require the closing of the existing district and opening a new district. Ms. Goodman explained an Urban Renewal District has to increase the overall property taxes in the district, so it could focus on housing, but should also include some commercial or other types of development to ensure the growth in property taxes. ECONorthwest will provide additional information about how Urban Renewal can support housing.

Another possible revenue source is a Construction Excise Tax (CET) which could be used to offset the reduction in SDCs. Member Caster said he is concerned it would increase the cost of building. ECONorthwest will provide the Task Force with additional information about a CET. Other possible sources of revenue include using a small portion of Transient Lodge Taxes, General Obligation Bonds, Bancroft Bonds, and/or marijuana taxes.

V. NEXT STEPS

The next meeting will occur on November 19, 2019 at 8:30 a.m.

VI. ADJOURNMENT

Member Smith made a motion to adjourn and Member Freilinger adjourned the meeting at 10:18 a.m.

Respectfully submitted by:

/s/Angela Speier, Assistant to the City Manager/City Clerk