



# EXPLORATORY HOUSING POLICY WORKGROUP SESSION SUMMARY

Last updated June 15, 2016

## EXPLORATION SESSION ATTENDEES

Bruce Abernethy  
Seth Anderson  
David Ford  
Laura Fritz  
Kim Gammond  
John Gilbert  
Mike Hollern  
Susanna Julber  
Cindy King  
Tim Knopp  
Brent Landels  
Justin Livingston  
Charley Miller  
Erin Foote Morgan

Romy Mortenson  
Tyler Neese  
Dan Pahlisch  
Dennis Pahlisch  
Katelyn Pay  
Casey Roats  
Richard Ross  
Rob Roy  
Kirk Schueler  
Syd Snyder  
Bill Wagner  
Jody Ward  
Ken Wilhelm  
Rima Wilson

# EXPLORATORY SESSION BACKGROUND

On June 4, 2016 at the Bend Livability Conference held at Central Oregon Community College a group of housing stakeholders including leaders from the building and realtor industries, State Senator Tim Knopp, Bend city councilors, Bend Planning Commission members, affordable housing builders, Urban Growth Boundary Technical Advisory Committee members, and other community leaders met during the Bend Livability Conference to consider whether to create a new housing policy workgroup focused on encouraging the development of more workforce, multifamily and affordable housing in Bend through strategies targeting support for the building community to create these products.

The exploratory session was sponsored by Central Oregon Association of REALTORS and Brooks Resources. Prior to the session, leaders from the building and planning communities had helped shape four areas of possible focus for the potential workgroup including development code changes, incentives for developers, philanthropy work, and regulation recommendations. The session was facilitated by Andree Tremoulet of Commonworks Consulting, who led the group to break into four teams and visit stations around the room where they brainstormed the possible recommendations, solutions and strategies that could be developed in each of those four focus areas. After reviewing the possibilities for policy development in each area, the group overwhelmingly supported the creation of the workgroup to fully explore the package of housing policy recommendations that could be created and championed by this diverse group of stakeholders.

The currently proposed timeline for the project is as follows:

- PHASE ONE: PLANNING
  - Summer 2016
  - Project steering committee forms and develops project goals and areas of focus, project timeline, project budget, and facilitation requirements and expectations
- PHASE TWO: WORKGROUP FACILITATION AND CREATION OF RECOMMENDATIONS
  - Fall 2016-Spring/Summer 2017
  - Work group meets to develop slate of strategies and policy recommendations covering focus areas likely to include development code changes, incentives for developers, philanthropy work, and regulation recommendations (see initial policy concepts in report below)
- PHASE THREE: ADVOCATE FOR IMPLEMENTATION OF RECOMMENDATIONS
  - Summer 2017 and beyond
  - Work group creates and implements strategies encouraging adoption of recommendations

Funding for the facilitation of this workgroup is likely to come from multiple grant and sponsorship sources. At this time the following grant opportunities are being pursued:

- A \$15,000 National Association of REALTORS smart growth grant
- A \$1,500 contribution from Central Oregon Association of REALTORS
- A \$5,000-\$10,000 grant proposal to the Windermere Foundation
- A \$5,000-\$10,000 sponsorship proposal to the Housing Knowledge Community Committee of the American Institute of Architects

# HOUSING POLICY FOCUS AREA BRAINSTORM SUMMARIES

## 1. DEVELOPMENT CODE (AND PLANNING PROCESS) ENHANCEMENT POSSIBILITIES

- Decrease open space requirements
  - Increases developable land and decreases expense of landscaping installation and maintenance
- Increase allowable lot coverage and floor area ratio
  - There was a discussion that this may lead to larger homes which would be more expensive and would have the opposite effect
  - In order to work, this would need to be in conjunction with decreasing minimum lot sizes
- Decrease parking requirement
  - Increases number of multi-family units especially in RH zones and mixed use commercial development
  - Use in conjunction with transportation districts
- Increase building height limits
  - Increases number of multi-family units especially in RM and RH zones and mixed use commercial development
- Provide greater flexibility in the code for infill development
  - Infill development has a lot more restrictions than greenfield development projects and sometimes need a greater concessions
- Allow for a greater diversity of housing types
  - Tiny Homes, Mobile Homes, For-Sale Multi-Family, Duplexes, etc.
- Eliminate competing or duplicative standards
  - For example, we have density per acre standards, but also minimum lot sizes. They have the same purpose, but minimum lot sizes typically govern before the project hits the maximum units per acre.
- Analyze the cumulative effect of development standards
  - Small lots and infill properties are often so extensively limited by standards and allowing for a “3 out of 5” type compliance would allow more unique solutions
- Recognize that infill development has a lesser impact on the existing city infrastructure than development on the periphery
  - Decrease SDCs for “city center” development and increase them for new housing subdivisions
  - Relax other improvement requirements that add cost to a project for infill development
- Approval Process Improvements
  - Reduce time for approvals for land use applications
  - Lengthen time that approvals are valid or provide for greater/longer extensions to approvals
    - Obtaining approvals is an expensive endeavor and when financing takes longer than expected or there is a change in the market the project is put at risk.
  - Simplify approval process
    - There weren't any specific examples, but in general the approval process has lots of steps, and with the potential for appeals, even simple approvals within the confines of the development code criteria are necessitating land use attorneys
  - Simplify or eliminate the need to rezone property for housing projects

- Simplify the process for getting alternate materials and building systems approved through the alternate methods approval process
  - The comment was that the local officials are resistant to anything that they aren't familiar with.
  - Specifically on-site waste water treatment
- Eliminate ambiguity in the Americans with Disability Act standards and increase consistent application of the standards

## **2. INCENTIVES FOR DEVELOPMENT OF WORKFORCE/MULTIFAMILY HOUSING**

- Additional height and density bonuses
- Rezoning or upzoning (testing rezone concepts)
- Additional subsidies such as are currently provided by the affordable housing fund. Could revenues for the fund be increased?
- Could affordable housing bonds be explored more fully using affordable housing fee revenues, urban renewal funds, or other new revenue streams?
- Use urban renewal funds creatively, such as for subsidies, bonds, etc.
- Waiving SDCs for products (workforce/multifamily) we want to encourage
- Tax abatements for affordable units. Requires approval from individual taxing districts, such as parks, county, city, etc.
- Surplus lands could be utilized for building affordable housing developments with some kind of agreements enabling profits for builders
- Fast tracking approvals for developments meeting our goals
- For subsidies and incentives to work, the group estimated that 10-40 percent of costs would need to be eliminated or reduced.

## **3. PHILANTHROPIC SOLUTIONS SUPPORTING WORKFORCE/MULTIFAMILY HOUSING DEVELOPMENT**

- Voluntary allocation of funds from property sales
- Inventory vacant land, and create land banking projects
- Inventory what services are available through existing non-profits and who they serve, then find the gaps. Give people options of where to put their donations.
- Donation of professional services
- A lot of efforts happening, how to help with land use regulations
- Housing First (group noted this is for subsidized, not workforce housing)
- Donated land
- Foreclosed property donations
- Land Trusts that are 501 (c) 3 organizations
- Community Development Corporations
- Find solutions with industry employers that cannot find workers due to housing shortages in the area (i.e. tourist, service, medical, tech, and construction industries)
- Private investments when projects are not applicable for subsidies or to fill in gaps
- Training on how to make affordable multifamily projects profitable for builders
- Community education

## **4. REGULATORY RECOMMENDATIONS**

- Inclusionary zoning- it only works if:
  - There is a government subsidy for land, for units affordable for 60 years? This was just an idea, not really evaluated.
  - We need to provide an incentive to encourage inclusionary zoning

- Fee In lieu of inclusionary zoning compliance (so if a developer didn't want to construct xxx number of units, they could pay into a fund for affordable housing elsewhere in town.)
- Look at ability to appeal multifamily housing projects:
  - The ability to appeal multi family/low income/ workforce projects adds to timing and cost.
  - If there is a way to NIMBY-proof a project, we would get more supply.
  - Would provide certainty and regularity for a developer
  - Con: Would change land use system, policy at state level and procedure for land use appeals.
- Flexibility in regional planning- bigger look at surrounding needs (isn't it better to be able to expand UGB for a workforce/low income housing project, rather than having those commuting from Lapine, Redmond, etc.?).
  - Greater flexibility to bring in land to meet housing needs. Would cut down on transportation infrastructure needs, create more complete communities.
- Renting:
  - Provide incentives (from where?) for rent to own, accumulation of equity programs.

# **NEXT STEPS**

## **July 2016**

- First steering committee meeting held to determine project goals and areas of focus, project timeline, project budget, and facilitation requirements and expectations
- Apply for grants and sponsorships
- Release request for proposals for workgroup facilitation

## **August 2016**

- RFPs received for workgroup facilitation
- Facilitation partner evaluation
- Information received on funding proposals

## **September 2016**

- Selection of facilitation partner
- Steering Committee and facilitation partner meet to coordinate work plan
- Workgroup sets schedule and begins meeting