

McMinnville Affordable Housing Task Force
Jul 13th, 2016

Agenda

1. Formalizing SDC Exemptions
2. Review of multi-family lots within McMinnville
3. Follow up from discussions with community members

Attachments:

1. Minutes from Jun 8th Meeting
2. SDC – Building Fee Background Paper
3. LIFT Overview
4. Proposed SDC Exemption Language
5. RockLedge Tiny Home Regulations
6. Tiny Home Central Oregon Issues

McMinnville Affordable Housing Task Force

Minutes from the Jun8th Meeting, Community Development Center

Attendees:

Remy Drabkin (City Councilor)

Sheryl Hill (Business Representative)

Elise Hui (Executive Director, Housing Authority of Yamhill County)

Martha Meeker (City Manager)

Kellie Menke (City Councilor)

Doug Montgomery (City Planning Director)

Darrick Price (Executive Director, Community Home Builders)

Jeff Sargent (Executive Director Yamhill County Action Partnership – YCAP)

Absent due to scheduling conflicts: Jon Johnson (VP, Commercial Loans at Citizens Bank) and Alan Ruden (Councilor)

Guests: Rob Justus, Home First

Rob Justus is the founder of Home First Development and has been working in the homeless services business for 25 years. His most recent project was in the Portland Metro area using a formula based on private financing which averaged \$75,000 per unit versus the City of Portland's cap of \$250,000 per unit. A large part of this savings comes from sidestepping public funds and its associated regulatory overhead while also keeping operating costs and profit margins low.

One of Rob's latest initiatives is with churches looking to convert a portion of their properties into below-cost housing. In this model, the church provides the land and the long term property management and in turn, realizes a small profit that is fed back into the church's operations. He's also working with the Housing Authority of Central Oregon on a 53-unit project with the Housing Authority of Central Oregon.

Rob discussed his experience with building developments that have co-located helping services and for the most part he has shied away from these as the majority of his targeted population doesn't require onsite mental health or addiction treatment. This cuts the overhead and the number of agencies generally involved in his projects and ensures the money stays with providing housing and not office space.

The group discussed whether previous projects Rob had worked with required zoning changes and he mentioned that so far his partners have brought land to table that was already zoned appropriately. As for identifying individuals in need, Rob has been working with local school districts to identify candidate individuals; however, he can only do this since he doesn't take federal dollars. Finally, it was discussed that broadening to include workforce housing can be beneficial to enhance participation by the business community.

The group discussed how to gain traction on doing something locally and the consensus was the first thing was to identify a group of properties zoned for multi-family (preferably

2-3 acres based on 15 units per acre) that have potential. Rob added that the State's Local Innovation and Fast Track (LIFT) Housing Program was having difficulty finding projects for the \$40 million Oregon provided in 2015 for affordable housing as some housing agencies are boycotting the funds as they don't believe the State has provided enough money. He ended his presentation with an offer of a tour of one of his projects if the group desired.

In addition to working with churches, the group discussed working with the School District as well. Overall, there was consensus to continue the dialog with various groups such as local businesses, service groups and others to gauge the larger interest, not only for housing for the homeless but workforce housing as well. It was also discussed that the group will need to eventually pull together a plan that paints an asset picture with operational costs and a long term property management plan to effectively market the idea to businesses. Current examples such as vineyards and wineries who provide housing as part of their compensation plan for temporary labor was mentioned as tangible evidence showing this is a business concern.

At the next meeting, the group will begin to review a preliminary list of potential properties and discuss feedback gained from various agencies. The group will also begin to set language memorializing SDC and building permit fee exemptions while Elise and Jeff mentioned they would begin to look at cottages and tiny home zoning language. Finally, the group discussed a need for an engagement plan to ensure community buy in versus push back.

SDC Exemption for Affordable Housing Projects

McMinnville has provided relief from system development charges and building permit fees in the past for affordable housing. The issue is whether the City should provide an exemption across the board and if so, at what levels.

Discussion of the Issue and Alternatives:

System development charges (SDCs) are fees that are collected when new development occurs in the city and are used to fund a portion of new streets, sanitary sewers, parks and water.

Single Family Development SDC's

	fee per unit	fees for 20 lot development
Transportation	\$ 2,288	\$ 45,760
Sanitary Sewer	\$ 2,870	\$ 57,400
Parks	\$ 2,118	\$ 42,360
TOTAL :	\$ 7,276	\$ 145,520

multi-family development SDC's

	fee per unit	fees for 20 unit apt complex
Transportation	\$ 1,198	\$ 23,960
Sanitary sewer	\$ 2,870	\$ 57,400
Parks	\$ 2,118	\$ 42,360
TOTAL :	\$ 6,186	\$ 123,720

Systems Development Charges may not be waived for projects. However, several cities in Oregon do allow for certain classes of housing to be exempted from having to pay Systems Development Charges. Affordable Housing is one such class and the City has provided 60% SDC and building permit fee relief in the past for non-profit affordable housing projects.

While generally, smaller cities do routinely exempt SDC and permit fees, there are examples to look at in larger metropolitan areas.

Portland: For the City of Portland, the SDC relief is intended to reduce the development costs for residential units that are made affordable to homeowners and low-income renter households by exempting developers from paying SDC fees levied by the City of Portland. These requirements are:

- Rental: 60% or below MFI (Median Family Income).
- Homeownership: 100% or below MFI adjusted by family size.
- If the project has units that do not qualify for the exemption or a commercial component, the exemption will be based on a percentage of the total SDC fee.
- Water Bureau: Single family projects will only qualify for a 5/8ths-inch water meter exemption.

Salem: For the City of Salem the exemption applies to any public use or development which is or by agreement will be undertaken by the City of Salem, the Housing Authority of the City of Salem, or the Urban Renewal Agency of the City of Salem and any housing unit which is located in a housing project of one or more housing units, if the project receives federal housing funds administered by the city and is affordable to families at or below the city's 80% median income level as defined by the US Department of Housing and Urban Development.

Eugene: The City of Eugene exempts SDC's for housing for low-income persons, subject to the following limitations:

- Commencing with the 1998 fiscal year, and continuing each fiscal year thereafter, the city manager or designee may waive a base amount annually of system development charges for housing for low-income persons.
- Each fiscal year that there is a change in the rates for the system development charges for residential development, the base amount for that fiscal year shall be adjusted in an amount proportionate to that change.
- If any portion of the authorized base amount remains unallocated at the end of a fiscal year, that portion shall be added to the authorized base amount for the next fiscal year.
- In the event the property for which an exemption is granted ceases to be utilized for housing for low-income persons or is sold or transferred for use other than housing for low-income persons within five years from the date the certificate of exemption is recorded, the person to whom the exemption was granted shall be required to pay to the city the amount of the exempted systems development charges, plus interest at the statutory rate for interest on a judgment from the date the certificate was recorded.
- Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the exemption with the Lane County Recorder's office.
- A transfer from an owner to whom an exemption was granted to the initial lessee under a lease to purchase agreement shall not be deemed a transfer of ownership for purposes of this subsection.
- The exemption authorized herein does not include an exemption from the regional wastewater systems development charge.
- "Low-income persons" means:
 - With regard to rental housing, persons with an income at or below 60 percent of the area median income as determined by the State Housing Council based on information from the United States Department of

- Housing and Urban Development; and;
- With regard to home ownership housing and lease to purchase home ownership housing, persons with an income at or below 80 percent of the area median income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.

Eugene's amount that was exempted for this upcoming program year is \$1.4 million and will be done via an RFP process

Bend: Developments receiving local, state, or federal funds meant for affordable housing are fully exempted from water and sewer SDCs and 75% exempted from transportation SDCs. Eligible projects include rental housing for households making 60 percent or less of the area median income (AMI), owner-occupied or lease-to-purchase for households making 80 percent or less of the AMI, and homeless shelter developments. If the total annual exemption requests exceed \$1 million, priority will be given to projects meeting certain additional criteria, including but not limited to: utilization of outside funds and services, partnerships with other organizations and agencies, proximity to transit corridors, and provisions to increase public transit options. If the property that receives the exemption ceases to be affordable housing within the first five years, the developer will be required to pay back the exempted SDCs, plus interest.

Language from Bend's ordinance passed in August 2015:

"Development of affordable housing that receives local, state, or federal funds for affordable housing, are within any of the categories in this section, and are approved through the process set forth in Subsections D and E are exempt from 100% of water and sewer SDCs and 75% of transportation SDCs

- Rental housing that is affordable for households with an income at or below 60% of the area median income ("AMI") as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
- Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the AMI as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
- Homeless shelter developments.

Exemption applications shall be submitted and considered annually through a Request for Proposal process. If the total requested exemptions in a fiscal biennium are \$1 million or less, exemptions shall be granted for all projects that meet the criteria above. If the total requested exemptions exceed \$1 million for the fiscal biennium, exemptions to the amount available shall be granted based on the following priorities:

- Projects that maximize utilization of outside funds and services.
- Projects that utilize partnerships with other organizations and agencies.

- Projects that can demonstrate that they have the staff capability and capacity to successfully and efficiently implement the proposed project.
- Projects that are clearly defined and realistic in scope, location, need, budget, and goals.
- Projects that demonstrate a clear plan for evaluating project progress toward addressing the identified need.
- Projects that utilize an effective strategy to improve conditions and solve problems.
- Projects that can be readily implemented in a timely manner once SDC exemptions are awarded.
- Projects that can provide sufficient evidence illustrating neighborhood and community support.
- Projects that will have a sustainable long-term impact, evidenced by secured deed restrictions, land trusts, or other mechanisms.
- Projects that do not result in the permanent displacement or relocation of current occupants of the project site.
- Projects that are constructed adjacent to transit corridors and have provisions to increase public transit and other alternative commuter options.

The proposals shall be evaluated by the Affordable Housing Advisory Committee, which shall make a recommendation to the City Council regarding the requested exemptions, and the City Council shall decide whether to allow the requested exemptions according to the standards set forth in this section. If the total number of exemptions requested exceed the maximum exemptions allowed for the year, the City Council may reduce the exemption to any or all of the applicants to a percentage of the total exemption that would otherwise be provided.

The City shall record documentation of the exemption with the Deschutes County Clerk's office at the time the project receives a certificate of occupancy or final inspection. In the event the property for which an exemption is granted ceases to qualify for the exemption or is sold or transferred for use other than affordable housing within five years from the date the project is completed, the person or entity to whom the exemption was granted shall be required to pay the City the amount of the exempted SDCs, plus interest at the statutory rate for interest on a judgment from the date the exemption was recorded. A transfer from an owner to whom an exemption was granted to the initial lessee under a lease to purchase agreement shall not be deemed a transfer of ownership for purposes of this subsection."

Bend SDC rates (per unit): Transportation - \$4,928; Sewer - \$3,058 for sewers; Water - \$4,868 for water on a single-family home, with slightly lower rates for apartment units and other forms of multifamily housing. Parks SDC is set at \$6,013 are not exempted.

McMinnville Building Fees

- System Development Charges
Collected to address growth needs such as new roads or parks based on residential or business growth. For residential growth, the McMinnville current fee structure is:
 - Sanitary Sewer SDC: \$2,870 per dwelling unit
 - Parks SDC: \$2118 per dwelling unit
 - Transportation SDC: \$2,287 per dwelling unit
- Lot charges (example - Aspire’s lot development for first 8 homes)
 - City Permitting and Plan Review: \$11,800
 - City / Water and Light for sewer, water and power lines: \$20,000
 - Yamhill County Surveyor: \$2,200
 - Geological site assessment: \$2,300
- McMinnville School District: First 600 sq ft of the combined home/garage footprint is not assessed; remaining sq footage is assessed at \$1.20 per sq foot.
- Permit Fees

	PROCESSING FEES
<u>Administrative Variance</u>	\$145
<u>Annexation</u> Segment 1: Initial application fee Segment 2: For annexations upon approval by City Council Segment 3: For annexations set for non-primary or non-general election ballots (odd numbered years) (No Segment 3 costs associated with general or primary elections)	\$780 \$835 \$13,000
<u>Appeal from Planning Commission Decision</u>	\$600
<u>Appeal from Planning Director Decision</u>	\$200
<u>Bed & Breakfast Establishment (less than 3 bedrooms) Annual Renewal Fee:</u>	\$145 \$25
<u>Classification of an Unlisted Use</u>	\$410
<u>Comprehensive Plan Amendment</u>	\$1,390
<u>Conditional Use Permit</u>	\$1,055

	PROCESSING FEES
<u>Downtown Design Standards and Guidelines</u>	No Fee
Expedited Land Division Application: <ul style="list-style-type: none"> • <u>Partition</u> • <u>Subdivision</u> ≤ 10 lots • <u>Subdivision</u> (more than 10 lots) • Appeal Deposit 	\$430 + appeal deposit \$570 + \$15/lot + appeal deposit \$1,595 + \$15/lot + appeal deposit \$3,445
<u>Historic Landmark Clearance / Building Alteration</u>	No Fee
Historic Landmark Notice of Delay	No Fee
<u>Home Occupation</u> Annual renewal fee	\$145 \$25
<u>Landscape Review Plan</u> <u>Street Tree Removal</u>	\$140 No Fee
<u>Large Format Commercial Development (variance to standards)</u>	\$400
<u>Manufactured Home Park</u> *	\$1,595 + \$15 / lot
Model Home Permit	\$120
<u>Parking Variance for Historic Structure</u> *	\$145
<u>Partition of Land (tentative)</u> *	\$430
<u>Planned Development</u> <u>Planned Development Amendment</u>	\$870
Planned Development In addition to any applicable zone change fee: Residential Rate Commercial Rate Industrial Rate	\$15 per Dwelling Unit** \$25/1,000 sq ft of bldg \$10/1,000 sq ft of bldg
<u>Property Line Adjustment</u>	\$170

	PROCESSING FEES
<u>Recreational Vehicle Park Permit</u>	\$725
<u>Sign Standards Exception (variance)</u>	\$970
<u>Solar Collection System Variance</u>	\$970
<u>Street Vacation</u>	\$655
<u>Subdivision</u> (tentative) more than 10 lots <u>Subdivision</u> ≤ 10 lots *	\$1,595 + \$15/lot \$570 + \$15/lot
<u>Temporary Living Unit Permit</u> Semi-Annual Renewal Fee	\$415 \$25
<u>Three Mile Lane Development Review</u>	No Fee
<u>Transitional Parking Permit</u>	\$565
Urban Growth Boundary Amendment	\$1,955 + 50% of costs incurred in excess of base fee
<u>Vacation Home Rental</u> Annual Renewal Fee	\$145 \$25
<u>Variance (Land Division)</u>	\$970
<u>Variance (Zoning)</u>	\$970
<u>Zone Change</u>	\$1,595

Building Permit Review	PROCESSING FEES
Residential: Value less than \$100,000 Value \$100,000 + Multi-family residential (per project)	No Charge \$20 \$75
Commercial/Industrial: Value less than \$100,000 Value \$100,000 - \$500,000 Value greater than \$500,000	No Charge \$45 \$110

Affordable housing fee waiver information

- Phone surveys by Community Development Dept staff (Oct 2015)

CITY	POPULATION	OFFER SDC / PERMIT DISCOUNTS OR WAIVERS FOR AFFORDABLE HOUSING?	IF YES, WHAT?	OFFER ANY OTHER AFFORDABLE HOUSING INCENTIVES OR PROGRAMS?
Portland	605,510	SDC: Yes Permits: Yes	Permit: Average waiver is 50%; can waive up to 100%. SDC: 100%	No
Eugene	160,766	SDC: Yes Permits: No	Local SDC waivers (not wastewater) for approved low income projects. Large residential developers and habitat use the program. Fee waivers are covered by \$150,000 annual transfer from General Fund.	No
Salem	159,267	SDC: Yes Permits: No	SDC waivers to non-profits approved to receive HUD funding through the City. Waiver is approved each year.	No
Gresham	106,455	No	N/A	No
Hillsboro	95,318	No	N/A	No
Beaverton	93,399	No formal program for waivers / discounts.	The City will sometimes provide assistance, but in those cases the General Fund would pay the discounted / waived fees.	No
Bend	79,985	SDC: Yes Permits: No	There is a SDC exemption program (all SDC's except parks). Developers put together a RFP and take to the Council for approval. The Council determines what the waiver/discount will be. The City covers the waiver / discount amount (\$1.1-M available this year).	Density bonus; cottage code; Local affordable housing fund (Bend only)
Medford	76,650	No	N/A	No
Springfield	60,071	No	N/A	No
Corvallis	56,535	No	N/A	No
Albany	51,270	SDC: No Permits: Yes	For permits, the school district construction excise fee is waived.	HUD block grants
Tigard	49,140	No	N/A	No
Lake Oswego	37,105	No	N/A	No
Keizer	36,985	No	N/A	No
Grants Pass	36,398	No	N/A	No
Oregon City	33,760	No	N/A	No

Affordable housing fee waiver information

- Phone surveys by Community Development Dept staff (Oct 2015)

CITY	POPULATION	OFFER SDC / PERMIT DISCOUNTS OR WAIVERS FOR AFFORDABLE HOUSING?	IF YES, WHAT?	OFFER ANY OTHER AFFORDABLE HOUSING INCENTIVES OR PROGRAMS?
McMinnville	32,705	SDC: Yes Permits: Yes	60% discount of SDC's and building permit fees	
Tualatin	26,925	No	N/A	No
Redmond	26,770	SDC: Yes Permits: No	The SDC credit is City acquired residential properties that have been demolished. There were nine credits to start the program. Waive 50% of SDC's for non-profit. Deed restriction placed on property.	No
West Linn	25,546	No	N/A	No
Woodburn	24,455	No	N/A	No
Newberg	22,765	SDC: Yes Permits: No	One (1) complete SDC waiver per year to non-profit	Offer discount of SDC fees if residential construction is classified as efficiency dwelling (studio / 1 bedroom <600 sf)
Forest Grove	22,715	No	N/A	For Habitat, payment of some fees can be postponed until Certificate of Occupancy
Roseburg	22,510	No	N/A	No
Wilsonville	21,980	No	N/A	No
Klamath Falls	21,500	No	N/A	No
Milwaukie	20,491	SDC: No Permits: Yes	30% structural permit fee reduction	
Ashland	20,340	SDC: Yes Permits: No	SDC deferrals or waivers on new construction that provides affordable housing.	Mixed use parking credits; CDBG funds; density bonuses; Affordable housing trust fund.
Sherwood	18,955	No	N/A	No
Happy Valley	16,484	No	N/A	Provide a density bonus for affordable housing developments.
Canby	16,010	No	N/A	No

Housing Stability Council

LIFT Program Design Framework

May 6, 2016



The Local Innovation and Fast Track (LIFT) Housing Program's objective is to build new affordable housing for low income households, especially families. In 2015, the Oregon Legislature committed \$40 million of general obligation Article XI-Q bonds to fund the LIFT program. Using this new funding source will allow Oregon Housing and Community Services (OHCS) and its partners to add to the supply of affordable housing, in particular, for historically underserved communities.

OHCS has been working with the Housing Stability Council to develop a plan to efficiently use the newly committed funds and maximize the impact it will have in communities across the state. Key to LIFT program design was identifying an effective way to use the Article XI-Q bond funding for housing development; these funds require the state to own or operate any real property development that utilizes this resource which has not yet been utilized in housing development investments made by the state.

Program Goals and Outcome Measures:

Given guidance provided from Governor Brown, the legislative process, and the stakeholder process, OHCS hopes to achieve several outcomes:

The primary goals of the LIFT program are:

1. Create a large number of new affordable housing units to serve low income Oregonians.
2. Serve historically underserved communities:
 - a. Rural communities with less than 25,000 people;
 - b. Communities of color.

Secondary goals of the LIFT program are:

1. Place affordable housing units in service as quickly as possible.
2. Serve families earning at or below 60% area median income, receiving services through Oregon's Department of Human Services (DHS) child welfare or family self-sufficiency programs.
3. Identify innovative building strategies that result in lower cost of affordable housing development that is replicable.

Outcome measures of the LIFT program are:

1. Increase in affordable housing inventory; measured by the number of new units built.

Housing Stability Council

LIFT Program Design Framework

May 6, 2016

- a. More affordable rental housing units available in small rural communities with population under 25,000.
 - b. More affordable rental housing units available that serve communities of color
2. Low state subsidy per unit; measured by program target.
 3. Vulnerable households stabilized; measured by comparing the length of a specified household's tenancy in a LIFT-funded unit to the number of moves that resident experienced in the prior 24 months
 4. Implement innovative and replicable cost containment strategies; measured through comparison of projects funded with LIFT proceeds to traditional multifamily housing costs, such as RS Means.

Funding design to overcome disparities

Since the use of funds are intended to overcome historic disparities, projects will either need to be (a) located in a rural community, OR (b) designed to serve communities of color.

- a) Rural communities are defined as Oregon cities with population less than 25,000 that are outside of the Portland Metropolitan Urban Growth Boundary.
- b) Service to communities of color can be achieved in a number of ways, and should be relevant to the community in which the project is located, and the target population anticipated to be served. In general OHCS would expect that addressing this disparity could be accomplished in one of the following ways:
 - i. Development, sponsorship or management by a culturally specific organization with a diverse and representative leadership.
 - ii. An ongoing service partnership with a culturally specific organization.
 - iii. A relevant marketing and outreach plan designed to publicize to communities of color the availability of the new housing opportunities created by the project, and to affirmatively further fair housing.
 - iv. A project explicitly designed and located to address displacement.

Project selection

A solicitation for projects will be conducted through a streamlined competitive notice of funding availability (NOFA).

Housing Stability Council

LIFT Program Design Framework

May 6, 2016

- a. All applications need to meet minimum requirements as summarized below and articulated in the NOFA.
- b. A scoring committee (Committee) comprised of representatives from communities of color, rural communities, OHCS and DHS leadership, and other relevant policy and development expertise will be assembled to review all applications that have met the minimum requirements.
- c. The job of the Committee will be to rate and rank project applications, and to make funding recommendations to the Director of OHCS. In carrying out their role, the Committee will be asked to:
 - i. Establish priority consideration in fund recommendations for projects requesting \$38,000 per unit or less in LIFT subsidy.
 - ii. Determine whether the projects requesting above \$38,000 per unit with secondary consideration should be reviewed for funding; OHCS and its Committee may decline to review those proposals if they determine, in good faith, that all available program funds can be deployed to projects in the priority consideration category.
 - iii. Strive for geographic diversity in LIFT funding recommendations and will have the ability to consider geographic distribution along with overall score in the prioritization of projects.
- d. The Director of OHCS will review the recommendations of the Committee, and reserves the right to modify the recommendations before making a final funding recommendation to the Housing Stability Council.

Minimum Requirements

All projects must meet the following minimum requirements to be reviewed. In some cases, OHCS will have a preference for exceeding these minimum requirements which are detailed below under selection criteria.

1. LIFT subsidy per unit:
 - a. Priority consideration for applications requesting \$38,000 LIFT subsidy per unit or;
 - b. Secondary consideration for applications requesting more than \$38,000 LIFT subsidy per unit; where OHCS and its Committee may decline to review those

Housing Stability Council

LIFT Program Design Framework

May 6, 2016

proposals if they determine, in good faith, that all available program funds can be deployed to projects in the priority consideration category.

- c. OHCS does not intend to contribute other State grant resources.
 - d. Projects may utilize 4% Low Income Housing Tax Credits (LIHTC). If applicant chooses to do so, all components of the 4% LIHTC program, including project feasibility review and due diligence associated with the 4% LIHTC program, will apply.
2. A minimum affordability period of 20 years from the time the project is placed in service, or the length of time the Article XI-Q Bonds are outstanding, whichever is longer, will be required.
 3. 100% of the newly constructed units funded with LIFT resources must be available for households earning at or below 60% area median income at the time of initial lease. Tenants may stay in their unit regardless of future income.
 - a. If a project is structured to serve a mix of incomes, and will serve households with incomes greater than 60% AMI, OHCS will work with the sponsor to establish a “next available unit rule” and protocols regarding rents for low income tenants who become over-income.
 4. Maximum rents allowable for 100% of the units financed with LIFT will be based on 60% HUD Area Median Income standards.
 5. Minimum Construction Standards:
 - a. **Methods:** Both traditional and alternative methods of construction are allowable; construction which is innovative or contains costs is encouraged.
 - b. **Quality:** Construction that balances initial cost of building with on-going cost of operation for both the building owner and the tenants (energy standards); ensuring that additional costs are not passed on to tenants.
 - c. **Durability:** 30 year building standards.
 - d. **Other Requirements:** If other public capital or operating subsidy is used from any source, relevant requirements of those sources will be assumed to apply.
 6. Units must ready for initial lease-up within 30 months of a LIFT funding reservation.
 7. Sponsors need to demonstrate that the development team has relevant experience with the development and operation of affordable housing.

Housing Stability Council

LIFT Program Design Framework

May 6, 2016

8. Underwriting guidelines will be applied by OHCS in its due diligence and project review process to ensure ongoing project viability, and risk mitigation associated with the funding source's requirement for OHCS to own or operate the project. Such guidelines will require the inclusion of applicable LIFT program fees (e.g., application fees, document preparation fees, OHCS' legal fees, on-going compliance monitoring fees, etc.); and will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public funding sources. These will include loan-to-value, debt coverage, expense ratios, and reserve requirements.
9. Developer fees will be capped at a rate less than allowed through federal tax credit projects as defined in the most recent OHCS Qualified Allocation Plan.
10. Compliance monitoring throughout the period of affordability will be minimal while managing risk to the State. It will include:
 - a. Initial household income verification.
 - b. Annual income verification through self-certification.
 - c. Risk-based physical inspections every 1-3 years based on property condition.
 - d. Other Requirements: If other public capital or operating subsidy will be used from any source, relevant compliance requirements of those sources will be assumed to apply. For example, if 4% LIHTCs are used, all 4% LIHTC compliance requirements will pertain.
11. Because the LIFT program is to be funded with Article XI-Q bonds, OHCS will need to assume either an ownership or operational role with the properties that receive LIFT funding.
 - a. Operational structure: (Subject to change based on the State's bond counsel)
 - i. The State of Oregon, by and through Oregon Housing and Community Services (OHCS), would be a limited partner or member, or special limited partner, or member of a single asset entity Limited Partnership, or a Limited Liability Corporation.
 - ii. OHCS would be provided certain rights over including but not limited to the hiring and firing of the property management firm, setting of rents, initial lease up, and use of reserves.
 - iii. In order to ensure OHCS' contribution to the project is structured appropriately to meet the legal and tax definitions of equity, LIFT funds will go into the project as a limited partner equity contribution. This structure will require OHCS to articulate an exit strategy. The exit

Housing Stability Council

LIFT Program Design Framework

May 6, 2016

strategy will be utilized at a point in the future, after the initial affordability period, at which time OHCS will step out of the ownership and operations of the project.

- b. Ownership (Fee Simple) structure:
 - i. The State of Oregon, by and through OHCS, would utilize LIFT funds to purchase land on which a multifamily affordable project would be built.
 - ii. OHCS would enter into a long term ground lease with the sponsor of the multifamily affordable housing project.
 - iii. The land lease would not be subordinated to a lender, investor, or other party in the multifamily affordable housing project.

Selection Criteria for Primary Consideration Applications:

Projects that meet or exceed the minimum requirements outlined above that are requesting \$38,000 LIFT subsidy per unit or less will be ranked based on clear selection criteria, which will be further developed in the NOFA solicitation. Below are some initial selection criteria for primary consideration applications:

1. Location in communities with high needs based on a county formula incorporating the following factors: nonwhite and Hispanic poverty rate, family poverty rate, extremely low income households with severe housing problems.
2. Short development period (units to be sited, planned, permitted, constructed, and ready for initial lease-up); less than the minimum threshold of 30 months.
3. Ability to effectively serve DHS clients earning at or below 60% of area median income.
4. Strong local social service partnerships.
5. Demonstration of innovative building design or innovative alternative construction methodology, or development strategy to lower costs.
6. Demonstrated efficiency and replicability of building development strategy.
7. Plans to address equity and diversity in the project through the use of Minority, Women and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services.

Housing Stability Council

LIFT Program Design Framework

May 6, 2016

Selection Criteria for Secondary Consideration Applications:

OHCS and its Committee will review proposals for projects that meet or exceed the minimum requirements outlined above that are requesting more than \$38,000 LIFT subsidy per unit if they determine, in good faith, that all available program funds cannot be deployed to projects in the priority consideration category. These projects will be prioritized, after those with primary consideration, based on clear selection criteria which will be further developed in the NOFA solicitation. Below are some initial selection criteria for secondary consideration applications:

1. LIFT subsidy per unit; higher preference for projects requesting less LIFT subsidy per unit.
2. Located in communities with high needs based on a county formula incorporating the following factors: nonwhite and Hispanic poverty rate, family poverty rate, extremely low income households with severe housing problems.
3. Short development period (units to be sited, planned, permitted, constructed, and ready for initial lease-up); less than the minimum threshold of 30 months.
4. Ability to effectively serve DHS clients, with a preference for projects that will serve households earning at or below 40% area median income.
5. Strong local social service partnerships.
6. Demonstration of innovative building design or innovative alternative construction methodology, or development strategy to lower costs.
7. Demonstrated efficiency and replicability of building development strategy.
8. Plans to address equity and diversity in the project through the use of Minority, Women and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services.

RESOLUTION NO. 2016 - _____

A Resolution creating an Affordable Housing SDC Discount.

RECITALS:

Set as a practice in 199_, the City of McMinnville provided relief from 60% of SDC fees as well as permit fees to non-profit builders. As a continuation of this practice and to promote the building of affordable housing in the City of McMinnville, the McMinnville Affordable Housing Task has recommended to City Council to memorialize that practice and establish a policy promoting the construction of affordable housing.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMINNVILLE, OREGON, as follows:

The City of McMinnville shall allow certain classes of housing to be exempted from having to pay the following System Development Charges, Sanitary Sewer SDC, Parks SDC, and Transportation SDC and building permit fees. The class of housing shall be defined as Affordable Housing.

Affordable Housing shall be defined as:

1. Housing constructed or renovated by a registered non-profit whose primary goal is to house individuals in or near poverty or those making less than the Area Median Family Income ("AMI").
2. Housing receiving local, state, or federal funds:
 - a. Rental housing that is affordable for households with an income at or below 60% of the AMI as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
 - b. Owner occupied or lease to purchase housing for households with an income at or below 80% of the AMO as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development.
 - c. Homeless Shelter developments.

Tiny house Pocket neighborhood requirements:

Tiny Houses in Pocket Neighborhoods

- A. A tiny home shall be defined as a principal residential dwelling that has a square footage of between 170 and 1,100.. Tiny Homes are only permitted within the redevelopment mixed use district (RMU) or a planned unit development (PUD) in a Pocket neighborhood setting.
1. Each dwelling unit shall have a minimum gross floor area of not less than 170 square feet for the first occupant and not less than 100 square feet for each additional occupant.
 2. Required space in sleeping rooms. In every dwelling unit of two or more rooms, every room occupied for sleeping purposes by one occupant shall contain at least 70 square feet of floor space, and every room occupied for sleeping purposes by more than one occupant shall contain at least 50 square feet of floor space for each occupant thereof.
 3. Minimum ceiling height. Every habitable room, foyer, bathroom, hall or corridor shall have a ceiling height of at least seven feet. If any room has a sloping ceiling, the prescribed ceiling height for the room is required in only one-half the area thereof, but the floor area of that part of any room where the total floor area of the room for the purpose of determining the maximum permissible occupancy thereof.
 4. Structure width. The minimum width of a tiny home must be at least 8.5 feet, with a maximum of 20 feet.
- B. A tiny house on wheels (THOW), *for the purposes of these Guidelines*, is a structure which is intended as a full time residence or year-round rental property and meets these five conditions:
1. Built on a trailer that is registered with the builder's local DMV.
 2. Towable by a bumper hitch, frame-towing hitch, or fifth-wheel connection, cannot move (and was not designed to be moved) under its own power.
 3. Is no larger than allowed by applicable state law. (The typical THOW is no more than 8'6" wide, 30' long, and 13'6" high. Larger tiny houses may require a special commercial driver's license and/or special permits when being towed.)
 - a. [Verify with the DMV that the THOW is with limits of the law.](#)
 - b. Roof height is from bottom of tires to the top of the highest exterior point on the house, including any protrusions. The roof height may be taller when stationary, as long as it is collapsible for towing of the THOW. Chimney piping may need to be removed for travel and then reinstalled to meet clearance requirements for use.
 - c. Built to the standards of a Florida ASCE structural engineer's approved plans
 4. has at least 170 square feet of first floor interior living space.
 5. includes [basic functional areas](#) that support normal daily routines (such as cooking, sleeping, and toiletry).

6. The following documentation will be required to be submitted for building permit for a THOW in a pocket neighborhood:
 - a. Detailed structural plans illustrating the location of studs, joists, rafters, and engineered connectors (hurricane clips, tension ties, etc.). Plans should clearly address how the structure is secured to the trailer, and how the floors, walls, and roof are framed and sheathed. Plans should also include an illustration of a floor, wall and roof section, showing the building members, insulation, vapor barrier, moisture barrier, sheathing, siding and roofing.
 - b. Detailed diagram of the electrical plan.
 - c. Photographs of the framing, roof, insulation, rough plumbing, and rough electrical.
- d. A statement describing your construction methods along with the names and addresses of any subcontractors you may have hired.
 1. A tiny home will be permitted within a planned pocket neighborhood. A pocket neighborhood is defined as meeting the following requirements:
 1. A minimum of 4 tiny homes and maximum of 12 tiny homes per pocket neighborhood. Twenty-five percent of these home sites may be for THOW's.
 2. Centralized common area. The common open space area shall include usable public spaces such as lawn, gardens, patios, plazas or scenic viewing area. Common tables, chairs and benches are encouraged, with all homes having access to it
 - a. Four hundred square feet of common open space is required per unit.
 - b. Fifty percent of units must have their main entry on the common open space.
 - c. All units must be within five feet of each common open space(s). Setbacks cannot be counted towards the common open space calculation.
 - d. The principal common open space must be located centrally to the project. Additional common open space can only account for twenty-five percent of the total requirement with trails and pathways connecting the total development. Passive trails are allowed and may count towards the common open space requirement.
 - e. Community buildings or clubhouses can be counted towards the common open space calculation.
 - f. Tiny Houses must surround the common open space on a minimum of two sides of the green.
 - g. Common open space shall be located outside of stormwater/detention ponds, wetlands, streams, lakes, and critical area buffers, and cannot be located on slopes greater than ten percent.
 3. All homes must have both front and rear porches.
 - a. Porches shall be oriented towards common open space or street and designed to provide a sense of privacy between units. Porch shall be a minimum of (80) eighty square feet and a minimum of (8') eight feet deep on the common open space side of the building. The square footage of the porch may be reduced to (60) sixty

8. Tiny houses on wheels (THOW) in pocket neighborhoods must comply with the following:
 - a. THOWs must be placed in a designated area in the approved site plan of the pocket neighborhood.
 - b. All THOWs must be placed adjacent to common open space area.
- c. Must meet the tie down and skirting requirements of the Mobile Home requirements of the Land Development Regulations. The Building Official may require additional standards to ensure the porches hide any hitches.

Martha Meeker

From: Jeff Sargent [JeffS@yamhillcap.org]
Sent: Tuesday, July 12, 2016 5:09 PM
To: Martha Meeker
Cc: Elise Hui (EHui@hayc.org)
Subject: FW: Question directors from NWPA

Martha,

This just in from one of my Community Action Agency colleagues, in response to a question from our advocacy firm. Apparently tiny houses are a hot topic with some state legislators as well.

See you soon,

Jeff Sargent, Executive Director

Yamhill Community Action Partnership (YCAP)
1317 NE Dustin Court
McMinnville, Oregon 97128
www.yamhillcap.org
Direct: 503-883-4172
Fax: 503-472-5555
jeffs@yamhillcap.org



Changing Lives, Strengthening Our Communities

From: Scott Cooper [mailto:scottc@neighborimpact.org]
Sent: Tuesday, July 12, 2016 1:32 PM
To: Janet Merrell; Barb Higinbotham; Margaret Davidson (margaret@ccno.org); Donna Bowman; Donna Kinnaman (dkinnaman@capeco-works.org); Lynne McConnell; Mike Lehman; Michael Fieldman (mike.fieldman@ucanacp.org); Jon Reeves; Jeff Sargent; MANELA Steve M; Brenda Durbin (brendadur@co.clackamas.or.us); Rose Ellen Bak (rose-ellen.bak@multco.us); Renee Bruce (rbruce@caowash.org); Jim Tierney; Jim Slusher (js@mccac.com); Ron Hauge (rhaug@ohdc.org); Martha Lyon; Pegge McGuire
Subject: RE: Question directors from NWPA

Most Central Oregon jurisdictions are planning land use code changes that would allow tiny houses. Biggest issues in the codes are minimum lot size, density limitations, minimum lot coverage standards, prohibitions on accessory dwellings and cost of SDCs and building code and hookup fees which, relative to the cost of the house itself, may seem extravagant. (Example: if a tiny house costs \$45,000 and the Bend SDC is \$22,000, plus \$6,000 in building and hookup fees, you are inflating the cost 71 percent! If you can get past the building codes, there is another issue related to financing. Most lenders are unwilling to lend on tiny homes, (Heck, they won't even lend on manufactured housing!) and the fact that many tiny homes are being constructed on mobile platforms or placed on non-permanent foundations exacerbates the problem. (There is a virtual panic on [Facebook and in alternative media](#) about a HUD regulation which is supposedly going to eliminate financing for tiny homes; this is probably an urban myth, but it sticks.) By the way, these same concerns apply to housing manufactured from shipping containers. One last point: there seems to be a lot of talk about Tiny Homes but less actual interest among homebuilders and homebuyers in Central Oregon.



NeighborImpact

Supporting People, Strengthening Communities.

Scott Cooper, Executive Director, NeighborImpact

Redmond Office:

2303 SW First Street

Redmond, OR 97756

541-323-6502 direct

541-548-2380 extension 102

541-548-6013 fax

Bend Office:

20310 Empire Avenue, Suite 100

Bend, OR 97701

541-323-6502 direct

541-318-7506 office main

541-749-4948 fax

Also serving: Culver, La Pine, Madras, Metolius, Prineville, Sisters and the balance of Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs.

Visit us on the web at: www.neighborimpact.org or find us on Facebook at www.Facebook.com/NeighborImpact

CONFIDENTIALITY NOTICE: This electronic mail transmission may contain legally privileged, confidential information belonging to the sender. The information is intended only for the use of the individual or entity

ADVOCACY NOTICE: NeighborImpact believes the best advocacy is through education. NeighborImpact does not endorse or oppose candidates for public office. This email is not intended to encourage a vote for or against any specific measure. NeighborImpact's policy is to provide factual information to elected officials and policymakers regarding about the potential impact of their choices on their low income constituents and the communities they serve and to encourage choices which balance the interests of all regions and all constituencies.

DO YOU NEED AN ACCOMODATION?: If you require accommodation for impairment, disability, language barrier, etc., please contact NeighborImpact reception at 541-548-2380 or by emailing reception@neighborimpact.org. If you are hearing impaired please dial 7-1-1 or 1-800-735-2900.

Redmond Office:

2303 SW First Street

Redmond, OR 97756

541-323-6502 direct

541-548-2380 extension 102

541-548-6013 fax

Bend Office:

20310 Empire Avenue, Suite 100

Bend, OR 97701

541-323-6502 direct

541-318-7506 office main

541-749-4948 fax

Also serving: Culver, La Pine, Madras, Metolius, Prineville, Sisters and the balance of Crook, Deschutes and Jefferson Counties and the Confederated Tribes of Warm Springs.

Visit us on the web at: www.neighborimpact.org or find us on Facebook at www.Facebook.com/NeighborImpact

From: Janet Merrell [<mailto:Janet@caporegon.org>]

Sent: Tuesday, July 12, 2016 12:05 PM

To: Barb Higinbotham <Barb@cina.team>; Margaret Davidson (margaret@ccno.org) <margaret@ccno.org>; Donna Bowman <DBowman@klcas.org>; Donna Kinnaman (dkinnaman@capeco-works.org) <dkinnaman@capeco-works.org>; Scott Cooper <scottc@neighborimpact.org>; Lynne McConnell <lynnem@neighborimpact.org>; Mike Lehman

<mlehman@orcca.us>; Michael Fieldman (mike.fieldman@ucanccap.org) <mike.fieldman@ucanccap.org>; Jon Reeves <Jon.Reeves@mwvcaa.org>; Jeff Sargent <JeffS@yamhillcap.org>; MANELA Steve M <Steve.Manela@CO.Lane.OR.US>; Brenda Durbin (brendadur@co.clackamas.or.us) <brendadur@co.clackamas.or.us>; Rose Ellen Bak (rose-ellen.bak@multco.us) <rose-ellen.bak@multco.us>; Renee Bruce (rbruce@caowash.org) <rbruce@caowash.org>; Jim Tierney <jtierney@cat-team.org>; Jim Slusher (js@mccac.com) <js@mccac.com>; Ron Hauge (rhaug@ohdc.org) <rhaug@ohdc.org>; Martha Lyon <mlyon@communityservices.us>; Pegge McGuire <pmcguire@communityservices.us>

Subject: Question directors from NWPA

Importance: High

Hi Janet,

Could you ask directors the following question and let us know what feedback you receive:

Representative Nancy Nathanson (D-Eugene) is interested in exploring the role Tiny Houses can play in addressing our current shortage of affordable housing. She's asked for feedback on current barriers (Oregon law, city zoning codes, agency rules etc.) to developing units of this size. Has anybody looked at this and discovered any zoning or other issues that have been/could be a barrier to this model?

Let me know if you have any questions.

Thanks!

Laura

--

Laura Curtis

NW Public Affairs, LLC

c: 541-280-9984

e: laura@nwpublicaffairs.com

w: www.nwpublicaffairs.com

Gender pronouns: she/her/hers