CITY OF SPRINGFIELD, OREGON

City Manager's Office



#### City of Springfield – Missing Middle Housing Efforts

In October 2016, the City Council started working with staff to articulate the city's housing values, review city's housing policies, and to research current needs. The City identified key findings based on the data analysis and interviews with people involved in the provision of housing. Based on this understanding of the current housing situation, over the course of several work sessions in the Spring of 2017, the Council developed an affordable housing strategy to address the low supply of housing and to foster housing choice and affordability in the short and long term. Attached is a one-pager that outlines strategies that are in place, currently being implemented, or are under consideration to: Expand Overnight Parking Program; Contribute to Income-Qualified Housing Development; Encourage Construction of Accessory Dwelling Units (ADUs); Secure Property for Targeted Residential Development; Assist Homeowners with federal CDBG Funds; and, Promote Housing of Diverse Types.

Specific City of Springfield progress regarding goals of HB 2001:

- Middle Housing Types
  - Duplexes are allowed on corner lots and process is underway to allow on all lots that meet minimum requirements
  - Accessory dwelling units (ADUs) are allowed on lots without owner occupancy requirements and with on-street parking (if available) to meet parking requirements
  - All "Middle" housing types are allowed in medium and high density residential zones if they meet density standards
- Development Code Update
  - City Council took up this issue in 2017 and directed staff to begin process in FY 2018
  - Updating the code reduces barriers in development of a diversity of housing types for all income levels in a variety of zones
- Tax Exemptions
  - Passed Low-Income Rental Housing Property Tax Exemption in 2018
  - Currently considering a Multifamily Property Tax Exemption

LUBA Appeals Research - Supports HB 2001, Section 2(7)

- The Oregon Law Center reviewed appeals filed between 2000-2018 in the Eugene-Springfield area. Their research found that when a housing project is delayed by process but eventually built, the outcome is either a lower-quality project or a higher-cost project, neither of which help efforts to improve quality and affordability.
- Ninety-six percent of the housing units delayed by appeal (but eventually built) were delayed by unsuccessful neighbor appeals.
- Since 2000, none of the appeals filed by neighbors resulted in Land Use Board of Appeals (LUBA) reversing the city's approval.

Positive Steps in HB 2001-10

- We support the addition of Townhouses to the list of middle housing to encourage housing that can provide ownership opportunities.
- We support the addition of a date for the Land Conservation and Development Commission (LCDC) to develop a model code and giving local governments an additional year to adopt land use regulations to comply with the new legislation.

Concerns with HB 2001-10

- The new Section 2 (2) requires "all" middle housing types to be allowed in all zones that allow single-family detached dwellings. This is a change from the previous requirement in Section 2 (2) of the original bill to require "at least one" middle housing type on each lot. This change also conflicts with the new Section 2 (5) that allow regulations for siting and design when "at least one" middle housing type is allowed on each lot or parcel.
- Section 2 (5) of the amendments prohibits "regulations of siting and design" that "do not, either individually or cumulatively, discourage the development of middle housing through unreasonable costs or delay". We should not be required to permit middle housing if there is insufficient infrastructure to serve the new development. If infrastructure is needed to serve the development, we should be able to use all the currently available regulations to require that infrastructure be built to serve the proposed development.
- We are concerned about the proposed amendments (Section 6) in regard to collection of system development charges (SDCs). The original language requiring the SDC's to be paid "prior to the issuance of an occupancy permit," correlates the payment of the SDCs with the impacts of development on the systems. The amended language appears to force a local government into placing an encumbrance on properties for collection. The enforcement mechanism should first be by withholding occupancy.
- In the new Section 9, the term "governing document" isn't clear if it just applies to a local governments adopted document. Is this a defined term? Could it be interpreted to mean or is it intended to include CC&R's adopted by a home owners association?
- While the City has already and will continue to reduce parking restrictions related to "Middle" housing types, the requirements in the bill create enforcement issues, concerns around hillside street standards, and impact emergency vehicle access in congested areas.

Suggestions for HB 2001-10

- Modify the new Section 2 (2) to change the requirement from "all" middle housing types, to "at least one" middle housing types.
- The language stating that "regulations of siting and design" that "do not, individually or cumulatively, discourage the development of middle housing" should be clarified to not include needed infrastructure to serve the middle housing development.
- Change the language in Section 6 from "as a condition of the issuance of an occupancy permit" to "prior to the issuance of an occupancy permit". Add a sentence stating that "The local government may enforce payment of the system development charge by withholding occupancy." The term "occupancy permit" should be defined to include "Certificate of Occupancy".
- In Section 9 define or be clear about to what the term "governing document" applies.

The attached handout outlines the strategies that are in place, currently being implemented, or are under consideration. HB 2001 and the -10 amendment will delay or could conflict with existing work that is underway to make progress on the concepts contained in the legislation, wasting limited city resources.

The City of Springfield appreciates the work underway to address the urgent and real housing needs across Oregon. We strive to be a family-friendly community for all people in every phase of life; whether it's just starting out with a new family, or downsizing to a smaller home. We support policies that help create a diverse housing market that supports employment and families at every phase of life.

Contact: Niel Laudati, Legislative and Public Affairs Director <u>nlaudati@springfield-or.gov</u> or 541.726.3700

# **Springfield's Housing Strategy**

### Housing Values

Key

**Findings** 

We want Springfield to be a family-friendly community for all people in every phase of life; whether it's just starting out with a new family, or downsizing to a smaller home. We need a diverse housing market that supports employment and families at every phase of life.

- Lack of available housing at all levels including: emergency shelter, transitional housing, income-qualified housing, market rate rentals, space in manufactured home parks, and homes for sale.
  - Rental vacancy rates are low less than 1%.
  - Housing is expensive. 53% of renters and 36% of homeowners are cost-burdened, which means they are paying more than 30% of their income on housing and basic utilities.

Limited profit opportunities for developers •

- Stagnant wages •
- Factors

Contributing

Insufficient public subsidies •

Increase Affordable Housing in Springfield OR »»

	Human Services Commission	more afford needs. We stimulate ec	nered with local and regional groups to able housing options across the continu also provide funding for human service onomic development, which has helped een household income and housing cos	uum of housing s and work to d address the
Partners	ships Pov	erty and elessness	nrough partnerships, important progress made. But what could the City of Sprin uniquely do to help improve housing o	igfield
TEAM Springfield	F	bo	In 2016, the Springfield City Council of evaluate housing needs and to build of oth increase the supply of housing and t ble housing throughout the housing cor	n strategies to he acessibility of
	Community Groups		rse side outlines strategies that are in ently being implemented, or that will be considered in the future.	SPRINGFIELD OREGO

## « Council Strategies to Address Housing Needs »













#### Expand Overnight Parking Program

- Municipal code allows churches & industrial sites to host up to three vehicles/campers/trailers
- City increased support to \$10,000 per year to cover trash collection, port-a-potties, & administration cost of local non-profits

#### Contribute to Income-Qualified Housing Development

- Use HOME Investment Partnership Program (HOME) funds for development of housing that is affordable to low-income residents
- Waive development application fees for non-profit housing
- Consider property tax exemptions for multi-unit low-income housing & for new construction of low-income rental housing (Fall 2017)

#### **Encourage Construction of Accessory Dwelling Units (ADUs)**

- Temporarily waive System Development Charges (SDCs) (FY 17-19)
- Promote awareness & possibilities for ADUs (Summer/Fall 2017)
- Revise development code to make it easier & potentially less expensive for homeowners to add an ADU (photo courtesy: Small Home Oregon)

#### Secure Property for Targeted Residential Development

- Use Community Development Block Grant (CDBG) funds for acquisition & preparation of properties for new housing units (FY 17-18)
- Identify publicly-owned property for residential development

#### Assist Homeowners with CDBG Funds

- Asssist low-income homeowners with repairs & accessibility improvements (Emergency Home Repair Program or EHR)
- Provide down-payment assistance for home ownership (Springfield Home Ownership Program or SHOP)

#### Promote Housing of Diverse Types

- Consider market rate multi-unit property tax exemption (Fall 2017)
- Update development code (Fall 2017)
- Create materials for code requirements & development review process (not programmed)
- Ensure appropriate zoning for residential land (not programmed)

Contact: Comprehensive Planning Manager Sandy Belson, 541.736.7135 or <u>sbelson@springfield-or.gov</u>