



Milwaukie Equitable Housing Policy and Implementation Project Project Introduction & Overview

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FROM Matt Hastie, Kate Rogers & Emma Porricolo, Angelo Planning Group

Project Overview

The purpose of the **Milwaukie Equitable Housing Policy and Implementation Project (EHPIP)** is to identify strategies and implementation steps to facilitate the provision of equitable and affordable housing in the City of Milwaukie. The project provides an opportunity for the City to understand a range of policy options it could use to address inclusive and equitable housing practices within a zoning and planning framework. The project is funded by a grant from the Oregon Department of Land Conservation and Development (DLCD), which has allocated funding for technical assistance for jurisdictions throughout the state that are working to make an impact on housing affordability in their communities. The outcome of the EHPIP will be hearings-ready draft documents to adopt new housing policies and implementation programs in the City of Milwaukie.

Focus on Equity

Equity is at the core of Milwaukie's approach to housing affordability, and as such, housing equity drives the consideration of tools and strategies that will be examined in the EHPIP. The City of Milwaukie defines equitable housing as **diverse, quality, physically accessible, and affordable housing choices with access to opportunities, services, and amenities**. This is the same definition that Metro uses for the purpose of its Equitable Housing Initiative. As Metro explains, "this is a broad definition intended to encompass a wide range of homeownership and rental choices – including options affordable to people and families with low and moderate incomes, accessible to all ages and abilities, and convenient to everyday needs like transit, jobs, schools, childcare, healthy food and parks."¹

In developing the Milwaukie EHPIP, the project team will consider a range of housing strategies that have the potential to increase the supply of equitable and affordable housing in the city. One of the most important criteria that the City will use to assess these various housing strategies (in addition

¹ Metro, "Opportunities and challenges for equitable housing," January 2016. Available at: <https://www.oregonmetro.gov/sites/default/files/2016/01/28/EquitableHousingReport-20160122.pdf>

to criteria like feasibility and impact) is the strategies' potential to achieve equitable housing outcomes. In order to evaluate and compare the housing strategies through an equity lens, the project team considered a set of questions, which are organized into three broad categories: (1) Low-High Cost, (2) Effect on Communities of Color, and (3) Geographic Equity.

1. LOW-HIGH COST:

- To what extent does the strategy help develop or retain low cost rental or ownership housing?
- Is the housing that is created or retained affordable to households earning low or moderate incomes? To households earning very low incomes?²

2. EFFECT ON COMMUNITIES OF COLOR:

- Does the strategy provide or retain housing in areas where communities of color are concentrated?
- Does the strategy prevent displacement for communities of color?
- Does the strategy have unintended consequences that may disproportionately impact communities of color?

3. GEOGRAPHIC EQUITY

- Does the strategy provide affordable housing in neighborhoods that typically lack affordable options (e.g., in single-family neighborhoods)?
- Does the strategy increase or retain affordable housing in areas with good access to opportunities, services, and amenities?

To assist in comparing housing strategies for their potential to achieve equitable outcomes, each of the strategies considered for the EHPIP will be given a rating based each of these three categories of housing equity.

Housing Strategies Overview

The initial list of strategies that the project team is examining for the EHPIP are organized under two primary goals: (1) Develop New Affordable Units; and (2) Prevent Displacement and Retain Affordability. Goal 1: Develop New Affordable Units is further broken out into three categories of housing strategies. The full list of strategies is summarized in the table on the next pages.

Ultimately, these strategies will be considered as methods for implementing Comprehensive Plan housing policies and achieving equity goals.

² Moderate-income typically describes households earning 80% to 120% of the area median income (AMI). Low-income describes households earning at or below 80% AMI. Very low-income describes households earning at or below 50% AMI.

Strategy	Primary goal	Potential City Role(s)
GOAL 1: DEVELOP NEW AFFORDABLE UNITS Strategies under Goal 1 are geared toward increasing the number of affordable units, as well as increasing the total amount of housing to better meet market demand.		
Incentivizing and Removing Barriers for New Affordable Units Incentive strategies offset some of the costs or burdens associated with development of affordable units, thereby making development more feasible and increasing its likelihood. Removing barriers—whether regulatory or financial—can also facilitate development of new housing units and address equity goals.		
1. Incentive Zoning Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code	Increase development flexibility / reduce housing costs	Program lead
2. Development Fee Reductions Reduce, waive, or defer development fees, such as permit application fees, to promote the development of affordable housing or desired housing types.	Reduce development costs	Program lead
3. Tax Exemptions Reductions in property taxes in exchange for developing affordable housing, rehabilitated housing, or housing in distressed areas.	Reduce operating costs	Program lead
4. Pre-approved Base Development plans Building and site plans that have been reviewed in advance for conformance with zoning and building codes. Pre-approved plans can reduce housing development costs by reducing design and permit process times and fees.	Reduce development costs / remove process barriers	Program lead
5. Code Amendments for Small Housing Types Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other “missing middle” housing types.	Remove regulatory barriers	Develop and implement new standards
6. System Development Charge (SDC) Reductions or Exemptions Deferral, reduction or exemption of SDCs for affordable housing. Can be applied to regulated affordable housing and/or specific housing types (such as ADUs).	Reduce development costs	Develop and implement policy
7. Expedited Development Review Variety of strategies to reduce review and processing times for regulated affordable housing development, such as formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings with staff.	Reduce development costs / remove process barriers	Develop and implement policy
8. Inclusionary Zoning A tool used to produce affordable housing within new market-rate residential developments. Typically implemented through an ordinance mandating that a minimum percentage of units remain affordable for a set period of time.	Promote construction of new affordable housing units	Program lead
Funding New Affordable Units Strategies focus on developing locally controlled revenue sources are for implementing Milwaukee’s affordable housing strategy.		

9. Local Option Levy	A time-limited property tax (five years for operations and 10 years for capital projects), subject to voter approval, that is levied in addition to a City or taxing jurisdiction's permanent rate to pay for specified programs or investments (such as affordable housing).	Establish permanent funding source	Program lead or partner
10. Affordable Housing Trust Fund	Public sector tool used to direct financial resources to the development or preservation of affordable housing. Typically uses one or more committed public sources of revenue to create a dedicated, ongoing funding source.	Establish program to manage affordable housing funds	Program lead or partner
Promoting Affordable Units Through Partnerships Strategies focus on enhancing the City's existing partnerships and developing new partnerships to develop affordable units. Depending on the partners, programs and location of housing, these efforts can also address equity goals.			
11. Community Land Trust	A model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.	Reduce land costs / develop long-term affordable housing	Partner with or recruit non-profits, and/or provide funding
12. Public-Private Partnerships (PPPs)	Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit).	Promote construction of new affordable housing	Funding partner
GOAL 2: PREVENT DISPLACEMENT AND RETAIN AFFORDABILITY Strategies under Goal 2 are aimed at stabilizing and protecting renters and homeowners and meeting equity goals by preserving existing affordable housing and increasing education and access to resources. This includes tools for preserving affordability of low cost market rate (LCMR) housing (sometimes referred to as "naturally occurring affordable housing" or "filtered housing"). This is housing with rent that falls below the average rent for an area, but which is not income-restricted or regulated by a government agency.			
13. Tenant Protection Programs and Policies	Local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low cost market rate housing against evictions, excessive rent increases, discrimination, and health and safety violations.	Protect affordable units and reduce displacement	Program lead or partner
14. Land Acquisition and Banking	Land acquisition is a tool to secure sites for affordable housing. Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be used for affordable housing.	Reduce land costs	Program lead or funding partner
15. Financial Assistance Programs	A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.	Protect affordable units and reduce displacement	Program lead or partner
16. Rent Control or Rent Stabilization	Legal limits on the rent that a landlord may charge, such as a limit on the percentage that rent may increase annually. Rent control is currently prohibited by Oregon state law, but there are ongoing advocacy efforts to change that law.	Protect affordable units and reduce displacement	Program lead