



Albany Housing Implementation Plan

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ACKNOWLEDGMENTS

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EXECUTIVE SUMMARY

OVERVIEW

The City of Albany prepared the Housing Implementation Plan (HIP) to identify actions the City can take to help increase housing options that create more housing for more people. The HIP prioritizes current and future housing needs and outlines equitable and actionable policies, strategies, and implementation steps needed to encourage the production of housing that is needed in the Albany community.

The HIP summarizes recommendations for adoption of a range of housing strategies or tools to study further—these include regulatory changes, incentives, funding sources, programs, and partnerships.

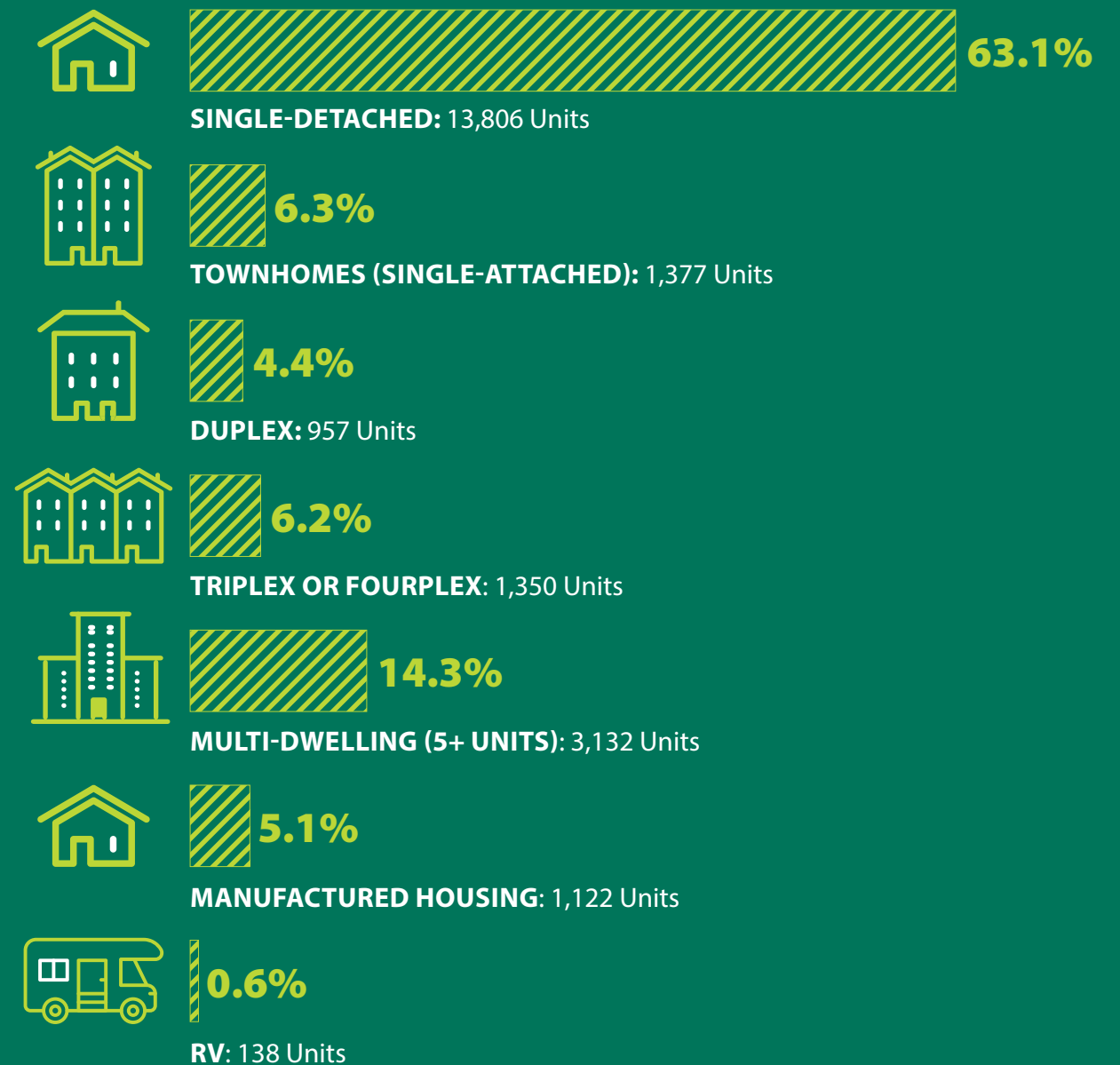


HOUSING NEEDS IN ALBANY

The following are some key statistics related to the housing needs of the Albany community, derived from the 2020 Housing Needs Analysis (HNA), U.S. Census data, and City permit data:

Albany has a total of 21,882 housing units (as of 2021). Ownership rate is 61%, while 39% of units are rentals.

Over 63% of the existing housing stock is single-detached dwellings. Apartments with 5+ units account for 14% of housing units. [Data source: ACS 2021 5-year Estimates*]



*Note: A portion of the townhomes, triplexes, and fourplexes counted in the ACS data are actually part of multi-dwelling developments. Townhomes (attached units on separate lots) and individual triplexes and fourplexes have constituted only 1% of housing development in Albany within the last 12 years, according to City permit data.

20-year housing needs



Apartments



Condos



Middle Housing

Albany needs new medium- and high-density housing to meet the City's 20-year housing needs. The city is projected to need between 6,700-9,400 total housing units over the next 20 years.

Attached forms of housing are expected to grow as an overall share of housing due to growing trends towards more density, infill development, accessory dwelling units, and constraints such as wetlands and the urban growth boundary. This includes apartments, condos, and "missing middle housing" such as duplexes, triplexes, quadplexes, and townhomes.



Shortage of affordable housing for Households earning 80% or less of median income

The HNA noted significant current and future needs for housing affordable to low-income households (those earning 80% or less of area median income). Albany will need 3,058 new units (45% of total needed units) to meet the 20-year needs of low-income households. In particular, there is a shortage of rental units at the lowest pricing levels that would be affordable to the lowest-income households.



50% of Renters are Housing Cost Burdened

There is a current and future need for more affordable housing opportunities for many Albany households. Nearly half of renters (3,800 households) spend more than 30% of their income on gross rent—these households are considered "housing cost burdened." Nearly a quarter of renters (1,872 households) spend 50% or more of their income on housing and are considered severely housing cost burdened.

[Data source: ACS 2021 5-year Estimates, Table B25070]

Gaps in housing supply



First-Time



Single-Level



Seniors



Accessible

Local residents and housing stakeholders have noted the following gaps in Albany's housing supply: first-time homebuyer opportunities; small, single-level homes; housing for seniors to age in place; accessible homes for people with disabilities and mobility challenges; housing that fits on the spectrum between single-dwelling homes and larger apartment complexes (i.e., missing middle housing); and accessory dwelling units.

KEY PROJECT COMPONENTS

The HIP was developed between February 2022 and spring 2023 with the help of the Housing Affordability Task Force (HATF), City staff, housing stakeholders, and the broader Albany community. Outreach and engagement undertaken during the preparation of the HIP included four HATF meetings; focus group meetings with local residents and housing stakeholders (Appendix B); a community survey (Appendix C); email and social media outreach; and a joint work session with the Planning Commission and City Council.

Development of the HIP’s recommended housing strategies process started with a large list (or “menu”) of potential policies and tools and evaluation of the City’s existing housing measures (Appendix D). The project team then refined this list with help from the HATF; researched and evaluated promising strategies; and narrowed down the recommended strategies with input from the HATF, community survey, and Planning Commission/City Council.

The result is a recommended set of strategies and actions that the City of Albany and community partners can take to promote housing development that meets the needs of the community, with a focus on more equitable and affordable housing options for a wider range of incomes, needs, and preferences.

RECOMMENDED HOUSING STRATEGIES

Below is a summary of the strategies recommended in the HIP and their priority based on potential impact, opportunity for implementation, and available resources. Additional information, considerations, and implementation steps for each of these strategies is provided in the HIP.

1. LAND USE AND ZONING STRATEGIES

Recommended changes to the Albany Development Code (ADC) related to land use regulations, development standards, review processes, or other regulations that would support needed housing development.

	Strategy	Priority
1.1	Ensure land zoned for higher density is not developed at lower densities	Medium
1.2	Encourage small dwelling units through lot size/density incentives	High
1.3	Reduce code barriers to needed housing	High
1.4	Increase flexibility for accessory dwelling units (ADUs)	Medium
1.5	Facilitate “tiny home villages” as cottage cluster housing	Medium
1.6	Use zoning incentives to support affordable or workforce housing	Medium-High
1.7	Support single room occupancy (SRO) and micro housing	Medium-High
1.8	Encourage mixed-income development	Medium
1.9	Encourage accessible housing units	High
1.10	Require accessible design for publicly supported units	Medium

2. DEVELOPMENT INCENTIVES AND POLICIES

Policy and incentive strategies intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.

	Strategy	Priority
2.1	Evaluate implementation of pre-approved plan sets for ADUs and/or middle housing types	Medium
2.2	Use tax abatements to encourage affordable housing and housing in mixed-use areas	High
2.3	Reduce system development charge (SDC) cost burden on affordable or lower cost housing	High
2.4	Offer surplus city-owned land for affordable housing	High

3. FUNDING SOURCES

Potential new revenue sources that could be used to support affordable housing development. Several of the other recommended HIP strategies are dependent on new funding sources.

	Strategy	Priority
3.1	Evaluate implementation of a construction excise tax (CET)	Medium
3.2	Evaluate implementation of a general obligation bond for affordable housing	Low
3.3	Use tax increment financing (TIF) to support development of affordable housing	Medium

4. PROGRAMS AND PARTNERSHIPS

Programmatic strategies that could help the Albany community increase its housing supply (particularly affordable housing), support existing affordable units and residents, and/or leverage partnerships to catalyze housing development. The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources.

	Strategy	Priority
4.1	Support a community land trust to facilitate affordable homeownership	High
4.2	Support programs that benefit existing affordable housing and residents	Medium-High
4.3	Provide information and education to small developers	Medium
4.4	Facilitate conversion of underperforming or distressed commercial assets into housing	Low-Medium

I. Introduction

PROJECT OVERVIEW

The purpose of the Albany Housing Implementation Plan (HIP) is to identify a set of policies and tools the City of Albany can implement to facilitate housing development that meets the needs of the community. The HIP prioritizes current and future housing needs and outlines equitable and actionable policies, strategies, and implementation steps necessary to encourage the production of needed housing.



THE PROJECT GOALS AND OBJECTIVES ARE:



Identify and assess policies and strategies to increase housing options and opportunities that meet the needs of Albany residents as projected in the City's 2020 Housing Needs Analysis.



Identify housing resources and constraints, including evaluation of existing strategies and recommendations for new actions to increase housing supply or provide regulatory streamlining.



Engage a broad spectrum of the community in conversations and input around housing needs and strategies using a variety of engagement strategies.



Adopt policies and tools that promote fair and equitable housing choices for all residents, especially residents of protected classes and those experiencing housing insecurity.

The HIP summarizes recommendations for adoption of a range of housing strategies or tools to study further—these include:

Regulatory Changes

Incentives

Funding Sources

Programs

Partnerships

Additional information about each of the recommended strategies can be found in the HIP Background Reports, Parts 1 and 2 (Appendix A). The Background Reports provide preliminary summaries and evaluation of a wider range of strategies, tools, and policies than those reflected in the final HIP.

Strategies that the City considered, but which are not in the final HIP, were identified as lower priority items. The City may still consider implementing those strategies at some point in the future.

BACKGROUND

Housing Needs in Albany

Following are some key findings related to the housing needs of the Albany community, derived from the 2020 Housing Needs Analysis (HNA):

- There is a significant need for new medium- and high-density housing to meet the City's 20-year housing needs. Attached forms of housing are expected to grow as an overall share of housing due to growing trends towards more density, infill development, accessory dwelling units, and constraints such as wetlands and the urban growth boundary. This includes multi-dwelling housing and "missing middle housing" such as duplexes, triplexes, quadplexes, and townhomes.
- There is a current and future need for more affordable housing opportunities for many Albany households. Nearly 50% of renters spend more than 30% of their income on gross rent—these households are considered "housing cost burdened." Nearly a quarter of renters spend 50% or more of their income on housing and are considered severely housing cost burdened. *[These figures have been updated based on the 2021 ACS 5-year estimates.]*
- Relatedly, the HNA identified current and future needs for housing affordable to low-income households (defined as households earning 80% or less of area median income). In particular, there is a shortage of rental units at the lowest pricing levels that would be affordable to the lowest-income households.

At the HIP focus group meetings, we also heard from stakeholders that the following housing types are needed in Albany: first-time homebuyer opportunities; small, single-level homes; housing for seniors to age in place; accessible homes for people with disabilities and mobility challenges; housing that fits on the spectrum between single-dwelling homes and larger apartment complexes (i.e., missing middle housing); and accessory dwelling units.

These gaps were a focus of the Housing Implementation Plan work. However, the HIP also includes strategies that will contribute to housing supply and affordability for a full range of Albany households.

Recent Housing Efforts

Albany completed a Housing Needs Analysis in 2020, which assessed current and 20-year housing needs by tenure, cost, and unit type, and ensured that City policies and codes could address those needs. The analysis provides essential data and recommends strategies for the city to consider in order to address housing needs to 2040. The HIP builds off the Housing Strategies Report that accompanied the HNA by further detailing and evaluating some of the recommended strategies.

The City also recently completed work in 2021 on the Expanding Housing Options project, which improved housing choices in Albany by allowing middle housing types—duplexes, triplexes, quadplexes, townhomes, and cottage clusters—in single-dwelling residential zones. The resulting changes to the Albany Development Code and Comprehensive Plan brought the City into compliance with House Bill 2001 (2019), and also included new and updated design and development standards.

The HIP considers additional ways to encourage middle housing and increase its affordability through code amendments and financial incentives.

Other recent Development Code updates also simplified housing regulations by making all residential standards clear and objective, streamlining procedures for residential subdivisions, and providing greater flexibility for Planned Development projects.

The HIP used some of the insights gained from these recent projects in identifying strategies to further support needed housing in Albany.

HOUSING COST BURDENED

50% Renters
PAY
30% Income
ON HOUSING

25% Renters
PAY
50% Income
ON HOUSING

CITY OF ALBANY RECENT HOUSING EFFORTS



PROCESS AND ENGAGEMENT

The HIP was developed between February 2022 and spring 2023 with the help of the Housing Affordability Task Force (HATF), City staff, housing stakeholders, and the broader Albany community.

The planning process included the following general steps:

- **Housing Affordability Task Force Kickoff** – The first HATF meeting (Feb 2022) introduced the HIP project, housing needs in Albany, basics about housing affordability, and the City’s and its partners’ roles in supporting needed housing development.
- **Focus group meetings** – The purpose of these meetings was to collect information and opinions about gaps in Albany’s housing supply and strategies to address those gaps. Focus group participants represented a range of stakeholder groups, including local residents, builders, lenders, affordable housing providers, those facing housing insecurity, and a range of agencies and organizations involved in the planning and provision of housing in the Albany area. (See Appendix B for a summary of the focus group meetings.)
- **Menu of Potential Housing Strategies** – The project team put together a starting list or “menu” of potential housing policies, strategies, and tools that the City could consider as part of HIP. The menu was assembled based on recommendations from the 2020 Housing Strategies Report (an outcome of the HNA); the master list of housing Tools, Actions, and Policies that the Oregon Department of Land Conservation and Development (DLCD) assembled as a resource for local governments in preparing Housing Production Strategies; and ideas from City of Albany staff and local housing stakeholders. (See Appendix C for the initial menu of strategies.)

The project team reviewed this initial, more exhaustive, strategies menu with the HATF (April 2022 meeting), who helped refine and prioritize the list. The strategies carried forward into the next step were those that HATF members and the project team saw as having the most merit.

- **Background Reports** – The project team gathered information and evaluated the refined list of potential strategies in two Background Reports—Parts 1 and 2. These reports provided thorough information for the strategies and took a closer look at the potential impacts to housing supply/affordability and steps needed for implementation. (See Appendix A for the full Background Reports.)

Information from the Background Reports was reviewed with the HATF at two meetings in July and September 2022.

- **Community Survey** – The team hosted an online survey in November 2022 to gather community input on potential housing strategies being considered. The survey received a total of 138 responses. Survey responses were mostly supportive of the proposed strategies. The five strategies that received the most community support were: Encourage accessible housing units; Encourage small single-detached homes; Offer surplus City-owned land for affordable housing; Support a community land trust; and Facilitate “tiny home villages” as cottage cluster housing. (See Appendix D for a full summary of the survey results.)
- **Planning Commission / City Council Work Session** – The project team reviewed the results of prior engagement efforts and gave an overview of the potential housing strategies. Overall, Planning Commission and City Council members were supportive of the project team’s direction and moving into the next step of drafting the HIP.

HOUSING IMPLEMENTATION PLAN

The project team considered all the feedback received through HATF meetings, the online survey, focus groups, and Planning Commission/City Council work session to further refine the strategies recommended in the HIP. See Section II for a description of the contents of the HIP.



HOUSING AFFORDABILITY TASK FORCE KICKOFF



FOCUS GROUP MEETINGS



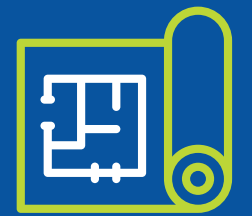
MENU OF POTENTIAL HOUSING STRATEGIES



BACKGROUND REPORTS



COMMUNITY SURVEY & PLANNING COMMISSION / CITY COUNCIL WORK SESSION



HOUSING IMPLEMENTATION PLAN

II. Housing Strategies Overview

The Housing Implementation Plan identifies strategies and actions the City of Albany and community partners can take to promote housing development that meets the needs of the community, with a focus on more equitable and affordable housing options for a wider range of incomes, needs, and preferences.

The HIP summarizes key information for each of the recommended strategies and identifies steps needed for implementation.

For each housing strategy, the HIP provides the following information:

Priority Level	How should this strategy be prioritized, base on its potential impact, opportunity for implementation, and available resources?
Description	What is the strategy? How can the strategy work to increase housing availability and affordability in Albany? What are potential outcomes?
Recommendations	What specific approaches are recommended for this strategy?
Considerations	What potential options, funding needs, potential challenges, etc. are applicable to the strategy?
Impact	What populations, income levels, and housing types are supported? Anticipated impact on the relative cost, financial feasibility, and affordability of housing are discussed.
Implementation Steps	What actions will the local government and other stakeholders need to take to implement the strategy?
Lead and Partners	Who will lead implementation, and what partnerships are necessary? Because this is a City-led effort. The City of Albany is the lead agency for most actions.

The strategies are organized into four general categories:



1. Land Use and Zoning Strategies

Recommended changes to the Albany Development Code (ADC) related to land use regulations, development standards, review processes, or other regulations that would support needed housing development.



2. Development Incentives and Policies

Policy and incentive strategies intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.



3. Funding Sources

Potential new revenue sources that could be used to support affordable housing development. Several of the other recommended HIP strategies are dependent on new funding sources.



4. Programs and Partnerships

Programmatic strategies that could help the Albany community increase its housing supply (particularly affordable housing), support existing affordable units and residents, and/or leverage partnerships to catalyze housing development. The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources.

Refer to the Executive Summary for an overview of the recommended strategies.

III. Recommended Housing Strategies



CATEGORY 1. LAND USE AND ZONING STRATEGIES

The following set of strategies includes recommended changes to the Albany Development Code (ADC) related to land use regulations, development standards, review processes, or other regulations that the City should undertake to help meet Albany’s housing needs and goals.

1.1 Ensure land zoned for higher density is not developed at lower densities

Priority	HIGH
Description	The intent of this strategy is to ensure that residential land is used efficiently, and that areas designated for higher residential densities are not consumed by low-density development. As identified in the 2020 HNA, there is significant need for new medium- and high-density housing. It is important to ensure that land planned for these housing types is reserved for that purpose. It is also important to ensure that residential development can reach the projected capacity of each zone and that buildable land within the urban growth boundary is used efficiently by developing at or near the maximum density of the zone.

Recommendations	<p>High Priority Adopt minimum density standards in the Residential Medium Density (RMA) and Residential Medium Density Attached (RMA) zoning districts. These are the districts where it is most important to use land efficiently.</p> <p>Lower Priority Adopt minimum density or maximum lot size requirements in the RS-5—Residential Single-Dwelling Unit zone (the higher-intensity single-dwelling zone).</p>
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Considerations	<p>Potential Standards: Minimum density standards are typically most effective if set at between 50 and 80 percent of the maximum density standard in the zone. This translates to the following minimum density options for each zone listed above:</p> <ul style="list-style-type: none"> • RMA – 17.5 to 28 units per gross acre • RM – 12.5 to 20 units per gross acre • RS-5 – 3.3 to 5.2 units per gross acre (or maximum lot size of 10,000 to 7,000 SF for single-dwelling development) <p>Applicability: Consider limiting the minimum density standards only to subdivisions and multiple-dwelling development. Smaller-scale infill development would have less flexibility in meeting minimum requirements and less impact on new housing supply overall.</p> <p>Implementation: The requirements could be applied based on minimum dwellings per acre or maximum lot size. Either way, there will need to be some explanation in the Code regarding how minimum density is calculated.</p>
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Impact	<p>Populations Served: All income levels.</p> <p>Housing Types: For rent or sale; medium- and high-density housing.</p> <p>Housing Impact: Modifying standards to support appropriate residential densities would have a limited impact on housing supply as it would not work directly toward creating new units. However, it would support efforts to add to the city’s housing supply and affordability by ensuring that residential land is not consumed by low-density single-dwelling development, which is typically more expensive than small-lot or higher-density housing types.</p>
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Implementation Actions	<ol style="list-style-type: none"> 1. Work with local development stakeholders and Planning Commission to identify which implementation options to pursue, based on the considerations discussed above. 2. Legislative ADC text amendment process.
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Lead and Partners	<p>Lead – City of Albany Community Development Department.</p> <p>Partners – Developer stakeholders.</p>
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1.2 Encourage small dwelling units through lot size/density incentives

Priority	HIGH
Description	<p>There is a significant need in Albany for smaller, more affordable detached housing options. In the focus group meetings for the HIP project, several participants noted that Albany needs more housing options for singles, young couples, and seniors who do not want, or cannot afford, a large single-detached home. This strategy would encourage smaller detached dwelling units (e.g., 1,250 SF or less) by allowing them to be built on smaller lots.</p> <p>Small dwellings typically do not have the same land needs as larger units and can be built on smaller lots. Also, reducing minimum lot size typically reduces costs for developers and homebuyers because of the high cost of land.</p>
Recommendations	<p>Further evaluation is needed to determine the right dwelling size threshold and minimum lot size. As a starting point, the project team recommends the following:</p> <ul style="list-style-type: none"> • Unit size threshold of 1,250 SF • RS-5 and HM districts: 3,000 SF minimum lot size for small dwellings • RS-6.5 district: 4,000 SF minimum lot size for small dwellings <p>(Note: Lot coverage maximums would ensure lots are not completely covered with dwellings.)</p>
Impact	<p>Populations served: Moderate income households.</p> <p>Housing Types: For sale (typically); small detached dwellings.</p> <p>Housing impact: Modifying lot size standards to encourage smaller units would have a limited impact on housing supply, as it would not work directly toward creating new units. However, it could help fill the gap in the city's supply of smaller dwellings, which are typically more affordable than larger homes.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Further analyze potential lot size standards and coordinate with local development stakeholders. 2. Legislative ADC text amendment process.
Lead and Partners	<p>Lead – City of Albany Community Development Department. Partners – Developer stakeholders.</p>

1.3 Reduce code barriers to needed housing

Priority	HIGH
Description	<p>This strategy involves amending development regulations that may constrain housing. The project team examined a range of code standards to identify areas where barriers could be reduced or removed—these included minimum lot size/density, setbacks, lot coverage, and off-street parking, and others. The key recommendation that emerged is to remove the land-area-per-unit requirement for multiple-dwelling development and rely on maximum density (units per acre) standards.</p> <p>There is currently a mismatch between the maximum density and minimum lot size standards in the city's medium-density zones. Maximum density is 25 units per gross acre in RM and 35 units per gross acre in RMA. These densities are not achievable given the current standards for minimum site area per unit. In fact, townhouses (attached units on their own lots) in these zones can achieve higher densities than multiple-dwelling development.</p> <p>Apartments or condos with multiple bedrooms—which can accommodate larger families—are especially disadvantaged. For example, an apartment building with 2- or 3-bedroom units in the RM zone would require 2,400 SF land per unit—this translates to an achievable density of only 18 units per acre (as compared to the zone maximum of 25 units per acre).</p>
Recommendations	<p>Remove the minimum land-area-per-unit requirement for multiple-dwelling development to enable the maximum allowed density to be achieved. The zone's maximum density (units per acre) would determine the number of units.</p> <p>This strategy will better enable development of multiple-bedroom units. When paired with minimum density recommendations (Strategy 1.1), the strategy will also help ensure medium-density land can be used as efficiently as possible to support more housing units.</p> <p>(Note: Lot coverage maximums would ensure there is still green space on a site.)</p>
Impact	<p>Populations served: All income levels.</p> <p>Housing Type: For rent (typically); multiple-dwelling units (especially with 2+ bedrooms).</p> <p>Housing impact: Similar to Strategies 1.1 and 1.2, modifying development standards to support housing development would have a limited impact on housing supply, as it would not work directly toward creating new units. However, allowing denser development tends to support housing affordability by reducing land costs per-unit.</p>
Implementation Actions	Legislative ADC text amendment.
Lead and Partners	City of Albany Community Development Department.

1.4 Increase flexibility for accessory dwelling units (ADUs)

Priority	MEDIUM
Description	<p>Accessory dwelling units are small, secondary units on the same lot as an existing home. ADUs are an appealing housing option with several benefits:</p> <ul style="list-style-type: none"> • ADUs can add to the local supply of rental units and can provide a relatively affordable rental option for a person or household that prefers living in a small detached unit rather than an apartment or other attached housing. • Building and renting an ADU can raise income for a homeowner and help offset the homeowner's mortgage and housing costs. • ADUs offer flexibility for homeowners to either rent the unit or to host a family member. The proximity to the main house can be particularly beneficial for hosting an elderly family member that may need care and assistance. <p>The City of Albany already allows ADUs outright on any lot where single-detached housing is allowed and recently updated its standards to comply with state requirements. However, the City could potentially go further to encourage ADUs by allowing larger units (as a percentage of the primary dwelling) and/or by allowing two ADUs on one lot.</p>

Recommendations	<p>Allow increased floor area ratio to primary home. The current Code limits ADUs to 50 percent of the gross floor area of the primary residence (excluding garages or carports) or 900 square feet, whichever is less. While the 900-SF limit is relatively generous, the 50-percent limit may be prohibitive if the ADU is constructed on a lot with a small home. For example, some older homes are only 800-1,000 SF—this would limit allowable ADUs to only 400-500 SF.</p> <p>The project team recommends increasing the size limit to 75 percent of the primary residence to allow a wider range of ADU sizes (up to 900 SF) that are still smaller than the primary home.</p> <p>Allow an ADU with a townhouse. To add further flexibility, the City could allow an ADU with a townhouse (single-attached dwelling). Depending on how a townhouse is designed, an ADU could be accommodated in a lower level (e.g., daylight basement) or as an attached or detached unit in the backyard. If desired, the City could further restrict the size or placement of the ADU to limit its impact on neighboring properties.</p> <p>Allow more than one ADU on a lot. The City could also consider allowing up to two ADUs with a single-detached dwelling. Albany already allows something similar to a house with two detached ADUs by allowing a 3-cottage cluster; however, cottage clusters have additional standards such as minimum shared open space. Some options to consider:</p>
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	<ul style="list-style-type: none"> • Allow two ADUs only if one of the ADUs is internal to the primary dwelling or an attached addition. This would help reduce potential impacts to neighboring properties. • If there are concerns about having two ADUs on an undersized lot, the City could also require that the lot meet the minimum lot size in the zone (which it cannot require for just one ADU).
Impact	<p>Populations served: Moderate income households.</p> <p>Housing Types: For rent; smaller units.</p> <p>Housing Impact: See Strategy 1.2.</p>
Implementation Actions	Legislative ADC text amendment.
Lead and Partners	City of Albany Community Development Department.



1.5 Facilitate “tiny home villages” as cottage cluster housing

Priority	MEDIUM
Description	<p>Tiny homes are typically defined as small detached units, typically under 600 square feet. Tiny homes present an appealing option for affordable homeownership due to their small size and the privacy and independence they offer to residents. They can also serve as regulated or transitional housing for low-income residents—examples are Hub City Village (currently being built in Albany)¹ and Emerald Village in Eugene.²</p> <p>However, this housing type can face a number of regulatory barriers because they do not fit the typical housing mold. Many development codes are not geared toward accommodating this housing type.</p> <p>While there is a range of types of tiny homes—including permanent homes, tiny homes on wheels, and transitional homes—this strategy focuses on permanent tiny homes that are built on foundations and subject to the Building Code and ADC.</p> <p>Permanent tiny homes are often sited in “tiny home villages,” where multiple homes share the same lot. Under the current ADC, up to eight tiny homes on a single lot would be considered a cottage cluster development. The Code does not permit more than eight cottages on one lot; therefore, a larger tiny home village would either need to go through a land division to create additional lots, the planned development process and adjustment process, or be permitted as multiple-dwelling development. However, multiple-dwelling development and design standards are not compatible with the characteristics of tiny home villages.</p>



Recommendations	<p>Tiny home size. The project team recommends 750 SF as the unit size threshold for a “tiny home.” Under the state’s new Climate Friendly and Equitable Communities (CFEC) rules, there is an exemption from parking requirements for units under 750 SF. Albany’s code could align with that threshold, which may be a more realistic and livable home size than smaller units.</p> <p>Allow additional units in a tiny home cluster. The team also recommends allowing more than 8 cottages in a cluster if all dwellings are 750 SF or less. These tiny homes would be significantly smaller than the maximum allowed cottage size of 1,400 SF. Therefore, additional homes could fit onto the same size lot and would have less impact on neighbors than larger cottages.</p> <p>The team recommends scaling the maximum number of tiny homes in a cottage cluster by the intensity of the zone. For example, the City could allow up to:</p> <ul style="list-style-type: none"> • 10 cottages in the RS-10, RS-6.5, and HM zones • 12 cottages in the RS-5 zone • 16 cottages in the RM and RMA zones <p>Allow reduced lot sizes for smaller tiny home clusters. In the current Code, the minimum lot size for cottage clusters in the RS-6.5 through RMA zones is 7,000 SF. This could be scaled down for tiny home clusters with fewer units (e.g., those with fewer than 7) to only 1,000 SF per unit. This would allow, for example, infill development of 5-unit or smaller tiny home clusters on 5,000 SF lots.</p>
Impact	<p>Populations served: Low to moderate income households.</p> <p>Housing Types: For rent or sale; small units.</p> <p>Housing impact: See Strategy 1.2</p>
Implementation Actions	Legislative ADC text amendment.
Lead and Partners	City of Albany Community Development Department.

¹ Hub City Village, Creating Housing Coalition. <https://creatinghousing.org/about/>
² Emerald Village Eugene, SquareOne Villages. <https://www.squareonevillages.org/emerald>

1.6 Use zoning incentives to support affordable or workforce housing

Priority	MEDIUM-HIGH
Description	<p>Some development regulations can present obstacles or add costs to housing development. These obstacles are particularly challenging for developments built by housing authorities, non-profit developers, or even for-profit developers that are attempting to build units affordable to people with lower or moderate incomes.³ In order to support developments that include units affordable to moderate- or low-income households, the City can offer concessions on zoning and development code standards.</p> <p>The concessions should be offered in exchange for the development dedicating a minimum proportion of the units to be regulated as affordable to people with lower or moderate incomes with a minimum affordability period of 20 or more years. The incentives typically include relief from certain development standards such as parking, setbacks, or density.</p> <p>Note: Senate Bill 8 (2021 session) requires cities to allow affordable housing that meets specific criteria on a wide range of sites and provides height and density bonuses. If the height/density bonus exceeds local bonuses for affordable housing, the SB 8 bonus will apply directly. This should be a factor in the City's analysis of new/expanded bonuses, as recommended below. The City could also incorporate SB 8's provisions into the ADC, though this is not required—the allowances established by SB 8 are available regardless of local adoption.</p>
Recommendations	<p>Adjust density bonus for very low-income households. Albany already offers a density bonus for low- and moderate-income housing. The bonus provisions are scaled to offer larger density bonuses (up to 30% additional density) for projects that include units with deeper affordability requirements. They also allow a range of density bonuses (e.g., 5%, 10%, 20% bonus), based on the percentage of units with affordability restrictions.</p> <p>The project team recommends providing a more generous density bonus for units with the deepest affordability requirements (50% AMI—HUD's threshold for "very low-income" households). Without additional incentives, the 80% AMI bonus thresholds may outcompete the 50% AMI thresholds, and the City may not see much of the lowest income units being provided. We recommend increasing the bonus for 50% AMI housing units by 5% for each level, as follows:</p> <ul style="list-style-type: none"> • 5% of units – 15% density bonus • 10% of units – 25% bonus • 20% of units – 35% bonus

	<p>Offer new height bonus. The team also recommends adopting a new height bonus for units that are affordable to households earning 80% AMI or less. This could be implemented by allowing one additional building story if all units (or a certain percentage) are designated as affordable. This height bonus would also make it more feasible for developments to maximize the available density bonus.</p>
Impact	<p>Populations Served: Very low to low-income households.</p> <p>Housing Types: For rent or sale; income-restricted units.</p> <p>Housing impact: Offering a bonus in return for more affordable units can create a win/win between the builder and housing goals. Generally, developers will still be incentivized to offer units at higher income levels (e.g., 100% or 120% AMI) so a bonus that scales to the affordability level is appropriate. When successful, these programs not only provide a number of units at a controlled affordability level, but also help create mixed-income communities among the subsidized and unsubsidized units.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Consult with affordable housing providers to determine what density/height incentives would be most beneficial in supporting their work. 2. Evaluate SB 8 to determine how the statutory bonuses compare to the City's existing or proposed new bonuses. 3. Legislative ADC text amendment.
Lead and Partners	<p>Lead – City of Albany Community Development Department. Partners – Affordable housing providers.</p>



³ Housing affordable to moderate-income, working households that do not typically qualify for subsidized housing is often referred to as "workforce housing."

1.7 Support single room occupancy (SRO) and micro housing

Priority	MEDIUM-HIGH
Description	<p>Single room occupancy (SRO) is a form of housing in which the units share bathroom or kitchen facilities with other units on the floor or in the building. SROs are typically aimed at those earning low or very low incomes. While SROs (sometimes known as “SRO hotels”) were once very common in urban areas, many have been torn down or converted to higher-end apartments or hotels, and few new SROs have been built in recent decades.⁴</p> <p>As the housing crises worsened in recent years, housing advocates have urged cities to consider enabling SROs as an alternative, low-cost form of housing for those experiencing homelessness or at risk of losing their housing. As such, SROs have opportunities to serve as a form of transitional or supportive housing or as a viable form of housing for more transitory residents.</p> <p>“Micro housing” or “micro apartments” are a related type of housing that has been gaining in popularity in recent years, mostly in larger cities so far. Micro housing is usually defined as units under 400 SF that may or may not share kitchen facilities with other units on the same floor. While typically marketed as higher-end units compared to SROs, micro apartments are usually more affordable than standard apartments due to their size and shared amenities. They can be a viable option for individuals with lower incomes, or for those who simply desire to live with less space and fewer private amenities.</p> <p>Some local development codes have definitions or other provisions that have the effect of prohibiting SROs and micro housing—whether by design or not. The intent of the recommendations below is to ensure that SROs and micro housing are allowed, and not precluded by the ADC, and to potentially encourage these lower-cost housing options through regulatory incentives, such as prorated density.</p>
Recommendations	<p>Add SROs, micro housing, and quad/quint dwellings to the Schedule of Permitted Uses in residential and mixed-use zones.</p> <ul style="list-style-type: none"> • SRO housing. The ADC has a definition for SRO, and it is included as an example of the Multiple Dwelling Unit use category in Article 22. However, adding SROs directly to the Schedule of Permitted Uses tables in Articles 3, 4, and 5 would make it clearer that SROs are permitted. • Micro housing should be separately defined and also added the Schedule of Permitted Uses tables. Micro housing units could have shared amenities, similar to SROs, or they could be fully equipped with kitchen and bathroom facilities, but could simply be very small. As an example, Vancouver, Washington recently updated its code to define Micro Housing Units as 120-400 SF units that may or may not have shared facilities.

<ul style="list-style-type: none"> • Quad/quint dwellings should also be defined separately. The Albany Code used to have separate definitions for “quad dwelling unit” and “quint dwelling unit,” which were defined as dwellings with separate sleeping and living quarters for four or five individuals, centered around a common kitchen facility. These definitions were removed in 2013 and replaced with the single-room occupancy definition. However, quad/quint dwellings were distinct from SROs in that they comprised a shared unit or suite with four or five bedrooms and a shared kitchen. This is most commonly thought of as a form of student housing. While Albany has not seen any quad/quint dwellings built in recent years, they could offer an appealing low-cost alternative to typical apartments, e.g., for Linn-Benton Community College students. <p>Prorate density calculations for SROs, micro housing, and quads/quints. In the current ADC, density for SRO dwellings is calculated at a rate of one dwelling unit for every two rooms. In the former quad/quint provisions, density was calculated at essentially the same rate: a quad counted as 2 dwelling units and a quint counted as 2 ½ dwelling units. There is no density discount for micro housing that is simply small and does not have shared facilities.⁵</p> <p>The team recommends prorating density for each of these unit types so that each room counts as 0.25 dwelling units. For example, a single quad unit would count as one dwelling for calculating density. This would help incentivize these types of lower-cost housing and would make them more feasible to build and rent.</p>

Impact	<p>Populations Served: Extremely low to moderate income households.</p> <p>Housing Types: For rent; small units; transitional housing.</p> <p>Housing impact: SROs and micro housing may not have a strong potential for market-rate development in Albany at this time. As noted above, micro housing units have mostly been developed in larger cities such as Portland where the housing prices are higher. However, this form of housing could become more feasible if housing prices continue to rise statewide. Also, this type of housing could present opportunities for non-profit housing providers of subsidized, transitional, or supportive housing, as well as for employer-provided workforce housing. Therefore, it is important to ensure that the Code does not preclude these types of housing, but rather encourages them through supportive regulations and incentives.</p>
Implementation Actions	Legislative ADC text amendment.

Lead and Partners	City of Albany Community Development Department.
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⁴ Portland banking on low-rent SRO hotels to ease housing problems, OregonLive. <https://www.oregonlive.com/business/2019/04/officials-look-to-sro-hotels-as-model-for-low-income-housing.html>

⁵ Vancouver Municipal Code, Ch. 20.815 Micro Housing Units. <https://vancouver.municipal.codes/VMC/20.815>

1.8 Encourage mixed-income development

Priority	MEDIUM
Description	<p>Mixed-income development projects include a mix of market-rate and dedicated affordable units (restricted to low-income households) in the same building or development. These units may be mixed in the same hallway, separated in different buildings or on different floors or wings of the same building.</p> <p>Mixed-income development can facilitate economic integration, create well-maintained and amenity-rich housing options for low-income individuals and families, and can increase community acceptance of affordable housing, particularly in higher-income neighborhoods.</p> <p>Requiring mixed-income development is known as “Inclusionary Zoning,” which is strictly regulated in Oregon and has only been implemented by the City of Portland. The project team explored Inclusionary Zoning in the HIP Background Reports; however, we do not recommend this approach in Albany.</p> <p>Instead, the team recommends the City consider ways to encourage affordable housing integrated with market-rate development through regulatory and other incentives.</p>
Recommendations	<p>Density/height bonuses. See Strategy 1.6 for recommendations.</p> <p>Financial incentives. Tax abatements and other financial incentives can be offered for mixed-income development. See Strategies 2.2 and 2.3.</p> <p>Inclusionary upzoning. This approach would allow a property owner to “upzone” their property to a higher-density designation—say from RM to RMA—if their plans include mixed-income housing with a percentage of affordable units. Rezoning is already allowed in Albany, provided an application meets the review criteria for a zone change and is consistent with the Comprehensive Plan. This approach could “pre-qualify” mixed-income developments for upzoning. The details of the specific approach should be further evaluated.</p>
Considerations	<p>A mixed-income approach can offer both challenges and benefits to the financial feasibility of developing affordable housing. Requirements from public funding sources—which nearly all affordable housing relies on—can be a barrier. However, in areas with very high rents, mixed-income developments may be able to use profits from the market-rate units to subsidize the income-restricted units and reduce the amount of subsidy required.⁶</p>

Impact	<p>Populations Served: Low to moderate income levels.</p> <p>Housing Types: For rent or sale; income-restricted / mixed-income units.</p> <p>Housing Impact: Inclusionary upzoning can incentivize affordable/mixed-income housing beyond the bonuses recommended under Strategy 1.6 by offering a potentially larger increase in allowed density and height. This may make mixed-income development more feasible in more locations in Albany.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Evaluate programmatic options and approaches for inclusionary upzoning. 2. Consult with market-rate and affordable housing developers to assess the potential efficacy of various approaches. 3. Determine appropriate ratios or requirements for the number or percentage of affordable units to be incorporated in applicable developments. 4. Implement through the legislative ADC text amendment process.
Lead and Partners	<p>Lead – City of Albany Community Development Department.</p> <p>Partners – Affordable housing providers; Oregon Home Builders Association; for-profit housing developers.</p>



⁶ Local Housing Solutions. <https://localhousingsolutions.org/refine/developing-mixed-income-housing/>

1.9 Encourage accessible housing units

Priority	HIGH
Description	<p>This strategy involves incentives to increase development of housing that is accessible for seniors and people with disabilities or mobility challenges. Accessible housing was identified by stakeholders in the HIP focus group meetings as a need that is not being met in the Albany housing market. This strategy would encourage accessible units through development code, regulatory, or financial incentives and through education to the development community.</p> <p>To qualify for incentives, the units could be required to meet certain standards, such as Universal Design or Lifelong Housing Certification.</p> <p>Universal Design is a building concept that incorporates design layouts and characteristics into residences to make them usable by the greatest number of people and respond to the changing needs of the resident. Universal Design incorporates standards for features such as hallways, doorways, bathrooms, and kitchens that make these features usable for people with disabilities or adaptable for that purpose.⁷</p> <p>Lifelong Housing Certification is a program developed by the Rogue Valley Council of Governments (RVCOG) in partnership with AARP Oregon as a voluntary certification process for evaluating the accessibility and/or adaptability of homes. Residences can be certified at three levels based on the extent of their accessibility: (1) VISIBLE (basic accessibility for visitors); (2) Fully Accessible (accessible for a person in a wheelchair on the main floor); and (3) Enhanced Accessibility (customized for specific accessibility needs).⁸</p>
Recommendations	<p>Provide information to developers. The project team recommends the City provide information to builders and contractors about how to design and build accessible homes. This could include handouts, information on the City Website, or potentially a Universal Design manual.</p> <p>Density/height bonus. The City should consider density incentives similar to those discussed under Strategy 1.6 for accessible units meeting one of the standards above (or a similar standard).</p> <p>Financial incentives, such as reduced fees. Financial incentives could include planning and building fee reductions or system development charge (SDC) reductions—see Strategy 3.3. (Note: SDC reductions would require a revenue source to implement. Funding sources are discussed under Category 4.)</p>

Considerations	If the incentives are not set at the right level to be attractive to use, they may not be effective. The incentive(s) should be calibrated effectively to be attractive to both a non-profit and for-profit developer. The benefit of using the incentive should outweigh the costs associated with implementing accessible design features.
Impact	<p>Populations Served: Seniors and people with disabilities.</p> <p>Housing Types: For rent or sale; accessible or visitable units.</p> <p>Housing impact: This strategy will not directly result in the production of new units, but it may increase the number of new units that have accessibility features—or it may increase the number of units remodeled with accessibility features.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Develop educational/informational materials on accessible/Universal Design for builders and/or provide links to materials that have been prepared by other organizations such as the AARP. Potentially collaborate with the Lifelong Housing Certification program at RVCOG or a similar program. 2. Evaluate a potential new density/height bonus. This should be carefully considered in conjunction with existing/new affordability bonuses. 3. Implement bonus program through a legislative ADC text amendment. 4. Develop an incentive program and source of funding to increase the number of dwelling units designed accessibly. 5. Work with developers to gather feedback on program parameters and interest. 6. Implement incentive program through Council action.

Lead and Partners	<p>Lead – City of Albany Community Development Department.</p> <p>Partners – Oregon Home Builders Association; Fair Housing Council of Oregon; AARP; Rogue Valley COG.</p>
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⁷ Universal Design Standards, West Virginia Housing Development Fund. <https://tinyurl.com/yx63h792>
⁸ Lifelong Housing Program, RVCOG. <https://rvcog.org/home/sds-2/lifelong-housing-program/>

1.10 Require accessible design for publicly supported units

Priority	MEDIUM
Description	This strategy involves requiring housing units receiving public funding to be designed to meet Universal Design, Lifelong Housing Certification, or similar standards (see Strategy 1.9). Cities have limited ability to require accessibility features in new development, but could potentially tie the requirements to public funding.
Recommendations	<p>The project team recommends the City further evaluate the following approaches:</p> <p>Require all housing units receiving public funding to be accessible. The City could apply accessibility standards beyond what is federally required for projects that are funded through City dollars (i.e., subsidized affordable housing). The City could apply the standards to all units (not just certain units, as is federally required), and could require that units meet Universal Design, Lifelong Housing Certification, or similar standards.</p> <p>Require elevators in some or all multi-story buildings. The City could also require elevators in some or all multi-story buildings that are supported by City dollars. Currently, the Building Code only requires elevators to reach common spaces (such as exercise rooms) or units that are federally required to be accessible. Requiring elevators in one or more multi-dwelling buildings would make all levels of that building accessible for those with mobility challenges. It would also make all units “covered” units under the Fair Housing Act, meaning all units would need have accessibility features. (Refer to Background Report Part 1 in Appendix A for further information about federal requirements.)</p>
Issues or Constraints	Accessibility features can add to the cost of construction for a development, which can make affordable housing projects less financially feasible. Elevators, in particular, add significant cost to a project. While these requirements may provide more accessible units, they could prevent some affordable housing projects from being developed. As with any large cost factor in a development, the expense can become more feasible if shared across a larger building with more units. Steps such as providing dedicated accessible units on the ground floor can help manage these challenges.

Impact	<p>Populations Served: Seniors and people with disabilities; extremely low to moderate income households.</p> <p>Housing Types: For sale or rent; accessible units.</p> <p>Housing Impact: This strategy would increase the number of new units that are designated for lower-income households with accessibility features incorporated into the design.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Evaluate potential new accessibility requirements, working closely with non-profit housing developers to understand how their projects might be impacted. 2. Develop requirements for accessible housing—either through the Municipal Code or ADC. 3. Adopt requirements through the legislative ADC text amendment process or through Council action. <p>Implementing Entity(ies): Lead - City of Albany Community Development Department. Partners – non-profit housing providers; Fair Housing Council of Oregon; AARP.</p>
Lead and Partners	<p>Lead – City of Albany Community Development Department.</p> <p>Partners – non-profit housing providers; Fair Housing Council of Oregon; AARP.</p>



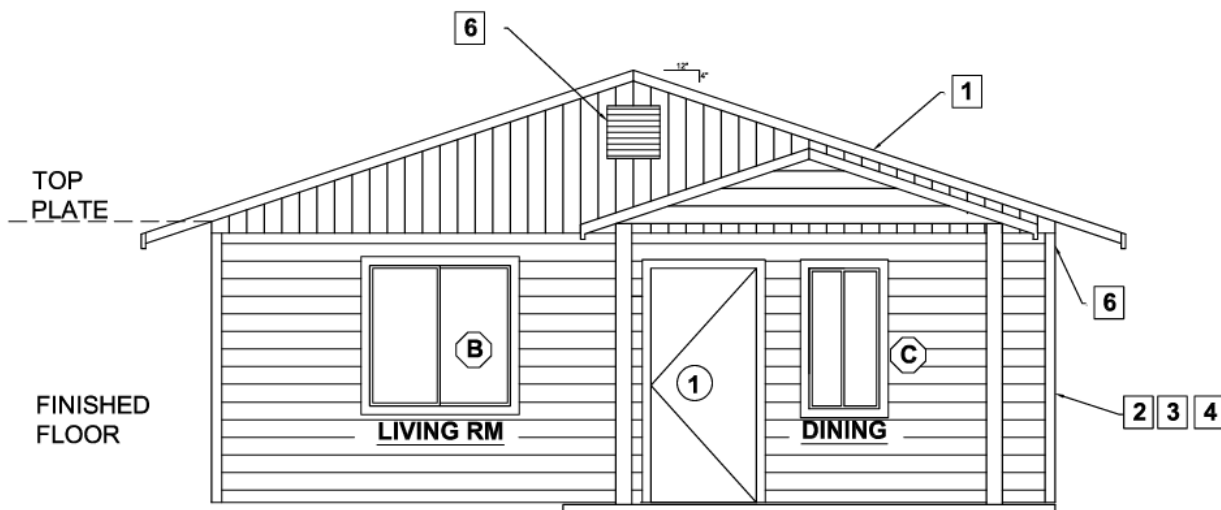


CATEGORY 2. DEVELOPMENT INCENTIVES AND POLICIES

The following policy and incentive strategies are intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.

2.1 Evaluate implementation of pre-approved plan sets for middle housing and/or ADUs

Priority	MEDIUM
Description	<p>Pre-approved building and site plans are plan sets that have been reviewed in advance for conformance with zoning and building codes. Pre-approved plan sets can reduce housing development costs by reducing design and permit process times and fees.</p> <p>This strategy might encourage homeowners to build an accessory dwelling unit in cases where the homeowner does not have the resources or desire to hire an architect to produce a custom design.</p> <p>For middle housing, pre-approved plans may attract developers that typically develop only single-dwelling housing to get into missing middle housing production.</p> <p>For pre-approved plan sets, the Building Department may decrease the charges (plan check fee) and decrease the approval time for applicants. The City Building Official has indicated that they would support reduced costs.</p> <p>See HIP Background Report, Part 2 for examples from other cities that have implemented pre-approved plans, such as Eugene’s recent pre-approved ADU program.</p>



Recommendations	<p>The project team recommends that the City evaluate this strategy further to determine whether it is feasible, to select a workable approach, and to determine what partnerships and other resources might be needed.</p> <p>We also recommend that the City consider this strategy in conjunction with the strategy for encouraging accessible housing (1.9). Any pre-approved plans adopted by the City could incorporate accessible features, which would work toward achieving multiple housing goals.</p>
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Considerations	<p>The City could consider partnering with a university—such as Oregon State University or the University of Oregon—or a design institution to develop plans. The City could also develop a competition to produce plans, adopting pre-approved plans developed by other cities, or working with other cities to develop pre-approved plans.</p> <p>The City could offer the plans for free and downloadable from the City’s website (as does the City of Eugene) or for a low fee. Alternatively, the City could work with a number of design firms to pre-approve their plans, which could then be purchased at a reduced cost. Local design firms might see this as a marketing opportunity to sell their pre-approved plans multiple times.</p> <p>There are upfront costs associated with developing the pre-approved plans, including paying design fees for architects that develop the base plans, and dedicating staff time for working with the architects and reviewing the plans.</p> <p>ADU plans may be more straightforward to develop and might be a good first step.</p>
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Impact	<p>Populations Served: All income levels.</p> <p>Housing Types: For rent or sale; middle housing; ADUs.</p> <p>Housing impact: It is difficult to estimate how effective pre-approved plan sets would be in promoting development of middle housing or ADUs because it is not clear that they will be favored by the development community or homeowners.</p>
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Implementation Actions	<ol style="list-style-type: none"> 1. Evaluate which housing type(s) to adopt plans for and which programmatic approaches to pursue. 2. Develop ADU and/or middle housing type plans in collaboration with one or more of the partners discussed above. 3. Work with the Building Division to ensure plans meet all City Code standards and to approve the plans. 4. Work with Albany’s Building Department, Planning Commission, and City Council to adopt pre-approved plans.
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Lead and Partners	<p>Lead – City of Albany Community Development Department.</p> <p>Partners – Developer stakeholders.</p>
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2.2 Use tax abatements to encourage affordable housing and housing in mixed-use areas

Priority HIGH

Description Tax abatements are reductions in property taxes for housing. Abatements may include full or partial tax exemptions or freezes on the assessed value of properties. Abatements are often provided to non-profit corporations or private developers in exchange for developing affordable housing or other desired housing types (such as mixed-use). Property tax exemptions or freezes can also be applied to housing in distressed areas, or for rehabilitated housing. Property tax abatements reduce ongoing operating costs for affordable housing projects, which can be greatly beneficial for affordable housing finances.

The state currently authorizes tax abatements for various types of housing and affordable housing through several programs outlined in the Oregon Revised Statutes (ORS). The City of Albany adopted the Nonprofit Low-Income Housing Tax Credit (ORS 307.540 – 307.548) in 1993, which enables the City to exempt affordable housing developed by non-profit agencies from City taxes, although annual renewal is required. Because the City of Albany makes up less than 51% of the taxing district, only City taxes can be exempted unless the developer receives approval from Linn County and the school district to exempt their portions of property taxes as well.

Recommendations **Consider adopting the Low-Income Rental Housing abatement (ORS 307.515 – 307.537).** The state authorizes a 20-year tax exemption for any entity that provides regulated affordable housing, including nonprofits and for-profit developers. The statutes outline similar eligibility requirements as the City’s existing Nonprofit Low-Income Housing Tax Credit, in that eligible properties must be offered for rent to low-income persons (at or below 60% AMI) or held for the purpose of developing low-income rental housing.

Key advantages of this abatement are that it is available to more than just non-profits and it does not require annual renewal. In contrast, recipients of the City’s current non-profit tax abatement need to seek renewal every year by City Council, which can be a time-consuming process for applicants.

Consider adopting the Transit-Supportive Multi-Unit Development abatement (ORS 307.600 – 307.637). This exemption (known as “MUPTTE” in some communities) is an abatement for multiple-unit housing in corridors and centers that support transit. Eligible development must be located in transit-oriented areas (as designated by the City) and have multiple units but may include ground floor commercial space. The exemption can be provided for up to 10 years.

This incentive may encourage development downtown and along Albany’s transit corridors, including future mixed-use areas. ***City staff have heard from local developers that Albany does not offer adequate incentives for development downtown, and that it is not competitive with other cities.***

Considerations For the Transit-Supportive Multi-Unit abatement, the City has broad discretion as to how to structure the program and define affordability requirements. The Housing Affordability Task Force supported incorporating affordability as a program component. The Planning Commission also suggested adding accessibility requirements, which does not appear to be precluded by the statute. The details of this program would need to be carefully considered by the City so it is appealing to developers.

Tax exemptions apply only to the tax levy of a governing body that adopts the provisions of the tax exemptions. A city must seek approval from partner jurisdictions that, together with the city, make up at least 51% of the overall tax levy. In the case of the City of Albany, which makes up roughly 38% of the local levy, the agreement of either the County or School District or both would be required, as these are the two other sizable taxing levies.

Impact **Populations Served:** Low-income and/or moderate-income households (depending on the abatement program).

Housing Types: For rent; multi-dwelling housing; income-restricted units.

Housing impact: Tax abatement programs can be a powerful additional incentive to increase the feasibility of low-income housing, and perhaps increase the number of units feasible in planned projects. These programs would almost certainly be used. Abatements for transit-supportive housing may be effective in the downtown area and newer mixed-use areas such as East Albany. Prospects have approached the City about these exemptions for development downtown and affordable housing development.

- Implementation Actions**
1. Assess which tax abatement program(s) to implement and/or update. Create evaluation criteria to decide which types of housing would be eligible for certain types of exemption programs in Albany.
 2. Discuss potential programs with key stakeholders, including other City departments, overlapping taxing districts, and developers.
 3. Seek Council direction on any eligibility criteria that should be incorporated into the program(s).
 4. If the program(s) are determined to be feasible and approved by the other taxing districts, the City should develop a program framework and application process based on the recommended criteria.
 5. Identify staff capacity and roles for assisting developers during the application process and monitoring the compliance during operations.

Lead and Partners **Lead** – City of Albany Community Development Department.
Partners – Housing developers, lenders, and overlapping taxing districts.

2.3 Reduce system development charge (SDC) cost burden on affordable or lower cost housing

Priority	HIGH
Description	<p>SDCs are one-time charges assessed on new development to pay for the costs of expanding public facilities. The City of Albany charges SDCs for water, sewer, parks, and transportation. Greater Albany Public Schools also charges a construction excise tax (effectively an SDC) for new construction in the city (except for affordable housing). Some jurisdictions offer full or partial SDC exemptions to incentivize affordable housing or desired market-rate residential development or subsidize SDCs with funding from another source (e.g., Construction Excise Tax, urban renewal/TIF, or general fund).</p> <p>A related type of program can allow developers of affordable/desired housing to defer or finance payment of fees, which can reduce up-front costs and financing costs for the developer.</p> <p>Note: The City recently amended its SDC methodology 2022 to apply a more equitable approach that scales fees by unit size/type. Fees for single-unit dwellings are scaled to dwelling size and middle housing types are scaled to be less than the fee for an average sized single-unit home. Fees for apartments were reduced even further.</p>
Recommendations	<p>Defer SDCs for all housing until certificate of occupancy. Typically, SDCs are due at the time a building permit is issued. Deferring SDCs until the certificate of occupancy could improve the feasibility of projects, delay payment until the property is generating income, and still eventually provide the public revenue over time. The City’s Public Works Department has expressed initial support for this approach.</p> <p>Reduce or exempt SDCs for affordable housing (if a revenue source is adopted). Reducing or exempting SDCs for affordable housing would provide significant cost savings to affordable housing developers and could help more projects “pencil out” financially. Since SDC revenues are needed to expand or make infrastructure system improvements, they would need to be backfilled by another funding source—such as construction excise tax (see strategies under Category 3).</p>

Considerations	<p>SDC deferral can be combined with SDC financing so that payments begin at the certificate of occupancy or other specified time and continue for a certain number of years (e.g., 10 years). While not many developers finance SDCs, the City could consider a lower interest rate (e.g., 0.25% above the Oregon Prime rate) and/or allow the lien to be in second position for affordable housing or other types of housing developments. A financing program can be beneficial to the property owner because fees are paid gradually, rather than in a lump sum soon after the completion of the project. However, a financing program also brings additional administrative requirements and costs to the City to track and collect payments over time.</p> <p>As noted above, exempting or reducing SDCs is contingent on adoption of a new funding source.</p>
Impact	<p>Populations Served: Deferrals—all income levels; Reductions/exemptions—extremely low to low-income households.</p> <p>Housing Types: For rent or sale; income-restricted units.</p> <p>Housing impact: This strategy alone will not result in additional units, but it may incentivize the production of affordable housing, which could increase the number of units developed. SDC deferrals or financing can improve the feasibility of projects by delaying payment until the property is generating income.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Further consult with other City departments about the possibility of deferring or exempting SDCs. 2. Consider new funding sources for backfilling lost SDC revenues—such as a CET. 3. Work with other service providers to offer SDC deferral, reductions or exemptions. 4. Adopt, implement, and track the effectiveness of the program.
Lead and Partners	<p>Lead – City of Albany Community Development Department. Partners – Other City Departments; Greater Albany Public Schools.</p>

2.4 Offer surplus City-owned land for affordable housing

Priority	HIGH
Description	<p>This strategy involves providing City-owned or other surplus land owned by public agencies or institutions to support development of long-term affordable housing.</p> <p>As the needs of public agencies or institutions change over time, properties may not be needed for their originally intended purpose. Also, sometimes sites that are still serving their intended purpose are larger than needed, and the unused portion could be converted to other uses. When these opportunities come up, the City can capitalize on them to support development of affordable housing.</p> <p>Other public agencies and institutions (including religious institutions) may also have land that they no longer need and are willing to make available for affordable housing. Some may be legally required to sell surplus and excess property at fair market value, but others may have flexibility for how they dispose of this land and may be willing to partner with the City to consider opportunities to use this land for affordable housing. In some cases (e.g., with faith-based institutions), developing affordable housing may be consistent with or further the mission of the organization.</p>
Recommendations	<p>Adopt a surplus property policy. The project team recommends that the City adopt a policy of offering its surplus land for affordable housing. The City should consider the various implementation approaches described below and either incorporate them into the policy or consider them on case-by-case basis.</p>
Considerations	<p>Options for implementation:</p> <ul style="list-style-type: none"> • Sell surplus land at cost or below market value to developers of long-term affordable housing. • Allow long-term leases (e.g., 100 years) at minimal cost for land that is not yet ready to surplus. • Allow first right of refusal to a land bank, land trust, or non-profit affordable housing provider. • Consider partnering with the County, school district, or religious institutions to broaden the potential impact of the program.

Impact	<p>Populations Served: Extremely low to low-income households.</p> <p>Housing Types: For rent or sale; income-restricted units.</p> <p>Housing Impact: This strategy allows the City of Albany to directly influence the ability to secure land for affordable housing, by offering particular properties only to affordable housing developers. It can also influence the cost of land, by buying down prices to support affordable housing.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Inventory City-owned land within Albany that may be suitable for affordable housing development and determine what land is currently surplus or excess or may be deemed so in the next few years. 2. Reach out to other public agencies and institutions, including religious institutions, that own land within Albany to determine if these entities are willing to include their lands in the inventory. 3. Review policies and procedures related to surplus and excess lands to determine whether changes or refinements are needed to enable or encourage them to be made available for affordable housing. 4. Establish protocols for how affordable housing developers would be selected when land is available. 5. Negotiate with affordable housing developers to implement future projects on specific properties identified through the steps above.
Lead and Partners	<p>Lead – City of Albany Community Development Department.</p> <p>Partners – Linn and Benton Counties; Linn-Benton Community College; Greater Albany Public Schools; religious institutions.</p>





CATEGORY 3. FUNDING SOURCES

One of the key challenges in implementing the actions in the HIP is the availability of funding. Funding is needed for staff time to implement the HIP but also to build units, acquire land, preserve housing, and support partner programs. Identifying realistic funding sources will be critical to increasing access to housing in Albany, especially for low-income households and underserved communities.

The following funding sources are recommended for further evaluation in Albany.

3.1 Evaluate implementation of a Construction Excise Tax (CET)

Priority	MEDIUM
Description	<p>A construction excise tax (CET) is a one-time tax on construction projects that can be used to fund affordable housing projects and programs. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure.</p> <p>The City may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.</p> <p>The allowed uses for CET funding are defined by the state law; a large portion of revenues must be used for developer incentives (e.g., fee and SDC waivers, tax abatements, etc.). A commercial/industrial CET has fewer restrictions than a residential CET.</p> <p>The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in the community, either through City-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process.</p> <p>Oregon cities that have passed a Construction Excise Tax for affordable housing include Grants Pass, Medford, Milwaukie, Corvallis, Cannon Beach, Newport, Hood River, Bend, Eugene, Tigard, and Portland (and likely others). More cities are currently considering a CET. Most cities are using or plan to use the revenues to offer grants and/or loans as flexible gap financing for affordable housing development.</p>
Recommendations	<p>Evaluate adoption of a CET. Given the importance of a new revenue source to carry out many HIP strategies, the project team recommends that the City initiate a process to further evaluate adoption of a CET.</p>

Considerations

A CET could be applied to residential or commercial/industrial property types, or both.

A key choice is what tax percentage should be levied on residential construction (up to 1%) and on commercial and industrial construction (unlimited). Most jurisdictions that have implemented CETs in Oregon levy taxes at a rate of 1% for both development types.

Permitting data from 2016 through 2021 indicates that a CET could generate average annual revenue of \$185k for a 0.25% CET to \$740k for 1.0% CET. Even the lower end of CET revenues could allow a significant contribution to one or two projects per year.

CET is a tax on development. It increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally (by no more than 1%). However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects.

The City could limit a CET only to commercial/industrial development (i.e., exclude residential), and possibly only to larger projects, which may be less impacted by the tax.

Because CET revenue is development-derived, it will fluctuate with market cycles.

The expected revenue from a CET to pay for desired programs should be weighed against the potential drawbacks of taxing new development.

Impact

Populations Served: Depends on how the program is structured, but would be for extremely-low to low-income households.

Housing Types: For rent or sale; income-restricted units.

Housing impact: CET is one of few options to generate locally controlled funding for affordable housing and could be implemented without a public vote. The estimates based on development activity since 2016 indicate that a CET could generate significant revenue to contribute to affordable housing projects. This fund could incentivize additional affordable units in both non-profit and for-profit development, and expected interest in using these funds would likely be high.

Implementation Actions

1. Evaluate a potential approach. Include projections on potential revenue and what programmatic goals could be accomplished with revenue. Consider:
 - Both residential and commercial/industrial options
 - A range of tax percentage rates
 - Potential use of funds
 - What income levels would be served (e.g., households earning <60% AMI, <80% AMI, etc.)
 - What types of development might be exempt
2. Engage with developers in Albany to evaluate tolerance for a CET on residential, commercial, and industrial development.
3. Seek direction on whether to proceed with adoption from City Council.
4. Albany City Council could impose the CET by adoption of an ordinance or resolution that conforms to the requirements of ORS 320.192–ORS 320.195.
5. If directed, create a plan for the use of CET funds.

Lead and Partners

Lead – City of Albany Community Development Department.
Partners – City of Albany Finance Department; local developers; non-profit housing partners could implement funded programs.



3.2 Evaluate implementation of a general obligation bond for affordable housing

Priority **LOW**

Description General obligation (GO) bonds provide a stable, dedicated revenue source through increased property tax rates. Cities or other jurisdictions can issue bonds backed by the full faith and credit of the jurisdiction to pay for capital construction and improvements. GO bonds are issued for a specific dollar amount and paid back over a certain period (typically 20 to 30 years) through increased property taxes. GO bonds must be approved by voters.

Because they are legally limited to use for capital investments and require a public vote to enact, these bonds are typically used for major infrastructure investments (such as roadway improvements that benefit all or nearly all of a city’s residents). However, GO bonds can be used for land acquisition or development if the city’s residents agree to fund them. GO bonds can also be used to purchase existing buildings and convert them into permanently affordable rental housing. Funds can be loaned or granted to both public and privately owned affordable housing projects.

At least one jurisdiction in Oregon—the City of Portland—is using this tool to construct affordable housing. In 2016, Portland voters approved Portland’s Housing Bond dedicating \$258.4 million in general obligation bonds to the development of 1,300 units of affordable housing for low-income households—including 600 units for households with incomes at or below 30% of the Area Median Income (AMI), 650 family-sized units, and 300 units of Supportive Housing.⁹

Recommendations The project team recommends that the City **evaluate implementation of a GO bond alongside the CET evaluation**, since only one of these strategies is likely to move forward.

Considerations Alternatives and questions to consider if the City of Albany were to consider a GO bond initiative:

- What type of housing projects could best be publicly supported based on polling? Do those projects align with the requirements and limitations of GO bond funding? Do those projects align with the City’s most pressing housing needs?
- What is a reasonable dollar amount for the bond, given the public priorities and funding appetite? How many units might be acquired and / or built at various funding levels?
- What are the implications of a new GO bond for Albany’s property taxpayers?

A primary challenge of GO bonds is that they require voter approval to increase property taxes, which may not receive adequate community support. As such, it may not be the most politically feasible funding strategy.

If successful, the administration of this funding may require additional staffing and skill sets if the City is unfamiliar with undertaking these types of projects on this scale.

GO bonds can only be used for capital projects and cannot be used for supportive services or for operations. However, if the City issues a bond to build new affordable housing, it may free up resources from other funding sources for services linked to affordable housing.

Impact

Populations Served: Extremely low to low-income households

Housing Types: For rent or sale; income-restricted units.

Housing Impact: A GO bond can be the most direct and best-funded way for a jurisdiction to support the development of new housing. It provides a large funding source that is dedicated to the pre-determined uses and that enjoys political support as it has been passed by voters. For example, a GO bond has the potential to fully fund production of multiple affordable housing developments and hundreds of units.

Implementation Actions

1. Evaluate the types of projects the City wishes to include on the ballot (and their costs) to determine a bond rate. The bond funds may only be used to pay for capital costs related to construction; acquisition or rehabilitation of residential buildings for affordable housing; other capital construction costs; predevelopment costs; and administrative costs.
2. The City should vet projects with the general public to gauge acceptability. They should also educate the public about the proposed projects' value.
3. GO bonds are issued with long-term, fixed rates. The City of Albany should evaluate the type of bond it will pursue (20-year or 30-year).
4. GO bonds must be approved by a simple majority through a ballot measure.

Lead and Partners

Lead – City of Albany Community Development Department.
Partners – City of Albany Finance Department, Legal Department, City Council, Albany residents.

3.3 Use tax increment financing (TIF) to support development of affordable housing

Priority

MEDIUM

Description

Tax increment financing is a funding mechanism in which future tax revenues in targeted development or redevelopment areas (TIF districts / urban renewal areas) are diverted to finance infrastructure improvements and/or development.

At the time of adoption, the tax revenues flowing to each taxing jurisdiction from the TIF district is frozen at its current level. Any growth in tax revenues in future years, due to annual tax increase plus new development, is the “tax increment” that goes to the district itself to fund projects in the area. TIF is a good tool to use in areas where new development or redevelopment is anticipated.

While many different types of projects are eligible for TIF funds, for the most part, TIF funds go to physical improvements in the district itself. These projects can include participating in public/private partnerships with developers—including for affordable, workforce, or market-rate housing—or can be used to complete off-site public improvements that benefit and encourage new development in the area, or to acquire key sites. TIF funds can also be used to pay for development fees.

The City of Albany established a TIF district downtown in 2001 called the Central Albany Revitalization Area (CARA). The CARA has been used to date to help finance the development of workforce housing units at the Woodwind Apartments. However, CARA is sunseting soon and is not going out for any more bonds to support new projects

Recommendations

Create one or more new TIF districts—such as in East Albany—where housing development is desired but where market conditions are hindering private development. Creation of a new district would require voter approval.

Incorporate affordable housing into new TIF district plans. This could take the form of a set-aside that creates designated funding sources for affordable housing development programs within the TIF district(s).

Considerations

TIF districts are established to support economic development more generally, not just housing development. However, housing (especially affordable housing) should be an important focus of any new TIF planning.

TIF results in foregone tax revenue for the City and other overlapping taxing districts for several decades, though it can (and should) grow the tax base in the long-term by supporting development that would not otherwise have occurred.

If a new TIF district were established, it would likely be several years before there was sufficient revenue in the district to make significant investment in housing.

Impact

Populations Served: Low-income to workforce housing.

Housing Types: For rent or sale; moderate-cost and/or income-restricted units.

Housing Impact: The amount of housing production would depend on the funds raised through Urban Renewal.

Implementation Actions

1. Evaluate the potential for creation of one or more new TIF districts.
2. Evaluate whether a housing set-aside would be an appropriate expenditure for the new district(s) and how much could be allocated while balancing the need for infrastructure investments.
3. Should a new TIF district be deemed appropriate, proceed with the planning and adoption process for the new district. Establish priorities for the area, identify a project list, confirm financial feasibility, prepare required plan documents, and hold adoption hearings.

Lead and Partners

Lead – City of Albany Community Development Department and Urban Renewal Agency.

Partners – Overlapping taxing districts; Albany residents.



CATEGORY 4. PROGRAMS AND PARTNERSHIPS

These are programmatic strategies that could help the Albany community increase its housing supply (particularly affordable housing), support existing affordable units and residents, and/or leverage partnerships to catalyze housing development. The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources identified in the previous set of strategies.

4.1 Support a community land trust to facilitate affordable homeownership

Priority

HIGH

Description

Community Land Trust (CLT) is 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. This model allows low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.

Recommendations

- Provide support to a CLT to facilitate development of affordable homes in Albany.
- The City can play a variety of roles in supporting CLTs through administrative or financial support. Direct financial support would be contingent on adoption of a new revenue source. Options to consider:
- **Donate City-owned land (Strategy 2.4) to be managed by CLTs.** The City can transfer property they see fit for affordable housing development to a CLT to develop and maintain.
 - **Provide grants or low-interest loans for specific development or rehabilitation projects.** Grants and loans can provide funds to CLTs to assist with predevelopment costs or acquisition and rehabilitation costs for existing homes.
 - **Provide down payment assistance for homes owned by CLTs.** Providing down payment assistance grants or loans can help create homeownership for those who otherwise would not have the opportunity. Local examples of this approach include Springfield’s program with DevNW and Hillsboro and Beaverton’s down payment assistance grants through Proud Ground.^{10,11,12}
 - **Provide direct funding to a CLT.** An example of this approach is the City of Hillsboro’s annual set-aside of CDBG funds to Proud Ground, which allows the organization to eschew the competitive grant process annually. This partnership was key to Proud Ground’s ability to expand into Hillsboro.

Considerations

DevNW is an example of a CLT working in the Linn-Benton area in other jurisdictions. Among a suite of other services, DevNW is currently developing homes for affordable homeownership under the CLT model in Corvallis, Eugene, Milwaukie, and Salem, and has completed projects in Florence and Cottage Grove—but has not had any projects in Albany.¹³ The City already partners with DevNW on the Linn-Benton-Lincoln County Home Repair Program, which is supported by Albany CDBG funds and administered by DevNW.

Habitat for Humanity is not a CLT per se but uses a similar approach to maintain the affordability of the homes it builds largely through volunteer labor and first right of refusal on sales of Habitat homes. Albany Area Habitat for Humanity is the local affiliate organization and is a potential partner for the City. The City has already supported Habitat’s efforts by providing CDBG funds for land acquisition.

Impact

Populations Served: Low income and workforce housing.
Housing tenure/type: For sale (typically); income-restricted ownership housing.
Housing impact: CLTs are unlikely to produce substantial unit numbers unless significant resources are raised from a broad mix of funding partners, but they can provide permanent affordability of the units they develop. The City’s funds can help to leverage investments from other partners. This could work in conjunction with a land acquisition strategy.

Implementation Actions

1. Work with a CLT to discuss opportunities in Albany and need for financial support.
2. Determine how the City can support a CLT’s efforts in Albany, depending on available resources, revenue sources, etc.
3. Provide on-going support through development/rehabilitation grants, homeownership grants/loans, donation of City-owned land, and/or an annual funding set-aside.

Implementing Entity(ies): Lead - City of Albany Community Development Department. Partners – private or non-profit developers; community land trust.

Lead and Partners

Lead – City of Albany Community Development Department.
Partners – DevNW, Habitat for Humanity, or another CLT.

4.2 Support programs that benefit existing affordable housing and residents

Priority

MEDIUM-HIGH

Description

This strategy describes a variety of programs that can be used to maintain housing affordability or to help keep lower income residents in their homes.

Financial assistance programs. Possible tools include rent assistance, loans for homeowners, or assistance to income-restricted apartment owners for repairs and upgrades. In Albany, several such programs have been funded through the City’s annual allocation from the federal Community Development Block Grant (CDBG) program. Albany partners with organizations including DevNW, Albany Partnership for Housing and Community Development, and Community Services Consortium (CSC) to implement these programs.

Preserving low-cost housing. Preventing displacement and preserving “naturally occurring” affordable housing through acquisition, low-interest loans/revolving loan fund for preservation, and/or code enforcement. Example: The Oregon Legislature committed \$15 million in lottery bonds to Oregon Housing and Community Services (OHCS) in 2019 to create a naturally occurring affordable housing (NOAH) loan fund. The 2021 session granted \$30 million for purchase of existing housing stock and land acquisition.

Preserving manufactured home parks. Manufactured home parks often provide a form of affordable housing stock but are particularly vulnerable to redevelopment pressures since lots are temporarily leased out. In order to preserve safe, affordable options into the future, manufactured home parks may be protected through assistance that allows community purchase of the underlying land and maintenance of the dwelling units. This strategy is often implemented through use of Land Trusts, Resident-Owned Cooperatives, Public Ownership of Land, or Condominium Conversion of the real estate assets to preserve the community(ies). OHCS has regularly received lottery bonds or general funds from the Oregon Legislature to preserve manufactured home parks through either Resident Owned Cooperatives or Non-profit ownership.

Recommendations

The City should continue to support local organizations’ efforts to provide financial assistance to low-income residents. Given the City’s limited CDBG resources, additional financial support would not be possible without a new revenue source.

The project team recommends that the City undertake an affordable housing preservation inventory of subsidized and naturally occurring affordable housing. The inventory could support proactive policies intended to preserve affordable housing stock by identifying potential target properties. This would help offset some of the need for costly new construction.

The City should also advocate for state funds from OHCS to be used in Albany to preserve existing affordable, low-cost, and manufactured housing.

10 DevNW. Downpayment Assistance. <https://devnw.org/access-funds/downpayment-assistance/>
 11 Proud Ground. Beaverton Down-Payment Assistance Grant. <https://proudground.org/properties/affordable-pending/90000-beaverton-homebuying-opportunity-pool/227>
 12 Proud Ground. Hillsboro Down-Payment Assistance Grant. <https://proudground.org/properties/affordable-pending/90000-beaverton-homebuying-opportunity-pool/227>
 13 DevNW Homeownership. <https://devnw.org/affordable-homes/homeownership/>

Considerations Programmatic strategies to preserve low-cost housing would require the City to be program-lead or create one or more partnerships with local organizations. Both require funding, development of policies and program structure, and administration of the programs. Future monitoring of compliance is also a consideration for implementation.

Existing low-cost housing may need to be brought up to health and safety standards required in the building codes.

Albany could work with owners of manufactured home parks, especially those where redevelopment is being considered, to identify opportunities to preserve manufactured home parks through these approaches.

Impact

Populations Served: Extremely low to low-income households.

Housing Types: Existing subsidized housing; existing low-cost housing; existing manufactured housing.

Housing Impact: These strategies are not anticipated to produce new units but are intended to preserve existing low-cost housing and promote housing stability for existing residents.

Implementation Actions

Financial Assistance Programs:

1. Consult with non-profits and agencies providing assistance in Albany to determine how the City could further support their efforts.
2. If new revenue sources are adopted, consider additional financial contributions to these agencies.
3. Continue to track the outcomes of assistance programs and re-evaluate regularly.

Preserving Low-Cost Housing:

1. Develop an inventory of regulated affordable housing, unregulated lower-cost housing, and manufactured home parks. Include the property locations, number of units per development, and property owner contact information.
2. Evaluate programs, technical assistance opportunities, regulatory changes, and other options to support preservation. This step can include multiple approaches, as noted in the description of this action.
3. Reach out to property owners to gauge their interest in working with the City or partners.
4. Work with OHCS and/or apply for housing preservation funding/programs in Albany.
5. Develop requirements for maintaining lower-cost rent as a condition of receiving financial assistance from this program.
6. Connect interested property owners to established programs and opportunities.
7. Regularly update the affordable housing inventory.

Lead and Partners

Lead – City of Albany Community Development Department.
Partners – State of Oregon OHCS; non-profit housing organizations.

4.3 Provide information and education to small developers

Priority **MEDIUM**

Description Providing information to small, local developers can help them understand land use permitting processes and give them a sense of clarity and certainty about requirements so they can better provide smaller scale housing at an affordable level. Information can also promote accessible/Universal Design building techniques.

The City already provides numerous informational handouts on its webpage in at the permit counter, including new handouts for middle housing.

Recommendations

Create FAQs and/or handouts about the development/permitting process. Emphasize step-by-step city processes with estimated timelines.

Create a Universal Design manual or fact sheet about accessible design and/or link to existing resources, such as the RVCOG’s Lifelong Housing Program resources and materials published by AARP.

Consider providing the following additional resources:

- Create an educational workshop for small developers, such as a recorded video or presentation slides.
- Establish a point-of-contact or staff person to help guide individual projects through the planning and permitting process. This person helps the applicant follow the proper steps and contact the right staff or departments at the right time.

Considerations The main constraint for this strategy would be the staff time necessary to compile and present the information or to be the point person for specific projects. There is uncertainty about the need for information about the permitting process.

Impact

Populations Served: Moderate income households and above; seniors and people with disabilities.

Housing Types: For sale or rent; accessible units.

Housing Impact: This strategy does not directly result in production of new housing but is intended to make it easier for local developers to build the type of housing that is needed in Albany. This could result in more development of middle housing, for example, or more accessible units.

Implementation Actions

1. Identify staff to prepare the materials.
2. Assemble the educational/informational materials.
3. Contact developers and make the information available online and at the permit counter.

Lead - City of Albany Community Development Department.
Partners - Rogue Valley COG or other sources of accessible design information.

4.4 Facilitate conversion of underperforming or distressed commercial assets into housing

Priority	LOW-MEDIUM
Description	<p>This strategy involves acquisition of underperforming or distressed commercial assets (commercial, retail, industrial, or hotel) or facilitating partnerships with owners of the assets for conversion into needed housing.</p> <p>Albany has several underutilized commercial buildings, such as stores or other businesses that have closed, that could be appropriate for redevelopment. Downtown Albany also has underutilized upper-floor spaces that could be repurposed for housing. The City could work with landowners to evaluate opportunities for adapting vacant/ underused buildings for new housing or mixed use developments.</p> <p>Implementing this strategy may depend, in part, on use of tools such as TIF funding (Strategy 3.3) to address infrastructure deficiencies or support development of affordable housing.</p> <p>The City could also consider opportunities for conversion of some ground-floor retail to allow housing on the ground floor.</p>
Recommendations	<p>Work with existing property owners to convert their own buildings to housing or mixed uses, with City support.</p> <p>Work with downtown property owners to upgrade upper floors of commercial buildings for residential use.</p> <p>Work with a non-profit or for-profit developer to acquire distressed properties and convert them to housing. Provide financial or other programmatic support.</p> <p>Incorporate provisions required by Oregon House Bill 3261 (2021 session) into the ADC or promote statutory allowances for converting hotels or motels into housing. HB 3261 requires jurisdictions to allow the conversion of a hotel or motel to an emergency shelter or affordable housing when certain criteria and standards are met. HB 3261 requires that all converted housing units be affordable to households earning 60% AMI or less. Note: The provisions of HB 3261 apply whether or not the City updates its Code; however, adding these provisions into the Code may increase awareness and make them easier for applicants and staff to interpret.</p> <p>Consider acquire distressed properties using City funding. This recommendation is contingent on adopting a new revenue source, such as a CET or new TIF district.</p>

Considerations	<p>Given staff resources, the City has limited capacity to take the lead on this strategy at this time.</p> <p>There are very few vacant commercial properties in Albany. This strategy may be better focused on “underperforming” or underutilized properties—such as downtown commercial buildings with vacant upper floors.</p> <p>Commercial buildings are not designed for residential occupancy and may face structural or construction-related challenges to being converted for this purpose. This may include laws around electrical and water lines, fire sprinklers, entry and exit points, and more.¹⁴ Hotels and motels may be the most straightforward properties to convert—and there are many examples of this—because they already have features similar to dwelling units. In addition, older commercial buildings may not meet current Building Code standards and upgrading them to be code-compliant could be costly.</p> <p>Given the challenges associated with conversions, it may also be more challenging to secure financing for a conversion project, as compared to traditional construction or rehabilitation.</p>
Impact	<p>Populations Served: All income levels</p> <p>Housing tenure/type: For rent</p> <p>Housing Impact: The potential impact of this project is limited by staff’s capacity to take the lead, the Albany’s lack of vacant commercial properties, and the challenges associated with upgrading older buildings.</p>
Implementation Actions	<ol style="list-style-type: none"> 1. Inventory vacant, distressed, or underutilized commercial/non-residential buildings. 2. Identify one or more underutilized buildings that could be converted (or partially converted) to residential uses. 3. Discuss interest in converting underutilized buildings to residential uses with the owners or assess the owners’ interest in selling the buildings. 4. Help connect property owners with potential developers. 5. Assist with the development process to make it easier for redevelopment to occur. This may require a rezone from a commercial zone into a mixed-use zone where housing is allowed. 6. Pursue the appropriate process for permitting the reuse of the building(s).
	<p>Lead - City of Albany Community Development Department. Partners - non-profit or private developers.</p>

¹⁴ Tips for Converting Commercial Property to Residential. <https://www.fortunebuilders.com/tips-for-converting-commercial-property-to-residential/>

IV. Recommendations for Initial Implementation



City of Albany staff and the Housing Affordability Task Force have identified priority recommended actions for initial implementation of the HIP. These are higher-priority actions than can be implemented by City staff in the near-term without additional resources (i.e., “low hanging fruit”). While other strategies in the HIP are also considered high-priority, they may rely on new funding sources or require additional evaluation. Staff will work on implementing those strategies in the longer term.

If approved by City Council, the actions below will be added to the Albany Community Development Department’s work plan for 2023-2024.

CATEGORY 1. LAND USE AND ZONING STRATEGIES

Strategy	Priority
1.2 Encourage small dwelling units through lot size/density incentives <ul style="list-style-type: none"> Size threshold for small dwellings: 1,250 SF and below RS-5 and HM: 3,000 SF minimum lot size for small dwellings RS-6.5: 4,000 SF minimum lot size for small dwellings 	High
1.3 Reduce code barriers to needed housing <ul style="list-style-type: none"> Remove the minimum land-area-per-unit requirement for multiple-dwelling development 	High
1.4 Increase flexibility for accessory dwelling units (ADUs) <ul style="list-style-type: none"> Allow increased floor area ratio to primary home Allow an ADU with a townhouse 	Medium
1.6 Use zoning incentives to support affordable or workforce housing <ul style="list-style-type: none"> Adjust density bonus for very low-income households Offer new height bonus 	Medium-High
1.7 Support single room occupancy (SRO) and micro housing <ul style="list-style-type: none"> Add to permitted uses in multi-dwelling and mixed-use zones Prorate density (count each unit as 0.25 dwelling units) 	Medium-High
1.9 Encourage accessible housing units <ul style="list-style-type: none"> Provide info to developers Density/height bonus Financial incentives, such as reduced SDCs (revenue source is needed) 	High

CATEGORY 2. DEVELOPMENT INCENTIVES AND POLICIES

Strategy	Priority
2.2 Use tax abatements to encourage affordable housing and housing in mixed-use areas <ul style="list-style-type: none"> Consider adopting the Low-Income Rental Housing abatement Consider adopting the Transit-Supportive Multi-Unit Development abatement (“MUPT”) 	High
2.3 Reduce system development charge (SDC) cost burden on affordable or lower cost housing <ul style="list-style-type: none"> Defer SDCs for all housing until certificate of occupancy Reduce or exempt SDCs for affordable housing (if a revenue source is adopted) 	High
2.4 Offer surplus city-owned land for affordable housing <ul style="list-style-type: none"> Adopt a surplus property policy 	High

CATEGORY 3. FUNDING SOURCES

Strategy	Priority
3.1 Evaluate implementation of a Construction Excise Tax (CET) <ul style="list-style-type: none"> Initiate a process to further evaluate adoption of a CET 	Medium

CATEGORY 4. PROGRAMS AND PARTNERSHIPS

Strategy	Priority
4.1 Support a community land trust (CLT) to facilitate affordable homeownership <ul style="list-style-type: none"> Identify a CLT partner or partners Donate City-owned land (Strategy 2.4) to be managed by a CLT Provide grants or low-interest loans for specific development or rehabilitation projects Provide down payment assistance for homes owned by a CLT Provide direct funding to a CLT 	High

[Note: Financial support to a CLT would be contingent on adoption of a new revenue source.]



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