



Affordable Housing in Albany

Tuesday, December 11 at 5:15 p.m.

Council Chambers, City Hall, 333 Broadalbin Street SW

For more information contact anne.catlin@cityofalbany.net or 541-917-7560.





House Bill 4006 (2018)

- Requires cities greater than 10,000 with severe rent burden of 25% or more to hold at least one public meeting to discuss:
 - the causes and consequences of severe rent burden
 - Barriers to reducing rent burden; and
 - potential solutions to reduce housing rent burden
- Report on permitted and produced housing units annually
- Complete housing affordability survey annually – report on actions

Affordable Housing & Rent Burden defined:

- **Housing is Affordable** when no more than 30% of income is spent on housing expenses (mortgage/taxes or rent/utilities).
- **Housing Cost Burden** – when a household spends more than 30% of household income on rent and utilities or on a mortgage.
- **Severe Rent Burden** - When a household spends more than 50% of household income on rent and utilities.
- **Regulated Affordable Units** – a dwelling subject to a regulatory agreement that runs with the land and that requires units to be affordable for specified income levels over a defined period of time.
Example – units affordable to households earning less than 60% of area median income (AMI), for 50 years.

Severe Housing Cost Burden in Albany

Almost 1 in 3 renter households (29%) spent > 50% of their income on housing (2,370 households)



3 of 4 extremely low income renter households spent > 50% of their income on housing (1,350 households)



Source: 2011-2015 American Community Survey

A household must earn:

\$19.35/hr

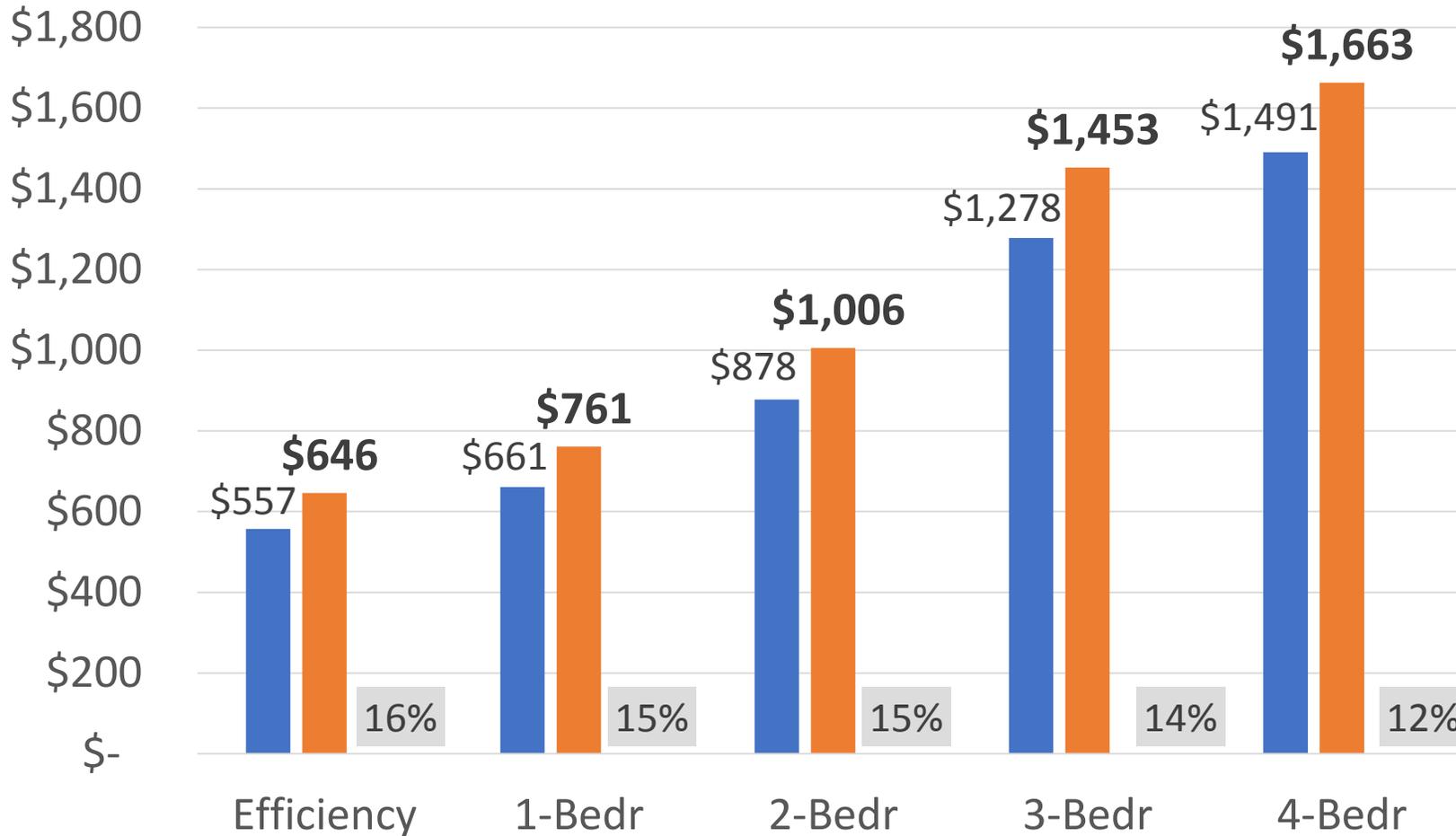
=\$40,248/yr. for 2-Bdr at \$1,003 including utilities

Residents of color face higher poverty rates, cost burdens, and lower homeownership rates.

Source: HUD 2019 Fair Market Rents

Fair Market Rents 15% 2017 – 2019

■ 2017 ■ 2019 ■ % Increase 2017 to 2019



Market: \$615-\$725 \$825-\$1,114 \$800-\$1,314 \$975-\$1,995 \$2,100-\$2995

Sources: HUD 2017 and 2019 Fair Market Rents

<https://www.huduser.gov/portal/datasets/fmr.html>

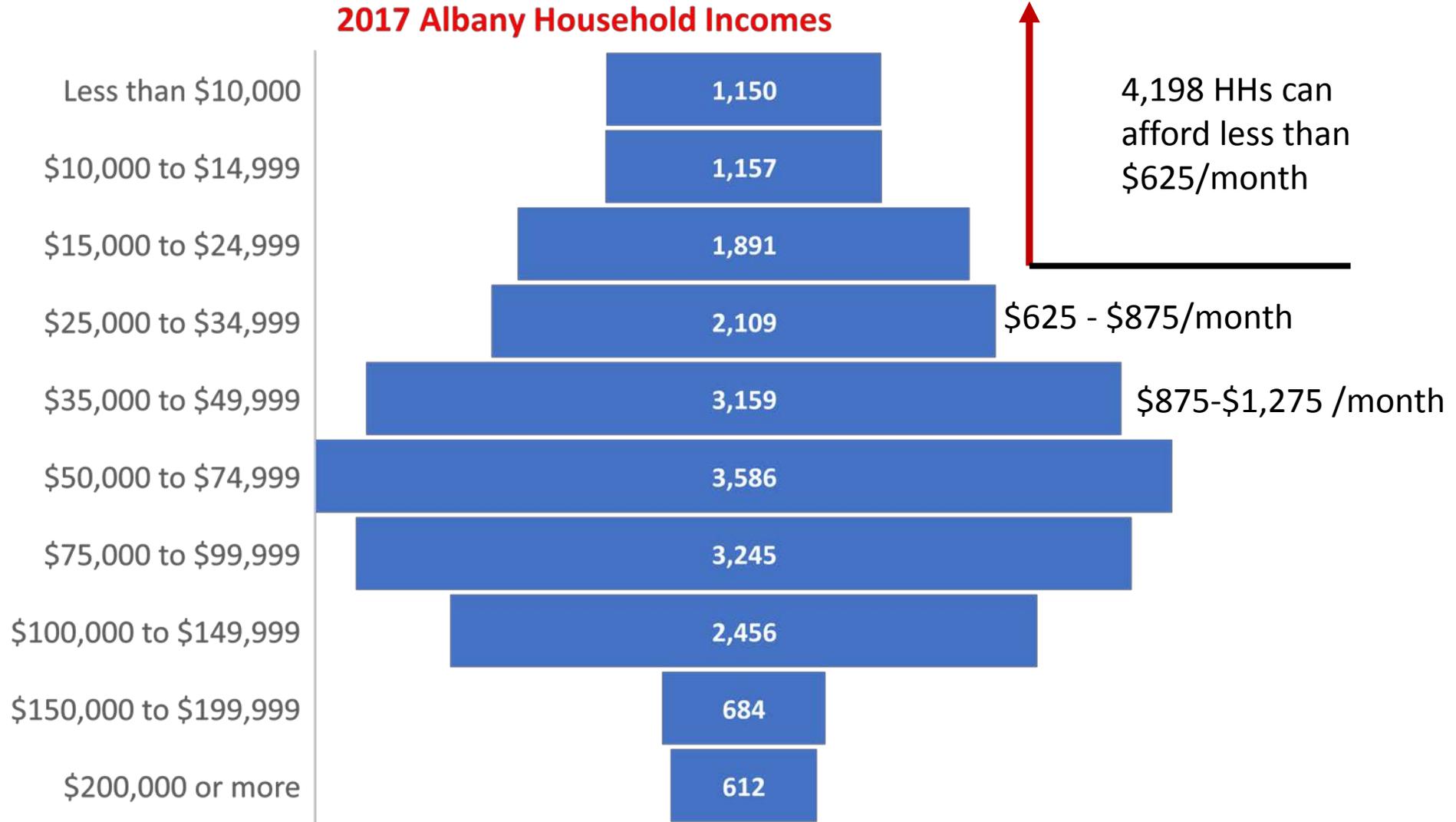


Annual Income	\$10,000	\$15,000	\$25,000	\$35,000	\$50,000	\$75,000	\$100,000
% of 2018 MHI = \$59,700	17%	25%	42%	59%	84%	126%	168%
Affordable Monthly Housing Costs (30% of income)	\$250	\$375	\$625	\$875	\$1,250	\$1,875	\$2,500



Sources: HUD 2018 Fair Market Rents <https://www.huduser.gov/portal/datasets/fmr.html>;
 2018 Out of Reach, Low Income Housing Coalition https://nlihc.org/sites/default/files/oor/OOR_2018.pdf;

2017 Albany Household Incomes



Source: 2017 American Community Survey

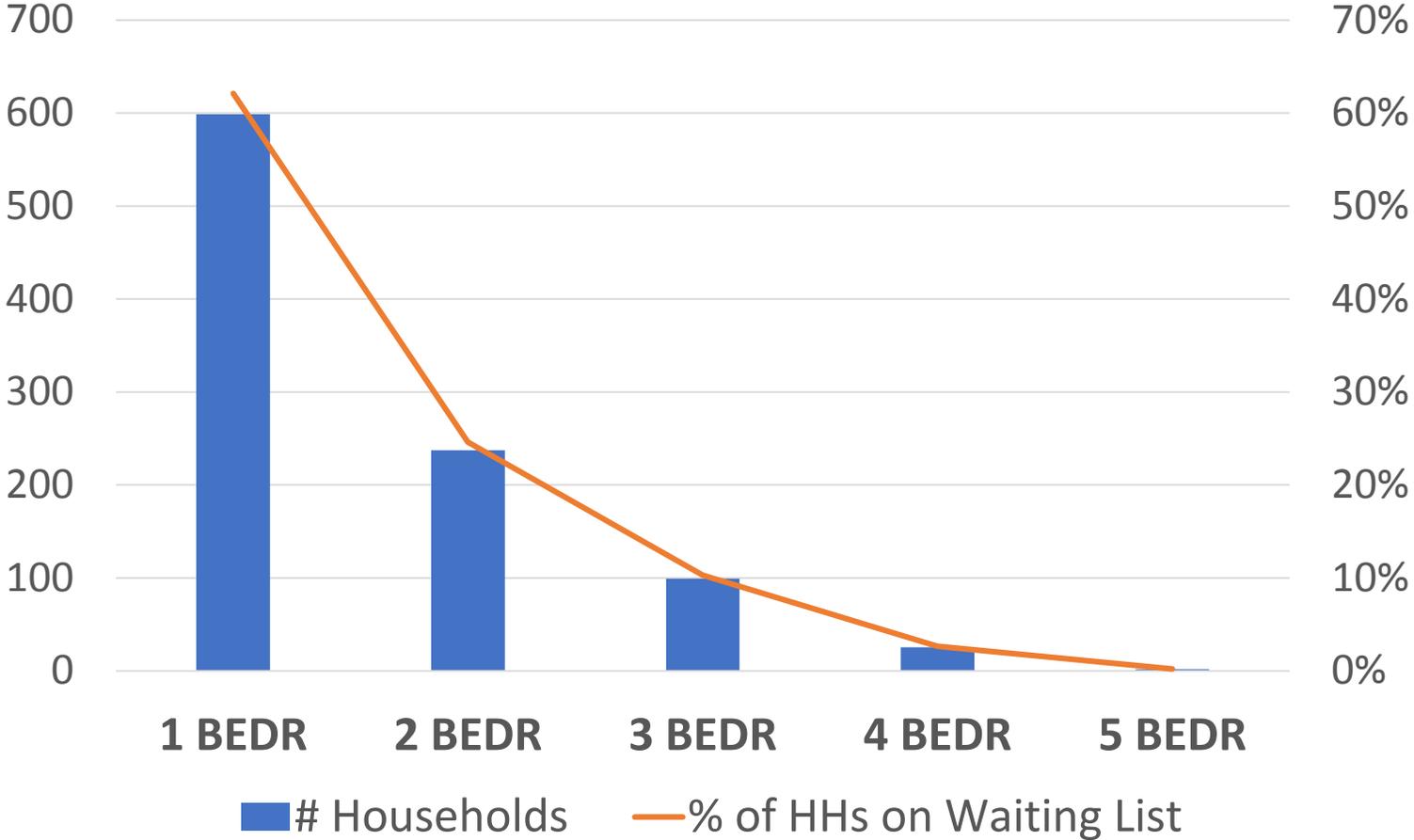
Causes of Rent Burden

- **Renting is on the rise** – increasing 10 percentage points between 2001 and 2015, largely propelled by boomers 55 +
- **Low vacancy rates** → increased demand = Rapid increase in rents
- **Lack of affordable housing** – 535 regulated long-term affordable units; 983 Albany households (1,990 people) receive housing choice vouchers; 947 Albany households are on waiting list
- **High Cost of Housing**
- **Mismatch between housing needs** (types, size, price) & **housing stock**

Linn Benton Housing Authority

Albany Households on Section 8 Voucher Waiting List

of Households by Eligible Unit Size



• Housing costs are increasing faster than incomes

Year	Median Income	2-Bedr FM Rent	Average home price (Linn Co.)	Average Price/SF
2015	\$56,200	\$801	\$196,380	\$122
2016	\$53,600	\$830	\$217,761	\$135
2017	\$55,100	\$878	\$271,663	\$159
2018	\$59,700	\$916	\$299,333	\$169
Today/2019		\$1,003	\$302,140	\$170
% Change 2013-2018	6.2%	14.4%	52.4%	38.5%
% Change 2013-2019		25.2%	54%	39%



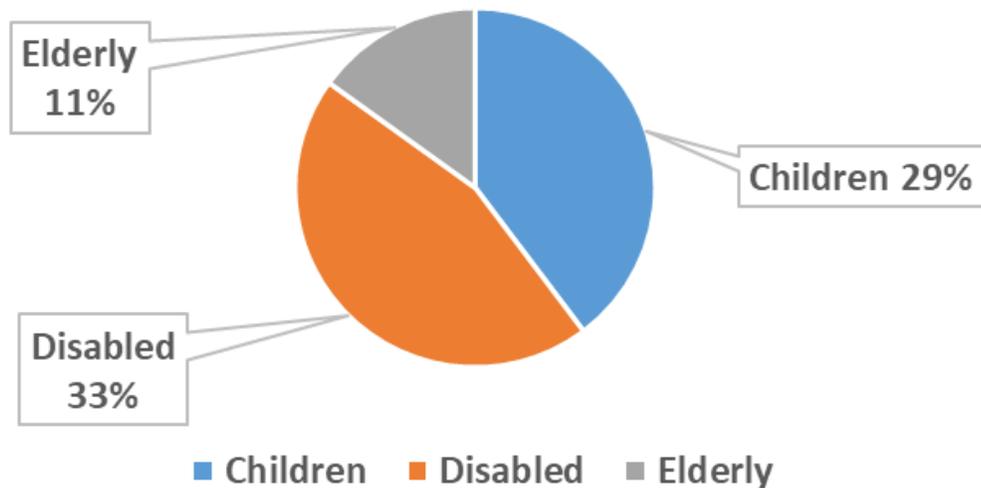
\$70,000/yr to afford \$1,900 payment
(10% down, 4.5% interest rate)

Sources: HUD Fair Market Rents - <https://www.huduser.gov/portal/datasets/fmr.html>
Willamette Valley Multiple Listing Services - <http://www.wvmls.com/>

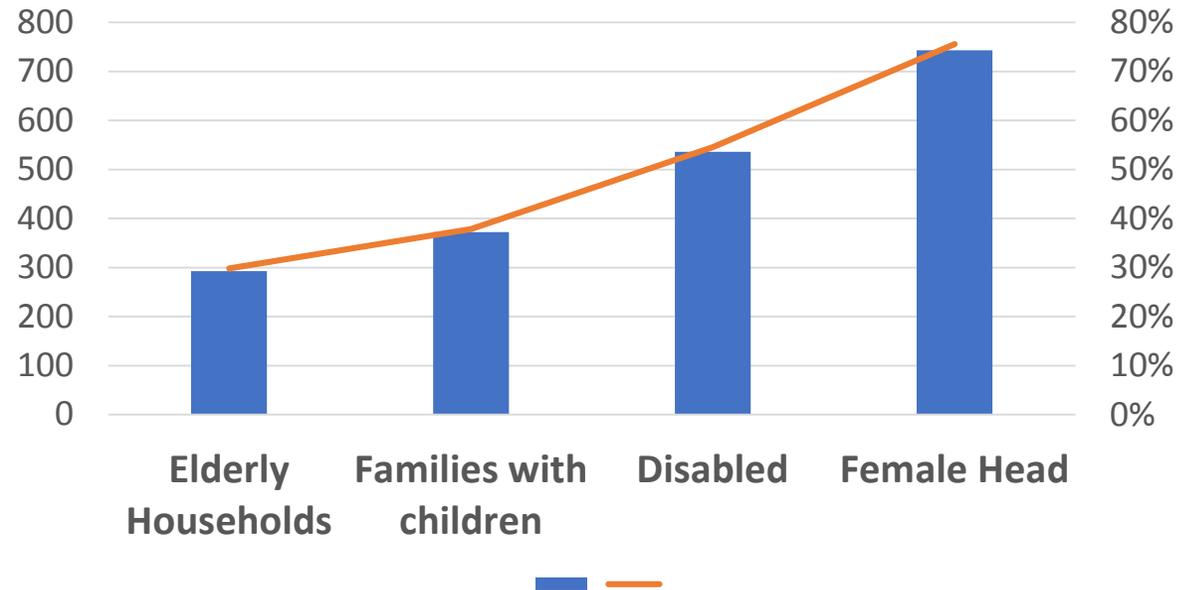
Linn Benton Housing Authority

Composition of Albany Waiting List & Voucher Holders

Of the 964 Albany Households (1651 people) on Waiting List:



983 Albany Households with Vouchers (1,990 people):



Community Services Consortium (CSC)

Albany residents contacted CSC for the following services this past year:

- 316 requested eviction/homeless prevention assistance; CSC helped 96 (30%)
- 57 homeless residents requested housing assistance; 21 were housed (37%)
- 70 people were added to CSC's Master/By-Name List of those without housing

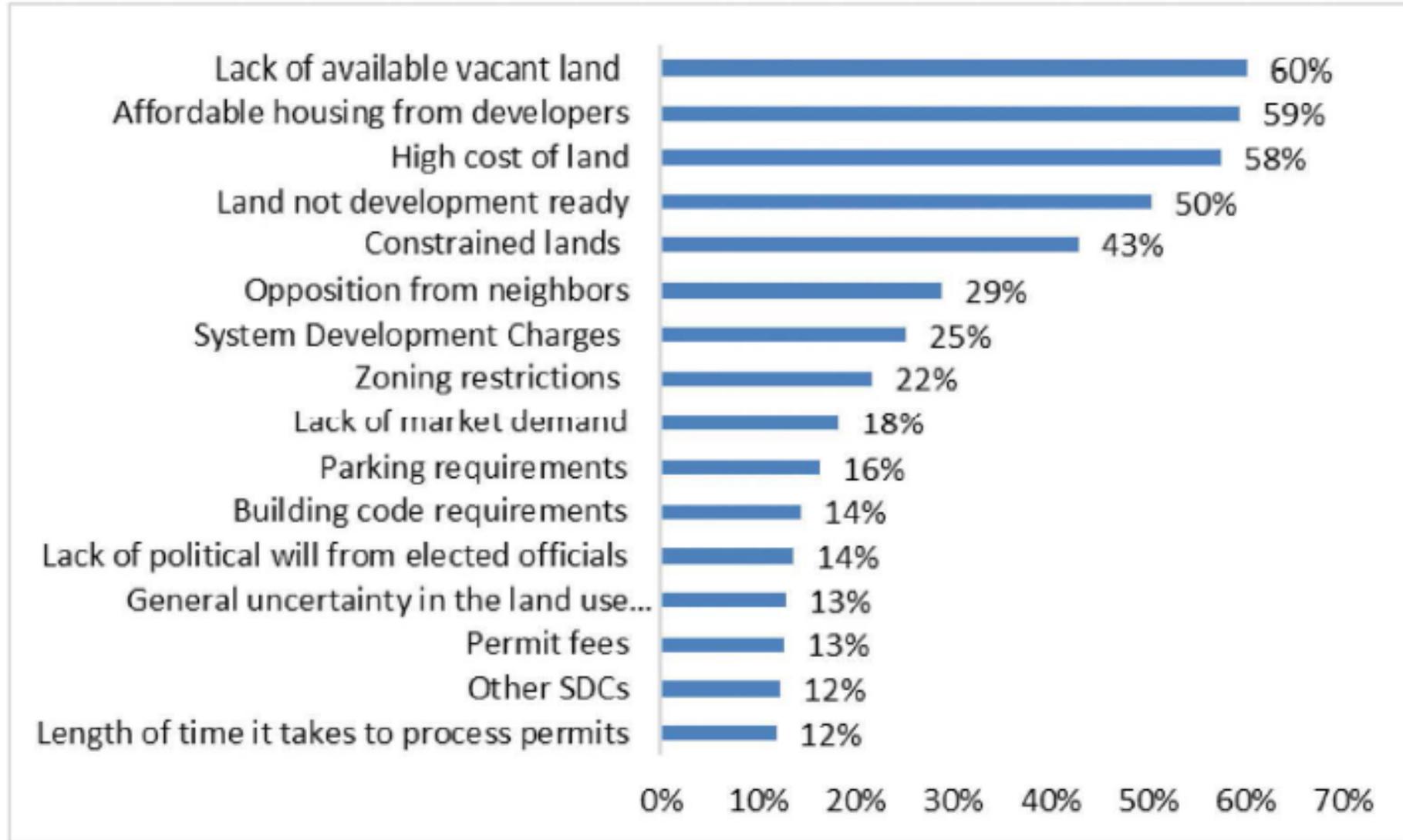
The #1 reason CSC could not help was because the applicant could not find available and affordable housing (46%)

Consequences of Severe Rent Burden

- **Housing insecurity and increase in homelessness** – increase effect on those with fixed incomes – single-parents, elderly, persons with disabilities, veterans, etc. and on minorities
- Increased mobility → **disruption in student learning and development;**
- Increased need for **social services and safety net programs**
- Reduced ability to make healthy choices (child care, safe vehicles, healthy food, healthcare, clothing, etc.)
- Can lose job
- Little to no savings → **Reduced home ownership rates** → decreased asset building and wealth creation
- Unable to move up to market rate housing → lower turnover in affordable housing developments

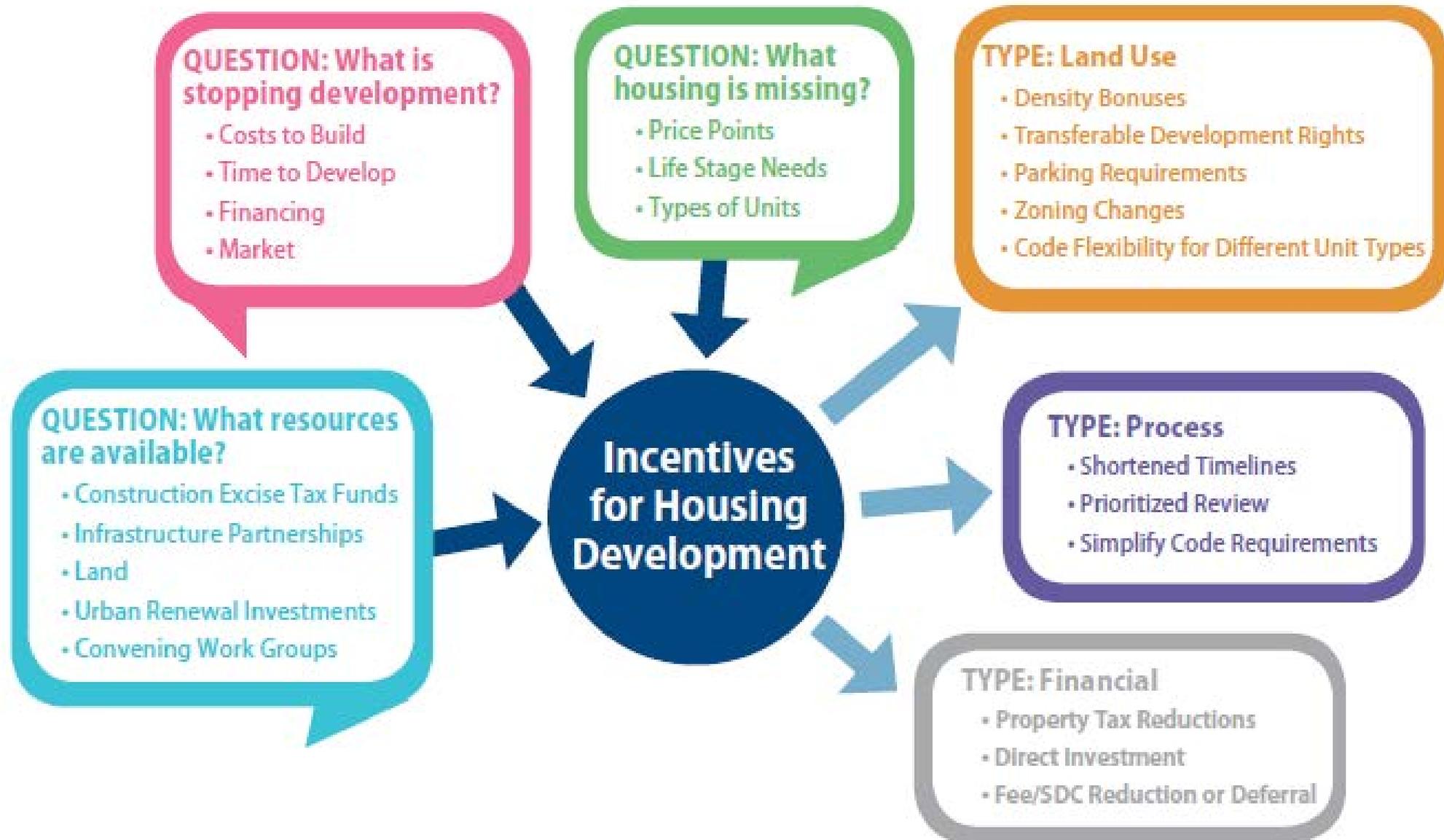
Barriers to Reducing Rent Burden

Barriers to Affordable Housing, 2018



Source: Oregon Housing Affordability Survey, UO Institute for Policy Research and Engagement, Q11

Possible Solutions to Reduce Rent Burden



Revenue – Funding Sources

- ✓ Tax Increment Financing (Urban Renewal) – CARA
- ✓ Community Development Block Grant funds from HUD
- ✓ Low Income Weatherization Program– Community Services Consortium
- ✓ Low Income Housing Tax Credit Program – federally established to encourage investment in affordable housing
- ❑ **Construction Excise Tax (SB 1533)** – allows up to 1% of construction valuation on residential and uncapped on commercial/industrial; 50% must be given out in developer incentives including fee and SDC waivers, tax abatements or finance-based incentives. (Newport, Medford, Cannon Beach, Corvallis, Bend, Portland, Hood River, Eugene considering)
- ❑ **Local Innovation and Fast Track (LIFT) Housing Program** – Oregon competitive funds up to \$38,000/unit for a new affordable to 60% or below AMI – prioritizes rural areas and communities of color, innovative design, 30 months

Financial Incentives Provided by City

- Surplus property donations (Habitat and Albany Partnership)
- CDBG grants for infrastructure for Habitat and Albany Partnership
- Urban renewal grants for affordable housing (Riverview, Woodwind apartments)
- CDBG loans and grants for housing rehabilitation and property acquisition (maintain and expand existing affordable housing stock)
- CDBG – down payment assistance (via WNHS, LBHA)
- CDBG grants for emergency housing assistance (via CSC)

Development/Zoning Tools & Incentives

- **Density bonuses** of at least 20% or height bonus in exchange for affordable units; Albany density bonus could be improved
- **Reduced parking** requirements for affordable housing
- Allow and incent space efficient and **“missing middle” compatible infill** housing – ADUs, duplexes to fourplexes, cottage clusters, tiny housing, courtyard units
- **Inclusionary Zoning** – requires a percentage of units in developments of 20 or more to be affordable, in exchange for incentives (regulatory and/or financial)
- **Minimum Densities** – Albany does not currently have



In PROGRESS:

Albany Development Code Task Force – create clear and objective process, evaluate parking, housing options

Possible Next Steps?

- **Identify housing issues** – future meetings with public, builders, developers, neighbors, agencies?
- **Identify potential tools, strategies, actions**
- **Evaluate tools, strategies, actions** – fiscal impact, target income group, impact on housing affordability and diversity

Thank you for coming!

