



**2nd Annual
(Last?)**

Affordable Housing in Albany

Monday, November 18, 2019



Why We're Here



House Bill 4006 adopted in 2018 requires cities to track affordable housing development and cities over 10,000 people with severe rent burden to hold a public meeting to discuss:

- (a) The causes and consequences of severe rent burdens within the city;
- (b) The barriers to reducing rent burdens; and
- (c) Possible solutions to reduce the rent burdened households within the city.

Severe Cost/Rent Burden: when a household spends more than 50% of household income on for housing costs (rent, mortgage, utilities).

Housing Cost/Rent Burden: when a household spends more than 30% of household income on housing costs

HB 4006 & Severe Rent Burden Cities > 25,000

| City | % Severely Rent Burdened | # Severely Rent Burdened | Total Renter Households | Population |
|--------------|--------------------------|--------------------------|-------------------------|------------|
| Albany | 26.1% | 2,082 | 7,966 | 53,145 |
| Beaverton | 24.3% | 4,745 | 19,522 | 97,000 |
| Bend | 24.4% | 3,444 | 14,103 | 89,505 |
| Corvallis | 39.6% | 4,658 | 11,759 | 59,280 |
| Eugene | 37.8% | 12,450 | 32,946 | 169,695 |
| Forest Grove | 31.4% | 954 | 3,038 | 24,125 |
| Gladstone | 35.2% | 627 | 1,782 | 11,880 |
| Grants Pass | 33.6% | 2,393 | 7,126 | 37,285 |
| Gresham | 34.3% | 6,100 | 17,794 | 110,505 |
| Lake Oswego | 25.7% | 1,232 | 4,802 | 38,215 |
| Lebanon | 35.8% | 1,047 | 2,921 | 16,920 |
| McMinnville | 23.1% | 1,138 | 4,933 | 33,810 |
| Medford | 31.4% | 4,543 | 14,460 | 80,375 |
| Oregon City | 24.4% | 977 | 3,996 | 34,860 |
| Portland | 28.2% | 32,699 | 115,949 | 648,740 |
| Redmond | 31.0% | 1,498 | 4,825 | 29,190 |
| Salem | 23.4% | 6,233 | 26,645 | 165,265 |
| Springfield | 23.7% | 2,690 | 11,335 | 60,865 |
| Tigard | 29.1% | 2,283 | 7,849 | 52,785 |
| Tualatin | 26.5% | 1,262 | 4,766 | 27,055 |
| West Linn | 20.5% | 411 | 2,007 | 25,830 |
| Wilsonville | 17.6% | 869 | 4,933 | 25,250 |
| Woodburn | 26.1% | 735 | 2,819 | 24,760 |

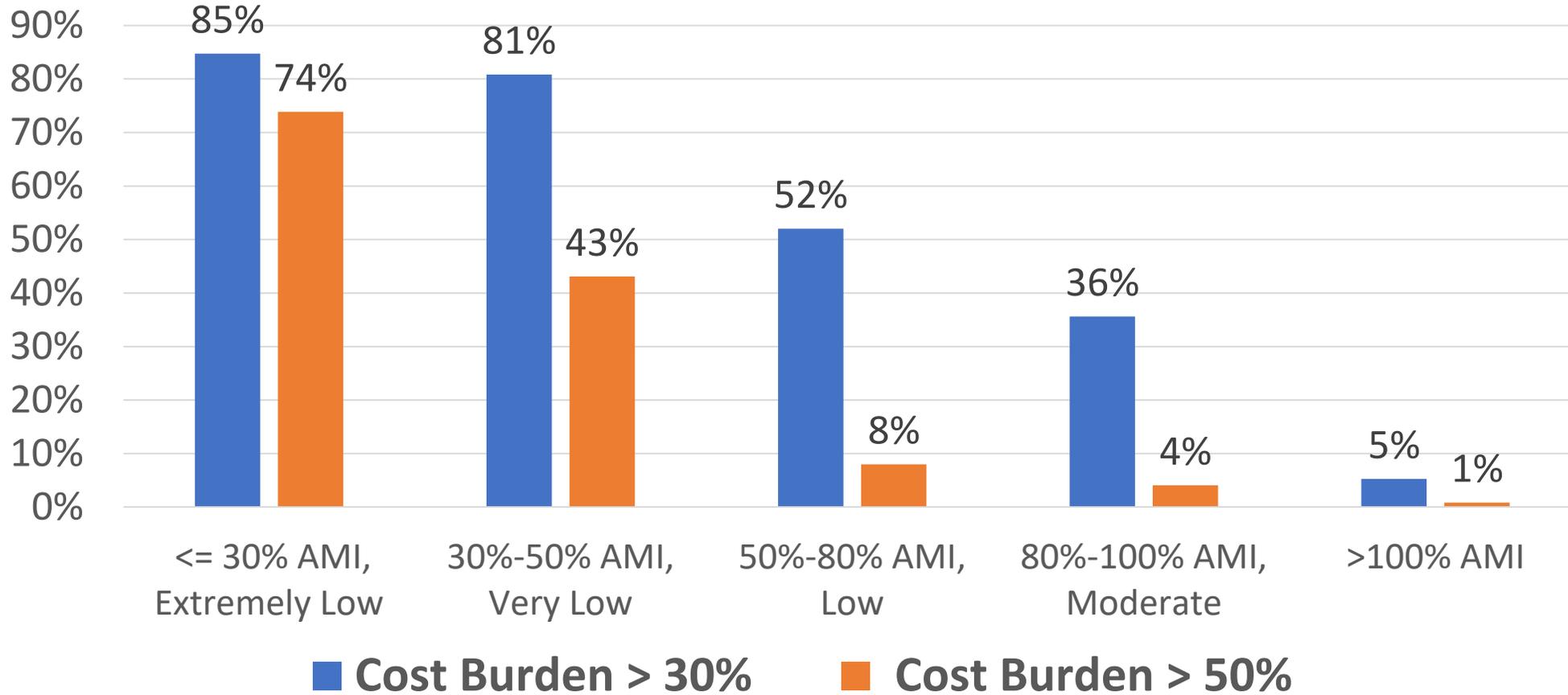
Albany is 1 of 14 severe rent burdened cities over 25,000 people

More than 1 out of 4

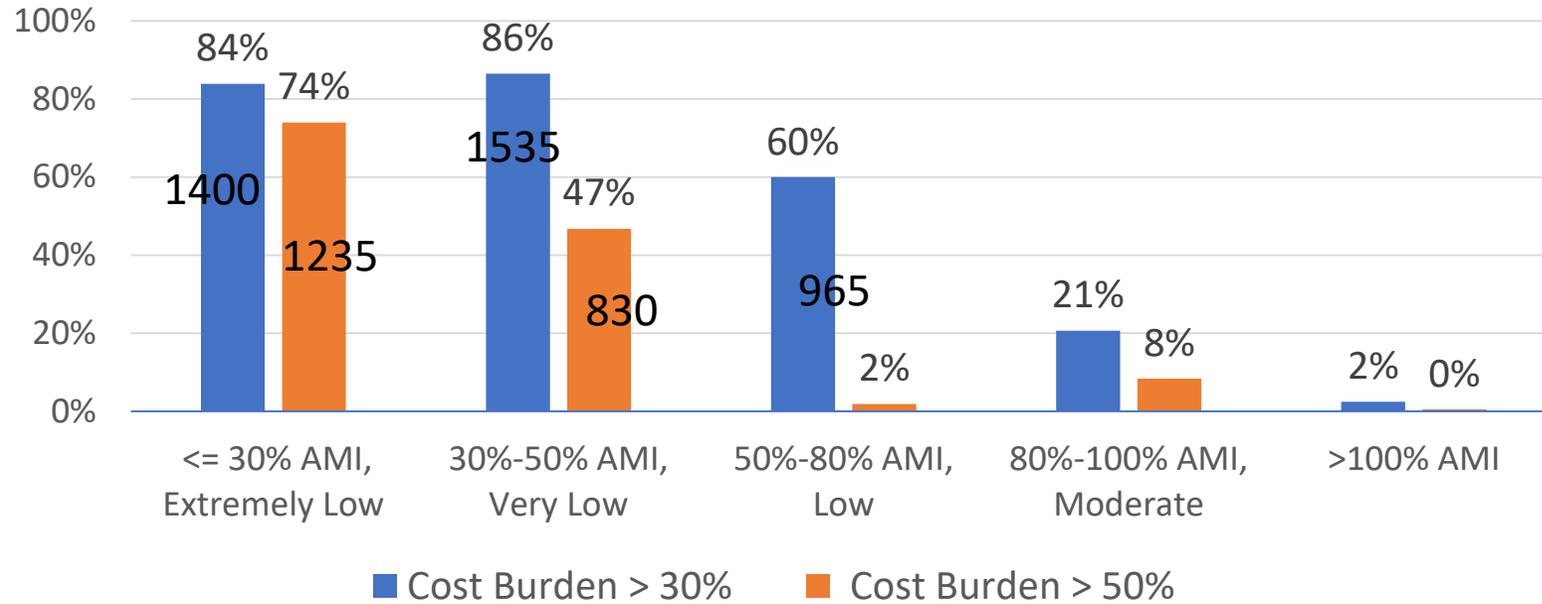


renters are paying more than 50% of their income in rent

Cost Burden By Income (All Albany Households)



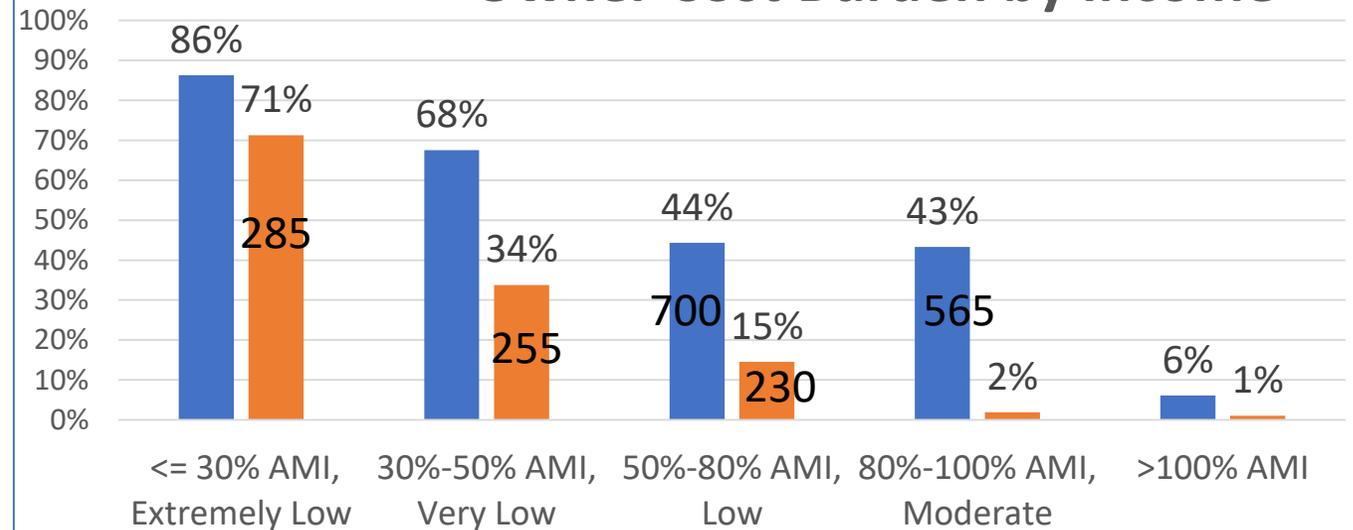
Renter Cost Burden by Income



Housing Cost Burden Albany Households

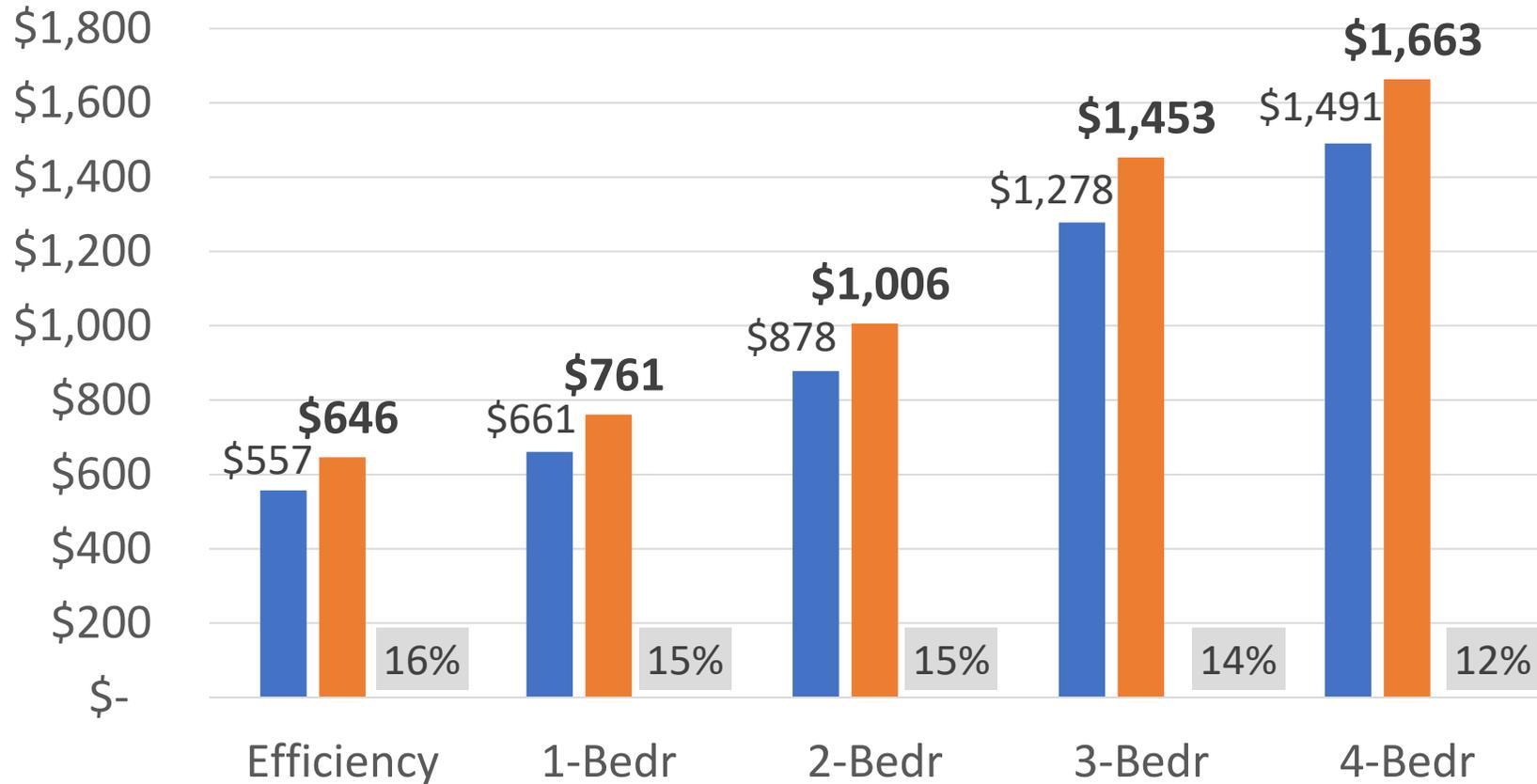


Owner Cost Burden by Income



Fair Market Rents 15% 2017 – 2019

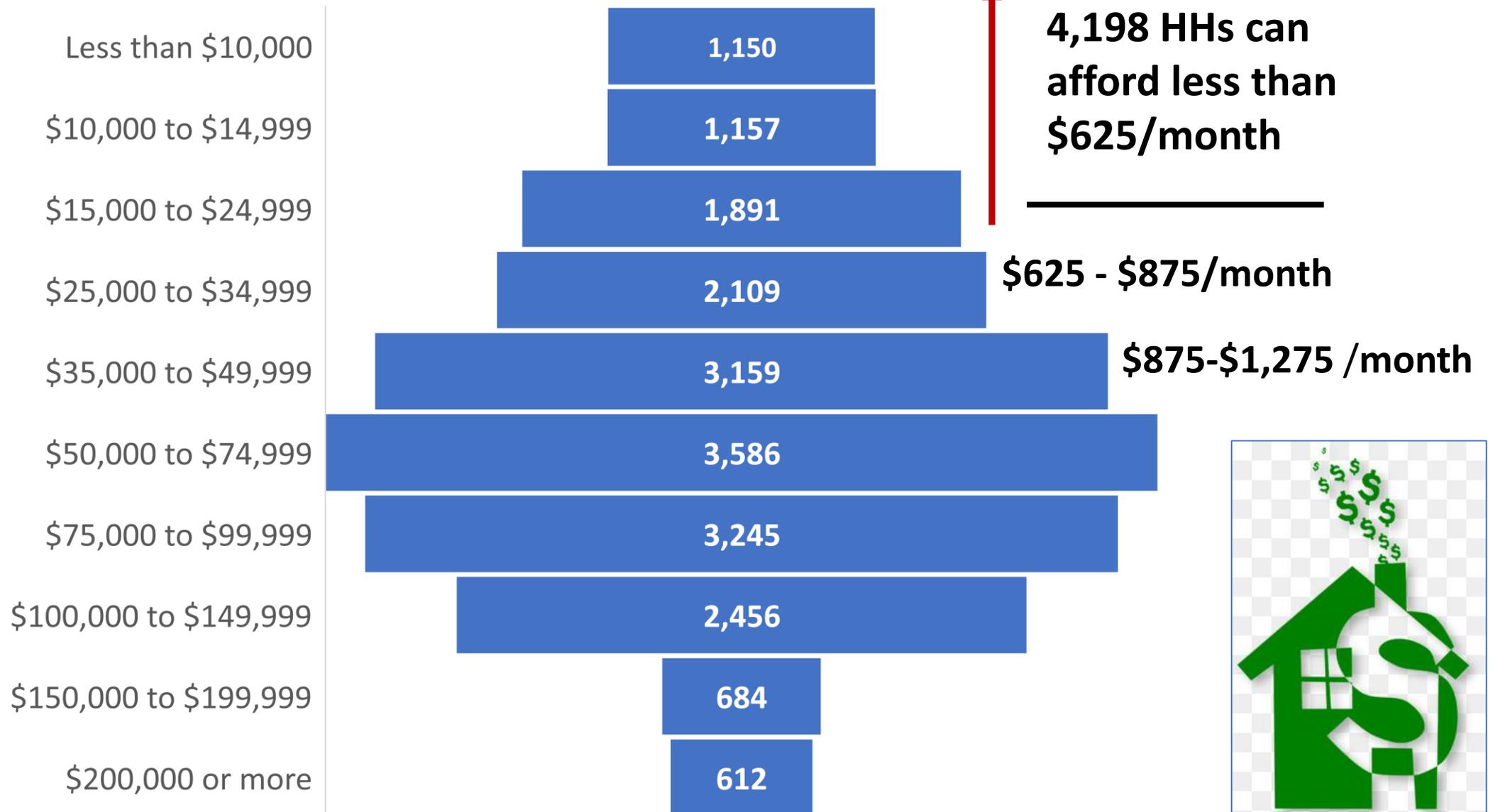
■ 2017 ■ 2019 ■ % Increase 2017 to 2019



Income Needed: **\$25,840** **\$30,440** **\$40,240** **\$58,120** **\$66,520**

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

2017 Albany Household Incomes



Causes of Rent Burden?

- Housing costs are increasing faster than incomes.

| Year | Median Income | 2-Bedr Fair Mkt 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 |
| 2019 | \$68,600 | \$1,006 | \$320,141 | \$185 |
| % Change 2015-2018 | 6.2% | 14.4% | 52.4% | 38.5% |
| % Change 2015-2019 | 22% | 26% | 63% | 52% |



Household income of \$80,000/yr to afford \$2,000 monthly payment (10% down, 4.0% interest rate)

A household must earn:

\$19.35/hr

=\$40,248/yr. for 2-Bdr

Causes of Rent Burden?



Low vacancy rates → increased demand = **Rapid increase in rents**



Lack of affordable housing – 535 regulated long-term affordable units



Mismatch between housing needs (types, size, price) & housing stock

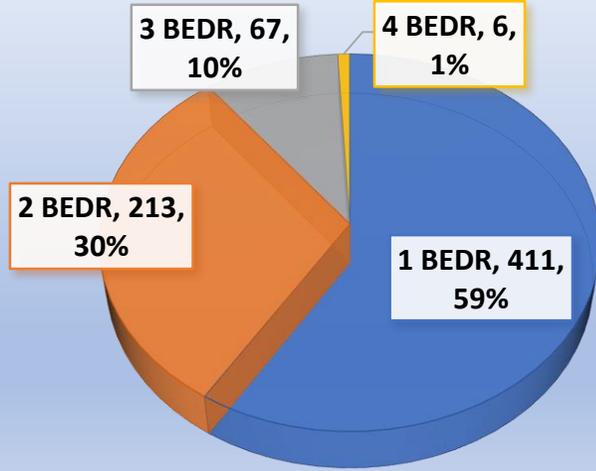


Other Causes?

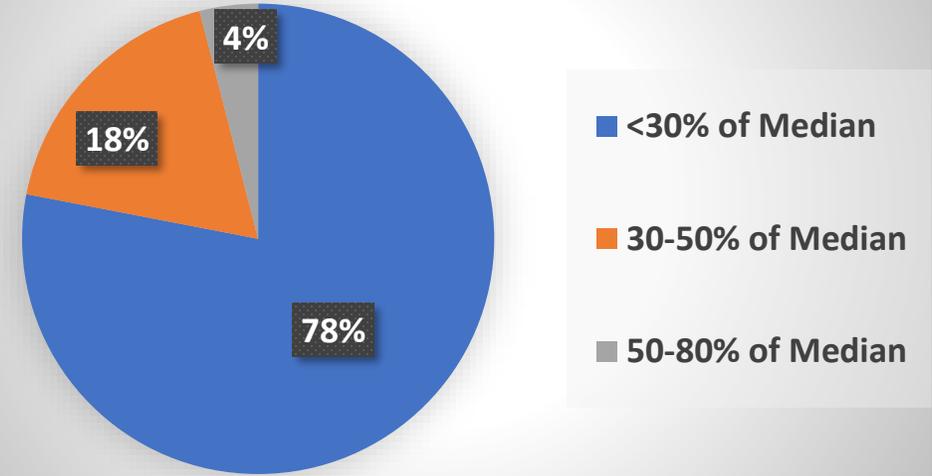
Linn Benton Housing Authority Housing Programs

Section 8 Housing Choice Vouchers, Affordable Senior Housing

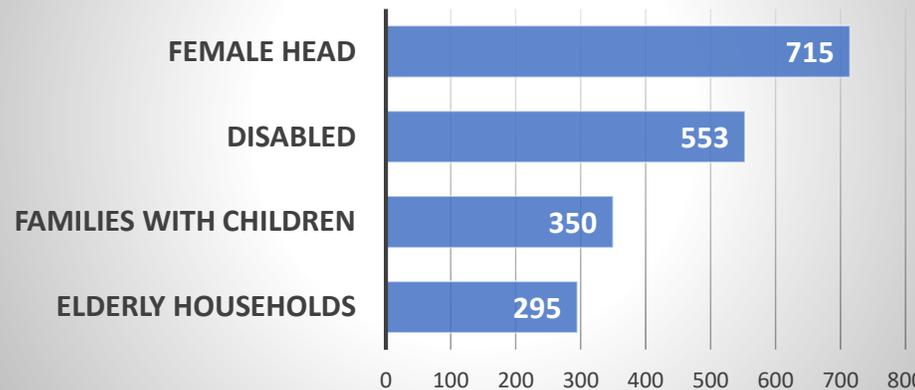
698 Albany Households on Voucher Waiting List



Incomes of Households on Wait List



Albany Households with Vouchers (958, 1874 people)



**Community
Service
Consortium**
Housing
Assistance
Provided
12 months

417 Albany households requested housing assistance between September 2018 and September 2019 for:

- **Homeless Prevention Requests:** 147 of 356 households were served with eviction prevention (74%) and households doubled-up with friends and family (26%).
- **Housing for Homeless Requests:** 35 of 61 homeless households were housed.

Reasons for denial: unable to find housing within fair market rent limits, client over income limit, no way to sustain housing, client not at risk, program out of funds



Consequences of Severe Rent Burden?

- **Increased homelessness** - 181 sheltered and 75 unsheltered in 2019.
- **Increase housing insecurity** – children, single-parents, elderly, persons with disabilities, veterans, minorities, and those substance abuse and mental health issues
- Increased mobility → **disruption in student learning and development;**
- Increased need for **social services and safety net programs**
- **Reduced ability to make healthy choices** (childcare, safe vehicles, healthy food, healthcare, clothing, etc.)
- **Can lose job** – if health or transportation issues
- 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 Affordable Housing / Reducing Rent Burden?

Barriers to Affordable Housing, 2018



Solutions to Reducing Rent Burden?

Incentives for Affordable Housing

- Land use tools - Reduced parking, inclusionary zoning
- Deferred SDCs or waived (if paid by other funding source)
- Tax abatement – state laws
- Property Donations and Land Banking
- Grants/loans – CDBG, urban renewal, housing fund (local, revenue source needed)

Affordable Housing Production Revenue Sources

- Construction excise tax - up to 1% on value of new construction; 50% minimum to developer incentives, 15% to OHCS, and 35% for local affordable housing programs (Corvallis, Newport, Lincoln City, Eugene, Portland, Cannon Beach, Medford, Milwaukie)
- State and Federal \$ – tax credits, other programs
- CDBG – acquisition or qualified Community Development Based Organization
- Urban Renewal

Solutions to Reducing Rent Burden



Process Efficiencies

- Online permitting (DONE)
- Expedited land use review for affordable multi-family housing (DONE)
- Other?



Land Use Standards & Zoning

- Code Audit - Clear and Objective standards updates, affordable housing density bonus revisions (IN PROGRESS)
- Evaluate Parking Standards (DONE, no changes recommended)

Evaluate Other Efficiencies:

- Minimum densities
- Height and lot coverage
- Less parking for affordable housing
- Other?

Housing Opportunities

- Accessory dwelling units (ALLOWED & UPDATING IN PROGRESS)
- HB 2001 – will require duplexes where single-family allowed, and City to consider where to permit 3-4 plexes, cottage clusters, townhouses (by 6/30/2022)

City support for Affordable Housing

- Surplus property donations (Habitat, Albany Partnership)
- Urban Renewal \$ for affordable housing (Riverview Place, Woodwind apartments)
- CDBG - infrastructure for Habitat and Albany Partnership
- CDBG loans and grants for low-mod housing rehabilitation
- CDBG \$ for property acquisition for affordable housing
- CDBG – down payment assistance (via DevNW, LBHA)
- CDBG grants for emergency housing assistance (via CSC)

Other City Actions

City is funding:

- Housing Needs Analysis & Buildable Lands Inventory
- Economic Opportunities Analysis (April 2020)

City received grant \$ to:

- Develop East Albany Refinement Plan (2020-2021)



Other Thoughts, Concerns, Stories?

Thank you for coming!

Questions?

Make sure you signed in!



2019 HUD Calculated Income Limits by Household Size Albany MSA (Linn County)

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|
| Extremely Low income (< 30% of median) | \$13,800 | \$15,800 | \$17,750 | \$19,700 | \$21,300 | \$22,900 | \$24,450 | \$26,050 |
| Very Low income (30% -50% of median) | \$23,000 | \$26,250 | \$29,550 | \$32,800 | \$35,450 | \$38,050 | \$40,070 | \$43,300 |
| Low income (50%-80% of median) | \$36,750 | \$42,000 | \$47,250 | \$52,500 | \$56,700 | \$60,900 | \$65,100 | \$69,300 |

