



MEMORANDUM

Community Development Department

To: Beaverton Planning Commission
From: Housing Beaverton Project Team
Date: January 11, 2023
Subject: Attachment B: Draft Potential Housing Strategies

Overview

This memo contains a list of potential housing strategies for identified housing needs that city staff believe will be effective in promoting production of housing to meet those needs. These include new strategies, as well as existing measures that could be altered to be more effective in promoting the production and/or preservation of needed housing.

Draft Potential Housing Strategies

Table 1 includes a list of city-suggested potential housing strategies. For each strategy, information on the housing need being fulfilled (including tenure and income), actions necessary for implementation, and opportunities, constraints, or negative externalities associated with adoption of the strategy is included. If known, the timeline for adoption and implementation is included. Strategies are organized according to the [Housing Production Strategy Guidance Document](#) provided by DLCD which includes more detailed descriptions. Each of the strategies are guided by racial diversity and inclusion concepts, which include a robust community engagement and participation process. Categories include:

- Category A: Zoning and Code Changes
- Category B: Reduce Regulatory Impediments
- Category C: Financial Incentives
- Category D: Financial Resources
- Category E: Tax Exemption and Abatement
- Category F: Land, Acquisition, Lease, and Partnerships
- Category Z: Custom Options

Table 1. List of Potential Housing Strategies - DRAFT

#	Strategy	Housing need fulfilled	Actions needed to implement	Opportunities, constraints, or consequences
Category A: Zoning and Code Changes				
A02	<p>Zoning Changes to Facilitate the Use of Lower-Cost Housing Types:</p> <ul style="list-style-type: none"> Allow sleeping pods, Conestoga Hut micro-shelters, or other types of shelters. 	Extremely low-income households, Workforce (80-120% AMI), for rent/sale	Updates to Beaverton Development Code (BDC)	<ul style="list-style-type: none"> Removes barrier to providing shelter for people experiencing homelessness and provides different kinds of shelters, including non-congregate shelters Sleeping pods/shelters are not permanent housing and don't fully meet people's needs.
A02	<p>Zoning Changes to Facilitate the Use of Lower-Cost Housing Types:</p> <ul style="list-style-type: none"> Revamp multi-dwelling and mixed-use districts to remove density limitations, increase floor area ratio for residential uses, and remove the Planned Unit Development review requirement in the SC-S zone. 	Workforce (80-120% AMI), Market Rate (> 120% AMI), for rent/sale	Updates to Beaverton Development Code (BDC)	<ul style="list-style-type: none"> Reduces Development Code barriers to adding more housing in multi-dwelling (apartment) and mixed-use zones where more units, activity, and vibrancy are desired and expected. Could increase the chances of redevelopment and displacement and requires equity considerations to be part of changes
A07	<p>Allow for Single Room Occupancy (SROs) in more places, including in residential zones.</p> <p>An SRO is a building with multiple single-room dwelling units for individuals, sometimes with shared kitchens and bathrooms outside the unit.</p>	All income levels, primarily below market rate, including extremely low income households, seniors, for rent	Updates to BDC	<ul style="list-style-type: none"> Removes barrier to building units but doesn't directly result in the production of housing May be more affordable, but won't serve everyone's needs (families) Potential for units to serve chronically homeless individuals
A16	Apply Manufactured Housing Community Preservation Zones, which changes zoning on lots where manufactured home parks exist to only allow manufactured home parks	Publicly-Subsidized (< 30% AMI), Affordable (30-80% AMI), seniors, for rent and sale	Updates to BDC	<ul style="list-style-type: none"> Preservation of least restrictive housing Allows for ownership opportunities Reduces property owner options by limiting land uses on the lot

#	Strategy	Housing need fulfilled	Actions needed to implement	Opportunities, constraints, or consequences
A20	Permit-ready plan sets for Middle Housing types that could reduce review times for this unit type	All income levels, for sale/rent	Updates to BDC	<ul style="list-style-type: none"> • Lowers development costs for site and building design • Potential consequence is too much architectural uniformity • Would require architects and possibly other design professionals to develop the plans to ensure they were “permit-ready.”
A21	Permit-ready plan sets for accessory dwelling units that could reduce review times for this unit type	All income levels, for sale/rent	Updates to BDC	<ul style="list-style-type: none"> • Lowers ADU site and building design costs, which could lead to an increase of new ADU units • Potentially increases the city’s rental stock • Potentially increases short-term rental options, negating new long-term rental units • Potential consequence is too much architectural uniformity
A22	<p>Mixed housing types in urban growth boundary expansion area through both clear and objective standards and discretionary processes</p> <ul style="list-style-type: none"> • Existing measure in South Cooper Mountain • Future measure in Cooper Mountain to have middle housing type mixes allowed and required using clear and objective standards and also approval using discretionary processes 	All income levels, for sale/rent	Completion of Cooper Mountain Community Plan, Updates to BDC	<ul style="list-style-type: none"> • Increase housing stock at all income levels • Challenging to add affordable housing due to additional infrastructure cost
A23	<p>Accessible design incentives or mandates to increase number of units that are visitable or meet Universal Design or Lifelong Housing Certification:</p> <ul style="list-style-type: none"> • Bonuses for height, density, lot size, floor area ratio (FAR) 	All income levels, seniors, people with disabilities; for sale/rent	Updates to BDC	<ul style="list-style-type: none"> • Addresses housing disparities for people with disabilities. • Could make projects more expensive and less feasible.

#	Strategy	Housing need fulfilled	Actions needed to implement	Opportunities, constraints, or consequences
	<ul style="list-style-type: none"> Requiring visitable units in multi-dwelling development or requiring a percentage of fully accessible units in publicly funded projects. 			
	Encourage multigenerational housing by providing code incentives. This could include a FAR bonus program for multiple bedrooms, allowing an ADU with a townhouse, and/or legalizing alternative housing types on wheels.	All income levels, seniors; for sale/rent	Updates to BDC	<ul style="list-style-type: none"> Multigenerational living is common in communities of color, a historically underserved group Could make projects more expensive
Category B: Reduce Regulatory Impediments				
B01	Remove or reduce minimum parking requirements: The city plans to remove minimum vehicle parking citywide as part of implementation of new state rules on Climate Friendly and Equitable Communities (June 2023).	All income levels, for sale/rent	Updates to BDC	<ul style="list-style-type: none"> Can make projects more feasible and affordable Consequence: Cannot use parking reduction as incentive for affordable or visitable units Neighborhood opposition due to higher usage of on-street parking Lenders/investors may require some parking to ensure marketability of units
B07	Flexible Regulatory Concessions for Affordable Housing: The city could consider changes to allow additional height or floor area ratio (bulk) or provide other code flexibility for affordable housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI), for sale/rent	Updates to BDC	<ul style="list-style-type: none"> Code incentive for private developers to include affordable units Could make project infeasible due to rent revenue limitations
B13	Align bike parking requirements with actual use	Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI), for rent	Updates to BDC and TSP	<ul style="list-style-type: none"> Potentially reduce cost and overbuilding of bike parking in cases where existing parking ratios are too high Provide adequate bicycle parking to allow people using bicycles to access housing, commercial opportunities, and jobs

#	Strategy	Housing need fulfilled	Actions needed to implement	Opportunities, constraints, or consequences
B16	Holistic Planning to Distribute New Density More Equitably, such as by allowing a variety of housing types and more housing in areas with high-quality schools, natural resources, and walkable access to daily needs.	All income levels, seniors, people with disabilities; for sale/rent	Updates to Zoning/Land Use maps; coordinate transportation and land use	<ul style="list-style-type: none"> Focus on racial diversity leading to diverse neighborhoods Locations could be identified through a citywide project or studies of smaller neighborhoods/areas Some neighborhoods are already developed with single-detached homes, and implementing this might require allowing new uses (in addition to middle housing) in those neighborhoods. Some possible upzoning could lead to loss of low-cost market rate houses
B18	Prioritize Home Ownership: Incentivize homeownership development to include condominium and townhouse housing.	Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI), for sale	Advocate for legislation to encourage condominium development	<ul style="list-style-type: none"> Condos and townhouses provide an alternative to single family homes detached Revamp of Oregon condominium law is needed, with focus on incentivizing condo development without transferring development risks to the new homeowner
Category C: Financial Incentives				
	None identified			
Category D: Financial Resources				
D03	Housing Development Fund	Publicly-Subsidized (< 30% AMI), Affordable (30-80% AMI), for sale/rent	Continuously fund a Housing Development Fund for rental or ownership gap financing	<ul style="list-style-type: none"> Provides flexibility for opportunity-based investment Takes time to build sufficient amounts to make a difference and requires consistent investment with a long-term outcome perspective
D09	Construction Excise Tax (CET) is a potential funding source for affordable housing. The allowed uses for residential CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds	Publicly-Subsidized (< 30% AMI), Affordable (30-80% AMI), for sale/rent	Analysis of a CET impact on development and potential revenue; thorough engagement with	<ul style="list-style-type: none"> Opportunity to create a dedicated funding source for affordable housing Addresses housing disparities for low-income households Increases construction costs, potentially affecting affordability

#	Strategy	Housing need fulfilled	Actions needed to implement	Opportunities, constraints, or consequences
	<p>remaining must be allocated as follows if the City uses a residential CET:</p> <ul style="list-style-type: none"> • 50% to be used for developer incentives (e.g., fee and SDC waivers, tax abatements, etc.) • 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. • 15% flows to Oregon Housing and Community Services for homeowner programs. 		development community, other stakeholders including Black, Indigenous, People of Color and marginalized communities; City Council votes to establish CET	<ul style="list-style-type: none"> • There are no restrictions on commercial CETs
Category E: Tax Exemption and Abatement				
E04	Multiple Unit Property Tax Exemption (MUPTE): Multiple-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met.	Workforce (80-120% AMI), Market Rate (> 120% AMI), for rent	City Council votes to establish the program consistent with state law	<ul style="list-style-type: none"> • Could result in more workforce housing and housing for households with moderate incomes • City property tax collections would be lower for the duration of the property tax exemption (10 years, for example) • Affordability is limited to the tax exemption (10 years) • Differs from the Vertical Housing Development Zone (VHDZ), which allows a partial abatement (up to 80%) on <u>mixed-use</u> developments
Category F: Land, Acquisition, Lease, and Partnerships				
F04	Public/private partnerships: Potential partnerships with Habitat for Humanity and other homebuilders to increase the stock of affordable homeownership options through new construction.	All income levels, for sale/rent	Land acquisition Gap financing Leverage federal, state, and regional resources	<ul style="list-style-type: none"> • Addresses housing disparities for low-income households • Increasing housing opportunities within in the housing continuum, potentially moving rental households into homeownership

#	Strategy	Housing need fulfilled	Actions needed to implement	Opportunities, constraints, or consequences
Category Z: Custom Options				
Z01	Increase engagement with community groups (such as the Inclusive Housing Cohort, Housing Technical Advisory Group) to build relationships, increase community capacity, advance equity in housing projects/programs, and ensure accountability.	All income levels, with focus on low-income, renters, and marginalized communities	Financial resources	<ul style="list-style-type: none"> • Requires ongoing funding for community engagement and participation • Limited staff capacity

Note: City Council will be evaluating these strategies while considering the city’s overall fiscal and funding limitations. Any strategy that is included in the Housing Production Strategy must be applied equitably to ensure that those with the greatest housing need benefit and are not burdened by the strategies. This could include using a racial equity toolkit or other analysis aimed to reduce or eliminate housing disparities and ensure equitable outcomes.