



Housing Affordability in Albany

November 14, 2024

PLEASE SIGN IN!



Agenda

- Why we're here
- Housing Cost Burden in Albany
- Causes and Consequences of Housing Cost Burden
- Input on Causes and Consequences
- Barriers and Solutions
- Input on Barriers and Solutions

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:

- The causes and consequences of severe rent burden within the city,
- The barriers to reducing rent burdens, and
- Possible solutions to reduce the rent burdened households within the city.

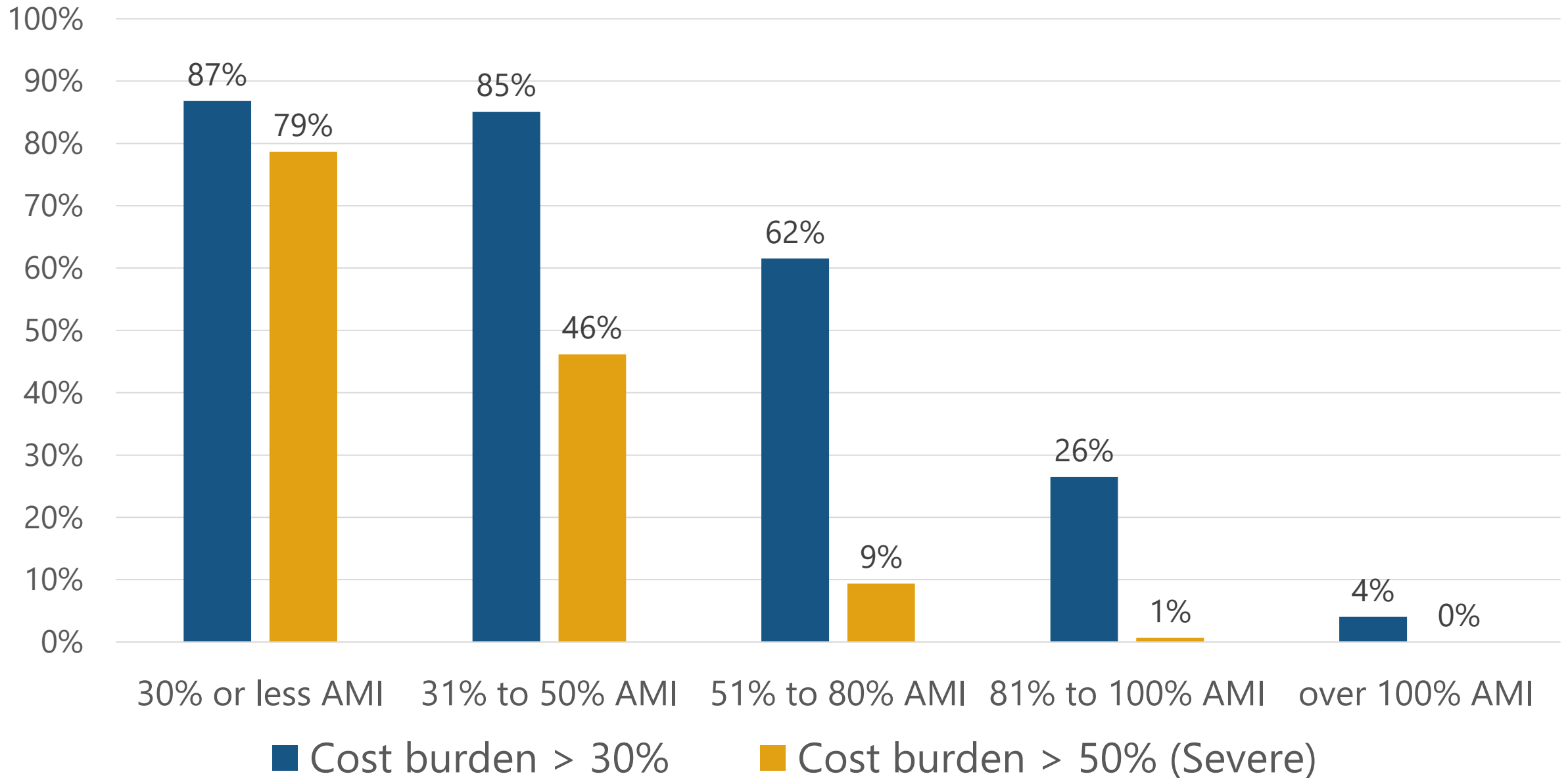
Housing Cost Burden: spending more than 30% of household income on housing costs (rent, mortgage, utilities).

Severe Housing Cost Burden: spending more than 50% of household income on for housing costs.

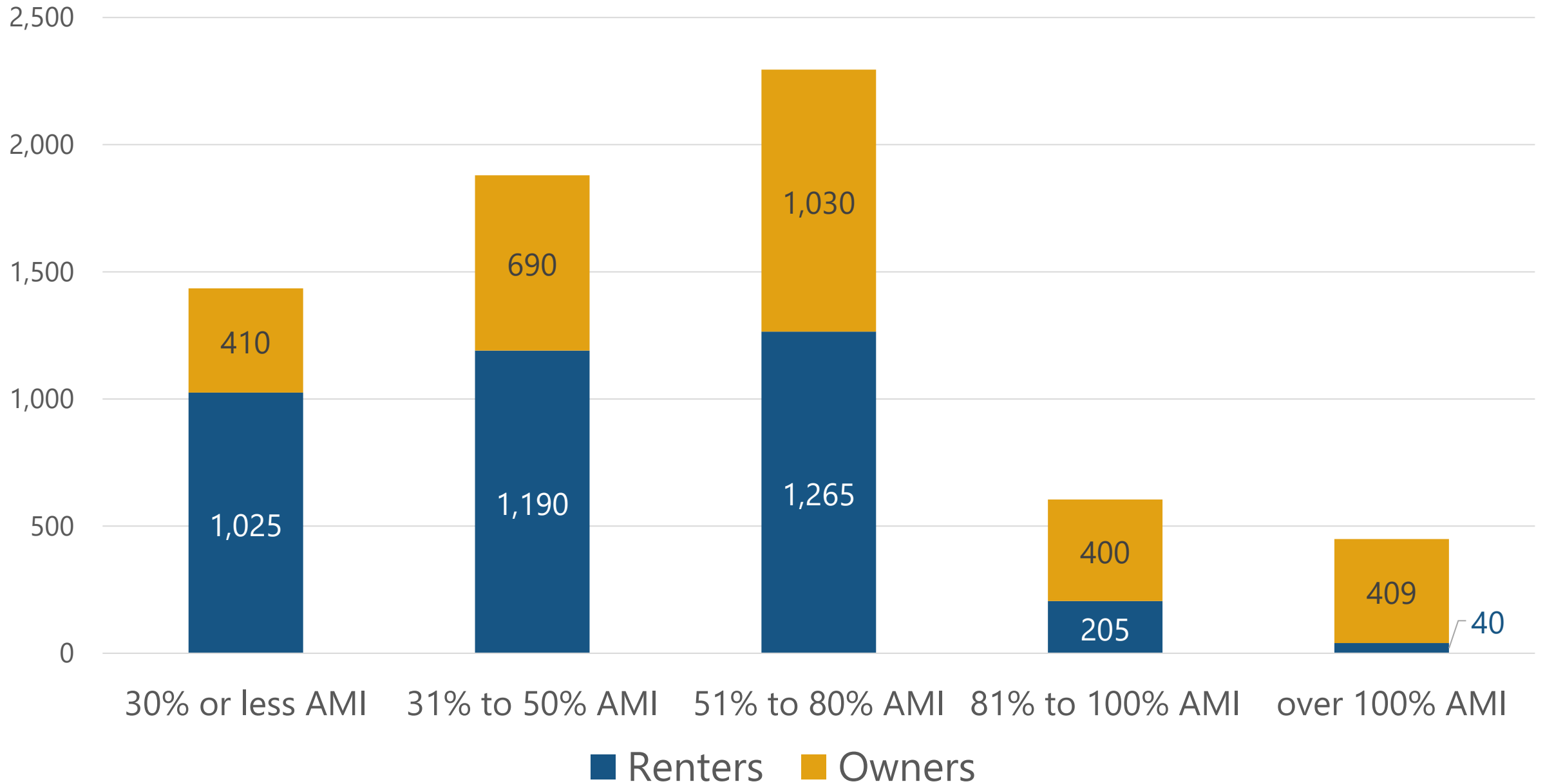
Severe Rent Burden in the Region (2022)

City	% Severe Burden (50% or More)	# Severe Rent Burdened	Total Renter Households	Population
Albany	25.2%	2,061	8,182	57,997
Corvallis	39.2%	5,223	13,325	61,669
Dallas	33.0%	616	1,866	17,989
Eugene	30.6%	11,670	38,158	177,339
Independence	19.9%	240	1,208	10,274
Keizer	23.9%	1,185	4,951	39,169
Lebanon	22.3%	736	3,296	20,329
Monmouth	32.9%	584	1,774	11,019
Salem	26.9%	7,861	29,210	182,726
Silverton	31.6%	476	1,504	10,660
Springfield	24.7%	2,727	11,031	63,078
Sweet Home	16.5%	222	1,349	10,028

Housing Cost Burden by Income

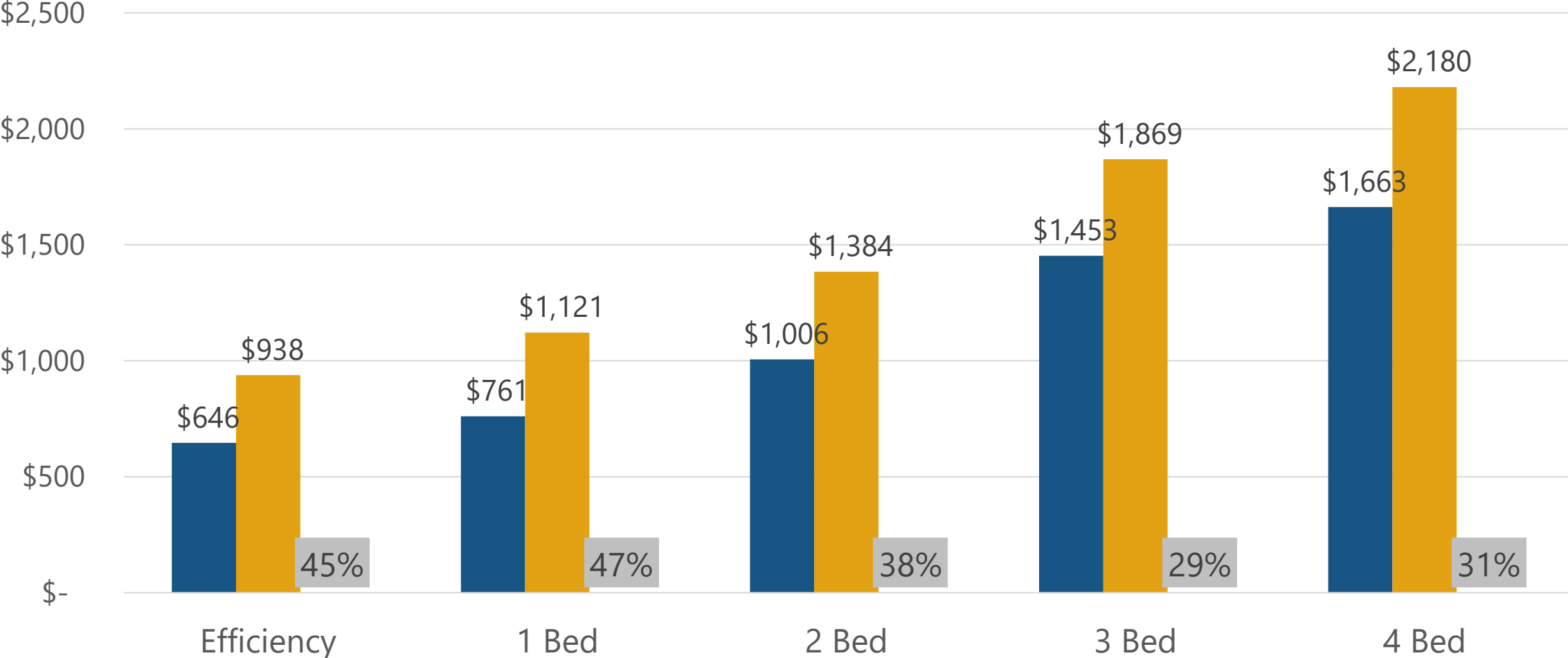


Renter and Owner Housing Cost Burden by Income



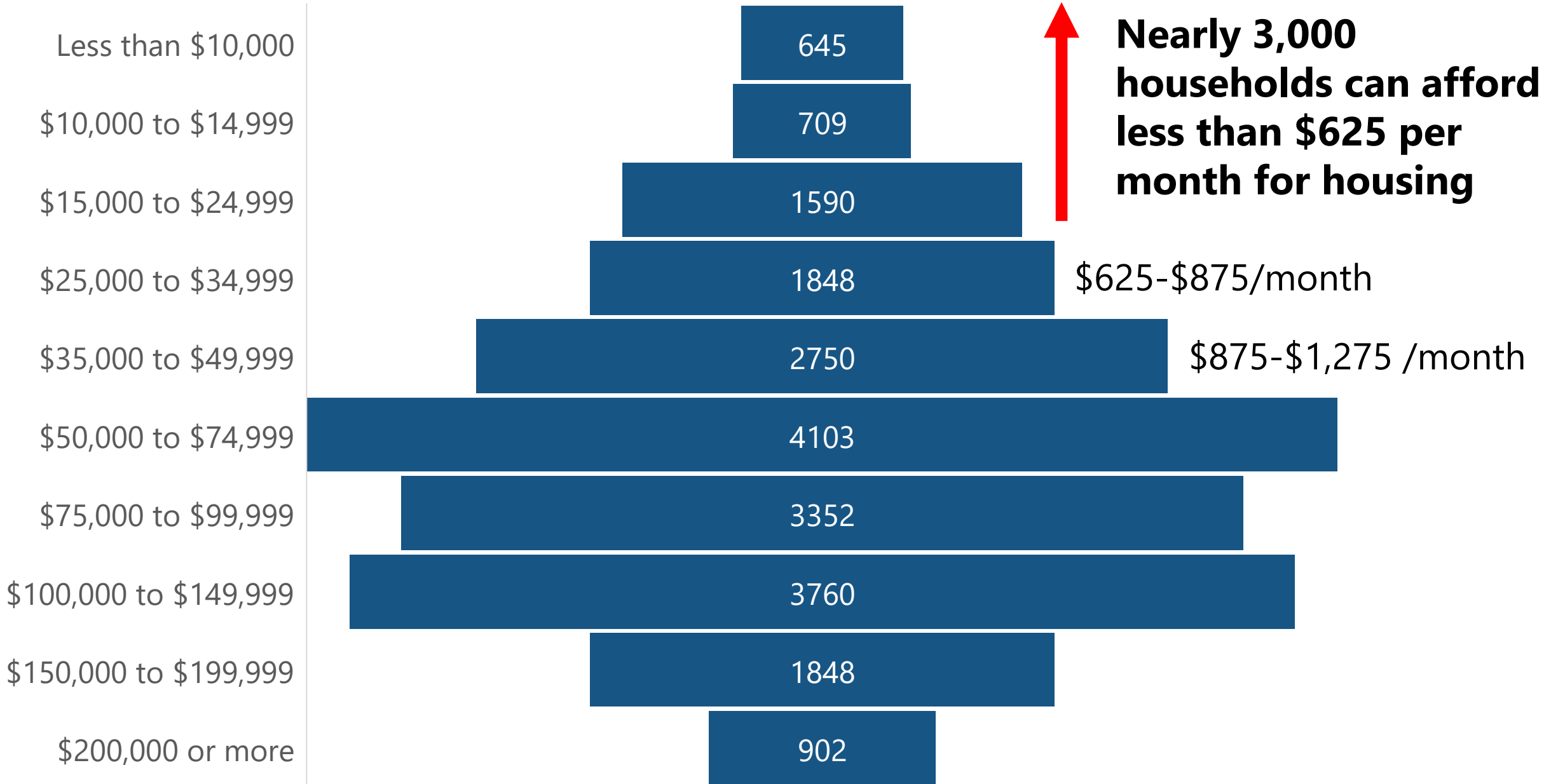
Fair Market Rent in Albany

■ 2019 ■ 2024 ■ % Increase from 2019 to 2024



Income needed: \$37,520 \$44,840 \$55,360 \$74,760 \$87,200

Albany Household Incomes



Causes of Rent Burden

- Incomes have not kept pace with rising housing costs
 - Low vacancy rate reflects increased demand for housing which causes rent and home prices to rise
 - Housing market mismatch between the types of housing Albany has and the types of housing residents need
- Lack of affordable housing
 - 523 units of permanent affordable housing
 - 1153 Albany households waiting for a housing voucher
 - 949 Albany households using a housing choice voucher
 - Over 2,000 households severely rent burdened

Consequences of Rent Burden

- **Increased homelessness** – 206 sheltered and 294 unsheltered in 2024 in Linn County, including 183 unsheltered residents in Albany.
- **Increase housing insecurity** – single-parents, elderly, persons with disabilities, veterans, minorities, and those with 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 and added stress** – childcare, safe vehicles, healthy food, healthcare, clothing, etc.
- **Inability to save for and weather unexpected bills** – hospital bill or car repair which can result in lost job or housing instability
- 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

Causes and Consequences Discussion

- What has been your experience with housing cost burden in Albany?
- Have we missed any causes of housing cost burden?
- Have we missed any consequences of housing cost burden?
- What else would you like us to understand about the causes and consequences of housing cost burden in Albany?

Barriers to Affordable Housing

- Development code barriers
- Lack of funding and incentives for affordable housing
- Availability and price of land
 - Wetlands and Floodplains
- Cost of development such as fees, labor, materials

Strategies to Increase Supply of Needed Housing

- Reduce code barriers to needed housing
- Establish incentives for affordable housing
- Create a revenue stream to support affordable housing

Proposed Albany Development Code Amendments

- Reduce lot sizes for small houses/duplexes
- Incentive smaller cottages and remove barriers to cottage clusters
- Reduce side setbacks for townhouse lots and scaled lots for small houses
- Increase flexibility for Accessory Dwelling Units (ADU's)
- Remove minimum area requirements for each multi-dwelling unit (let lot coverage and height determine development capacity)
- Remove density maximums in medium and higher density residential zones and set minimum densities
- Reduce private open space for multiple dwelling units

Proposed Incentives and Revenue for Affordable Housing

- City Surplus Land Policy
 - When City owned surplus land is suitable for housing and no other greater priorities have been identified for the property, the City will solicit and evaluate proposals from affordable housing developers first.
- Low Income Rental Housing Tax Exemption
 - 20-year property tax exemption for new rental housing affordable to households earning 60% or less of AMI
- SDC Deferral – deferral until occupancy to reduce early costs
- Construction Excise Tax
 - one-time fee on construction projects that can be used to fund needed housing projects and programs. The proposed policy would establish a CET of 1% of the permit value for residential improvements and a rate of 1.5% of permit value for the commercial improvements. Revenue generated by the CET would support affordable housing and other needed housing in Albany.

CET Success Stories

Corvallis Rivergreen Landing Apartments

- **Project:** 60-unit development affordable to renters earning at or below 60% of Area Median Income (AMI) on 5.5 acre site.
- **Incentives:** City of Corvallis CET funds of \$400k helped to leverage \$6.4 million in state Local Innovation Fast Track (LIFT) funds, \$6 million in Low Income Housing Tax Credits-4% (LIHTC).

Corvallis Union at Pacific

- **Project:** 174 units available to **renters** whose income level is at or below 60% AMI on 7 acres.
- **Incentives:** City of Corvallis CET funds of \$500k helped to leverage \$6 million in Oregon Soft Funds, \$15.5m in Low Income Housing Tax Credits-4%, (LIHTC).

Corvallis 3rd Street Commons

- **Project:** 47 units of Permanent Supportive Housing located on a 1.33 acres site owned by **Corvallis Housing First**.
- **Incentives:** City of Corvallis CET funds of only \$45k helped leverage \$5m in appropriations from the state, and \$3m from the Federal government, funds are pending from OHCS, and Corvallis HOME.

Other Success Stories

Florence Cottages

- **Project:** DevNW built 12 homes affordable to households earning 80% or less of the AMI on Florence's former senior center site. The project is a land trust model, which enables the homeowner to earn equity while ensuring the homes are permanently affordable.
- **Incentives:** Florence sold the lot to DevNW for \$1. The sale was contingent on award of grant funds and represented the City's financial support of the project, which leveraged \$900,000 LIFT Homeownership/Land Trust Grant from Oregon Housing and Community Services.

Albany Habitat for Humanity Houses

- **Project:** Habitat for Humanity built 7 homes for families earning 60% or less of the AMI allowing low-income households access to affordable homeownership.
- **Incentives:** The City deeded a one-acre property to the Albany Area Habitat for Humanity.

Next Steps

City Council Public Hearings for housing policies December 11th

- Construction Excise Tax
- City Owned Surplus Property Policy
- Low Income Rental Housing Tax Exemption

Public Hearings on Code Amendments

- Planning Commission on December 16th
- City Council on January 22nd, 2025

Stay involved

- www.albanyoregon.gov/hip
- Sign up for housing implementation plan updates

Barriers and Solutions Discussion

- What barriers do you see to affordable housing in Albany?
- Do you have any feedback on the proposed solutions?
- What potential solutions we should consider in the future?

Questions, concerns, or thoughts?

Questions, concerns, or thoughts?

Thank you for coming and please make sure you signed in!

