



City of Stevenson

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To: City Council
From: Leana Kinley, City Administrator
RE: Affordable Housing Discussion
Meeting Date: July 18, 2024

Executive Summary:

The city has Housing ranked as priority #6 on the Strategic Plan. The issue of housing is complex and multi-layered. The city has no ability to influence many of these layers (ex. Market conditions, federal mortgage subsidies, banking practices, state and federal taxation). The city can influence infrastructure, zoning, and other layers as discussed below. The council wanted to discuss the tools that are available to help housing affordability within the city. Staff lacks the bandwidth to do a deep dive into the topic and a quick outline of options is below.

Overview of Items:

“Affordable Housing” (capital “A”) refers to people with low-moderate income, or 30% to 80% of the area median income (AMI). Stevenson’s median household income is \$84,000, which means low-income is \$25,200 and moderate-income is \$67,200. Housing affordable to these residents would have a combined rent and utility cost of between \$630 and \$1680 per month.

This is different from housing being affordable, or attainable, to the average person. Generally, housing is considered “affordable” (lower-case “a”) when a household—any household—pays no more than 30% of its income toward housing costs, including utilities.

MRSC has a page with resources on Housing and Homelessness, <https://mrsc.org/explore-topics/housing-homelessness>, which includes information on techniques and incentives available to local governments. A summarized list of options is below.

Density Bonuses – allows the developer to construct more units than otherwise possible in exchange for providing a public benefit, such as Affordable Housing, within the development.

- This is already included in our current codes, has been in place since 2017, and has not been leveraged.

Inclusionary Zoning – requires a given share of new construction to be affordable for people with low to moderate incomes.

- The city does not have this as the focus has been on incentives rather than requirements. Analysis of various codes and programs throughout the US has determined that effective change is realized through requirements rather than incentives.

Partnerships with Public Housing Authorities – to create and maintain Affordable Housing units.

- The city works with Mid-Columbia Housing Authority and Columbia Cascade Housing Corporation and other agencies. There are currently three Affordable Housing units in the city built and maintained through this model.

Permit Streamlining – expedites the process for projects addressing key community priorities, such as Affordable Housing.

- The city is focusing on improving the process for all applicants.

Reduction/Waiver of Fees – includes system development charges, building or planning fees.

- The city has chosen to not use this tool in the past, further discussion may be needed if this is a tool council wants to use.

Surplus Public Property – may be transferred to certain agencies for Affordable Housing projects.

- The city has not investigated this option recently.

Design Standards – created such that the stigma around the look of Affordable Housing units is removed.

- There is only a design standard overlay along the Rock Creek corridor for the development of three or more units. There are minimal design standards for accessory dwelling units.

Reducing Parking Standards – to reduce requirements for parking and increase the amount for developable space for housing.

- The city has reduced parking standards and is working on further reduction and a parking-in-lieu fee to provide greater parking flexibility. The fee may be waived for Affordable Housing units if council determines that is a tool they wish to use.

Pre-Approved Building Plans – which are compatible with meeting local market demands reduce costs and encourage builders to use the pre-approved plans rather than their own design.

- This has not been pursued by the city.

There are also funds available for Affordable Housing support, including voter-approved sales and property taxes. The city has implemented the Affordable Housing Tax Credit and will receive a maximum of \$4,807.77 per year until 2040. The current fund balance is almost \$18k with no current plans on how to leverage the funds.

Action Needed:

None.