

5-19-2021

Hello City Council, Planning Commission and members of the public,

Please add these comments to the packets for the May 20, 2021 City Council and June 14, 2021 Planning Commission meetings. I had submitted this for inclusion in the City Council Meeting packet for the April 15th meeting. While not printed, Leana Kinley kindly read the original in the meeting. Unfortunately, the numbers associated with the complex issue of “affordable housing” included are better understood when read. Since then, I have added some further thoughts on the realities of “affordable housing” and what it means for the City of Stevenson.

I am writing to address the definition and use of the buzz words “affordable housing” and “workforce housing” as it pertains to the stated desire of Stevenson City Government to increase affordable housing and business density in the Stevenson downtown core. As described by Ben Schumaker, the generally accepted standard measure of “affordable housing” is considered to be 30% of a person’s gross monthly income, including utilities. Stevenson’s downtown economic vitality is based largely on tourism. The Covid-19 pandemic has shown how fickle relying on that can be. Service industry workers are at the bottom end of the wage scale. Often these are seasonal minimum wage jobs without health care benefits and offering less than full time employment.

WA just increased the minimum wage to \$13.69/hour. Let’s look at an example of what “affordable housing” might be for a local worker making \$15/hour. A cook, cashier, housekeeper, factory worker, etc. working 40 hours per week at \$15/hour will earn \$600/week, or \$2400 gross income per month. “Affordable housing” at 30% of \$2400 = \$760/month including utilities (utilities can easily reach \$150/month). Currently, 1-bedroom residences in downtown Stevenson run between \$900 and \$1200/month. However, rents are paid in net wages. Doing the math, \$1000/month rent (including utilities) will leave about \$1000 for food, auto, insurance, health care, etc. What if this was a single earner with a family or a single parent?

If hotels, restaurants, and industry (i.e., port factory workers) cannot find low wage help, they should be encouraged to find their own solutions beyond expecting City, County or State tax and housing subsidies while paying low wages without the benefit of health care (aka, a living wage). Not everyone wants to be a service industry or factory worker, even if they are receiving subsidized rent. At current wages a minimum wage worker would likely not be eligible for subsidized housing benefits.

“Affordable housing” is a great goal. But what it really means is “subsidized housing” in the form of direct rental assistance from government agencies. Other hidden subsidizes are those provided by local governments to promote development. Service industry jobs are not likely to offer “living wages” anytime soon. Without calling on current property owners to forego charging market rates reflecting rising property taxes, local levies and increased repair costs (and some are!), rents will continue to rise with demand. However, as will be seen below, perhaps current rents are actually affordable.

“Subsidies” include HUD Section 8 assistance and other government financial assistance to those in need. It also includes potential City “subsidies” to developers in the form of zoning changes such as reduced off-street parking requirements and increasing the allowed number of buildings on C1, R1, R2, and R3 lots to encourage further development. If I were a developer I would wait for these City “subsidies” to increase the potential return on investment. In depth public input should be gathered before the City moves to

give developers big breaks on City system development charges, especially extending services beyond City limits.

Let's face the facts here, building and owning "affordable (aka subsidized) housing" is not a popular investment for most developers or the small-scale investor. These are often built by a developer and then sold to a corporate entity or REIT (real estate investment trust) who employ administrators to handle the multiple issues that make subsidized housing less attractive to own (Google search "pros and cons of owning Section 8 housing"). Commissioner Breckel aptly noted that funding for such projects are largely matters for banks and developers to pursue. However, the Stevenson City Council seems hyper interested in providing concessions to get high density housing development moving, especially in the C1 downtown area.

One factor that could benefit developers who might want to build low-income housing, but may be stymied by zoning ordinances and skyrocketing building costs, should be considered. Stevenson is included in the HUD Fair Market Rent Rate formula for Portland, OR and Vancouver, WA. Stevenson has long been a bedroom community to Portland and Vancouver. Rents are still slightly lower here and make moving here attractive. The high subsidized rental rates below should be incentive enough for developers.

HUD Final FY 2021 Fair Market Rents By Unit Bedrooms

Efficiency One-Bedroom Two-Bedroom Three-Bedroom Four-Bedroom

\$1,245 \$1,331 \$1,536 \$2,193 \$2,657

As demand for housing increases a developer could expect a reasonable rate of return on investment if they build "subsidized housing" targeting low-income renters/workers. If the City feels that this type of housing is necessary and appropriate a thorough study of the parking issues for mixed-use, multifamily residences and businesses in the downtown core should be fully completed first. Stevenson's is currently highly "livable" and therefore very attractive. Adding density while reducing parking for residents will negatively affect the downtown core. There is a lot of work to be done to create the infrastructure (parking, new fire hall, new home for EMS, sewers, Columbia Ave project, etc.) necessary for the growth anticipated in the Johnson Economics Report for Stevenson, Stevenson Downtown Plan and the Plan for "SUCCESS". The "word on the street" is that many residents and stakeholders do not value a "high density" future without infrastructure keeping pace.

I encourage the Mayor and City Council members to carefully read the minutes of the Planning Commission meetings and public comments between March 8, 2021 and May 10, 2021. There you will see that the Commission members and public request more intensive public input (not Facebook, short notices in the Pioneer or corner of the post office bulletin board) and improved liaison between City Council and Planning Commission.

We are slowly crawling out of a horrible pandemic and the resulting devastation to the world economy. There is no reason to rush into hasty decisions that may not reflect the future "SUCCESS" of Stevenson!

Thank You,

Brian McNamara

Stevenson resident