

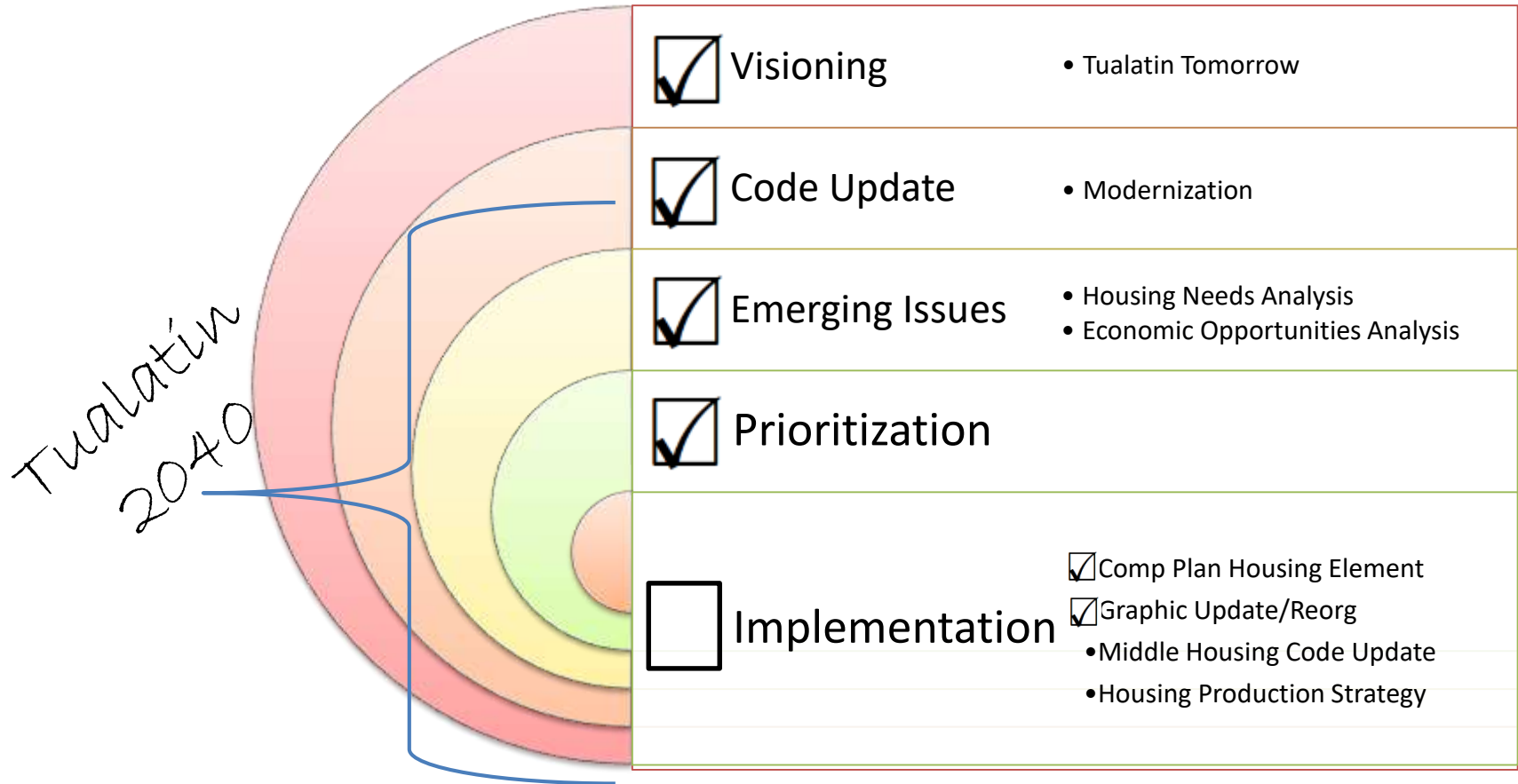
# Tualatin's Housing Production Strategy

City Council Work Session

May 24, 2021

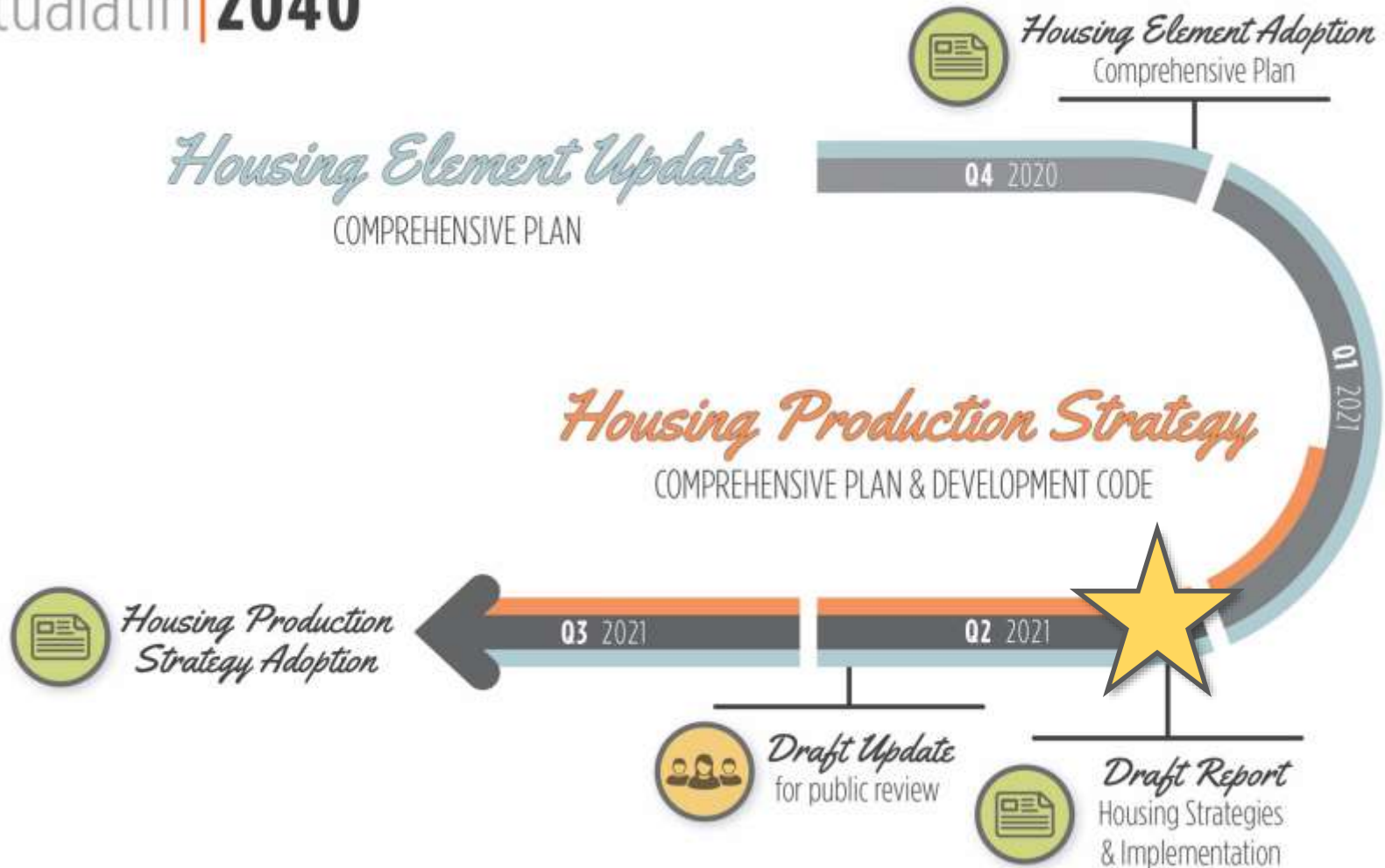
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# Tualatin 2040 Implementation



# Where We're Headed

tualatin|2040



# What is House Bill 2003

House Bill 2003 was passed in 2019, to help communities meet the diverse housing needs of Oregonians.

- Cities over 10,000 people required to develop strategies to address those needs based on their most recent housing needs survey (analysis).
- Tualatin adopted its *Housing Needs Analysis* into its Comprehensive Plan in late 2020.
- The draft *Housing Production Strategy* identifies Tualatin's future commitment to implement policies or strategic actions to address its housing needs.

# Process for Developing & Implementing the HPS

- Engagement with community through Tualatin 2040 and housing outreach events
- Four meetings for discussion and input from the Planning Commission to develop the HPS
- Finalize the HPS report and bring it to Council for adoption by resolution in summer 2021

# Process for Developing & Implementing the HPS

- Begin to implement the strategic actions based on schedule
  - On-going interaction with Council
- Staff will provide a biennial report on HPS progress



# Tualatin's Key Housing Needs

# Tualatin's Cost Burdened Households

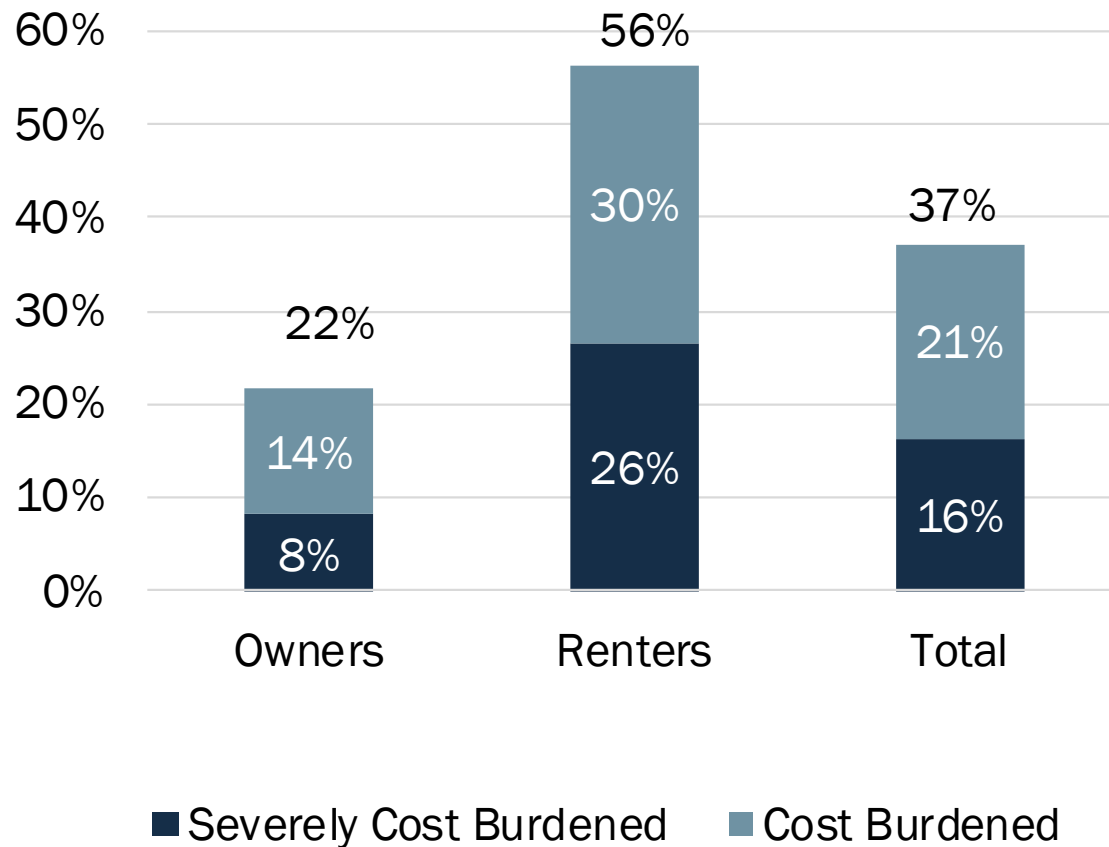
## Cost Burden by Tenure, Tualatin, 2013-2017

**Cost burdened:**

spending more than 30% of income on housing costs

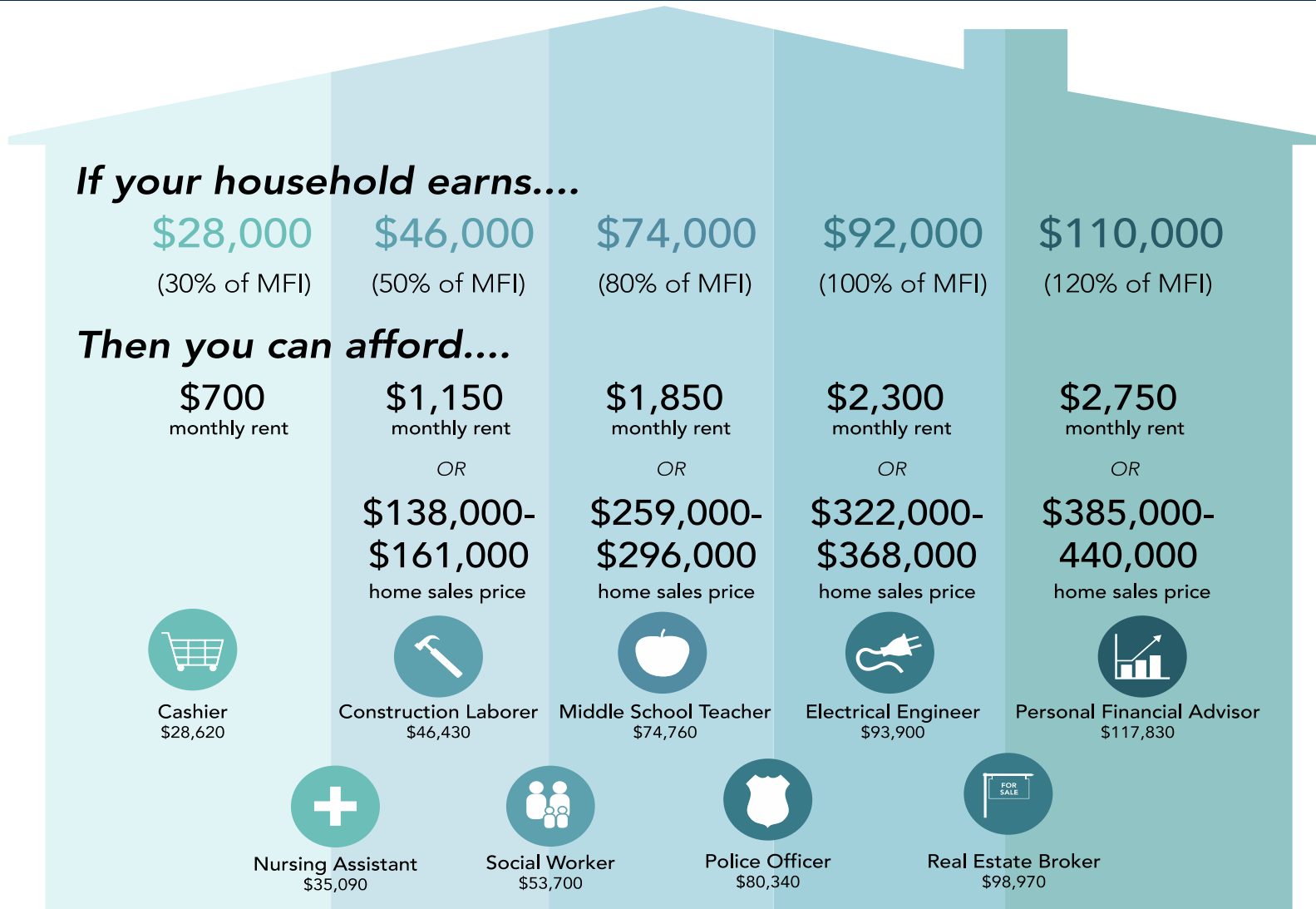
**Severely cost burdened:**

spending more than 50% of income on housing costs



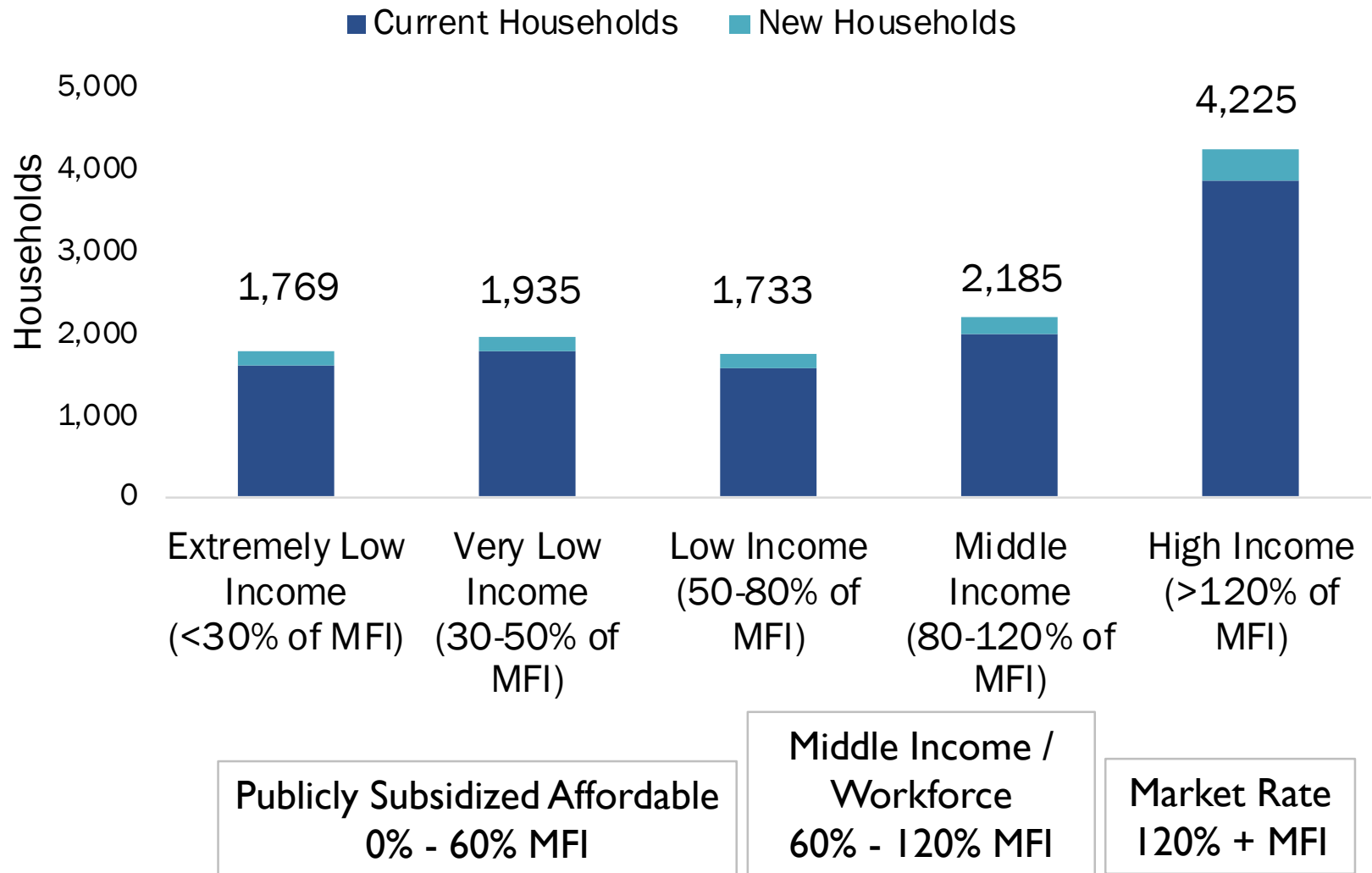


# What's considered affordable?



Source: U.S. Department of HUD 2020. U.S. Census Bureau, 2014-2018 ACS Table I9001.  
 Note: MFI is Median Family Income for a Family of 4.

# Tualatin's Current & Future Households by Income



Source: 2014-2018 ACS, U.S. Census; PRC at PSU (2020-2040); and U.S. Department of HUD 2020 MFI.

Note: Median Family Income is estimated for a family of 4.



# Review and Discuss Preliminary Policies for the HPS Report

# Factors that Influence Housing Development

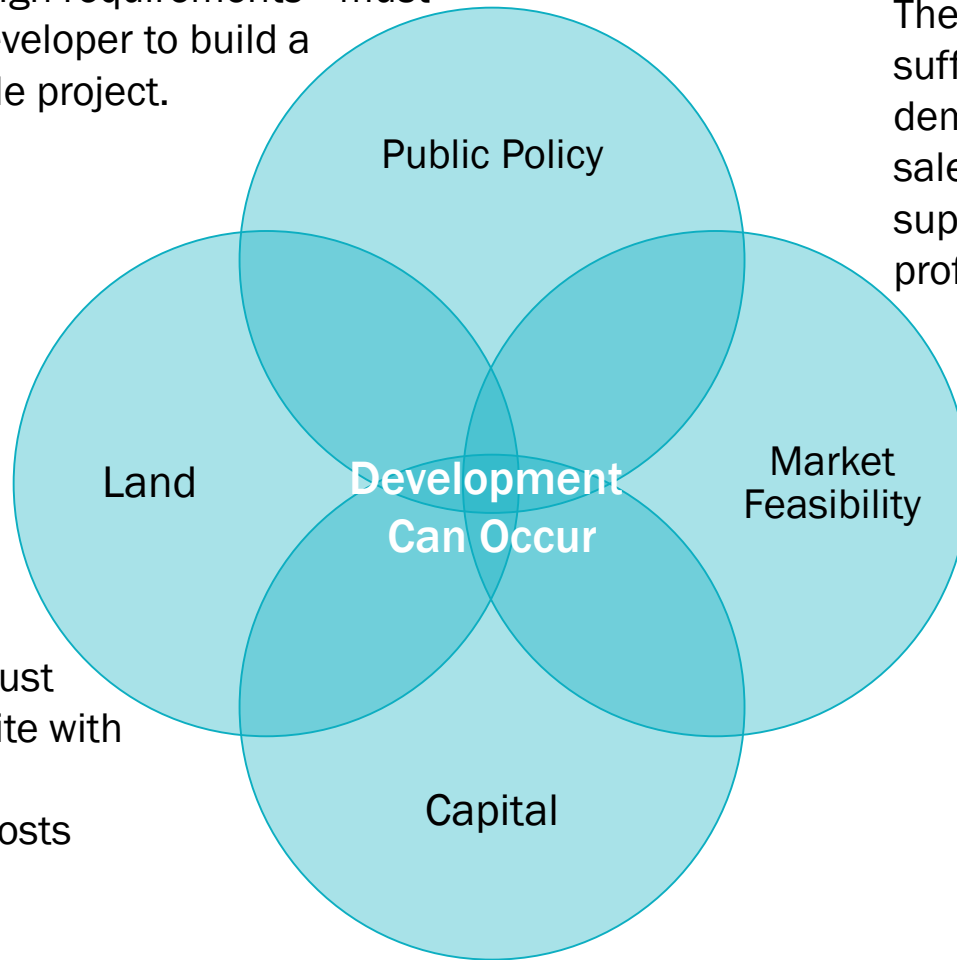
Policy—including zoning, density, and design requirements— must allow developer to build a profitable project.

There must be sufficient demand (rents, sales prices) to support a profitable project

Tualatin can directly influence public policy, land, and infrastructure.

Tualatin may have limited influence on market feasibility

Developer must control the site with reasonable acquisition costs



Developer must be able to access resources for investment (e.g., equity investment, bank loans)

# Impact of Different Strategies

## Types of Strategies to Support Housing Production



**Produce  
Informational  
Resources**



**Partner to  
Leverage  
Efforts and  
Resources**



**Remove  
Regulatory  
Barriers**



**Waive or  
reduce up-  
front or  
on-going  
charges on  
development**



**Allocate  
Funding**



**Land  
Acquisition  
and  
Disposition**

Less Impactful

More Impactful

The degree of impact varies depending on context.

- For strategies identified in the final HPS, the City of Tualatin will:
  - Commit to a 6-year implementation plan for the identified strategies or similar alternatives.
  - Update DLCDD on implementation progress and be required to comment on its effectiveness in the future.

# Strategies in the HPS (continued)

- Strategies not identified in the HPS may still be implemented, but the City of Tualatin will not be held to specific action by the State.
- DLCD has communicated that cities that make a good faith effort to implement strategies will not be penalized if implementation is not successful.

# Discussion: Schedule and Priorities

- Questions for discussion after review of the goals and strategic actions:
  - What are the strategic actions that you think are most critical?
  - Are there any strategic actions you think are missing?
  - Are there any strategic actions the City should absolutely not pursue? If so, why?
  - Should the timing of any strategic actions be changed?



- **Goal 1. Affordable Housing:** Strongly prioritize, encourage and support affordable rental housing development to increase affordable housing for households earning 0% to 60% of MFI.

Example Actions: (1.a) Evaluate a low-income housing property tax exemption for affordable rental housing, (1.c) Evaluate implementation of a Construction Excise Tax, and (1.d) Evaluate support for affordable housing as a part of Urban Renewal

- **Goal 2. Affordable Homeownership:** Encourage and support affordable homeownership to create opportunities for wealth creation.

Example Actions: (2.a) Evaluate impediments to homeownership and their removal and (2.b) Partner with a nonprofit to promote homeownership education

- **Goal 3: Preservation of Affordable Housing:** Preserve affordable housing to prevent the loss of existing affordable housing units and to prevent resident displacement.

Example Actions: (3.a) Evaluate how to support preservation regulated affordable rental housing and (3.b) Evaluate developing a Healthy Housing Initiative

- **Goal 4. Preservation of Naturally Occurring Affordable Housing (NOAH):** Preserve naturally occurring affordable housing, where possible, to prevent loss of affordable units and to mitigate for resident displacement.

Example Action: (4.b) Evaluate using the Multiple Unit Property Tax Exemption to slow rental cost increases

- **Goal 5. Housing for Underserved Communities:**

Implement housing policies, projects, programs, and partnerships to further support racial and social equity.

Example Actions: (5.a) Consider development of a funding action plan to implement the HPS and (5.c) Evaluate ways to best ensure opportunities for education about Fair Housing issues are provided

- **Goal 6. Workforce Housing:** Encourage, plan for, and support the development of workforce housing for households earning 61%-80% Median Family Income, for both owner and renter, in order to increase the jobs-housing balance, reduce commute time and provide attainable housing for workers in Tualatin.

Example Action: (6.b) Evaluate potential partnerships with employers on employer assisted housing

- **Goal 7. Housing Stabilization:** Prevent and address homelessness to provide for safe living conditions for everyone living in Tualatin.

Example Actions: (7.a) Evaluate opportunities to partner on a rental and utility assistance and (7.b) Evaluate ways to develop housing options and services to address and prevent homelessness

- **Goal 8. Housing Rehabilitation:** Plan for and support housing programs and initiatives that are responsive to the safety and health needs of households earning 0-80% of MFI.

Example Action: (8.a) evaluate establishing a local housing rehabilitation program

- **Goal 9. Accessible and Specialized Design:**  
Encourage and support Universal Design, Lifelong Housing Certification, and other similar standards.

Example Action: (9.a) Evaluate development of specialized design standards and incentives to accommodate special needs

- **Goal 10. Mixed Use Housing and Redevelopment:**  
Encourage and support development of mixed-use, mixed-income and multifamily housing in commercial zones and urban renewal areas for households earning between 0-80% MFI

Example Actions: (10.a) Evaluate redevelopment opportunities for creation of mixed-use development districts to support development of affordable and workforce housing and (10.b) Evaluate opportunities for conversion of commercial buildings to residential uses

- **Goal 11. Regulatory and Zoning Changes:** Increase housing development opportunities through regulatory and zoning changes to accommodate a diverse range of housing types and price points to meet the housing needs in Tualatin.

Example Actions: (11.a) Evaluate updating density standards for multifamily housing in Medium Density, High Density, and Mixed-use zones and (11.c) Evaluate the feasibility of targeted reductions to off-street parking requirements

- **Goal 12. Transportation and Public Infrastructure:** Plan for and develop infrastructure to support affordable, workforce, mixed use, and mixed income housing.

Example Action: (12.a) Evaluate ways to prioritize capital improvements for affordable housing

# Discussion: Schedule and Priorities

- Questions for discussion:
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  - Are there any strategic actions you think are missing?
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  - Should the timing of any strategic actions be changed?

- Finalize the HPS with Council input
- Continue discussions with the City Council to ready the HPS for adoption
- Bring the HPS back to Council for adoption by resolution (tentatively July 2021)
- Tualatin will begin to implement the HPS over the six-year period
  - Some strategic actions will involve substantial decision-maker and public input



Questions?