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HOUSING STRATEGIES REPORT

GOLD BEACH, OREGON

Angelo
planning group



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1. Introduction and Overview

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Gold Beach is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages and specific needs. Towards that end, the City has conducted a Housing Needs Analysis and Buildable Lands Inventory to update the Housing Element of its Comprehensive Plan; complete an updated, realistic assessment of future residential land needs and supply; and make amendments to the City’s Comprehensive Plan and Development Code to support housing needs. Statewide Planning Goal 10 (Housing) states that each city must:

“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”

This report includes the following information intended to help the City update its Comprehensive Plan:

- Findings associated with existing and future housing needs which can be incorporated into narrative sections of the City’s Comprehensive Plan.
- Recommended new or updated Comprehensive Plan policies for housing.
- Recommended measures that the City can consider in the future and use to help meet future housing needs.

The first two elements above would be incorporated into the City’s Comprehensive Plan as part of a subsequent update. This report, along with the associated Housing Needs Projection Report and Buildable Lands Inventory maps and a summary memo or report would be referenced in the Comprehensive Plan and as supporting or ancillary documents to the Comprehensive Plan.

This report, along with the accompanying Housing Needs Projection and Buildable Lands Inventory (BLI) maps, was prepared in coordination with Gold Beach City staff the Gold Beach City Council which served as the advisory committee for this project, and community members who attended City Council work sessions and/or commented on the draft reports and presentation materials. The project was funded by a grant from the Oregon Department of Land Conservation and Development (DLCD) and DLCD staff participated in managing the grant and reviewing materials prepared for the project.

2. Housing Conditions and Trends (Comprehensive Plan Findings)

The following is an introductory section along with a summary of data and findings from the “Housing and Residential Land Needs Assessment” report which can ultimately be incorporated into the Gold Beach Comprehensive Plan as supporting narrative for Chapter 7 - Housing.

Introduction

Having affordable, quality housing in safe neighborhoods with access to community services is essential for all Oregonians. Like other cities in Oregon, the City of Gold Beach is responsible for helping to ensure that its residents have access to a variety of housing types that meet the housing needs of households and residents of all incomes, ages and specific circumstances. Towards that end, the City has undertaken and will continue to implement and update a variety of activities to meet current and future housing needs:

- Conduct and periodically update an analysis of current and future housing conditions and needs. The City most recently conducted this analysis in 2019. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Housing and Residential Land Need Assessment Report.
- Conduct and periodically update an inventory of buildable residential land (BLI) to ensure that the City has an adequate supply of land zoned for residential use to meet projected future needs. The City most recently conducted this analysis in 2019. The results are summarized in this element of the Comprehensive Plan and described in more detail in a supporting Buildable Lands Inventory Report.
- Adopt a set of housing-related Comprehensive Plan policies to address future housing needs.
- Regularly update and apply regulations in the City’s Zoning and Subdivision Ordinances to meet housing needs identified in the Comprehensive Plan and supporting documents.
- Implement additional strategies to address housing needs in partnership with state and county agencies and other housing organizations. Potential strategies are described in more detail in a Housing Strategies Report prepared as part of the Housing Needs Analysis in 2019.

The remainder of this chapter summarizes these topics in more detail.

Demographic Trends

- Gold Beach is a City of an estimated 2,265 people living within the City limits and 3,250 people within the City’s urban growth boundary (UGB); it is located in Curry County on the southern Oregon Coast. An estimated 30% of the population in the UGB lives outside the city limits.
- Based on the UGB population, Gold Beach is roughly the 95th largest city in the state by population and is the second largest population center in Curry County. It is roughly one third the size of Brookings.
- Gold Beach has grown by just over 19% in population since 2000. In contrast, Curry County and the state experienced population growth of 8% and 21% respectively. (US Census and PSU Population Research Center). Much of the growth within the city limits occurred during the early

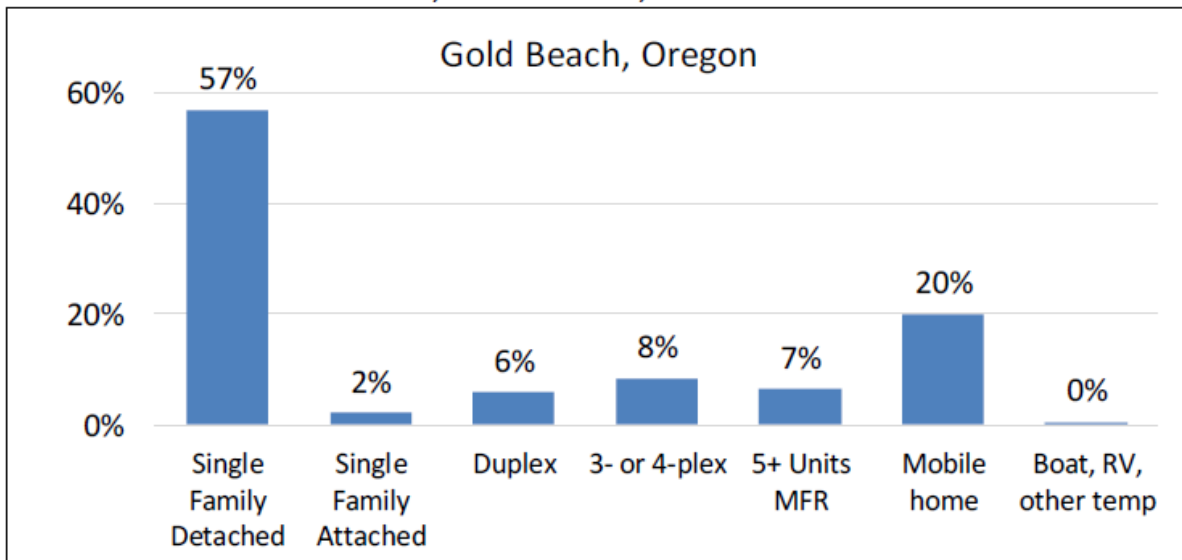
2000's while a significant portion of more recent growth was concentrated in the area between the city limits and UGB.

- The Gold Beach UGB was home to an estimated 1,612 households in 2018, an increase of roughly 400 households since 2000. The percentage of families fell between 2000 and 2018 from 61.5% to 54% of all households. The city has a smaller share of family households than Curry County (56%) or the state (63%).
- Gold Beach's estimated average household size is 1.98 persons, having also fallen since 2000. This is lower than the Curry County average of 2.13 and the statewide average of 2.47.

Housing Conditions and Trends

- **Housing Tenure:** Gold Beach has a greater share of owner households (66%) than renter households (34%) according to the Census. The ownership rate in Gold Beach has remained stable since 2000. During this period the statewide rate fell from 64% to 61%. Nationally, the homeownership rate has nearly reached the historical average of 65%, after the rate climbed from the late 1990's to 2004 (69%). The estimated ownership rate is similar to that in Curry County (67%).
- **Housing Stock:** Gold Beach UGB had an estimated 1,925 housing units in 2018, with a relatively high estimated vacancy rate (includes ownership and rental units, including second homes and short-term rental units). Figure 2.1 shows the estimated number of units by type in 2017. Detached single-family homes represent an estimated 57% of housing units (includes manufactured homes on single-family lots). Units in larger apartment complexes of 5 or more units represent 7% of units, and other types of attached homes represent an additional 16% of units. (Attached single family generally includes townhomes, some condo flats, and plexes which are separately metered.) Mobile homes (in parks) represent 20% of the inventory.

FIGURE 2.1: ESTIMATED SHARE OF UNITS, BY PROPERTY TYPE, 2017



SOURCE: City of Gold Beach, Census ACS 2017

Current and Projected Housing Needs

FIGURE 3.1: CURRENT HOUSING PROFILE (2018)

| CURRENT HOUSING CONDITIONS (2018) | | SOURCE |
|---|-----------------------------------|--------------------------|
| Total 2018 Population: | 3,246 | PSU Pop. Research Center |
| - Estimated group housing population: | 55 (1% of Total) | US Census |
| Estimated Non-Group 2018 Population: | 3,191 (Total - Group) | |
| Avg. HH Size: | 1.98 | US Census |
| Estimated Non-Group 2018 Household: | 1,612 (Pop/HH Size) | |
| Total Housing Units: | 1,923 (Occupied + Vacant) | Census 2010 + permits |
| Occupied Housing Units: | 1,612 (= # of HH) | |
| Vacant Housing Units: | 311 (Total HH - Occupied) | |
| Current Vacancy Rate: | 16.2% (Vacant units/ Total units) | |

Sources: Johnson Economics, City of GOLD BEACH, PSU Population Research Center, U.S. Census

*This table reflects population, household and housing unit projections shown in Figure 1.1

FIGURE 3.4: PROFILE OF CURRENT HOUSING SUPPLY, ESTIMATED AFFORDABILITY (2018)

| Income Range | Ownership Housing | | Rental Housing | | Share of Total Units |
|-----------------------|------------------------|-----------------|-----------------------|-----------------|----------------------|
| | Affordable Price Level | Estimated Units | Affordable Rent Level | Estimated Units | |
| Less than \$15,000 | \$0k - \$90k | 287 | \$0 - \$400 | 127 | 22% |
| \$15,000 - \$24,999 | \$90k - \$130k | 67 | \$400 - \$600 | 29 | 5% |
| \$25,000 - \$34,999 | \$130k - \$190k | 341 | \$600 - \$900 | 302 | 14% |
| \$35,000 - \$49,999 | \$190k - \$220k | 175 | \$900 - \$1000 | 44 | 11% |
| \$50,000 - \$74,999 | \$220k - \$340k | 182 | \$1000 - \$1600 | 91 | 14% |
| \$75,000 - \$99,999 | \$340k - \$370k | 117 | \$1600 - \$1700 | 3 | 6% |
| \$100,000 - \$124,999 | \$370k - \$450k | 106 | \$1700 - \$2100 | 8 | 6% |
| \$125,000 - \$149,999 | \$450k - \$540k | 29 | \$2100 - \$2500 | 0 | 2% |
| \$150,000 - \$199,999 | \$540k - \$710k | 16 | \$2500 - \$3300 | 0 | 1% |
| \$200,000+ | \$710k + | 0 | \$3300 + | 0 | 0% |
| | 69% | 1,320 | 31% | 603 | |

Sources: PSU Population Research Center, Environics Analytics, Census, JOHNSON ECONOMICS

This table is a synthesis of data presented in Figures 3.2 and 3.3.

FIGURE 4.1: FUTURE HOUSING PROFILE (2039)

| PROJECTED FUTURE HOUSING CONDITIONS (2019 - 2039) | | SOURCE |
|---|--|-----------|
| 2018 Population (Minus Group Pop.) | 3,191 | PSU |
| Projected Annual Growth Rate | 1.29% OR Population Forecast Program | PSU |
| 2039 Population (Minus Group Pop.) | 4,181 (Total 2039 Population - Group Housing Pop.) | |
| <u>Estimated group housing population:</u> | <u>72</u> Share of total pop from Census | US Census |
| Total Estimated 2039 Population: | 4,253 | |
| Estimated Non-Group 2039 Households: | 2,111 (2039 Non-Group Pop./Avg. Household Size) | |
| New Households 2018 to 2039 | 500 | |
| Avg. Household Size: | 1.98 Projected household size | US Census |
| Total Housing Units: | 2,519 Occupied Units plus Vacant | |
| Occupied Housing Units: | 2,111 (= Number of Non-Group Households) | |
| Vacant Housing Units: | 126 | |
| Vacation Home, 2nd Home, Seasonal: | 281 | |
| Projected Market Vacancy Rate: | 5.0% (Vacant Units/ Total Units) | |
| Projected Vacation Rate, 2nd Home: | 11.2% (US Census Est.) | US Census |

Sources: PSU Population Research Center Oregon Population Forecast Program, Census, JOHNSON ECONOMICS LLC

*Projections are applied to estimates of 2018 population, household and housing units shown in Figure 1.1

FIGURE 4.3: PROJECTED FUTURE NEED FOR NEW HOUSING UNITS (2039), GOLD BEACH

| OWNERSHIP HOUSING | | | | | | | | | |
|-------------------|------------------------|------------------------|--------------|--------------|--------------|-------------|----------------------|-------------|------------|
| Unit Type: | Single Family Detached | Single Family Attached | Multi-Family | | | Mobile home | Boat, RV, other temp | Total Units | % of Units |
| | | | 2-unit | 3- or 4-plex | 5+ Units MFR | | | | |
| Totals: | 329 | 14 | 0 | 0 | 0 | 117 | 0 | 459 | 77.1% |
| Percentage: | 71.6% | 3.0% | 0.0% | 0.0% | 0.0% | 25.4% | 0.0% | 100% | |

| RENTAL HOUSING | | | | | | | | | |
|----------------|------------------------|------------------------|--------------|--------------|--------------|-------------|----------------------|-------------|------------|
| Unit Type: | Single Family Detached | Single Family Attached | Multi-Family | | | Mobile home | Boat, RV, other temp | Total Units | % of Units |
| | | | 2-unit | 3- or 4-plex | 5+ Units MFR | | | | |
| Totals: | 30 | 9 | 23 | 32 | 27 | 17 | 0 | 136 | 22.9% |
| Percentage: | 21.7% | 6.6% | 16.6% | 23.5% | 19.5% | 12.2% | 0.0% | 100% | |

| TOTAL HOUSING UNITS | | | | | | | | | |
|---------------------|------------------------|-------------------------|--------------|--------------|--------------|-------------|----------------------|-------------|------------|
| Unit Type: | Single Family Detached | Single Family Attached* | Multi-Family | | | Mobile home | Boat, RV, other temp | Total Units | % of Units |
| | | | 2-unit | 3- or 4-plex | 5+ Units MFR | | | | |
| Totals: | 359 | 23 | 23 | 32 | 27 | 133 | 0 | 596 | 100% |
| Percentage: | 60.2% | 3.8% | 3.8% | 5.4% | 4.5% | 22.4% | 0.0% | 100% | |

Sources: PSU, City of Gold Beach, Census, Environics Analytics, JOHNSON ECONOMICS

- The results of the projected need for future housing show a need for 596 new housing units by 2039.
- Of the new units needed, roughly 77% are projected to be ownership units, while 23% are projected to be rental units. This is due to the forecast of a slightly higher homeownership rate in the future, combined with second home vacancies.
- The analysis predicts a need for ownership housing at the low-end of the pricing spectrum, but also in the middle and high ranges. The greatest need for rental units is found at the lowest and middle price points, especially for units priced at \$400 to \$900 per month. This shows that there is some support for new, more expensive rental supply. There is also a need for some single-family homes for rent at higher price points.

Comparison of Projected Need and Buildable Land Supply

There is a total forecasted need for roughly 596 units over the next 20 years based on the PSU forecasted growth rate. This is well below the estimated capacity of over 1,136 units. However, as Figure 5.4 below demonstrates, when specific housing types are considered, there may be a mismatch between the available land for housing and the needed types.

While much of the anticipated housing need is for low-density housing, the greatest remaining buildable capacity is in the medium and high density zones (2-R and 3-R and the county equivalents.) Therefore there is an estimated shortage of low density land of roughly 42.5 acres. However, there is an overall estimated surplus of 52 acres, and it is likely that much of the single-family demand can be

accommodated in the R-2 medium density zone, consistent with current and historical development patterns.

FIGURE 5.4: COMPARISON OF FORECASTED FUTURE LAND NEED (2039) WITH AVAILABLE CAPACITY (UGB)

| TOTAL UGB AREA: | Unit Type | | | TOTAL |
|---|------------------------|--------------------------|--------------|-------------|
| | Single Family Detached | Medium-Density Attached* | Multi-Family | |
| <u>LAND INVENTORY VS. LAND NEED</u> | | | | |
| Buildable Land Inventory (Acres): | 29.3 | 98.3 | 25.5 | 153.0 |
| Estimated Land Need (Acres): | 71.7 | 25.5 | 3.9 | 101.1 |
| <i>Land Surplus (Inventory - Need:)</i> | <i>-42.5</i> | <i>72.7</i> | <i>21.6</i> | <i>51.9</i> |

Sources: PSU Source: Johnson Economics, Angelo Planning Group

FINDING: There is currently sufficient buildable capacity within the Gold Beach UGB to accommodate total projected need. However, there may be a discrepancy between the needed housing types and the zoning of the available lands. These findings will help guide further discussion of potential housing policies and measures to increase efficient land use and address deficits.

For more detail on these findings please refer to the “Housing and Residential Land Needs Assessment Report” and the Buildable Lands Inventory (BLI) prepared for the City.

Strategies to Accommodate Future Housing Needs

As noted previously, the City has an adequate supply of land to meet its overall housing needs. Although the needs analysis indicates a potential deficit of land in the single-family detached zones (R-1 and 1-R), it also indicates a potential surplus in the supply of land zoned for medium density housing (R2 and 2-R zones). Single-family detached homes are allowed in the 2-R and R-2 zones, with a minimum lot size of 5,000 square feet in the 2-R zone and an assumed average net density of seven (7) dwelling units per acre. As a result, it is reasonable to assume that the 2-R and R-2 zones can accommodate a portion of the demand for single-family detached homes in the future and the City can consider the supply of 2-R/R-2 and 1R/R-1 lands as a combined supply of land for this purpose.

As a result, no rezoning or other strategies are needed to directly address the supply of land available to meet future housing needs. However, as part of the housing planning process conducted in 2019, City staff and decision-makers noted that the City should examine the location, distribution and amount of land in all of its residential zones to make sure that the zoning designations are applied in a way that is appropriate the type of housing intended in each zone. For example, land in the 2-R

zone was not explicitly looked at as a potential area for medium density housing types and may or may not be more appropriate for development of medium or higher density forms of housing.

In addition to this process, the City can consider a variety of other strategies in the future to provide opportunities for a wide range of housing choices, efficient land use, and development of housing affordable to people with low and moderate incomes. Potential strategies are summarized in the following table and described in more detail in the Housing Strategies Report prepared by the City as part of its Housing Needs Analysis project in 2019.

| Strategy | Primary goal |
|---|--|
| <p>1. Urban Growth Boundary Amendment (UGB) or Adjustment Adjust the city's UGB to exchange land within the UGB with limited opportunities for development for land outside the UGB with a greater chance of future development. In the longer term, if the supply of land within the UGB drops below the amount needed for future development, a UGB expansion could be considered.</p> | <p>Ensure a realistic, adequate land supply for future residential development</p> |
| <p>2. Rezone Land Rezone land from other residential designations and/or from commercial, industrial or institutional designations to meet specific housing needs, assuming there is an adequate supply of land available to meet non-residential needs.</p> | <p>Ensure appropriate zoning and supply of land for housing</p> |
| <p>3. Increase the Allowed Density or Range of Housing Types Increase the allowed density or reduce the minimum allowed size of lots in one or more zones to allow for more compact development and/or a wider range of housing types in specific areas; expand the range of housing types allowed in one or more zones</p> | <p>Ensure appropriate zoning and supply of land for housing</p> |
| <p>4. Code Amendments for Small Housing Types Zoning code and other regulatory amendments to increase housing choices and reduce barriers to development for accessory dwelling units (ADUs), tiny homes, cottage clusters, townhomes, and other "missing middle" housing types.</p> | <p>Remove regulatory barriers</p> |
| <p>5. Short-Term Rental Housing Regulation Short-term rental housing can impact the supply and cost of long-term rental housing if it becomes a significant portion of the local housing supply and market and if a majority of rental housing being developed is used for that purpose. Cities can regulate the operation and amount of short-term rental housing through various procedural and development code requirements.</p> | <p>Protect affordable units and reduce displacement</p> |
| <p>6. Incentive Zoning Creates incentives to developers to provide a community benefit (such as affordable housing), in exchange for ability to build a project that would not otherwise be allowed by the development code</p> | <p>Increase development flexibility / reduce housing costs</p> |
| <p>7. System Development Charge (SDC) Deferral Deferral of SDCs for affordable housing. Can be applied to regulated affordable housing and/or specific housing types (such as ADUs).</p> | <p>Reduce development costs</p> |
| <p>8. Expedited Development Review Variety of strategies to reduce review and processing times for regulated affordable housing development, such as formally adopting shortened review timelines for applications or giving priority in scheduling hearings and meetings.</p> | <p>Reduce development costs / remove process barriers</p> |

9. Tax Abatements or Exemptions

Tax exemptions or abatements offer another financial incentive to developers that can improve the long-term economic performance of a property and improve its viability. This can be a substantial incentive, but the City will forego taxes on the property, generally for ten years. Other taxing jurisdictions are not included, unless they agree to participate. Tax exemption programs are authorized by the state for specific purposes: Vertical Housing; Multiple-Unit Housing; Non-Profit Low-Income.

Reduce development costs

10. Public-Private Partnerships (PPPs) and Community Land Trusts

Arrangements between public and private entities to create more and/or affordable housing. PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple entities (public, private, and non-profit). A community land trust (CLT) is a model wherein a community organization owns land and provides long-term leases to low or moderate-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms.

Promote construction of new affordable housing

11. Tenant Protection Programs and Policies

Local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low cost market rate housing against evictions, excessive rent increases, discrimination, and health and safety violations.

Protect affordable units and reduce displacement

12. Land Acquisition and Banking

Land acquisition is a tool to secure sites for affordable housing. Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be used for affordable housing.

Reduce land costs

13. Construction Excise Tax

Adopt a tax on new construction of between 1 and 3% to help pay for other affordable housing strategies identified here. The tax is a one-time tax assessed on new construction. State law requires it to be spent on specific types of programs and activities.

Provide source of funding for other affordable housing programs

14. Financial Assistance Programs

A range of tools that can be used to maintain housing affordability or to help keep residents in their homes. Possible tools include rent assistance, loans for homeowners, or assistance to low-cost apartment owners for repairs and upgrades.

Protect affordable units and reduce displacement

3. Comprehensive Plan Housing Policies

It is essential that the Comprehensive Plan of every city in Oregon include a robust set of policies directed at meeting the current and future housing needs of community members. APG reviewed the Comprehensive Plan to assess whether it includes the following types of supportive policies:

- **Supports Statewide Planning Goal 10.** Comprehensive Plans typically do and should include a general policy that mirrors Statewide Planning Goal 10 (Housing), stating that the overall goal of the jurisdiction is to *“encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.”*
- **Emphasizes affordable housing needs.** Given that meeting the needs of low and moderate income households often requires public intervention or subsidy, it is important to include policies emphasizing the needs of these households.
- **Supports partnerships.** Most Comprehensive Plan housing elements include policies aimed at supporting other public agencies, non-profits and market rate developers who focus on meeting the needs of low and moderate income households and community members with special housing needs.
- **Encourages a variety of housing types.** In addition to a broad goal or policy about meeting a full range of housing needs, Plans often include policies noting the need for a variety of housing types, including single family attached housing, duplexes, triplexes, multi-family housing and townhomes, as well as less traditional forms of housing such as cottage cluster housing and accessory dwelling units.
- **Affirms Fair Housing goals.** Local governments are required to ensure that their housing policies and standards do not discriminate against or have adverse effects on the ability of “protected classes” to obtain housing, consistent with the federal Fair Housing Act.
- **Supports mixed use development.** Some Plans explicitly support the development of mixed use projects, which typically include upper story housing above retail or commercial uses.
- **Supports accessory dwelling units.** Comprehensive Plans may include policies specifically referencing support for this form of housing. Recent Oregon legislation requires all cities below a certain size to allow for this form of housing outright in all zones where single-family detached housing is allowed.
- **Addresses land supply goals.** Many Comprehensive Plans include policies which reference the need to ensure that adequate land is zoned to meet identified housing needs, and to periodically update the jurisdiction’s inventory of such lands.
- **Supports maintenance and rehabilitation of existing housing.** Many comprehensive plans emphasize maintenance of existing housing stock as a method to prevent unsafe conditions and keep affordable housing available within the community.
- **Supports development of manufactured homes.** Oregon law requires that all zones that allow for “stick built” single family detached homes also allow for manufactured homes on

individual lots. Each jurisdiction must also allow for manufactured home parks in at least one residential zone.

- **Regulates short term rentals.** Many communities, particularly those with high levels of tourism, regulate short-term rental housing to reduce its impact on the supply and affordability of long-term rental housing.

Table 1 summarizes recommended policy amendments for the City of Gold Beach to address identified gaps related to these policy objectives. A preliminary draft set of proposed adoption-ready Comprehensive Plan policy amendments is provided below. The City may refine these policies as part of the adoption process.

Goal: To develop a variety of adequate, quality housing and rental units that meet the needs of households with a full range of incomes and housing needs.

Policies:

- a) To encourage ~~maximum~~ efficient usage of the land within the City.
- b) To encourage a variety of residential lot sizes, diversities of housing types and a range in housing prices.
- c) To encourage rehabilitation of substandard housing and support local organizations that implement programs towards that end.
- d) To encourage the development of rental units in all price ranges.
- e) To allow for modular and manufactured homes to be permitted on individual lots, as part of a modular and manufactured home park, or in planned unit developments.
- f) To strengthen efforts to increase supplies of multi-family housing, consistent with the City's Housing Needs Analysis, in order to meet the demand for additional multifamily units, to provide additional workforce housing, and to increase the supplies of rental units.
- g) To seek and maintain partnerships with non-profit housing developers and other agencies to create the opportunity to develop housing for very low, low and moderate-income households within the City.
- h) To employ strategies that support federal and state Fair Housing laws and other federal and state fair housing requirements to affirmatively further fair housing.
- i) To allow and support the development of Accessory Dwelling Units in all residential zones where single-family detached homes are allowed, as required by State law.
- j) To regularly monitor its supply of buildable land and shall provide a sufficient amount of residential land to accommodate residential growth.
- k) To regulate short term rentals to reduce their impact on availability and long-term affordability of housing, as needed and further directed by the City Council.
- l) To allow for a mix of residential uses with other compatible uses in appropriate locations



1. Table 1. Comprehensive Plan Policy

| <i>Policy Topic</i> | <i>Existing Goal Language</i> | <i>Example Language to Consider</i> |
|--|--|--|
| Supports Statewide Planning Goal 10. | Goal 10: To develop a variety of adequate, quality housing and rental units. | <ul style="list-style-type: none"> The City shall provide the opportunity for a wide variety of housing types at a variety of price ranges and rents to meet the needs and preferences of current and future households at all income levels. |
| Emphasizes affordable housing needs | N/A | <ul style="list-style-type: none"> The City shall support the creation of housing that is affordable to low- and moderate-income households. |
| Supports partnerships | N/A | <ul style="list-style-type: none"> The City shall seek partnerships with non-profit housing developers and other agencies to create the opportunity to provide moderate-and low-income housing and rehabilitation activities within the City. |
| Encourages a variety of housing types | <p>10(b): “To Encourage a variety of residential lot sizes, diversity of housing types and range in housing prices.”</p> <p>10(d): “To encourage the development of rental units in all price ranges.”</p> | <ul style="list-style-type: none"> Adequately addressed. |
| Supports mixed use development | N/A | <ul style="list-style-type: none"> The City shall allow for a mix of residential uses with other compatible uses in appropriate locations. |
| Affirms Fair Housing Goals | N/A | <ul style="list-style-type: none"> The City shall employ strategies that support the federal Fair Housing Act and other federal and state fair housing requirements to affirmatively further fair housing. |
| Supports ADUs | N/A | <ul style="list-style-type: none"> The City shall allow and support the development of Accessory Dwelling Units in all residential zones as required by State law. |



| <i>Policy Topic</i> | <i>Existing Goal Language</i> | <i>Example Language to Consider</i> |
|--|---|--|
| Addresses Land Supply Goals | 10(a): “To encourage maximum usage of the land within the City.” | <ul style="list-style-type: none">• The City shall encourage efficient use of residential land within the Urban Growth Boundary• The City shall provide a sufficient amount of residential land to accommodate residential growth.• The City shall ensure that the City has an adequate housing supply with enough land to support the community’s growth. |
| Supports Development of Manufactured Homes | N/A | <ul style="list-style-type: none">• The City shall support the maintenance and development of manufactured homes as an affordable housing choice in appropriate locations. |
| Supports maintenance and rehabilitation of existing housing | 10(c): “To encourage rehabilitation of substandard housing.” | <ul style="list-style-type: none">• Adequately addressed. |
| Regulates Short Term Rentals | N/A | <ul style="list-style-type: none">• As necessary, the City shall regulate short term rentals to reduce their impact on availability and long-term affordability of housing. |

4. Other Housing Measures

APG and Johnson Economics have identified a variety of measures that the City can undertake to address current and future housing needs identified in the Housing Needs Assessment and Buildable Lands Inventory reports. These measures have been organized into the following categories.

Land Supply and Regulatory Strategies

- UGB Expansion
- Rezone Land
- Minimum Density Standards
- Code Amendments to Support Small Housing Types
- Short-Term Rental Housing Regulation

Incentives

- Incentive Zoning
- System Development Charge Exemptions or Deferrals
- Expedited Development Review
- Tax Exemptions and Abatements

Funding Sources and Uses

- Public-Private Partnerships and Community Land Trusts
- Tenant Protection Programs and Policies
- Land Acquisition and Banking
- Construction Excise Tax
- Financial Assistance Programs

The remainder of this section describes these potential measures in more detail.

LAND SUPPLY AND REGULATORY STRATEGIES

1. Urban Growth Boundary Expansion

The findings of our study do not indicate the need for a UGB expansion to accommodate projected housing needs in Gold Beach. However, in the long term an expansion could be an option beyond the currently planning horizon or if growth rates increase beyond those currently projected. Prior to applying for a UGB expansion, the city would need to complete the following steps:

- Consider and adopt efficiency measures to ensure that land inside the UGB is being used efficiently. Many of the code update recommendations identified for this project are efficiency measures.
- Demonstrate that there is an insufficient supply of buildable land inside the UGB. Due to relatively low projected growth rates in the planning horizon, the City will likely need to demonstrate that existing vacant or partially vacant land in the UGB cannot be served with public facilities. A significant portion of the vacant land within Gold Beach's UGB is taken up by the large city-owned parcel slated for future park/recreation uses. A comprehensive plan change or similar measure would likely be needed for this property in order to remove it from the inventory.

2. Rezone Land

To the extent that a city has a gap or imbalance of land in different residential zoning designations, one strategy to address this issue is to rezone land from one designation to another. This can be done in one of two ways:

1. Rezoning land from a non-residential designation to a residential designation, if there is a deficit of residential land and a surplus of commercial, industrial, or other non-residential land.
2. Rezoning from one residential zone to another residential zone to address a deficit in a certain density range or housing type.

As indicated previously, the comparison of needed housing and the capacity or supply of buildable residential land indicates a potential gap in the supply of 1R and R-1 land designated for lower density residential development (i.e., detached single family homes on medium to large size lots). The comparison also shows a potential surplus in the supply of land zoned for medium density housing (R2 and 2-R zones). Single-family detached homes are allowed in the 2-R and R-2 zones, with a minimum lot size of 5,000 square feet in the 2-R zone and an assumed average net density of seven (7) dwelling units per acre. As a result, it is reasonable to assume that the 2-R and R-2 zones can accommodate a portion of the demand for single-family detached homes in the future and the City can consider the supply of 2-R/R-2 and 1R/R-1 lands as a combined supply of land for this purpose.

As a result, the City likely will not need to rezone land to address this gap in the foreseeable future but it still could be considered as a long-term strategy to address other gaps that could occur. In addition, as part of this housing planning process, City staff and decision-makers noted that the City should examine the location, distribution and amount of land in all of its residential zones to make sure that the zoning designations are applied in a way that is appropriate the type of housing intended in each zone. For example, land in the 2-R zone was not explicitly looked at as a potential area for medium density housing types and may or may not be more appropriate for development of medium or higher density forms of housing.

3. Increase the Allowed Density or Range of Housing Types

As a way to both promote efficient development and allow for more development flexibility and a wider range of housing types across all zones, the City could reduce the minimum lot size required in

one or more zones to allow for more compact development and/or a wider range of housing types in specific areas. For example, the City of Gold Beach should consider reducing minimum lot sizes for single family homes, particularly in the 2-R and 3-R zones. This could help meet the need for single family homes in the planning horizon, though infrastructure capacity is a key constraint in many areas.

Additionally, the City should consider allowing attached single-family developments (townhomes) and smaller multifamily developments (5 units and smaller) in the 2-R zone, either conditionally or as a permitted use.

It also is recommended that the City consider reducing allowed lot sizes or increasing allowable densities in the 2-R and 3-R zones. Currently the minimum lot sizes in these zones are 5,000 square feet and 4,000 sf respectively. These lot sizes and resulting densities make the financial viability of most attached housing types, particularly townhomes and multi-family residential development (apartments) very challenging. Typical lot sizes and densities for single family attached housing are 2,500 feet and 14-16 units per acre, respectively. Typically maximum densities for multi-family development, even in smaller communities, typically 20-30 units per acre. Similarly, the City should consider reducing the minimum lot width in any zones that allow townhomes to 25 feet (compared to the current minimum of 50 feet in the 3-R zone).

4. Code Amendments to Support Additional Housing Types, including Cottage Cluster Housing

Small housing types typically include accessory dwelling units (ADUs), duplexes, triplexes, fourplexes, townhomes and cottage cluster housing. Many of these housing types can be compatible with single-family detached housing, while providing a wider range of housing options for smaller households and at lower costs to develop. The City of Gold Beach already allows a number of these types of housing in its residential zones, either outright or as a conditional use. For example, duplexes, ADUs, and tiny homes all are allowed outright in the 1R and 2-R zones and planned unit developments are allowed conditionally in these zones. However, triplexes, four-plexes and townhomes are not allowed in the 2-R zone and cottage cluster housing is not addressed directly in the code beyond through the planned development provisions.

The City also could consider developing code requirements for cottage cluster housing and allowing them in residential zones. Cottage Clusters are small dwelling units with shared amenities appropriately sized for smaller households and available as an alternative to the development of typical detached single-family homes. Cottage cluster housing is intended to address the changing composition of households, and the need for smaller, more diverse, and more affordable housing choices.

In general, the following provisions are supportive of cottage clusters and can stimulate their development:¹

- Allow for increased densities over the base zone in exchange for maximum house sizes. This combination allows for more dwelling units while ensuring an efficient use of land.
- Given maximum house sizes of 1,000-1,200 square feet, allow a wide range of sizes—even as small as 600 square feet—and consider allowing both attached and detached housing.
- Do not specify ownership structure; allow the site to be divided into individual lots, built as rental units on one lot, or developed as a condominium plat.
- Ensure that minimum site size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots.
- Draft design requirements that ensure neighborhood compatibility, and efficient use of land, but are not so specific as to restrict the ability to adapt to varying neighborhood contexts.

Another measure for the City to consider would be to allow triplexes, four-plexes, townhomes, and possibly courtyard apartments in the 2-R zone. Courtyard apartments are typically located in one to two-story buildings, are small in size, and are arranged around a common courtyard. They tend to match the scale of surrounding single-family detached housing or other small housing types such as “plexes,” townhomes or cottage cluster housing. Similarly triplexes, four-plexes and townhomes are common forms of medium density or “missing middle” housing and are typically allowed in medium density zones such as the 2-R zone.

If the City moves forward with these types of code amendments, they should consider code requirements that help limit the size and scale of these forms of housing to be consistent with the existing or desired scale of housing in these areas. A variety of different approaches can be undertaken to achieve this objective. These include but are not limited to the following:

- Reviewing minimum/maximum density and lot size to ensure compatibility.
- Building size limitations in terms of square footage, lot coverage and height.
- Floor area requirements which also will limit the size and scale of the building.
- Bulk plane/encroachment plane.

More information about and examples of these approaches can be provided to supplement these recommendations, if desired.

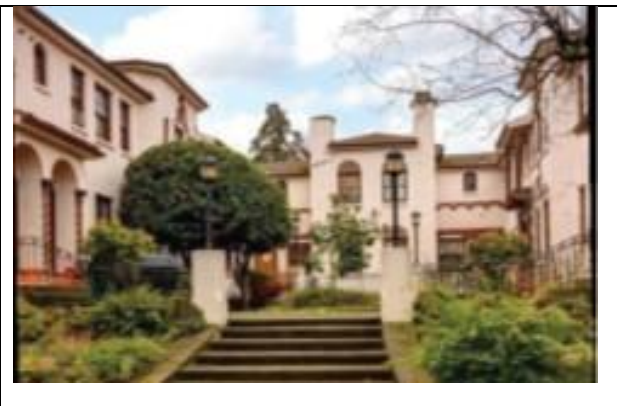
¹ Character-Compatible, Space-Efficient Housing Options in Single-Dwelling Neighborhoods. ODOT, DEQ and OCLD Joint Study. Eli Spevak and Madeline Kovacs. May 2016.
<https://www.oregon.gov/LCD/TGM/docs/SpaceEfficientHousingReport.pdf>

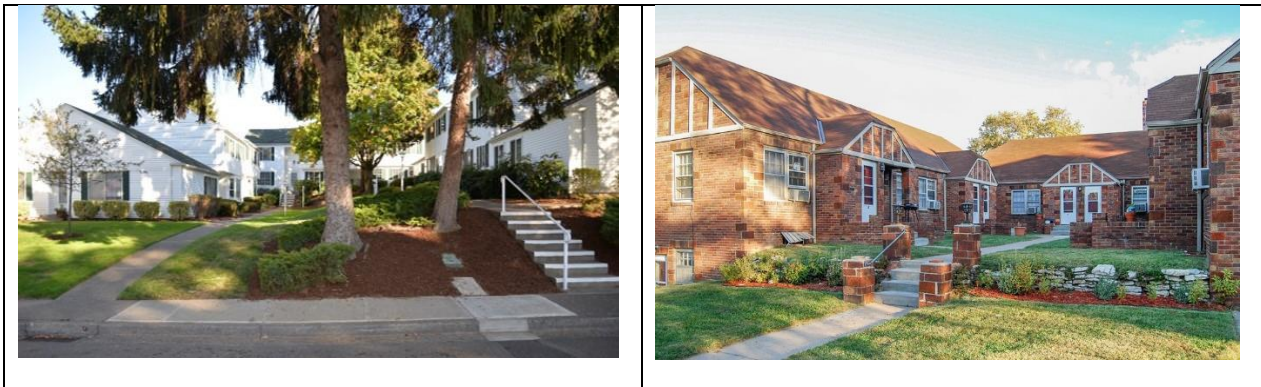
Diagram and Example Images of Cottage Cluster Housing



Image Credits: Daniel Parolek, Eli Spevak/Madeline Kovacs

Example Images of Courtyard Apartments





5. Short-Term Rental Housing Regulation

Short-term rental housing can impact the supply and cost of long-term rental (STR) housing if it becomes a significant portion of the local housing supply and market and if a majority of rental housing being developed is used for that purpose. Cities can regulate the operation and amount of short-term rental housing through various procedural and development code requirements. The City of Gold Beach already implements several strategies towards this end. They essentially consider STRs as a commercial use in residential zones and require that STRs be licensed. The City monitors the supply and location of STRs by regularly reviewing websites such as AirBnb and VRBO to ensure compliance with the City’s licensing requirements. If the City determines that the supply of STRs is adversely impacting the supply of long-term rentals, the City could consider imposing further limitations on the location or number of STRs in the City overall or in certain areas.

INCENTIVES

6. Incentive Zoning

Some development regulations can present obstacles or add costs to housing developments. In addition to or in lieu of financial incentives, the City can offer concessions on regulatory standards that provide meaningful economic value. The concessions should be offered in exchange for the development dedicating a minimum proportion of the units to be regulated as affordable to people with lower or moderate income. The incentives typically include relief from certain development standards such as parking, setbacks, or density. Examples include the following:

- **Parking reductions.** In general, research shows that households with lower incomes tend to have lower car ownerships and driving rates, particularly when residents have ready access to shopping and other opportunities and services. A number of jurisdictions in Oregon provide reductions in off-street parking requirements for developments that are affordable to households with low or moderate incomes. Typically, developments must commit to providing affordable units over a significant length of time (20-60 years).

- **Height or density bonuses.** Some cities allow higher density or greater height in exchange for a commitment to provide housing units that are affordable to households with low or moderate incomes. Height bonuses are typically in terms of number of stories (e.g., one story in an area with an existing height limit of 35 or 45 feet). Density bonuses are typically stated in terms of a percentage of units (e.g., 10-20% is a common threshold). The amount of the bonus can be tied to the affordability levels provided and/or to the number of affordable units. Additionally, setback and bulk standards may be allowed to vary to accommodate the added density or to reduce development costs. A height bonus could be particularly desirable in the 2-R zone where existing maximum heights are only 25 feet.

7. System Development Charge (SDC) Reductions, Exemptions, or Deferrals

System Development Charge (SDC) exemptions and deferrals can be used to reduce the cost of development. Many SDC methodologies are intended to be commensurable with the cost or impact to the system. Some missing middle housing types, such as ADUs (often associated with affordable units), do not fit within the levels within SDC methodologies because the impact of these types of housing on the need for water, sewer or transportation facilities is not equivalent to that of other housing units, given the reduced average size and occupancy of smaller units. Therefore, any reduction that can be justified based on reduced demand or impact (e.g. smaller units, multifamily vs. single family, housing types that tend to generate less traffic, etc.) is justifiable for reducing or potentially waiving SDCs for these housing types. This type of reduction is generally identified in the SDC methodology and rate setting.

Policy-based reductions, waivers, deferrals, or exemptions that do not have a basis in reduced impacts or costs are not explicitly addressed in Oregon’s SDC laws, and local jurisdictions have taken a range of approaches to navigating this ambiguity. Recent state legislation enabling inclusionary zoning (Senate Bill 1533) identifies SDC and permit fee reductions or waivers as incentives that may be offered to development impacted by an inclusionary zoning requirement. This legislation also has been interpreted by some communities as authorizing SDC reductions or exemptions for affordable multifamily development. Several cities in Oregon choose to exempt certain classes of development (including regulated affordable housing) from SDC requirements. Options for Gold Beach to consider include:

- Reducing or exempting required SDCs for qualifying affordable housing developments based on a commitment to long-term affordability of the units.
- Deferring payment of all or a portion of SDCs for affordable housing developments for a specified period of time.
- Updating the City’s SDC methodology so that it better reflects the impacts of smaller housing units on system impacts, and reducing SDCs for those units accordingly.

8. Expedited Development Review

Jurisdictions can search for ways to reduce time and costs of the review and permitting process to developers building desired housing types. This incentive can be accomplished by reducing review times, consolidating steps in the process, and reducing or simplifying submittal requirements. In few industries is the old adage that “time is money” more true than in the development industry. The developer is often tying up capital and/or paying interest on loans during the pre-development process. Any reduction in process time translates into reduced costs and greater certainty to the developer and their partners.

Streamlining the process can involve an internal audit of the process to ensure it is efficient for both staff and applicants. This might involve making all permits available in one location with one main contact, providing clear and accessible information on requirements, and also allowing enough flexibility to consider innovative or new forms of development. Streamlining the review and permitting process is usually administratively feasible, though the greatest obstacle is often staff resources to expedite some projects when staff is already busy and/or limited in size. While City review processes could be streamlined, other regulatory review processes also impact the length of the permitting process. For example, state permitting of wetland fill or removal would also need to be streamlined to have a meaningful impact on permit review processes where wetlands are potentially impacted.

Recent statewide legislation also requires that cities with a population over 5,000, and counties with a population over 25,000 allow for 100-day review and decision on qualified affordable housing applications. This does not yet apply to the City of Gold Beach but the City could consider updating its land use application and review procedures to provide for the shortened timeline for qualified affordable housing applications in the future.

9. Tax Exemptions and Abatements

Tax abatements are reductions in property taxes for affordable housing. Abatements may be provided to non-profit corporations or to private developers in exchange for developing affordable housing. Property tax exemptions/freezes can also be applied to housing in distressed areas, or for rehabilitated housing. Common tax abatement programs include vertical housing programs that provide property tax exemptions for development that reaches a certain height, and multifamily housing tax exemptions.

The City of Beaverton has an Affordable Housing Tax Exemption Program designed to promote construction of affordable rental housing for low-income households (focusing on 60 percent area median income and below). The program allows an exemption of up to 100 percent of property taxes. The City of Newberg has a Multiple Unit Housing Property Tax Exemption (MUPTE) that aims to encourage private development of multi-unit housing in transit-oriented areas by providing a ten-year property tax exemption on the residential portion of improvements. Newberg also has a property tax exemption of properties owned by low-income persons or held for the purposes of developing low-income housing.

Even smaller cities, such as Yachats, have applied tax exemption programs to qualifying low-income housing projects.

FUNDING SOURCES AND USES

10. Public-Private Partnerships (PPPs) and Community Land Trusts

The City can implement arrangements between public and private entities to create more and/or affordable housing. These PPPs can promote a variety of affordable housing programs or projects and include partnerships from multiple public, private, and non-profit entities such the Umpqua chapter of NeighborWorks. These efforts typically involve utilization of a variety of other housing measures or strategies, including those described in this report. Examples of these types of efforts implemented in other Oregon communities include the following:

- **The Fields Apartments, Tigard, OR.** A recent example of an innovative PPP in Tigard is The Fields mixed-use development, which is planned to include 260 housing units affordable to residents earning 60% AMI or below, including 26 units serving extremely low-income families at or below 30% AMI. The site will also include office development. To help facilitate the project, the City of Tigard worked with the property owner to pursue a grant from the Economic Development Administration that paid for infrastructure improvements to unlock the economic development potential of the site. The City also worked with the property owner to rezone the site, which allowed the apartments to be developed. As mentioned below, the Fields project received a LIFT award to assist with project financing, and the Washington County Housing Authority also contributed financing.
- **Our Coastal Village (Fisterra Gardens), Yachats, OR.** This project included use of several city, county and state programs. This included direct funding from Lincoln County to match other state, federal, and private funding sources bringing this project to fruition; tax abatement by Lincoln County; deferral of SDCs by the City of Yachats, and updates to the City's development code allowing flexible development standards for townhomes.
- **Local Innovation and Fast Track Housing Program (LIFT), State of Oregon.** LIFT is a state-administered program that was approved through legislation in 2016 and provides funding for new affordable housing across the state, including for projects by private developers. The program was developed with the goal of quickly providing affordable housing units to low-income families and has funded numerous projects since its inception, including the Fields Apartments in Tigard (provided \$9.8 million) described above and Cornerstone Apartments in Salem (provided \$4.9 million).

In addition to working with non-profit or other affordable housing developers to produce housing that meets the needs of low and moderate income households in Gold Beach, the City also can work with market rate developers to generally support residential development. Private market

developers appreciate clarity and certainty in the design and permitting process. Certainty helps the developer save time, make decisions to proceed, and avoid costly surprises further along in the process. In some cases, a developer will prefer the certainty of a clear process even if it has greater requirements and fees, over a complex and unclear process with nominally lower requirements and fees. This means that City development code, review processes, permitting process, fees etc. should be as easy to understand and navigate for the developer as possible.

The City can do this in multiple ways:

- Ensure that primary documents such as the Development Code and design standards are easy to use for a person moderately informed in the design or development process;
- Provide knowledgeable staff to answer questions regarding the entire process from planning to permitting;
- Create additional materials such as one-page handouts that summarize relevant code and process information, even if it is already available in longer documents
- Provide information about code provisions and other strategies described elsewhere in this report that can serve as incentives to develop housing in places with good access to transportation, services and facilities;
- Assign a single contact person to facilitate the development process for key projects, such as a large-scale development, prominent site location, or catalyst project; and
- Provide as much of this information in advance as possible. Try to provide estimates of time, requirements and fees to the extent practicable, while emphasizing that these are all preliminary estimates that may change. Avoid processes which require developers to commit extensive time and money before key requirements or public processes become apparent.

Community Land Trusts (CLT) is a model wherein a community organization owns land and provides long-term ground leases to low-income households to purchase the homes on the land, agreeing to purchase prices, resale prices, equity capture, and other terms. This model allows low-income households to become homeowners and capture some equity as the home appreciates, but ensures that the home remains affordable for future homebuyers. CLTs may also lease land to affordable housing developers for the development of rental housing or may develop and manage rental housing themselves. Land trusts are typically run as non-profits, with support from the public sector and philanthropy, and could be linked to a land bank. Land trusts can be focused on homeownership or rental units.

We are not aware of any specific land trusts operating in the Gold Beach area. The most active CLT currently operating in Oregon is Proud Ground. Proud Ground was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County. Proud Ground also offers homebuyer education and consulting services. Approximately 81 percent of the organization's funding is derived from public subsidy, mostly from the jurisdictions where Proud Ground operates. Habitat for Humanity also uses a similar

model for conveying homes to owners and uses volunteer efforts for construction of the homes to reduce construction costs.

The City's primary role in the CLT model would be to support an organization like Proud Ground, Habitat or similar organizations, either through financial contributions or through assistance in finding or acquiring properties for development.

11. Tenant Protection Programs and Policies

Tenant protections include local regulations and enforcement programs that provide protections for tenants of existing affordable housing and low-cost market rate (LCMR) housing against evictions, excessive rent increases, discrimination, and health and safety violations. Tenant protections can also provide various types of assistance to renters. The purpose of these protections is help tenants of affordable units to access and retain their housing, particularly for very low-income and other vulnerable community members. Tenant protections can be implemented through policies and/or programs. The Oregon State Legislature is currently in the process of reviewing Senate Bill 608, which would regulate some tenant protection policies statewide. With the exception of rent regulation, local jurisdictions have the ability create tenant protection regulations that go beyond state requirements as long as they do not conflict with them. Homeowner protection programs could include education as well as financial and technical assistance to stabilize and combat predation of low- and moderate-income homeowners. Rent stabilization legislation was adopted by the State of Oregon during the 2019 legislative session and the state will essentially administer associated programs. The remainder of this section focuses on other types of tenant protection programs.

Notification for No-Cause Evictions. Under the provisions of ORS 90.427, landlords are required to give 30- or 60-day notification of no-cause evictions. Previously, some jurisdictions, including Portland and Milwaukie, increased the no-cause eviction notice to 90-day. However, Senate Bill 608, mandates a 90-day notice for no-cause eviction statewide. Senate Bill 608 was passed on February 28, 2019 and is effective immediately.

Renter Relocation Assistance. These programs require landlords to pay a set amount to assist tenants when lease conditions change—such as no-cause eviction, substantial rent increase, or not receiving the option to renew a lease. Relocation assistance programs have been implemented by the cities of Portland, OR and Vancouver, BC during the last several years. Recent state legislation also addresses these programs.

Rental Registration. These programs allow jurisdictions to keep an accurate inventory of residential rentals. A well-maintained inventory can help improve notification of changes to local landlord-tenant laws. Also, the program helps monitor and protect tenants while requiring more responsibility and accountability from landlords.

Rental Inspection Program. Rental inspection programs monitor rentals to protect tenants and require more accountability from landlords. Inspection programs can be combined with a registration program or stand-alone. Also, the types of housing or dwellings that a required to register for the program can vary to all housing, affordable housing, multi-family housing, or other criteria. Several Oregon jurisdictions have rental inspection programs, including the cities of Gresham and Salem.

Several of these programs require relatively significant administrative time and resources and may not be appropriate for the City as this time but could be considered for implementation in the future.

12. Land Acquisition and Banking

Land acquisition is a tool to secure sites for affordable housing. Public agencies can identify locations where prices are going up and acquire land before the market becomes too competitive, with the intention to use the land for affordable housing. The ability to identify promising sites within these locations and act quickly and efficiently in acquiring them can tip the scales to make an affordable housing development financially feasible.

Land banking is the acquisition and holding of properties for extended periods without immediate plans for development, but with the intent that properties eventually be developed for affordable housing. Land banks are often quasi-governmental entities created by municipalities to effectively manage and repurpose an inventory of underused, abandoned, or foreclosed property. Public agencies or larger nonprofits may be better equipped than small community development corporations to do both land acquisition and banking.

This strategy may be a challenge for implementation in Gold Beach. Key challenges for land acquisition include reliably identifying future areas of gentrification before prices go up, developing the resources necessary to purchase the land, creating mechanisms for easy land transfer and removing the liability associated with holding land. Land banking requires significant up-front investment to acquire land, which typically requires grants, and funding partnerships—with nonprofits, public entities, and private financing—to reach necessary funding levels. In addition, while this technique can help address the long-term need for affordable housing, it will not address the current need in the short-term.

A more feasible way to implement this strategy in Gold Beach would be to assess the potential for any existing city-owned properties to be used for affordable housing development in the future and then seek non-profit or other affordable housing developers to lead the actual development efforts. In exchange for donating or selling city-owned land at a nominal price, the City would require a commitment to long-term affordability of any housing units developed.

13. Construction Excise Tax

A construction excise tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. Cities and counties may levy a CET on residential construction for up to 1% of the permit value; or on commercial and industrial construction, with no cap on the rate of the CET.

The allowed uses for CET funding are defined by the state statutes. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must 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 (OHCS) for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted.

To date, eight jurisdictions (Portland, Corvallis, Cannon Beach, Hood River County, Hood River City, Milwaukie, and Newport) have passed local CETs under the new state statutes, and many others are considering adopting the tool.

The primary advantage of a CET is that it would provide a source of funding for other programs or measures aimed at helping subsidize the cost of affordable housing in Gold Beach, either through city-led programs or those implemented by private or non-profit partners. In addition, once a CET is established, it would be straightforward to administer through the development permitting process. On the down side, CET increases development costs in an environment where many developers are already seeking relief from systems development charges, so it could impact development feasibility and increase the costs of housing more generally. However, by structuring the policy with offsetting incentives or tools to reduce development barriers, the City could potentially limit the impact on feasibility for certain projects.

Establishing a construction excise tax would necessitate that the Gold Beach City Council pass a new City ordinance. The City should work closely with the development and housing community in developing the fee structure. Implementing programs would need to be developed, and possibly coordinated with housing partners.