



Agenda Item

February 11, 2019

To: Honorable Mayor and City Council through City Administrator

From: Chris Kerr, Community Development Director *CK*,
Colin Cortes, AICP, CNU-A, Senior Planner

Subject: Briefing: Planning Commission Meeting to Host Discussion of Rent Burden /
Housing Affordability as Required by HB 4006 and OAR 813-112-0030

Recommendation:

Staff recommends no particular action and provides this information as an item of interest for the Council.

Background:

State Mandate

In 2018, the Oregon Legislature passed House Bill 4006 that through [Oregon Administrative Rules \(OAR\) 813-112-0030](#) required that:

“(1) When a city with a population greater than 10,000 is informed by the Housing and Community Services Department that at least 25 percent of the renter households in the city are severely rent burdened, the governing body shall hold at least one public meeting within the year of being informed, to discuss:

- (a) The causes and consequences of severe rent burdens within the city;
- (b) The barriers to reducing rent burdens; and
- (c) Possible solutions to reduce the rent burdened households within the city.”

The City through the Planning Division and with the assistance of the Community Relations Manager duly complied by hosting a discussion that opened the December 13, 2018 Planning Commission meeting, the agenda of which included a long-range planning project – the [Housing Needs Analysis \(HNA\)](#).

Staff e-mailed copies of the agenda and sign-in sheets to the Oregon Housing and Community Services Department (OHSC) by February 1, 2019 per rule subsection (2)(c) as well as the meeting notice and draft minutes as a courtesy supplements. The Commission meeting minutes are Attachment 1.

Local Survey

Staff conducted a survey through December 20 that received 36 responses, 35 online via SurveyMonkey and 1 in print. Staff summarizes the responses to the one-page, four-question survey:

1. *A "rent-burdened" household spends more than 50% of its income on rent. Are you rent-burdened? [Yes or No]*

Yes, 28; No, 8.

2. *What do you consider to be "affordable" housing?*

Of the 36 respondents, 17 gave a dollar figure or range for monthly rent or mortgage payment, while 12 gave a percentage or ratio of income. The remaining 7 skipped or gave nonsensical or vague responses.

The most common dollar figure was \$700, with 5 respondents. The lowest figure was \$450 and the highest \$1,000. The average of the dollar figures and ranges is \$610 rounded.

The most common percentage was a tie between 25% and 33-1/3%, with 3 respondents each. The lowest percentage was 25% and the highest 50%. The average of the percentages or ratios is 36% rounded.

As background, the standard minimum wage in and near Woodburn is \$10.75 hourly and will increase July 1, 2019 to \$11.25. The U.S. Census American Community Survey (ACS) [Table S1901](#) estimated that for 2017 the Woodburn median household income was \$47,042, equal to \$3,920 monthly. The percentage of households that earn below \$50,000 was 52.1%, and the percentage of households that earn below \$25,000 was 23.9%.

Assuming \$700 monthly rent or mortgage payment, for a household with \$25,000 income it would equal 33.6% of income. Alternately, assuming 36% rent for a \$25,000 household, the amount would equal \$750 monthly.

3. *Do you believe a lack of affordable housing is a problem in Woodburn?*

Yes, 32; No, 4.

4. *What do you believe would make housing affordable? How?*

Of the 36 respondents, 8 respondents indicated rent control based on incomes, with one of them also specifying caps on mortgage payments as percentages of salaries and a different respondent specifying rent control based on the conditions of properties.

Further, 6 respondents indicated increasing housing supply, 4 indicated increasing income or minimum wage, and 4 indicated simply to lower rents.

Idiosyncratic comments included to:

- Allow tiny houses and provide low-interest or interest-free loans to build tiny houses;
- Cap homebuilder/landlord profit margins to 25%;
- Cap housing prices by area based on average income of an area;
- Increase supply of income-restricted housing;
- Increase supply of middle class housing for those too wealthy to qualify for income-restricted housing but too poor to afford market-rate housing; and
- Raise taxes on the wealthy.

Media Coverage

The December 19, 2018 print issue of the Woodburn *Independent* reported on the meeting ([“Woodburn planners hear about affordable housing woes”](#)).

Attachment: Planning Commission December 13, 2018 meeting draft minutes (5 pages)

**WOODBURN PLANNING COMMISSION PUBLIC
HEARING/MEETING MINUTES
December 13, 2018**

CONVENED: The Planning Commission met in a public meeting session at 7 p.m. in the City Hall Council Chambers, with Chair Charlie Piper presiding.

ROLL CALL:

Chair	Piper	Present
Vice-Chair	Bandelow	Present
Commissioner	Aiken	Present
Commissioner	Corning	Present
Commissioner	Dos Reis	Present
Commissioner	Lassen	Present
Commissioner	Berlin	Present

Staff Present: Chris Kerr, Community Development Director
McKenzie Granum, Assistant City Attorney
Colin Cortes, Senior Planner

Introduction

Chair Piper opened the workshop/meeting at 7 pm, and led the Commissioners in the flag salute.

Minutes

The November 8, 2018 minutes were approved as corrected.

Business from the Audience

Mayor Eric Swenson was introduced to the Commission and audience.

Communication

None

Public Meeting:

Commission Discussion:

HB 4006: Statutorily Required Hosting of Meeting about Affordability of Housing / Rent Burden and Reporting to the State

The Oregon Legislature passed House Bill (HB) 4006 that among other actions requires through Oregon Administrative Rule (OAR) 813-112-0030) that cities including Woodburn with rent burdened populations to host by year's end a meeting about the affordability of housing and report

to the legislature a list of attendees and a meeting summary. The required topic wording is:

- “(a) The causes and consequences of severe rent burdens within the City;
- (b) The barriers to reducing rent burdens; and
- (c) Possible solutions to reduce the rent-burdened households within the City.”

Online and print surveys are available for interested persons to fill out and return by Dec. 20, 2018 at 5pm. Staff will report testimony received during the meeting to the legislature.

Gustavo Gutierrez-Gomez, Community Relations Manager, translated for the the Commission and in turn for the Spanish-speaking audience.

Maria Elena Guerra, Farmworker Housing Development Corporation (FHDC), claimed the City in 2015 conducted a workforce housing study that found 75% of the workforce cannot afford to live in town. She spoke about the development of income-restricted Colonia Unidad [1750 Park Avenue; Design Review 2017-02], comprised of 44 low-cost apartment units and said there is a great need for affordable housing in Woodburn. She explained that Oregon Housing and Community Services (OHCS) weighs grant applications with siting being a criterion, and that because Woodburn has more than its share of official affordable housing looking across Oregon as a whole, the town is “oversubscribed” such that OHCS would give no points for a project location being Woodburn, apart from actual need in town.

Lorrie Cox, 1700 Rainier Road, described herself as a mother of four elementary school-age children and someone who had endured the school of hard knocks in life such that she and her children had some time ago unexpectedly lost her usual income and their house and that during the interim she rented, the rent amount was within \$10 of her total take-home pay. She emphasized that calamity can befall people such that they find themselves in need of an affordable rental.

A woman who spoke Spanish and resides on Aztec Drive stated that affordable Woodburn living spaces are saturated, with five or six people living in a room, paying \$300-400 apiece. She mentioned predation by landlords includes rental application fees charged per person even for family members and multiple would-be tenants for a single unit. She has experienced great difficulty with the complicated applications and money that was required with each application. She suffered at least one one-week eviction notice. Waiting lists for rentals range from five months to a year. She stated landlords look upon renters like her as suspect and unable to keep up rent payments. As she is not a farmworker, she cannot work with Farmworker Housing, and migrant labor consumes the housing market during season

Pam Phan, of the statewide Community Alliance of Tenants (CAT), thanked the City for the mailed invitation to the meeting and introduced Oregon Revised Statutes (ORS) 90 as constituting state landlord/tenant law. CAT receives hundreds of calls monthly, and Marion County residents generate many calls including from Woodburn. Marion County is a top concern for CAT, even more than Multnomah County. No-cause evictions are a problem, and tenants' fear of them can and has led them not to make maintenance requests such that it hastens dilapidation of some properties. CAT offers to suggest solutions to the City and seeks to persuade the City to adopt local renter protections, including to:

- Train about renters' legal rights and lease responsibilities
- Increase no-cause eviction notice to 90 days minimum
- Fund legal aid
- Require relocation support, e.g. a small nominal fee paid by a landlord who opts for a no-cause eviction or even "damages" such as three times the monthly rent
- Ban no-cause evictions by requiring they be of "good" or "just" cause.

Ms. Phan noted also that landlords would be more likely to negotiate with and retain tenants when tenants are able to work with them, reducing for landlords the costs of finding replacement rental income.

A woman who lives on NE McKinley Street in Portland spoke to "(a) The causes and consequences of severe rent burdens within the city", stating that Hispanic housing demand reinforces that demand. She seeks that because the City has a loop bus service and close-in destinations as a small city, along with the existing Hispanic population these further attract Hispanics. Married with three children, she often is blocked from a rental because of a landlord's occupancy limit. She has shared a rental house with another family. Speaking to "(b) The barriers to reducing rent burdens", tenants' credit records can be an obstacle.

A man named Aaron said that housing is too expensive; that after paying Woodburn's high rent and basic bills, his paycheck is gone.

Commission Workshop:

Housing Needs Analysis (HNA): Task 2 "Housing Needs Projection"

Introduction of Project: The City will be conducting a housing needs analysis so that Woodburn can better provide needed housing. Project objectives are to:

- Guide decisions to ensure future growth is orderly, and efficient
- Ensure adequate land is inside of the Woodburn urban growth boundary (UGB) to accommodate projected housing growth
- Consider housing policies the city could consider to improve housing availability and affordability, and

- Update and develop long-range planning policies in a manner that preserves the character of the city and helps achieve a high quality of life.

Objectives are for commissioners to ask questions of the consultant and staff and to discuss and describe what the project objectives mean to them concretely and what success looks like beyond legal and technical aspects. The Commission will advise on the HNA and meet additional times as the project proceeds to completion in June 2019.

Tim Wood, FCS Group, said that Housing Needs Analysis (HNA) is a statewide goal. He presented a review of housing data and will return in March 2019 to bring the Commission up to date with further results.

Chair Piper verified that FCS used the 2016 census as a baseline and that growth estimates came from Portland State University (PSU), which was tasked by the state to forecast population/housing growth. Mr. Wood will research the algorithms PSU used to arrive at the numbers quoted and get back to the Commission with a brief synopsis. As the proposed survey will eventually result in further data based on the numbers received from PSU, the Chair wondered if further analysis will be conducted as the twenty year timeline grows shorter. Senior Planner Colin Cortes noted that we are required to use PSU's numbers and said that as the time grows near to its twenty-year end, the City will decide whether to repeat the forecast and a new HNA.

Woodburn has been averaging 60 home permits a year. Those average numbers will skew once the Smith Creek Development [105 Ben Brown Lane and vicinity; Subdivision 2017-01] is developed.

Public Hearing:

Public Facilities Plan (PFP) Update Comprehensive Plan Legislative Amendment (LA 2018-03)

Consideration of a legislative amendment to the Comprehensive Plan to incorporate a modified Public Facilities Plan (PFP). The PFP identifies major infrastructure projects proposed to meet future demand in the City. The Commission is required to make a recommendation on the proposal prior to City Council consideration.

Lorrie Cox, 1700 Rainier Road, said that infrastructure for internet in Woodburn is sorely lacking. The proposed homes in Smith Creek may be sold to professionals that work from home. If we don't address the internet infrastructure needed, we may lose this whole section of possible buyers.

The public hearing was closed.

Director Chris Kerr noted that cable services aren't part of the Public Facilities Plan. Chair Piper said that the previous comment about internet infrastructure was valid in itself, though.

Commission Comments:

Commissioner Dos Reis moved to amend the Comprehensive Plan to include the proposed Public Facilities Plan. Commissioner Bandelow seconded the motion, which was approved unanimously.

Business from the Commission

None.

Staff Updates

Commissioner Berlin was officially reappointed to a regular 4 year term of office. There will be no meeting on the fourth Thursday in December and a meeting on the second Thursday in January is doubtful. However, there will be a Planning Commission meeting with involving an annexation, a variance and a modification of conditions on the fourth Thursday in January.

This is the last Planning Commission meeting at this location. For the next six months all Planning Commission and City Council meetings will take place at the Community Room in the Police Department. All City functions, including bill paying, will be available City Hall's well-publicized new location at 970 N Cascade Drive.

Adjournment

The meeting was adjourned at 9:00 pm.

APPROVED _____
Charlie Piper, Chair

Date

ATTEST _____
Chris Kerr
Community Development Director
City of Woodburn, Oregon

Date