



HOUSING PRODUCTION STRATEGY

City of Lebanon | June 2023

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EXECUTIVE SUMMARY

This document serves as the Housing Production Strategy (HPS) report for the City of Lebanon, as required by state law (OAR 660-048-0050). The HPS was developed in partnership with the community and local stakeholders in 2022-2023. The HPS addresses how the City will promote the development of needed housing identified in the City's Housing Needs Analysis (HNA) created in 2019 and adopted in 2023.

The HPS is organized in four sections:

Section 1: Lebanon's Housing Needs provides a summary of Lebanon's current and future housing needs, factors affecting housing production, and housing-related equity concerns.

Section 2: Engagement includes a summary of stakeholder and community input that was used to develop the strategies and actions included in the HPS as well as some recommendations for future engagement.

Section 3: Strategies to Meet Future Housing Need contains a list of nineteen (19) specific actions the City intends to undertake to fulfill its commitment to meeting its housing needs.

Section 4: Achieving Fair and Equitable Housing Outcomes includes a narrative summarizing how the actions in the HPS, in combination with other City actions, will achieve equitable housing outcomes.

Housing Needs

The HNA, Contextualized Housing Need Summary (Appendix A), stakeholder and community engagement, and Planning Commission and City Council input informed selection of the strategies and actions included in the HPS.

Current Housing Needs

- Increased production of housing for sale, including housing types other than single-family units, will be necessary to provide options that are affordable to middle income households.
- A substantial amount of market-rate multi-family rental housing has been built since 2019, but there is still a need for a high number of affordable rental units for very low income households.

Future Housing Needs

Lebanon expects to add around 5,700 new residents over the next 20 years. To accommodate these new residents, 1,617 new dwelling units are needed. These units are needed at various income levels and as for-sale or rental housing, as summarized in the table below:

Income Level	Owner Occupied	Renter Occupied	HNA Total	Built 2019-2022	Remaining Need ¹
Upper (120% or more of MFI)	404	29	676	-243	433
Middle (80% to 120% of MFI)	355	0	598	-243	355
Low (50% to 80% of MFI)	282	27	551	-242	309
Very Low (30% to 50% of MFI)	64	139	277	-74	203
Extremely Low (less than 30% of MFI)	0	317	400	-83	317
Total	1,105	512	2,503	-885	1,617

¹ Remaining need consists of housing need established by the 2019 Housing Needs Analysis (HNA Total column), minus housing that was built between 2019-2022.

Lebanon has made significant progress toward meeting its 20-year housing need since 2019, but ownership housing and rental housing affordable to lower income households remain key needs. The following findings have been identified related to these key needs:

- Lebanon needs to produce single-family dwellings at a faster rate to meet long-term needs.
- Home prices are increasing rapidly, and homeownership is out of reach for many local residents. Strategies to encourage development of for-sale housing available at lower prices should be implemented to target these challenges.
- New rental housing serving lower income households needs some form of public subsidy or incentive to be built. The City, alongside existing state and federal programs, can provide incentives that help to close the gap in financing affordable housing.
- New housing is needed for all income levels in order to create a healthy, well-functioning housing market.

Factors Affecting Housing Production

- There is enough buildable land zoned for housing overall, but that does not mean that land is available and practical to develop. Wetlands and steep slopes constrain development on many sites, and major infrastructure improvements may be necessary before some sites can be developed at sufficient residential densities.
- The HNA recommends that the City consider new policy measures aimed at encouraging middle housing and multi-family development on selected areas zoned medium density, commercial or mixed use.
- Market factors outside the City's control—such as job and population growth, construction costs, the developer pool, and availability of financing—will continue to impact how much and what type of housing is produced.

Community Engagement

Input from local housing stakeholders, the Planning Commission, City Council, staff and the public shaped the HPS. The general themes of this input included:

- Lebanon is an ideal City to do business in, and developers appreciate how easy the City is to work with.
- The city's primary housing challenges include lack of housing that is affordable to households with lower incomes, lack of options for rental housing, and lack of options for first time homebuyers.
- In response to these challenges, stakeholders expressed broad support for the City to encourage smaller and more affordable housing options, encourage redevelopment of upper floors in downtown buildings, and provide first-time homebuyer assistance and development incentives for affordable housing.

Strategies and Actions

The strategies and actions included in this document were initially identified by the project consulting team based on experience with similar policies in similar jurisdictions, an audit of the City's existing zoning code and housing policies, physical and financial modeling of hypothetical development projects, best practices research, and a list of potential strategies published by Oregon Department of Land Conservation and Development (DLCD). Working collaboratively with City staff and based on input from stakeholders and the community, the consulting team refined the strategies and actions to best fit Lebanon's housing needs and the City's capacity for implementation over time.

The actions in this document fall into four strategic categories: (1) Land Use and Zoning Changes; (2) Development Incentives; (3) Land-Based Strategies, and; (4) Public Projects and Resources. There is a summary devoted to each action, which includes a description of and rationale for the action, steps to implement it, implementation considerations, an implementation timeline, an estimate of magnitude of the

action's impact, and some suggestions for measuring progress on implementation. Once adopted, it is assumed that these actions will continue to impact the production of needed housing over time.

Achieving Fair and Equitable Housing Outcomes

The actions included in the HPS have been evaluated in terms of their impacts on:

- Location of Housing
- Fair Housing and Housing Choice
- Housing Options for Residents Experiencing Homelessness
- Affordable Homeownership and Affordable Rental Housing
- Gentrification, Displacement, and Housing Stability

Of the nineteen (19) actions included in the HPS:

- Ten (10) may have a high impact on development of market-rate housing.
- Ten (10) may have a high impact on development of workforce housing.
- Eight (8) may have a high impact on development of single-family housing.
- Six (6) may have a high impact on development of income-restricted affordable housing.

Appendices

- **Appendix A** contains a summary of Lebanon's Contextualized Housing Need.
- **Appendix B** contains a summary of all strategies considered for inclusion in the HPS.
- **Appendix C** contains a summary of community engagement efforts, including a community survey, that informed development of the HPS.

1

What are Lebanon's Housing Needs?

Lebanon completed a Housing Needs Analysis (HNA) in 2019. The HNA provides a basis for the City to anticipate future land and housing needs and to develop strategies to meet those needs using data and projections related to buildable lands, population growth, and employment trends. The HNA informed the Contextualized Housing Need Summary (see Appendix A). Key information about Lebanon's housing needs is summarized in this section. This summary is intended to help the City to select the most appropriate and effective strategies to facilitate housing production.

Current Housing Needs

Increased production of housing for sale, including housing types other than single family units, will be necessary to provide options that are affordable to middle income households.

Increasing the annual rate of single-family housing construction is needed to keep pace with demand. While new single-family detached houses are less likely to be attainable for low or middle income households, different options—such as small lot houses, duplexes or cottage cluster housing—are more likely to be attainable at a price point that is affordable to moderate income households. Very few of these attainable housing types have been built in recent years.

A substantial amount of market-rate multi-family rental housing has been built, but there is still a need for a affordable rental units for very low income households.

Lebanon has a relatively low median household income and a relatively high proportion of households below the poverty level

compared to regional and state averages. Over 700 rental units have been constructed in Lebanon since 2019, including 188 units that were built specifically for low and moderate income households. However, there is still a need for more than 500 units that are affordable to low income households to be built in the next 20 years. Rental housing that is affordable to low income households requires the greatest level of public subsidy to be economically feasible to construct.

A better understanding of the barriers to development on buildable lands is needed in order to strategically target actions to make land ready for development.

Wetlands and steep slopes constrain development on many sites, and major infrastructure improvements may be necessary before some sites can be developed at sufficient residential densities. Solutions are needed to reduce the cost and complexity associated with developing on these sites.



**Future
Housing
Needs**

Lebanon will continue to grow at a steady rate, and a significant amount of new housing is needed to accommodate that growth.

Lebanon expects to add around 5,700 new residents by 2039. To accommodate these new residents, the city will require the addition of 1,617 new dwelling units. These units are needed at various income levels and as for-sale and rental housing.

Figure 1 displays the total number of housing units projected to be needed between 2019 and 2039. Figure 2 provides the adjusted net remaining housing need, accounting for housing that was permitted between 2019 and 2022.

Lebanon needs to produce single-family dwellings at a faster rate to meet long-term needs.

If the City continues the historical average housing production rate of about 153 units per year, then it will satisfy the overall forecasted housing need by 2039. However, the City needs to double the rate of single-family housing production specifically in order to keep pace with projected need.

FIGURE 1. HOUSING NEED BY INCOME LEVEL AND TENURE, 2019-2039

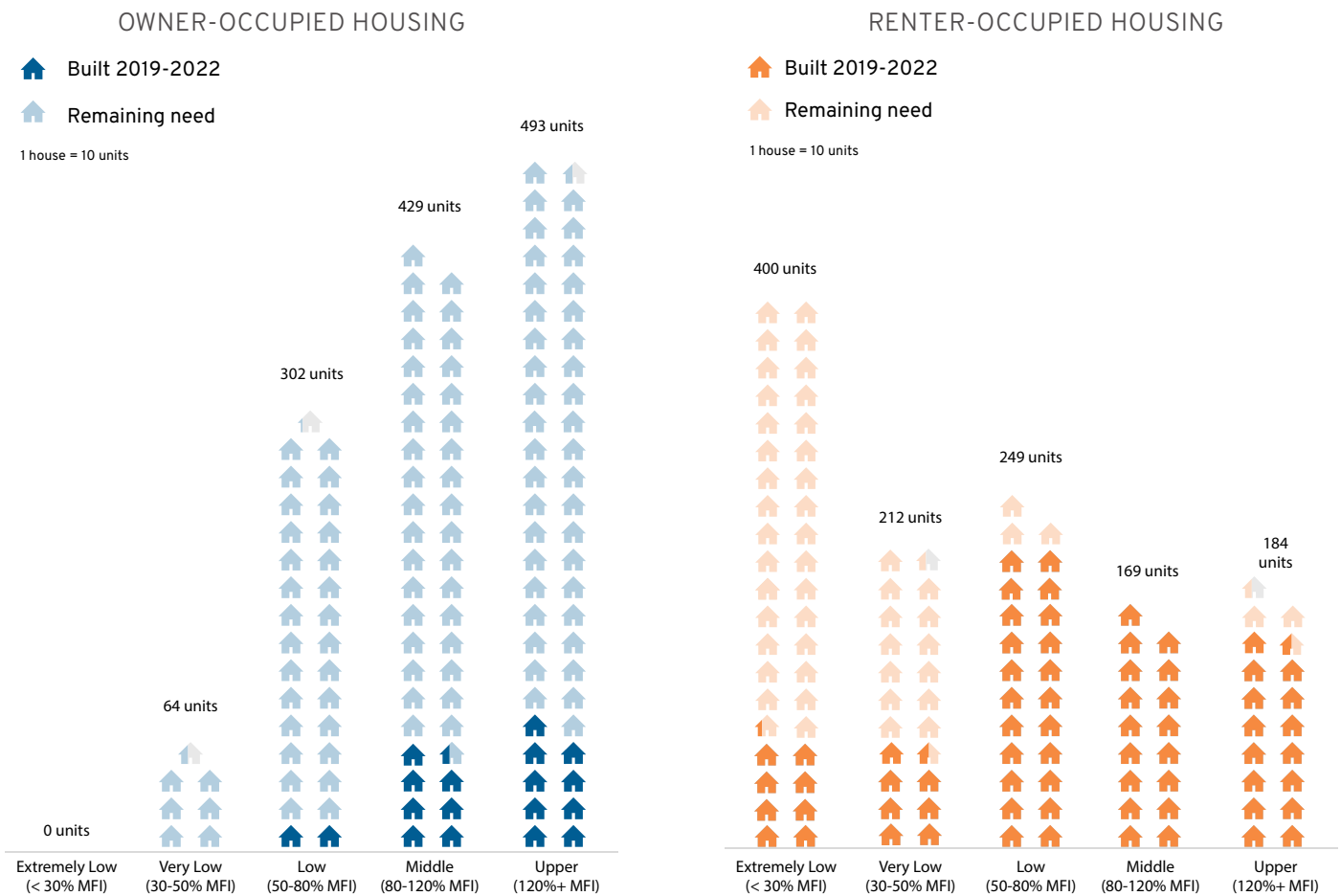


FIGURE 2. NET REMAINING HOUSING NEED BY INCOME LEVEL AND TENURE, 2023-2039

Income Level	Owner Occupied	Renter Occupied	HNA Total	Built 2019-2022	Remaining Need ¹
Upper (120% or more of MFI)	404	29	676	-243	433
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¹ Remaining need consists of housing need established by the 2019 Housing Needs Analysis (HNA Total column), minus housing that was built between 2019-2022.

Home prices are increasing rapidly, and homeownership is out of reach for many local residents.

Code changes and other strategies can help to encourage development of single-family detached housing types available at lower sales prices, such as smaller houses on smaller lots and cottage cluster housing. Infill design standards should be simplified to comply with state requirements and encourage more infill housing development.

There are code barriers to providing housing at prices that are affordable to the local market.

Parking, density, and open space standards for affordable multi-family development should be recalibrated in the form of a density bonus to encourage development of income-restricted affordable units. In addition, more flexibility for housing should be allowed in some commercial areas.

New rental housing serving lower income households needs some form of public subsidy or incentive to be built.

The City, alongside existing state and federal programs, can provide incentives that help to close the gap in financing affordable housing.

New housing is needed for all income levels in order to create a healthy, well-functioning housing market.

Just over half of the net new housing need in Lebanon is for housing attainable for people earning 80% of the median household income and below. Due to the costs of development, new, privately developed housing units are less likely to be affordable to households at those income levels. However, if higher income households occupy newer units, this opens up older, less expensive units for middle to lower income households. For this reason, it is important for the City to facilitate development of new housing that is affordable to households of all income levels.

Factors Affecting Housing Production

In addition to being informed by current and future housing needs, the strategies and actions of the HPS are informed by an understanding of some of the key factors that are affecting housing production in Lebanon. These are identified below.

There is enough buildable land zoned for housing overall, but that does not mean that land is available and practical to develop.

An inventory of the city's buildable land for housing found a sufficient supply of land to meet expected housing needs overall. An expansion of the Urban Growth Boundary (UGB) is not necessary. However, some land may not be in an attractive location for housing, be encumbered with environmental constraints not considered by the buildable land inventory, or be costly to serve with infrastructure.

The HNA recommends that the City consider new policy measures aimed at encouraging middle housing and multifamily development on selected areas zoned medium density, commercial or mixed use.

The HNA indicates a surplus of 240 acres for low density housing as well as a surplus 63 acres for high density housing, but there is no surplus or deficit of land for medium density housing. Policy measures aimed at encouraging development of medium density housing and multifamily housing in zones where a variety of densities are allowed are recommended as a tool to meet future housing needs.

Market factors outside the City's control will continue to impact how much and what type of housing is produced.

Most of the city's housing stock is supplied by the private market. The rate of housing production and the mix of housing types that are produced is primarily driven by economic conditions and the dynamics of the real estate market. These factors are listed blue box below.

Market Factors Influencing Housing Production

Population and Job Growth. Lebanon has seen slower population and job growth than some other areas of the region, state and the northwest. Developers are more likely to invest in high growth areas and may overlook places with more modest growth rates.

Construction Costs. Local incomes may not be keeping up with the costs of development. Construction costs are at an all-time high across the country, and they may be even higher in small towns such as Lebanon due to a lack of construction laborers and higher costs to transport materials.

Developer Pool. Due to the factors noted above, there may be relatively few developers or home builders who are interested in building in Lebanon. This is likely to change over time if local market conditions improve and developers perceive there is a strong demand in Lebanon for new housing.

Financing Options. Even if a developer is interested in building in Lebanon, they likely still need to obtain financing from a bank or other lender. Lenders may be unwilling to fund a project unless there are comparable projects in the same area that have shown to be successful.

Equity: Whose Housing Needs are Not Being Met?

It is important for the City to not only consider how many housing units are needed in the future, but whose housing needs are not being met and what impacts those unmet needs may have on that population and the City as a whole. Some population groups are disproportionately impacted by a lack of housing options that meet their needs compared to other groups or the population as a whole, including Black, Indigenous and People of Color (BIPOC), people experiencing homelessness, people with disabilities, seniors, and students.

For this reason each action included in the HPS includes a summary of equity targets, highlighting the degree to which that action will help to produce housing that can meet the needs of specific populations that may be disproportionately impacted by housing issues. For more discussion of the needs of some of these specific groups, see the Achieving Fair and Equitable Housing Section.



2

COMMUNITY ENGAGEMENT

The implementation of the Housing Production Strategy (HPS) will impact many existing and future residents of Lebanon. The HPS was developed with input from a variety of community members and stakeholders in the housing development process. This engagement process included stakeholder focus groups, a public open house, an online public survey, and five (5) City Council and Planning Commission work sessions.

Stakeholder Meetings

Three stakeholder meetings were conducted in July 2022. The three stakeholder groups included: community-based organizations, schools, and the development community. The following is a summary of the key themes that emerged from these interviews:

- Lebanon is an ideal City to do business in, and developers appreciate how easy the City is to work with.
- The following populations were commonly identified as having particular challenges in meeting their housing needs: teachers, college students, disabled, and elder populations. These populations were identified as needing both affordable rental and ownership housing.
- There are significant barriers for lower income renters to obtain a lease, including application fees, deposits, and lack of short term leases for college students.
- Demand for single-family housing remains strong.

- A significant amount of land is impacted by wetlands and this increases the cost and complexity of housing development in impacted areas.
- High parking and open space standards for multi-family housing may be a barrier to development, particularly for affordable housing.
- System Development Charges (SDCs) are challenging for developers to offset for certain types of projects, such as smaller unit and multiple-unit developments, due to the rate structure, which does not scale by unit size, and the timing of payment (before the building is occupied).
- An SDC waiver should be considered as a development incentive for affordable housing.
- Allowing housing in commercial zones without requiring commercial uses on the ground floor may remove a barrier to development.
- Infrastructure costs to serve greenfield sites are a barrier to development.

Planning Commission and City Council Meetings

Planning Commission and City Council work sessions were held in October 2022, as well as a Planning Commission work session in January 2023, a joint Planning Commission and City Council work sessions in February 2023, and City Council work sessions in March 2023 and May 2023, to provide an overview of the Housing Production Strategy requirements and process, receive feedback on the Contextualized Housing Need memo, and discuss and receive feedback on draft strategies and actions.

Community Workshop, Open House, and Survey

An online community survey was created during the fall of 2022 to educate the public about the project and solicit feedback on housing issues and needs in Lebanon.

A community workshop was held in November 2022 to collect feedback from the community on housing issues and draft housing production strategies.

Several residents of Lebanon attended the community workshop and 209 people responded to the public survey. A summary of the public meetings and a record of online survey results is provided in Appendix C. Key themes of the workshop and survey are summarized below:

- The top three housing related issues that were identified in Lebanon are lack of housing that is affordable to households with lower incomes, lack of options for rental housing, and lack of options for first time homebuyers.
- In response to these issues, broad support was expressed for the City to encourage smaller and more affordable housing options such as duplexes, cottage homes, townhouses and small lot single-family housing from both the survey and public meetings. Respondents to the survey also support the City addressing housing issues by continuing to invest in the construction of infrastructure and continuing to dedicate resources to help increase the supply of income-restricted affordable housing.
- A few solutions were identified to address housing needs in Lebanon such as encouraging redevelopment of upper floors in downtown buildings, first-time homebuyer assistance, and providing development incentives for affordable housing.
- A few concerns were identified such as impacts of new housing to on-street parking, too few housing units being developed, significant increase in apartments being developed instead of single-family homes, and offering incentives to developers without receiving significant public benefit in return.

Implementing Community Feedback into HPS

Input from housing stakeholders, the Planning Commission and City Council, and public shaped the HPS in two ways. At the outset of the project, the insights from the engagement activities helped the consultant team to focus on the types of strategies that might be most effective in meeting Lebanon's housing needs and would be supported by the community. The general themes of this initial input included:

- Broad support for more flexible zoning requirements and allowance for a wider range of housing types.

- Support for incentives such as fee waivers or parking requirement reductions to help facilitate affordable housing development. These types of incentives do not always require a new source of funding for their support and so were seen as more feasible to implement for a smaller community such as Lebanon.
- The confirmation from local real estate professionals that there was a key need for more ownership housing options, particularly single-family housing options. Many of the zoning recommendations specifically address ownership housing options, including cottage housing and small lot single-family houses.

Once the draft set of strategies was prepared, input from engagement also shaped the final set of strategies included in the HPS. A handful of strategies were removed from the final HPS after feedback from the community and Council members indicated that they lacked widespread support. The full list of draft strategies and actions proposed for inclusion in the HPS can be referenced in Appendix B.

Recommendations for Future Engagement

The following recommendations are provided for consideration in future updates to the HPS and during implementation of any of the actions in the HPS.

- Consider forming a housing committee made up of different interest groups/stakeholders, including both consumers and producers of housing—such as people experiencing homelessness, people living in low-income housing, local homebuilders, real estate professionals, higher education representatives, local employers and non-profit affordable housing providers—in order to provide more opportunities for review and input on strategies included in the HPS as they are implemented over time.
- Use a variety of approaches to build awareness of the HPS among the general public and to encourage participation. This may include communicating through trusted leaders in the community, additional media outreach, and offering incentives for participation.
- Provide multiple formats and times for public engagement meetings. The COVID-19 pandemic introduced new possibilities for meetings, including virtual, in-person and hybrid options as well as the ability to record meetings for community members to watch and/or listen to at their convenience.

3

STRATEGIES TO MEET FUTURE HOUSING NEEDS

The strategies and actions included in this document were initially identified by the project consulting team based on experience with similar policies in similar jurisdictions, an audit of the City’s existing zoning code and housing policies, physical and financial modeling of hypothetical development projects, best practices research, and a list of potential strategies published by Oregon Department of Land Conservation and Development (DLCD).

Working collaboratively with City staff and based on input from stakeholders and the community, the consulting team refined the strategies and actions to best fit Lebanon’s housing needs and the City’s capacity for implementation over time.

Format

The actions in this document fall into four strategic categories:

- Land Use and Zoning Changes
- Development Incentives
- Land-Based Strategies
- Public Projects and Resources

The categories are described in more detail below. There is a summary table devoted to each action, which includes a description of and rationale for the action, steps to implement it, implementation considerations, an adoption timeline, an implementation timeline, an estimate of magnitude of the action’s impact, and some suggestions for measuring progress

on implementation. Once adopted, it is assumed that these actions will continue to impact the production of needed housing over time.

Housing Need Targets



The HPS considers the impact of each action on targeted housing needs in four areas:

- **Affordability Targets:** This section evaluates the degree to which an action will help to produce housing affordable to various income levels. The evaluation is based on the housing types that are most likely to be produced as a result of the action and the extent to which the City can target the action to meet housing for certain income levels.
- **Housing Type Targets:** This section evaluates the degree to which an action will help to produce single-family, “missing middle,” and multi-family housing.
- **Tenure Targets:** This section evaluates the degree to which an action will help to produce housing that is either for-sale or for-rent.
- **Equity Targets:** This section evaluates the degree to which an action will help to produce housing that can meet the needs of specific populations that may be disproportionately impacted by housing issues.

Impact Levels

There are a multitude of production strategies and actions in this document that are geared toward the production of needed housing. Each strategy and action is targeted to different types of needed housing, resulting in varying impact levels for different evaluation factors. The impact of each action on a housing need has been assessed as follows:

- **Low or no impact:** This indicates that the action is very unlikely to help meet the relevant housing need either because the action would not lead to production of a housing type that would benefit that need or population or because there are limitations in how that housing type can be targeted to specifically meet that need.

-  **Moderate or potential impact:** This indicates that the action either (1) may have a moderate impact on meeting the relevant housing need or (2) the implementation of the action could potentially be designed to target that need.
-  **High impact:** This indicates that the action may directly benefit a certain housing need and is likely to be most effective at meeting that need relative to other needs.

Strategy Categories

The four strategic categories are described below.

Land Use and Zoning Changes

Reform zoning and land use regulations to respond to housing needs. This category presents a set of actions that would remove or lessen regulatory barriers to housing development to help meet the City's housing needs. The actions are based on an in-depth review of the City's Development Code as well as feedback from local developers and community members.

Development Incentives

Modify tax, fee, or regulatory policies to reduce the cost to develop housing. This category presents a set of potential incentives the City can offer to encourage development of housing in general and of specific needed housing types.

Land-Based Strategies and Partnerships

Leverage the high value of land to catalyze housing development. This category presents a set of actions that involve acquiring, disposing, or holding land to be used for housing

Public Projects and Resources

Organize public projects and resources to catalyze housing development. This category presents a set of actions the City can take to continue existing efforts or implement new partnerships and programs to directly spur housing development.

1 Land Use and Zoning Changes

ACTION 1.1

Encourage smaller, single-family detached houses



Source: Zillow

IMPLEMENTATION TIMELINE



IMPACT TARGETS

- HIGH
 MEDIUM
 LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Create a new small lot single-family land development tool to allow single-family detached houses on smaller lot sizes from 2,500-3,500 square feet in the Residential Mixed Density (Z-RM) and Mixed Use (Z-MU) zones. Consider tools such as a maximum floor area or floor area ratio that limit the size of houses on these smaller lots in order to achieve the intent of the code change. To be eligible for a minimum lot size reduction, projects would need to qualify as a small lot single-family development, adhere to maximum floor area or FAR standards and meet any common open space requirements.

RATIONALE

The existing minimum lot size of 5,000 square feet for a single-family detached house is a barrier to more attainable, smaller houses on smaller lots. To build on lots smaller than 5,000 square feet, the current code requires either attached houses (townhomes) or zero lot line houses. These housing types are more complex to build, and based on developer and community member input, conventional detached single-family houses are preferred.

IMPLEMENTATION: STEPS

- Determine if this change should be packaged with other code and zoning changes.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

- Demand for houses on smaller lots may be less than conventionally sized lots. However, given the lack of affordable for-sale housing, many households may be willing to trade smaller lots for lower costs.
- Allowing for small lots could reduce access to recreation/open space. This may increase demand for city parks. It may be appropriate to require privately owned common open space for subdivisions with smaller lots.

MAGNITUDE OF IMPACT

- This code change could enable a 44% reduction in the minimum price per unit needed for a single-family housing project to be economically feasible. This can foster for-sale housing units affordable to households at workforce income levels.
- This change would make roughly 189 existing lots (8% more lots) in these zones eligible for development of a new detached house and add additional potential to subdivide large lots into more home sites. Allowing smaller lots in these zones may improve the feasibility of developing more sites in these zones.

MEASURING PROGRESS

- Analyze land use and building permits annually to track how many new permits are issued for single-family detached lots under 5,000 square feet in these zones.
- If a significant number of units are produced on lots under 5,000 square feet, conduct a market study to assess if these units are being sold for prices that are less than the units on larger lots.

COMMON QUESTIONS

Given that duplexes are required to be allowed on all lots where single-family housing is permitted under state law, what is stopping developers from building duplexes on these small lots?

Due to the size of the lots and other requirements such as setbacks and maximum lot coverage, it would not be economically feasible for developers to build multiple units on sites under 4,000 sq. ft. In addition, it is recommended that the City adopt a maximum floor area or floor area ratio alongside reducing minimum lot size to limit the size of houses on these smaller lots and achieve the intent of the code change.

Will allowing more homes on small lots create more demand on city parks?

Allowing for small lot development could reduce access to private recreation/open space. This may increase demand for city parks. To offset this reduction it may be appropriate to require common open space for subdivisions with smaller lots.

ACTION 1.2

Promote cottage cluster housing



IMPLEMENTATION TIMELINE



IMPACT TARGETS

- HIGH
 MEDIUM
 LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Amend the current cottage cluster regulations to increase opportunities for cottage cluster developments. Code changes could include: increasing the number of cottages allowed on one site from the current allowance of four; scaling the number of units allowed based on site area; and/or adopting a maximum average floor area of 1,200 square feet per dwelling in order to encourage smaller, more affordable units.

RATIONALE

Cottage cluster housing is a proven model for delivering smaller, more affordable detached housing, particularly on infill sites, yet no cottage cluster projects have been proposed in at least the last decade in Lebanon.

There are several needed changes to the code to make it more economically attractive for a developer to build cottage cluster housing in Lebanon. The current limit of 4 cottages per lot prevents projects of a larger scale that are more economically feasible to develop, or larger lots from choosing this housing option.

IMPLEMENTATION: STEPS

- Determine if this change should be packaged with other code and zoning changes.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

- Consider establishing new design and site development standards to ensure projects meet the desired intent of the housing type.
- The Department of Land Conservation and Development (DLCD) has developed a model code for cottage cluster housing that larger cities have applied to comply with House Bill 2001. This code could be a useful reference for a Lebanon-specific code.
- Establish a set of clear and objective standards for cottage clusters so that even in cases where planning commission review is triggered an approval can be achieved through clear and objective decision criteria.

MAGNITUDE OF IMPACT

- This code change could enable a 42% reduction in the minimum price per unit needed for a cottage cluster housing project to be economically feasible. This can encourage development for-sale housing units affordable to moderate income households.
- Improved feasibility at lower price points and allowances for higher density could result in a greater number of cottage cluster units being produced than today.

MEASURING PROGRESS

- Analyze building permits annually to track how many new permits are issued for cottage clusters.
- Measure the density of new cottage cluster projects and compare against the existing maximum density of 1 unit per 2,250 square feet (4 units on 9,000 square foot lot).

COMMON QUESTIONS

Are cottage clusters a good fit for Lebanon?

Cottage clusters are multiple detached houses on one lot/site, usually oriented around a common courtyard and with shared parking. Lebanon currently allows cottage clusters but limits the number of cottages on a site to 4 and does not apply any special design or development standards to them.

Cottage clusters appeal to many different demographics, including seniors, singles, first time homebuyers and people seeking a sense of community with neighbors. Because each cottage is a standalone separate unit, they provide additional options for homebuyers at a lower price point than a traditional single-family dwelling. Due to shared common spaces, they typically have lower maintenance and upkeep requirements than traditional single-family dwellings and have market appeal for that reason as well.

ACTION 1.3

Simplify infill design standards



IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Evaluate options for simplifying or eliminating the Infill Design Standards (Section 16.05.110 in the Lebanon Development Code) or replacing them with a set of explicit, clear, and objective standards.

RATIONALE

The current infill design standards add uncertainty and cost to infill projects and are out of compliance with state requirements for clear and objective standards for all housing.

IMPLEMENTATION: STEPS

- Determine if this change should be packaged with other code and zoning changes.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

- The standards require a project under 1 acre in residential zones to demonstrate that its characteristics are within a range of characteristics of adjacent properties. This requires applicants to inventory the design features of adjacent properties, which could be costly and time-consuming. It may also be unclear how to measure the characteristics of some features.

- These standards do not currently comply with state requirements (OAR 660-008-0015) for clear and objective procedures regulating the development of housing.
- Consider applying the standards only to certain uses or types of development that are most likely to be incompatible with surrounding uses, while also creating a clear and objective pathway for approval.

MAGNITUDE OF IMPACT

About 85% of the vacant or partially vacant lots in residential zones are under one acre and could be subject to the infill standards. These lots account for 10% of the buildable acreage in these residential zones. This change may not stimulate new development on its own, yet in combination with other code changes proposed in the HPS, it will encourage development of these smaller lots.

MEASURING PROGRESS

Analyze land use permits annually to track how many permits are issued for infill residential development on lots less than 1 acre.

ACTION 1.4

Provide more flexibility for housing in commercial zones



IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Based on the commercial needs as identified in the City’s Economic Opportunity Analysis, evaluate the commercial zones, and areas along the commercial corridors, where greater flexibility in the location and type of residential opportunities could occur with the commercial development (e.g., horizontal mixed use) and areas with lower commercial viability where housing opportunities may occur without any associated commercial use.

RATIONALE

The code currently requires that any residential use must be above a ground floor commercial use in the Neighborhood Commercial (Z-NCM), Central Business Commercial (Z-CCM), and Highway Commercial (Z-HCM) zones. Vertical mixed use projects are unlikely to be developed except for in a few locations, such as the downtown district. Allowing for other forms of housing in commercial zones could allow the market to respond to demand and create opportunities for adaptive reuse of existing buildings.

IMPLEMENTATION: STEPS

- Determine if this change should be packaged with other code and zoning changes.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

- Evaluate options for providing more flexibility for housing in one or more commercial zones. This may include allowing for horizontal mixed use development (residential behind commercial) or only requiring a portion of the ground floor to be commercial uses.
- In some areas, particularly off main streets, commercial uses may not be economically viable while residential uses are in high demand. Another option is to define certain areas or street frontages where commercial uses are most desirable and feasible and only require ground floor commercial in those locations. This can be achieved with a map embedded in the code or through an overlay zone.
- This code change could be implemented only in some commercial zones where it is more appropriate to allow housing on the ground floor.

MAGNITUDE OF IMPACT

The HNA identified 9.3 acres of buildable residential land in commercial and mixed-use zones.

MEASURING PROGRESS

Analyze building permits annually to track how many new permits are issued for residential units in these commercial zones and compare against residential units permitted prior to the change.

COMMON QUESTIONS

If residential uses are allowed in commercial zones, won't that limit the city's commercial and business development opportunities?

If the City allows residential uses too broadly in the commercial zones, then it is possible that residential uses will consume land that is needed to meet the City's long term need for commercial land. The 2023 Economic Opportunities Analysis (EOA) identifies a surplus of commercial lands. Allowing for ground floor residential units in some locations or as some portion of the ground floor of buildings is unlikely to negatively impact the supply of commercial land.

Consider prohibiting ground floor residential units on streets that are the highest priority for creating a walkable, pedestrian-oriented commercial street.

ACTION 1.5

Allow manufactured home parks as an outright use and remove subjective criteria

DESCRIPTION

Allow manufactured/mobile home parks as an outright use in Residential Mixed Density (Z-RM), Residential High Density (Z-RH) and Mixed Use (Z-MU) zones to comply with state statute and remove subjective criteria from standards for Manufactured/Mobile Home Parks.

RATIONALE

State law (ORS 197.480) requires manufactured dwelling parks to be allowed as an outright use in any zone planned and zoned for a residential density of 6-12 dwelling units per acre. State law also requires that manufactured dwelling parks only be subject to clear and objective approval criteria.

IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

IMPLEMENTATION: STEPS

- Determine if this change should be packaged with other code and zoning changes.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

The City can establish clear and objective criteria and standards for the placement and design of mobile home or manufactured dwelling parks but need to remove subjective criteria such as requiring manufactured dwellings in parks to “have exterior siding and roofing which in color, material and appearance are similar or superior to the exterior siding and roof material used on nearby residences.”

MAGNITUDE OF IMPACT

Very few manufactured dwelling parks have been developed across the state in recent years. As such, this action is primarily intended to comply with state law and not to produce significant number of new housing units. The number of new manufactured dwelling parks that are developed as a result of this change is projected to be low.

MEASURING PROGRESS

Analyze permits annually to track the number of permits issued for manufactured home parks and manufactured dwellings in parks.

ACTION 1.6

Allow Tiny Homes on Wheels (THOW) as permanent dwellings under certain conditions



Source: Tiny Tranquility

IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Develop a regulatory framework that would allow THOWs to be permanently occupied as dwellings under certain conditions. The regulatory framework should address siting, utilities, sanitation, exterior appearance, and other issues.

RATIONALE

THOWs can provide an additional housing option for singles or small households that cannot afford larger homes or that prefer the simplicity of smaller spaces. However, THOWs do not always comply with conventional building codes.

IMPLEMENTATION: STEPS

- Develop zoning code standards to allow this housing type and address siting, utilities, sanitation, exterior appearance, and other issues.
- Determine if this change should be packaged with other code and zoning changes.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

- The regulatory framework should consider allowing one THOW to be sited on the same lot as a single-family dwelling, similar to an Accessory Dwelling Unit (ADU).
- THOWs could also be allowed to be sited in a Manufactured Home Park or a Cottage Cluster site if they meet certain standards. These standards could address the appearance of sites with THOWs, perhaps requiring additional screening or landscape buffering.
- The code standards can regulate the exterior appearance of THOWs in order to only allow THOWs that have the appearance of a residential structure and not allow for conventional RVs (motor homes or camper trailers) to be used as dwellings. Such standards may regulate skirting or foundation attachment, exterior materials, roof materials, form of windows and doors, and other design features.

MAGNITUDE OF IMPACT

This allowance would provide a more affordable form of housing, particularly for smaller households and singles.

MEASURING PROGRESS

Analyze land use and building permits annually to track the number of permits issued for tiny homes and tiny home villages.

2 Development Incentives

ACTION 2.1

Evaluate the feasibility of a property tax incentive to support development of key housing types



IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Evaluate the feasibility of a property tax incentive program that provides 5-10 year property tax abatements to housing developments that address key housing needs or would otherwise not be feasible.

RATIONALE

Property tax abatements can stimulate development of critically needed housing types, while being designed to only be available to projects that would otherwise not be feasible.

IMPLEMENTATION: STEPS

- Review tax abatement program structures in other small cities such as Cottage Grove, Newport, and Florence.
- Determine policy objectives and eligibility criteria for the program, such as targeted locations, minimum unit number, tenure target (for rent or for sale), required green building or design standards, minimum percentage of dedicated affordable or workforce housing units, allowable commercial property tax exemption, etc.
- Structure the program and run financial pro-forma tests of its effectiveness at increasing feasibility of developing targeted housing types.
- Meet with overlapping taxing districts to garner support.

- Determine if grant funding or consultant support is needed to implement.
- Consider requiring a third party pro-forma reviewer to verify that projects would not otherwise be feasible. The application fee can help to cover the cost of the reviewer.
- Draft code amendments and application materials and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

- A property tax program should be structured to incentivize development of specific needed housing types in specific locations, such as affordable housing, energy-efficient housing, conversions, and accessible housing.
- Several different state statutes enable local jurisdictions to offer a property tax abatement to incentivize different types of housing development, including multi-family housing, vertical mixed use, housing owned by a non-profit, and ownership units for lower income households.
- Some of these programs allow cities to control which projects are eligible and to cap the total amount of tax abatement annually.
- The city can require that a developer must show that the project will provide a public benefit and will not be economically feasible to build, but for the tax abatement, at the time of application.
- If designed to incentivize housing that would not otherwise be built, it can have a net positive impact on the tax base over time.
- Program must be approved by a majority (over 50%) of overlapping tax districts.
- A discretionary approval process can be complex and time-consuming for staff and applicants. Consider building in a third party pro-forma reviewer to the application fee and process in order to manage administrative burden.

MAGNITUDE OF IMPACT

A 10-year property tax exemption can significantly improve development feasibility. Financial modeling of a typical multi-family project in Lebanon indicates that a property tax abatement can increase the Internal Rate of Return (IRR) by about 1.0 to 2.5

percentage points. This can “tip the scales” to make a project economically feasible that would otherwise not be, especially if implemented in combination with proposed changes to the development code to allow for higher densities as part of a density bonus. The total number of units created by the program depends on the design of the eligibility criteria and how difficult it is for projects to qualify for the incentive.

MEASURING PROGRESS

Review the program periodically to evaluate how effectively it is meeting goals to create needed housing, including which types of projects are or are not meeting eligibility criteria, how many and what type of units are being created, and make adjustments as needed.

COMMON QUESTIONS

Are any other small cities in Oregon offering property tax exemptions to support housing development?

Cottage Grove, Florence and Newport all have active property tax exemptions for affordable or market rate housing.

ACTION 2.2

Allow System Development Charges to be deferred until occupancy



IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Create an application-based allowance to modify permitting and development review procedures so that System Development Charges (SDCs) are not required to be paid until after a housing development is constructed and a temporary or final certificate of occupancy is issued.

RATIONALE

SDCs are a significant upfront cost of development. Current SDCs can cost up to \$10,000-\$15,000 per unit depending on the size and type of project. Allowing the payment to be deferred until occupancy can remove a barrier to housing development by allowing the developer to use a wider range of financing tools to pay for the SDCs.

IMPLEMENTATION: STEPS

- Evaluate options for offering a deferral program. Consider if the program should be targeted to certain housing types or offered to all residential developments.
- Incorporate recommendations from forthcoming state study on SDCs.
- Determine if grant funding or consultant support is needed to implement.

- Determine if this action should be packaged or sequenced with others.
- Draft the procedural changes and bring through a public hearing process for adoption, if necessary.

IMPLEMENTATION: CONSIDERATIONS

- SDC deferral may be more appealing to developers looking to avoid a lien and may require less administrative time to approve and track than financing.
- Refer to [Oregon SDC Study](#) prepared for Oregon Housing and Community Services (OHCS) (pg. 208-210) for more information on collecting deferred fees.

MAGNITUDE OF IMPACT

This action is unlikely to directly stimulate development of new housing projects on its own. However, in combination with other actions in the HPS it can potentially increase the number of units proposed with each project and speed up the development process.

MEASURING PROGRESS

If SDC deferrals are offered on an application basis, track the number of SDC deferrals annually to gauge the impact of deferrals on specific types of housing development.

COMMON QUESTIONS

Are any other small cities in Oregon offering SDC deferrals and/or financing for residential developments?

Lebanon currently offers financing of SDCs through an installment loan that is paid over 10 years. In addition, Albany, Cornelius, Florence, Forest Grove, Madras, Newport, West Linn and Winston offer SDC deferrals and/or financing for residential developments.

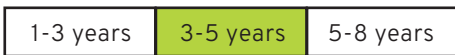
ACTION 2.3

Evaluate the feasibility of scaling SDCs



Source: Carl Tremblay

IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Evaluate the fiscal impacts and feasibility of revising the SDC methodology to scale rates to unit size.

RATIONALE

When SDCs are scaled to unit size, their share of development costs is more consistent across housing types and unit sizes. Scaling reduces costs for smaller units while remaining revenue neutral for the jurisdiction.

IMPLEMENTATION: STEPS

- Conduct an SDC rate and feasibility study to evaluate the feasibility of scaling rates by unit size.
- Adopt any recommended changes of the study that are fiscally feasible.

IMPLEMENTATION: CONSIDERATIONS

Permitting system may need adjustments to collect information related to SDC tiers.

MAGNITUDE OF IMPACT

The City's current SDCs and permitting fees are relatively low, so it is unclear if providing the option to scale fees will affect developer decisions. However, scaling fees for smaller units would reduce development costs and may serve as a development incentive for smaller units, which are usually lower cost.

MEASURING PROGRESS

If a new methodology that incorporates scaling is adopted, SDC collections should be reported on annually along with information about number of units that were developed in each tier of the scale.

ACTION 2.4

Restructure zoning incentives for income-restricted units



IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

- HIGH
 MEDIUM
 LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Redesign the current density bonus for affordable housing (income-restricted) in order to increase its effectiveness and target highest priority housing needs.

RATIONALE

The code currently provides for a 20% density bonus for projects that include units affordable at 80% of Area Median Income (AMI). One half of the bonus units must be income-restricted. This bonus does not offer enough economic value to incentivize a private developer to include income-restricted units. Reductions or concessions on multiple standards that affect density, including parking, height, site area minimums and open space would be a more effective incentive for income-restricted units.

IMPLEMENTATION: STEPS

This change should be completed in concert with the other zoning changes in the Land Use and Zoning Changes section. The effectiveness of a density bonus aimed at private developers depends on how much additional value it provides to the benefit above and beyond the base zoning allowance.

Use consultant recommendations developed for HPS project work, based on financial pro-forma modeling, to calibrate the bonus standards such as:

- Reduce minimum parking requirement to scale by number of bedrooms.
- Increase maximum densities to allow for at least 30-40 units per acre.
- Reduce minimum open space standard to 10-20% of the site.
- Draft code amendments and bring through a public hearing process for adoption.

IMPLEMENTATION: CONSIDERATIONS

It is challenging to achieve the additional “bonus” density while meeting current parking, open space, and height requirements. The bonus incentive should be tested to make sure it can be achieved while meeting these other standards that constrain density. If not, then consider providing reductions to those standards as an incentive.

For example, projects with affordable units could be granted a reduction in minimum off-street parking requirements.

The current density bonus program requires the income-restricted units to be affordable to households earning 80% of AMI or less. However, there is a significant need for units affordable at lower incomes, such as 50-60% of AMI. And market rate units are likely to be nearly affordable to households at 80% of AMI. Therefore, the City may consider targeting the incentive to lower income households or offering a two-tier incentive that depends on the depth of affordability.

MAGNITUDE OF IMPACT

When calibrated correctly, zoning incentives for income-restricted units can be powerful tools for creating income-restricted units. A little more than 50% of needed housing in Lebanon will need to be affordable to households at or below 80% of AMI. Offering zoning incentives for income-restricted units is a no cost way for the City to encourage production of these units.

MEASURING PROGRESS

Track the use of incentives for income-restricted units annually and compare against the total number of units that are needed for lower and moderate income households and the number of units produced by private developers prior to initiating the program.

3

Land Based Strategies and Partnerships

ACTION 3.1

Prioritize the use of surplus public land for housing needs



Source: Landsearch

IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
-----------	-----------	-----------

IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Prioritize selling or dedicating any surplus publicly-owned land to meet housing needs when feasible and appropriate.

RATIONALE

The City may own or may come into ownership of land which it does not need for other public facilities or uses. Control over land that can be used for housing can provide opportunities for public-private partnership or other actions. Owning land provides the City with leverage to encourage development of high priority housing needs.

IMPLEMENTATION: STEPS

- Evaluate current inventory of City-owned land and determine if any sites are not needed for public uses and appropriate for housing development.
- Continually monitor inventory of City-owned sites over time as new land is acquired.
- When a site is not needed for public use, evaluate the most appropriate method for dedicating the land for housing development. This could include executing a land lease with developer as part of a public-private partnership, donating the land, or selling the land at a discounted rate.

IMPLEMENTATION: CONSIDERATIONS

- The land may have been acquired for a facility that is no longer needed. The County may also acquire land that has been foreclosed upon for tax delinquency.
- In these cases, cities usually sell the land to a private party. Alternatively, the City could specifically prioritize that surplus land be used to meet key housing needs. The City may offer the right of first refusal to a land bank, land trust, or non-profit affordable housing developer.
- The land could be offered as a long-term lease at very minimal cost to developers for land the City is not yet ready to surplus.
- The City could also partner with the County, school district, or other public agencies, in order to broaden its impact to include other surplus public lands.
- In cases where the land may not be zoned appropriately or otherwise not conducive to meeting high priority housing needs, money from the sale of the land could be dedicated to an affordable housing fund.

MAGNITUDE OF IMPACT

By prioritizing the use of surplus land to meet housing needs, the City would be directly supporting a reduction of development cost in the form of land and/or funding. The magnitude of impact depends on how many acres of surplus land the City has or acquires. At the time of creating the HPS in 2023, the City had few surplus properties and thus the total impact of this strategy is likely to be relatively low.

MEASURING PROGRESS

Track the total number of acres of land that is dedicated to meeting housing needs over time and compare to the amount of land dedicated prior to adopting the land disposition policy.

ACTION 3.2

Evaluate ways to support local land acquisition and banking



IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Evaluate actions the City could take to help to establish a local land bank for affordable housing by helping to convene organizations and agencies that can contribute resources.

RATIONALE

One of the most common barriers to building more affordable housing is acquiring land. Non-profit developers and housing authorities often struggle to compete with the resources of private developers in an open market bid for land. Further, the timing of land availability and funding availability for affordable housing development does not often align. Land banks are effective because they hold land over time, controlling costs associated with appreciation, and create a ready pool of sites that allow affordable housing developers to respond quickly to funding opportunities.

IMPLEMENTATION: STEPS

- Determine if grant funding or consultant support is needed.
- Determine if this action should be packaged or sequenced with others.
- Support the work of local and regional housing organizations by helping to convene or otherwise support organizations, charities, foundations, or other stakeholders that may be interested in founding a local land bank.

- Use input from local partners to help inform and evaluate ways to support local land acquisition and banking.

IMPLEMENTATION: CONSIDERATIONS

- Local governments may manage their own land banks or partner with non-profits to do so. Local governments may also donate, sell, or lease publicly owned land for development even without a formal land bank.
- Lands acquired are often vacant, blighted, or environmentally contaminated. Land banks may also acquire lands with title defects or on which dilapidated structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.
- The City can assist a land bank by selling or donating land to the bank and assisting with startup costs.

MAGNITUDE OF IMPACT

If a local land bank is formed as a result of City actions, it could have a significant impact on the ability of affordable housing developers to build projects in the City. The magnitude of the impact depends on how well-funded the land bank is and how many sites it is able to acquire.

MEASURING PROGRESS

This action will have been successful when the City is taking consistent actions on an annual basis to support the work of local and regional housing organizations interested in acquiring land and founding a local land bank.

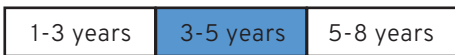
ACTION 3.3

Form partnerships with community land trusts



Source: Ashley & Vance Engineering

IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Support the actions of local and regional housing partners by helping to convene or otherwise support organizations, charities, foundations, or other stakeholders that may be interested in founding a local community land trust or expanding an existing community land trust to Lebanon.

RATIONALE

Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They can be used to ensure long-term affordability of for-sale housing units.

IMPLEMENTATION: STEPS

- Determine if this action should be packaged or sequenced with others.
- One way the City could support the land trust is to assist with creating an inventory of suitable sites for housing development. The City could utilize the data collected for the Buildable Land Inventory (BLI), then conduct additional analysis to identify properties most suitable for development in the short-term, based on infrastructure conditions, location, and other factors. A separate inventory may also be created for older, distressed properties that may be targeted for acquisition by a non-profit

affordable housing operator. This inventory should also be shared with the Urban Renewal Authority (URA) to inform strategic site acquisition related to needed housing in the URA.

IMPLEMENTATION: CONSIDERATIONS

- Community land trusts support affordable housing development by reducing or eliminating land costs. They can take several forms. Most are administered by a non-profit or nongovernmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years.
- The City can play a support role in the development of a community land trust by helping to convene local housing organizations, charities, foundations, or other stakeholders on a periodic basis.

MAGNITUDE OF IMPACT

If a local community land trust is formed or expanded as a result of City actions, it could have a significant impact on the number of income-restricted affordable homeownership units in the City. The magnitude of the impact depends on how well-funded the community land trust is and how many sites it is able to acquire.

MEASURING PROGRESS

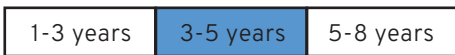
This action will have been successful when the City is taking consistent actions on an annual basis to support the work of local and regional housing organizations interested in forming or expanding a community land trust in the City.

ACTION 3.4

Form partnerships with institutional landowners



IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Engage with leadership of local non-profits and faith-based organizations (FBO) that may have surplus land that could be sold or donated to be developed for high priority housing needs, including affordable housing allowed under ORS 227.500 and SB 8 (2021) and projects benefiting homeless and very low income populations.

RATIONALE

- Many institutional land owners in Lebanon own land that may be in excess of their long term needs.
- Institutional land owners often perceive affordable housing development and work benefiting homeless and very low income populations to be consistent with their mission and are interested in partnerships to support housing.

IMPLEMENTATION: STEPS

- Determine if grant funding or consultant support is needed.
- Determine if this action should be packaged or sequenced with others.
- Offer technical support to help institutional landowners understand housing-related zoning and infrastructure issues.
- Facilitate connections with local developers that may be interested in partnering to build on institution-owned sites.

IMPLEMENTATION: CONSIDERATIONS

- The City could engage with FBO to understand long-term plans for their sites and encourage partnerships to explore housing development opportunities.
- Property owned by institutions may be eligible for property tax exemptions. These organizations may also be eligible for specialized funding sources and fundraising mechanisms to build housing that could target homeless and very low income populations.

MAGNITUDE OF IMPACT

The magnitude of impact depends on how many institutional land owners have surplus land they are willing to dedicate to housing development. This action can significantly benefit housing production for homeless and very low income populations.

MEASURING PROGRESS

This action will have been successful when the City is taking consistent actions on an annual basis to engage with institutional land owners. The City can maintain a list of institutional land owners and track which owners may currently have surplus land or may have surplus land in the future.

4 Public Projects and Resources

ACTION 4.1

Continue to target and prioritize infrastructure to support housing



Source: Getty

IMPLEMENTATION TIMELINE



IMPACT TARGETS

- HIGH
 MEDIUM
 LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Continue to evaluate Capital Improvement Program (CIP) to ensure sufficient prioritization of infrastructure projects that support new housing development.

RATIONALE

Infrastructure improvements can reduce costs of housing development and enable development on sites that would otherwise not be viable. By continually monitoring the projects included in the CIP based on how they would impact the feasibility of housing development, the City can ensure that infrastructure improvements are most likely to create new housing development opportunities will be prioritized for implementation.

IMPLEMENTATION: STEPS

- Determine if grant funding or consultant support is needed to implement.
- Determine if this action should be packaged or sequenced with others.

IMPLEMENTATION: CONSIDERATIONS

- Whenever planning for improvements, the City should consider how the improvements will affect housing development opportunities in the area and, where feasible, modify project designs to better improve conditions for housing development.
- This action can be incorporated into citywide, long-term master planning efforts (such as a wastewater master plan or a transportation system plan) as well as the Capital Improvement Program (CIP) planning.
- If a high priority housing project is proposed, the City may consider accelerating implementation of previously planned improvements that would benefit the project. The City may choose to limit this option to new affordable or workforce housing projects.

MAGNITUDE OF IMPACT

The City can have a significant influence on whether it is feasible or attractive to build housing in a certain location based on where public infrastructure projects (water and sewer lines, street improvements, parks, etc.) are located, how they are designed, and the timing of their construction.

MEASURING PROGRESS

The City should spatially analyze building permits annually to track levels of housing development in different areas of the city and use that information along with BLI data to inform strategic decision making related to infrastructure improvements and investments.

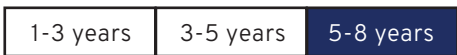
ACTION 4.2

Continue to use Urban Renewal investments to support housing



Source: Lebanon Downtown Association

IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Continue to utilize Urban Renewal projects to support housing development as identified in adopted Urban Renewal district plans. Continue to evaluate ways to target existing planned improvements and programs to address critical housing needs.

RATIONALE

Urban Renewal districts are an effective tool for funding investments that support housing development in specific locations.

IMPLEMENTATION: STEPS

- Determine if grant funding or consultant support is needed to implement.
- Determine if this action should be packaged or sequenced with others.
- Continue to evaluate opportunities to support housing development as part of existing planned Urban Renewal investments.

IMPLEMENTATION: CONSIDERATIONS

- Urban Renewal funds can be invested in the form of low interest loans and/or grants for a variety of capital investments, including redevelopment projects, such as mixed-use or infill housing

developments, streetscape improvements, land assembly, and transportation enhancements.

- Urban Renewal can be used to fund infrastructure investments.
- The City has five Urban Renewal districts, all of which have projects or programs that support housing development in a variety of ways.
- The City is limited in additional use of urban renewal until existing districts begin to sunset in 2028-2029.

MAGNITUDE OF IMPACT

The magnitude of impact of this strategy is relatively significant because Urban Renewal is one of the only sources of funding that is flexible enough to dedicate specifically to housing projects.

MEASURING PROGRESS

The Urban Renewal Agency should identify housing-related projects and infrastructure as part of its annual reporting, including the number and type of units that were supported by URA projects.

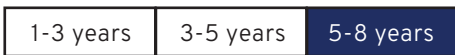
ACTION 4.3

Continue to pursue opportunities to assist developers with wetland mitigation



Source: Brett Cole Photography

IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Work with state agency partners and CWCOG to explore expansion of wetland mitigation banks, on-site mitigation options and technical assistance available to housing developers.

RATIONALE

Wetlands constrain housing development on many sites in Lebanon. Solutions are needed to reduce the cost and complexity associated with developing on these sites.

IMPLEMENTATION: STEPS

- Determine if grant funding or consultant support is needed to implement.
- Determine if this action should be packaged or sequenced with others.
- Continue to work with state and regional partners to identify opportunities to assist with wetland mitigation.

IMPLEMENTATION: CONSIDERATIONS

- Consider developing a Local Wetlands Inventory as a planning and development resource.
- Grant funding may be available from the state to create a Local

Wetlands Inventory.

- Additional staff time and/or funding may be needed to implement the recommendations of the CWCOG wetlands study.

MAGNITUDE OF IMPACT

The magnitude of impact of this action depends on if regional and state agencies, with support from the City, will identify additional strategies and resources to expand wetland mitigation options. If additional strategies and resources are implemented, the impact on housing production in Lebanon could be significant because there are so many sites constrained by wetlands in the City.

MEASURING PROGRESS

This action will have been successful when the City is taking consistent actions on an annual basis to support the work of wetland mitigation banks and providing options and technical assistance to housing developers looking to develop on sites with wetlands.

ACTION 4.4

Continue to leverage CDBG funding for housing rehabilitation

DESCRIPTION

Continue to work with DevNW and regional partners to leverage Community Development Block Grant (CDBG) funding to support residential rehab projects and other programs benefiting low income populations.

RATIONALE

CDBG is an ongoing, stable source of funding to assist low income households to rehabilitate aging housing units. Rehabilitation is a valuable source of housing units because it keeps units from being taken off the market and it allows lower income households to maintain their current housing.

IMPLEMENTATION TIMELINE

1-3 years	3-5 years	5-8 years
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IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

IMPLEMENTATION: STEPS

- Continue to work with DevNW and regional partners to leverage CDBG funding to support residential rehab projects benefiting low income populations.
- Continue to act as applicant city, in partnership with DevNW as operating agent.

IMPLEMENTATION: CONSIDERATIONS

- The program provides annual grants to carry out community development activities directed toward neighborhood revitalization, economic development, and housing rehabilitation.
- The administration and projects are subject to federal requirements. The program is in need of streamlining and can be onerous to navigate without dedicated staff.

MAGNITUDE OF IMPACT

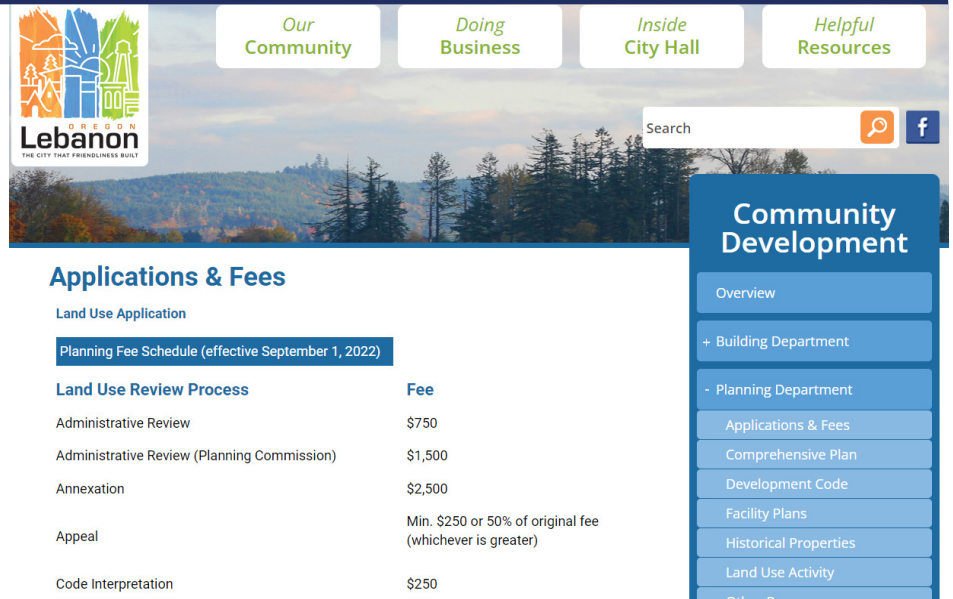
CDBG can be paired with other tools and leveraged to fill funding gaps remaining on housing and community economic development projects.

MEASURING PROGRESS

The City should report annually on availability of regional CDBG funds and possible programs as well as the number of households assisted and amount of funds that were dedicated to projects in Lebanon.

ACTION 4.5

Continue to provide information and technical assistance to small developers



IMPLEMENTATION TIMELINE



IMPACT TARGETS

HIGH MEDIUM LOW

AFFORDABILITY

- Subsidized
- Affordable
- Workforce
- Market Rate

HOUSING TYPE

- Single-Family
- Middle Housing
- Multi-Family

TENURE

- For Sale
- For Rent

DEMOGRAPHIC

- BIPOC
- People Experiencing Homelessness
- People with Disabilities
- Seniors
- Students

DESCRIPTION

Continue to provide technical assistance to small developers to assist with housing development, including providing information to help them find suitable sites for housing development, understand land use permitting processes, and establish a sense of clarity and certainty about housing development requirements.

RATIONALE

Small developers usually do not have the resources or expertise to navigate complex permitting and review processes or may be unaware of resources available to them. However, they are a valuable part of the local developer pool because they often take on projects that larger developers will not, especially smaller infill projects.

IMPLEMENTATION: STEPS

- Determine if grant funding or consultant support is needed to implement and/or if it can be advertised as an intern or student project through local colleges.
- Determine if this action should be packaged or sequenced with others.
- Produce clear, easy to use information that would be distributed on the City website or at City Hall. Brainstorm some common housing developer questions and answers and post them to the Planning FAQs section of the City website. Compile these

and provide them as a fact sheet on the website and printed for distribution at City Hall.

- Poll local small developers about specific workshops or information that would be helpful to them and work within available resources to provide it.

IMPLEMENTATION: CONSIDERATIONS

- The City may also offer workshops, webinars, or training sessions to help small builders become familiar with the permitting process and make them aware of City resources.
- Staff capacity and funding may be needed to produce new informational materials and training.
- Several web-based tools have been developed in recent years that are intended to simplify zoning and permitting information as well as wetland delineation for the public.

MAGNITUDE OF IMPACT

This project would help to build awareness of zoning changes and financial incentives among local builders. It would also reduce uncertainty about City regulations and permitting processes to remove barriers to development of certain housing types. The magnitude of impact depends on the amount of resources and training the City can provide.

MEASURING PROGRESS

This action will have been successful when the City is taking consistent steps on an annual basis to develop resources and training for small developers.



5

ACHIEVING FAIR AND EQUITABLE HOUSING

As a group, the proposed actions included in the HPS will achieve equitable outcomes in the following ways.

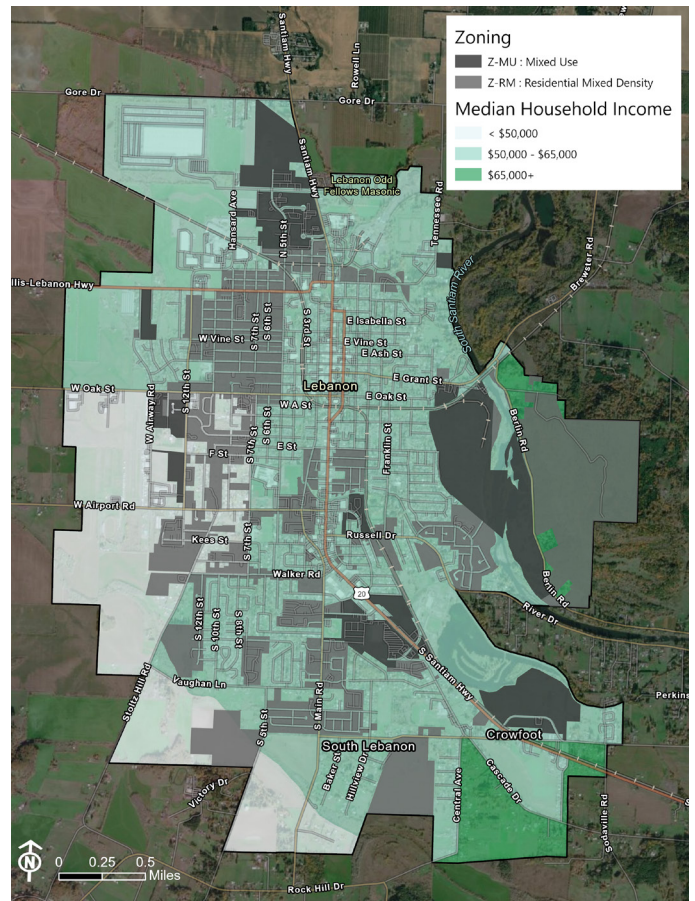
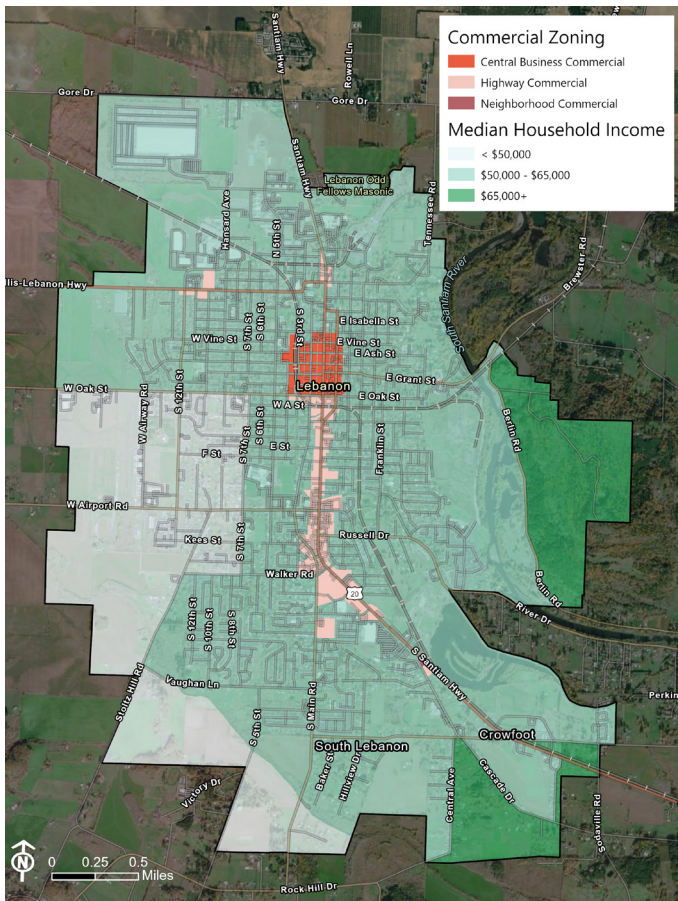
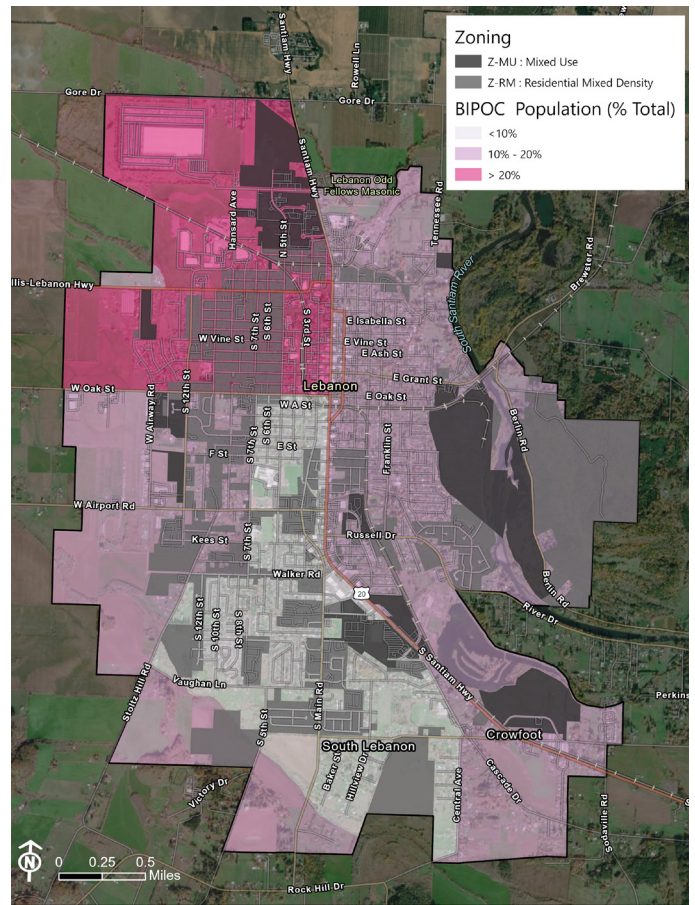
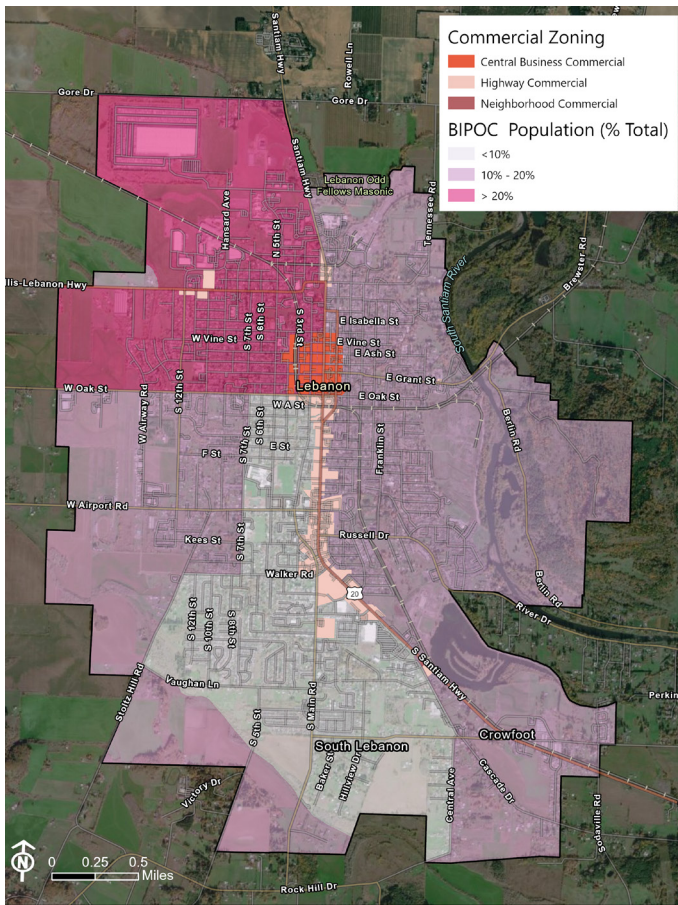
Location of Housing

Many of the actions in this Housing Production Strategy such as allowing single-family homes on smaller lots, promoting cottage cluster housing, simplifying infill design standards and providing more flexibility for housing in commercial zones, serve to promote compact and mixed-use development patterns. The actions in this section entail code and zoning changes primarily, including:

- Action 1.1: Encourage smaller, single-family detached houses
- Action 1.2: Promote cottage cluster housing
- Action 1.3: Simplify infill design standards
- Action 1.4: Provide more flexibility for housing in commercial zones
- Action 2.4 Restructure zoning incentives for income-restricted units

When considering geographic distribution of concentrated poverty and of BIPOC communities within Lebanon, Action 1.4 appears to have a proportionate impact on providing more flexibility for housing and encouraging compact, mixed-use development throughout the city. As shown by the maps on the following page, the commercial zones this action targets have a fairly even geographic distribution. Similarly, Action 1.1 is focused on the Z-RM and Z-MU zones and appears to have a proportionate impact on encouraging smaller, single-family detached housing and creating additional opportunities for more affordable homeownership on buildable land throughout the city.

CITY OF LEBANON HOUSING PRODUCTION STRATEGY



Gentrification, Displacement, and Housing Stability

Many of the actions included in the HPS increase housing stability for residents and mitigate the impacts of gentrification and displacement. These objectives are achieved primarily through land use and zoning changes that facilitate the use of lower-cost housing types, development incentives that reduce costs and fees, and publicly funded infrastructure improvements that support the renovation and creation of new housing units. These include:

- Action 1.1: Encourage smaller, single-family detached houses
- Action 1.2: Promote cottage cluster housing
- Action 1.3: Simplify infill design standards
- Action 1.5 Allow Manufactured Home Parks as an outright use and remove subjective criteria for design of dwellings in parks
- Action 2.1 Evaluate the feasibility of a property tax incentive to support development of key housing types
- Action 2.2 Allow System Development Charges to be deferred until occupancy
- Action 2.3 Evaluate the feasibility of scaling SDCs
- Action 3.1 Prioritize the use of surplus public land for housing needs
- Action 3.2 Evaluate ways to support local land acquisition and banking
- Action 3.3 Form partnerships with community land trusts
- Action 4.1 Continue to target and prioritize infrastructure to support housing
- Action 4.2 Continue to use Urban Renewal investments to support housing
- Action 4.4 Continue to leverage CDBG funding for housing rehabilitation

Fair Housing and Housing Choice

Several of the actions included in the HPS further fair housing goals. They do so by addressing disproportionate housing needs and access to housing and creating housing opportunities in racially and ethnically concentrated areas of poverty as is indicated by the maps on page 67. These include:

- Action 1.1: Encourage smaller, single-family detached houses
- Action 1.5 Allow Manufactured Home Parks as an outright use and remove subjective criteria for design of dwellings in parks
- Action 1.6 Allow Tiny Homes on Wheels (THOW) as Permanent Dwellings Under Certain Conditions
- Action 2.1 Evaluate the feasibility of a property tax incentive to support development of key housing types
- Action 2.4 Restructure zoning incentives for income-restricted units
- Action 3.2 Evaluate ways to support local land acquisition and banking
- Action 3.3 Form partnerships with community land trusts
- Action 4.4 Continue to leverage CDBG funding for housing rehabilitation

Housing Options for Residents Experiencing Homelessness

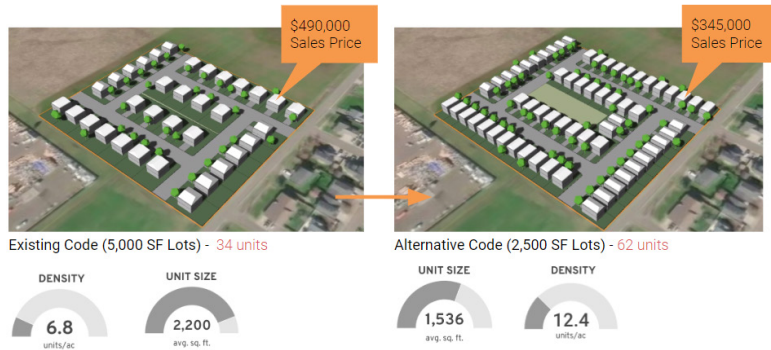
There are a limited number of actions included in the HPS targeting populations experiencing homelessness. These include:

- Action 1.6 Allow Tiny Homes on Wheels (THOW) as Permanent Dwellings Under Certain Conditions
- Action 2.1 Evaluate the feasibility of a property tax incentive to support development of key housing types
- Action 2.4 Restructure zoning incentives for income-restricted units
- Action 3.4 Form partnerships with institutional landowners

In future updates of the HPS, the City should evaluate how effective these and other actions have been in terms of benefitting populations experiencing homelessness.

IMPACT MODELING Encourage smaller single-family detached houses

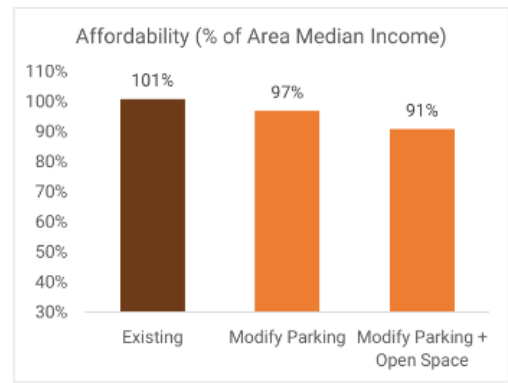
Smaller homes on smaller lots translates to more units that are less expensive to construct and to purchase.



Cascadia Partners did an impact modeling analysis to show increased affordability of both housing for sale and for rent that could result from implementing Action 1.1: Encourage smaller, single-family detached houses; Action 1.2: Promote cottage cluster housing, and; Action 2.4 Restructure zoning incentives for income-restricted units.

IMPACT MODELING Promote cottage cluster housing

Allowing for more cottages on one site enables smaller, more affordable units to be economically feasible.



Affordable Homeownership and Affordable Rental Housing

Many of the actions included in the HPS support and create opportunities to encourage production of housing units for sale and for rent at prices that are affordable to the general public, primarily through code and zoning changes and development incentives. Proposed code and zoning changes have the potential to create new development opportunities for small lot and higher-density housing development in areas of Lebanon where lower and moderate income households are concentrated. These include:

- Action 1.1: Encourage smaller, single-family detached houses
- Action 1.2: Promote cottage cluster housing
- Action 1.3: Simplify infill design standards

- Action 1.5 Allow Manufactured Home Parks as an outright use and remove subjective criteria for design of dwellings in parks
- Action 2.1 Evaluate the feasibility of a property tax incentive to support development of key housing types
- Action 2.2 Allow System Development Charges to be deferred until occupancy
- Action 2.3 Evaluate the feasibility of scaling SDCs
- Action 2.4 Restructure zoning incentives for income-restricted units
- Action 3.2 Evaluate ways to support local land acquisition and banking
- Action 3.3 Form partnerships with community land trusts
- Action 4.4 Continue to leverage CDBG funding for housing rehabilitation

As the City measures and considers the magnitude of the actions included in the HPS over time, it should continue to assess equity goals and engage communities at risk for displacement. This work should include prioritizing actions that directly address the needs of vulnerable populations as well as mitigating any strategies that have been determined to result in negative consequences for vulnerable populations.

Assessment of Benefits and Burdens

Lebanon must consider the anticipated benefits and burdens of each action in the HPS for populations that have been negatively impacted historically by housing policies and actions (“marginalized populations”), including:

- (1) Low-income communities;
- (2) Communities of color;
- (3) People with disabilities, and;
- (4) Other state and federal protected classes.

It is difficult to assess the majority of the actions in this plan in terms of how they benefit or burden each of these populations specifically. However, since communities of color, people with disabilities, and members of protected classes

comprise a disproportionate share of low-income communities, it has been assumed in this evaluation that actions benefitting low-income communities are likely to also benefit communities of color, people with disabilities, and members of other state and federally protected classes who are disproportionately impacted by income disparities. Similarly, it has been assumed that actions burdening low-income communities are likely to also burden communities of color, people with disabilities, and members of other state and federally protected classes.

		BENEFITS	BURDENS
1. LAND USE AND ZONING CHANGES			
ACTION 1.1 Encourage smaller, single family detached houses	<ul style="list-style-type: none"> This action is anticipated to encourage smaller, single-family detached housing and create additional opportunities for more affordable homeownership on buildable land throughout the city. Creating additional opportunities for more affordable homeownership benefits low-income households and provides a path to wealth generation through homeownership for communities of color, people with disabilities, and members of other state and federally protected classes. Permitting additional forms of housing will increase overall housing supply. This increase in supply will potentially decrease competition for lower-cost housing through filtering. This decrease in competition for lower-cost housing may benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations. 	

	BENEFITS	BURDENS
<p>ACTION 1.2</p> <p>Promote cottage cluster housing</p>	<ul style="list-style-type: none"> This action is anticipated to encourage development of cottage cluster housing and create additional opportunities for more affordable homeownership on buildable land throughout the city. Creating additional opportunities for more affordable homeownership benefits low-income and workforce households and provides a path to wealth generation through homeownership for communities of color, people with disabilities, and members of other state and federally protected classes. Permitting additional forms of housing will increase overall housing supply. This increase in supply will potentially decrease competition for lower-cost housing through filtering. This decrease in competition for lower-cost housing may benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.
<p>ACTION 1.3</p> <p>Simplify infill design standards</p>	<ul style="list-style-type: none"> Reducing the number and complexity of standards will translate into time and cost savings for developers. These savings may be passed on to renters and buyers, resulting in reduced costs of housing that could benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations. If these code changes encourage more infill development, it is possible that this could result in temporary displacement of marginalized populations if properties with existing housing are redeveloped. The magnitude of this displacement is likely to be small due to the higher costs associated with redevelopment compared with vacant land and the substantial supply of vacant land in Lebanon.
<p>ACTION 1.4</p> <p>Provide more flexibility for housing in commercial zones</p>	<ul style="list-style-type: none"> Providing more flexibility for housing in commercial zones is likely to increase overall housing supply. This increase in supply will potentially decrease competition for lower-cost housing through filtering. This decrease in competition for lower-cost housing may benefit marginalized populations. 	<ul style="list-style-type: none"> If these code changes encourage more development in commercial zones, it is possible that this could result in temporary displacement of marginalized populations if properties with existing housing are redeveloped. The magnitude of this displacement is likely to be small due to the higher costs associated with redevelopment compared with vacant land and the substantial supply of vacant land in Lebanon.

	BENEFITS	BURDENS
<p>ACTION 1.5</p> <p>Allow manufactured home parks as an outright use and remove subjective criteria</p>	<ul style="list-style-type: none"> Manufactured home parks are a form of lower cost housing. Reducing regulatory burdens to their development may increase the supply of lower cost housing. This action is anticipated to benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.
<p>ACTION 1.6</p> <p>Allow tiny homes on wheels as permanent dwellings under certain conditions</p>	<ul style="list-style-type: none"> This form of housing provides an additional option that could benefit very low, low, and middle income households, including marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations. Given their smaller building footprint and foundation on wheels, this housing type may not be accessible to all marginalized populations, specifically people with disabilities or larger households.

2. DEVELOPMENT INCENTIVES

<p>ACTION 2.1</p> <p>Evaluate the feasibility of a property tax incentive to support development of key housing types</p>	<ul style="list-style-type: none"> This action may benefit marginalized populations if the City chooses to tailor it to development of income-restricted affordable housing and/or housing targeting specific populations. 	<ul style="list-style-type: none"> The City and participating taxing districts would forgo some property tax income for the duration of the exemption, potentially reducing revenue for city services such as parks and law enforcement.
<p>ACTION 2.2</p> <p>Allow system development charges (SDCs) to be deferred until occupancy</p>	<ul style="list-style-type: none"> Allowing deferral of SDCs will increase development feasibility for certain housing types, including multiple-unit properties that are typically available at lower price points than single family housing. Increasing the overall supply of housing and the supply of lower cost housing is anticipated to benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations. The action would not reduce SDC revenue but would change the timing of collecting the revenue.

	BENEFITS	BURDENS
<p>ACTION 2.3</p> <p>Evaluate the feasibility of scaling SDCs</p>	<ul style="list-style-type: none"> The City may choose to incorporate specific criteria into its policies about scaling SDCs to ensure that the policies benefit extremely low-income, very low-income, and low-income households. SDC scaling reduces development costs for specific types of housing. In doing so this action improves the likelihood that lower cost housing units for sale and rent are built, to the benefit of marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens as long as a revenue-neutral methodology is adopted.
<p>ACTION 2.4</p> <p>Restructure zoning incentives for income-restricted units</p>	<ul style="list-style-type: none"> Zoning incentives targeting development of income-restricted units will encourage development of lower cost housing benefitting marginalized populations. The City may choose to require that in order to receive the incentives, the developer must include accessible units and/or units targeting specific populations such as seniors or families. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.

3. LAND BASED STRATEGIES AND PARTNERSHIPS

<p>ACTION 3.1</p> <p>Prioritize the use of surplus public land for housing needs</p>	<ul style="list-style-type: none"> Developing public lands with housing will reduce the overall project cost which is likely to increase project feasibility, especially for income-restricted housing. This could translate into increasing housing availability for marginalized populations. If housing needs being targeted by this action include for development of income-restricted units, marginalized populations will benefit. 	<ul style="list-style-type: none"> The City may forego revenue by selling land at below market value. This reduction in revenue may have been used to provide services or infrastructure to support marginalized populations.
<p>ACTION 3.2</p> <p>Evaluate the ways to support local land acquisition and banking</p>	<ul style="list-style-type: none"> Housing developed through publicly supported land acquisition and/or land banking has reduced development costs that translate into lower sales and rental costs. These lower cost housing options could benefit marginalized populations. Housing developed through publicly supported land acquisition and/or land banking could directly benefit members of marginalized communities if the projects purposefully target these populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.

	BENEFITS	BURDENS
<p>ACTION 3.3</p> <p>Form partnerships with community land trusts</p>	<ul style="list-style-type: none"> Focusing on forming partnerships with land trusts that specialize in providing services to marginalized communities would potentially provide benefits to those populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.
<p>ACTION 3.4</p> <p>Form partnerships with institutional land owners</p>	<ul style="list-style-type: none"> Income-restricted housing developed through forming partnerships with institutional land owners has reduced development costs that translate into lower sales and rental costs. These lower cost housing options would benefit marginalized populations. Housing developed through partnerships with institutional land owners could directly benefit members of marginalized communities if the projects purposefully target these populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.

4. PUBLIC PROJECTS AND RESOURCES

<p>ACTION 4.1</p> <p>Continue to target and prioritize infrastructure to support housing</p>	<ul style="list-style-type: none"> Infrastructure improvements can increase development feasibility and reduce costs of housing. If the City chooses to accelerate the implementation of previously planned improvements for new affordable or workforce housing projects, this reduction in costs could benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.
<p>ACTION 4.2</p> <p>Continue to use Urban Renewal investments to support housing</p>	<ul style="list-style-type: none"> The City may choose to prioritize investments in housing targeting lower income and workforce households. These strategic investments will benefit marginalized populations. 	<ul style="list-style-type: none"> The use of Urban Renewal funds can increase property values across an Urban Renewal District. This may increase the risk of displacement of existing residents. The City could evaluate incorporating anti-displacement strategies into their Urban Renewal plan to mitigate this risk.

	BENEFITS	BURDENS
<p>ACTION 4.3</p> <p>Continue to pursue opportunities to assist developers with wetland mitigation</p>	<ul style="list-style-type: none"> Wetland mitigation requirements increase the cost of development. If the City continues pursuing opportunities to assist developers with wetland mitigation, this could reduce costs and expedite development timelines in areas impacted by wetlands. Lower cost housing options could benefit marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.
<p>ACTION 4.4</p> <p>Continue to leverage CDBG funding for housing rehabilitation</p>	<ul style="list-style-type: none"> CDBG funds target low income households. If the City chooses to apply them to rehabilitate existing housing units, lower income and marginalized communities will be the primary beneficiaries. Rehabilitating existing low cost housing is the lowest cost means to improve housing outcomes and increase housing stability for marginalized populations. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.
<p>ACTION 4.5</p> <p>Continue to provide information and technical assistance to small developers</p>	<ul style="list-style-type: none"> Historically marginalized groups have not had the same access to capital and therefore have been less able to benefit from wealth generated through real estate development. By providing more information to smaller developers, the City may make it more likely that members of marginalized populations are able to benefit from information and technical assistance related to housing development opportunities. 	<ul style="list-style-type: none"> This action is unlikely to increase burdens on marginalized populations.

Appendix A

Contextualized Housing Need Slides



Contextualized Housing Need

Lebanon Housing Production Strategy

April 26, 2022



Overview

- **Background and Purpose:** Why is the City creating a Housing Production Strategy? What is a Contextualized Housing Need summary?
- **The Big Picture:** What is the current housing situation in the City of Lebanon?
- **Housing Issues by Income Level:** What are the housing issues and needs by income level?
- **Equity and Inclusion in the Housing Market:** Who is disproportionately impacted by housing issues?
- **Strategic Implications:** How should this data influence the Housing Production Strategy? What are the key issues the HPS should address?

Background and Purpose

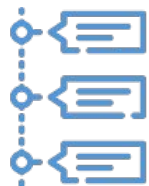
Why is the City creating a Housing Production Strategy? What is a Contextualized Housing Need summary?

Purpose of the Housing Production Strategy

The Housing Production Strategy will guide a housing-related work program to be implemented over several years. It will include prioritization and timing of housing-related actions and strategies.



- The HPS is a new state requirement for all cities in Oregon with a population over 10,000.
- The document must be updated each time the Housing Needs Analysis (HNA) is updated, every 6-8 years.



- The document must identify strategies and actions the city will take to facilitate development of needed housing as identified in the HNA.
- The city must commit to a specific timeline for implementation of each action and must report progress to the state every 4 years.

Purpose of the Contextualized Housing Need Summary

The Contextualized Housing Need (CHN) summarizes key insights into Lebanon's housing market that will inform the creation of the Housing Production Strategy.



- The CHN summarizes housing needs detailed in the Housing Needs Analysis (HNA) and information related to the development of a Housing Production Strategy (HPS).
- Incorporates new and improved methodologies for understanding local housing needs that have been derived from recent statewide housing studies.
- Provides context to help the City to select the most appropriate and effective strategies to facilitate housing production.
- Is intended to help the City to evaluate how to prioritize various strategies and to identify specific issues that can be addressed through implementation of the strategies.



State Requirements

The structure of the HPS report must follow rules and guidelines established by the state Department of Land Conservation and Development (DLCD)

- Contextualized Housing Need
- Engagement
- Strategies to Meet Future Housing Need
- Timeline for Implementation
- Magnitude of Impact
- Achieving Fair and Equitable Housing Outcomes



The Big Picture

What is the current housing situation in Lebanon?

Population Growth

Lebanon is a dynamic, growing community. Housing production must keep pace with population growth.

- The population will grow by about 28% in the next 20 years.
- Each year, the community will grow by about 1.2%
- That equates to adding about 5,700 new residents over the next 20 years.

Population Trends (2000-2020)

	2000	2010	2020	AGR* 2000-2020
Lebanon	12,950	15,518	18,447	2.12%
Linn County	103,069	116,672	128,610	1.24%
Oregon	3,421,399	387,300	4,237,256	1.19%

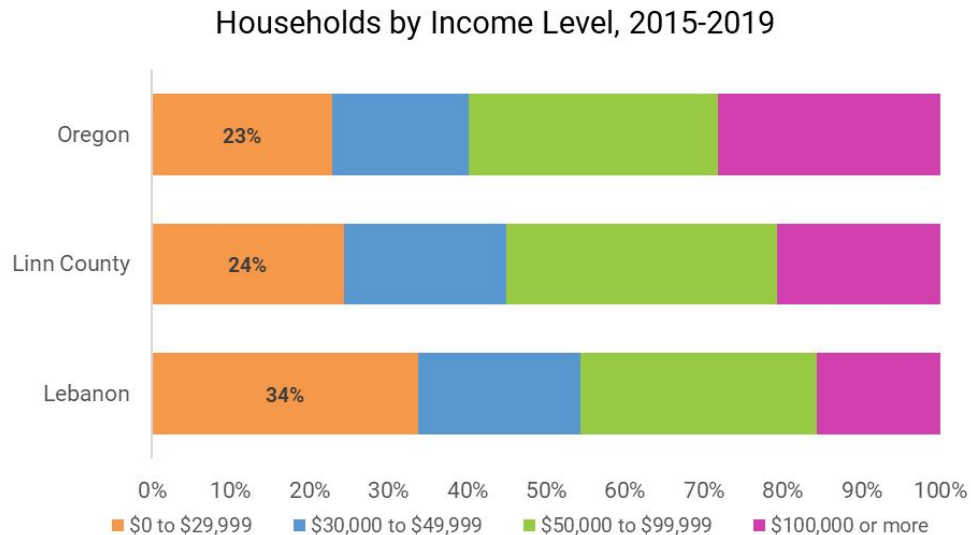
Population Projections (2019-2039)

	Estimate 2019	Forecast 2039	Proj. Change 20 Years	Proj. Change AGR
Lebanon	19,910	25,596	5,686	1.26%
Linn County	127,180	150,616	23,436	0.85%
Oregon	4,224,122	5,151,616	927,494	1.0%

Income Levels

Lebanon is home to people of all income levels, but the city has a high share of low income households.

- Low income households are more prevalent in Lebanon than in Oregon (on average).
- More than one third of households in Lebanon earn less than \$30,000 annually.
- Median Household Incomes in Lebanon are about 80 percent of those in Linn County (\$55,893) and about three-quarters of those in Oregon (\$62,818).



Housing Prices

Lebanon home prices are beginning to increase rapidly, with median prices up by 11.7 percent year-over-year (January 2018 to December 2021).

Although home prices have been increasing rapidly in Lebanon, they are still lower than those in Linn County on average, and below median home prices throughout Oregon as a whole.

Median Home Price, 2021

Lebanon	Linn County	Oregon
\$333,932	\$342,316	\$454,789

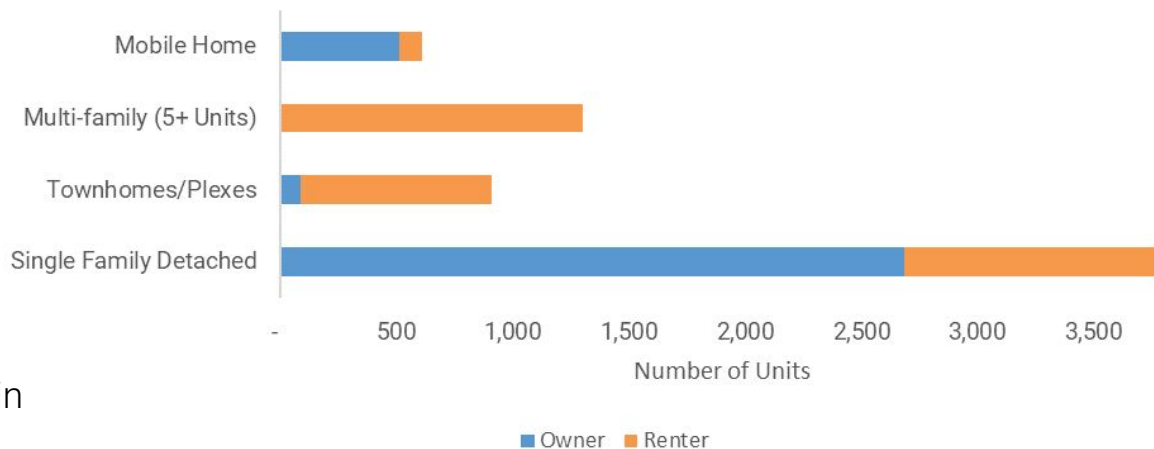


Existing Housing Stock: Type and Tenure

Roughly half of all housing in Lebanon is owner-occupied.

- The majority (57%) of housing in Lebanon consists of single-family detached units.
- Most homeowners in Lebanon live in single-family detached homes or mobile homes.
- Almost all (96%) of townhome/plex and multi-family housing in Lebanon is renter-occupied.

Tenancy by Type of Housing, Lebanon, OR, 2016-2020



Households by Tenure, Lebanon, 2020

50.1%

Renter-occupied units

49.9%

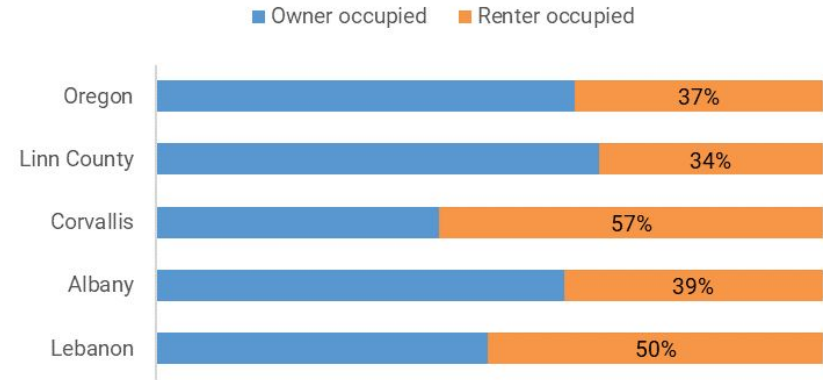
Owner-occupied units

Rental Housing

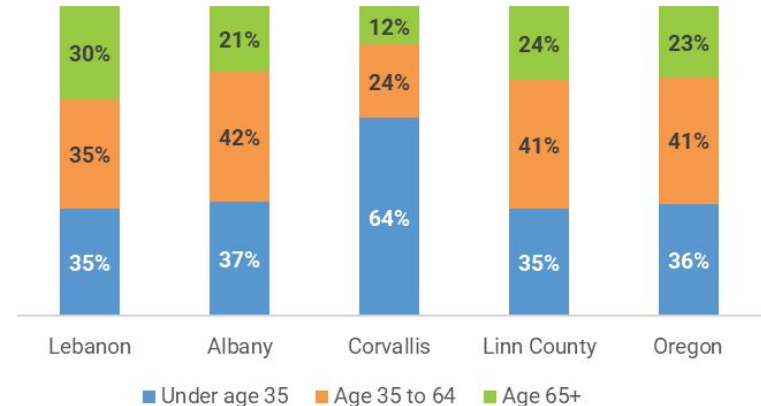
Lebanon has a higher share of renter households than Oregon and Linn County on average, but that is not solely due to the student population.

- Lebanon's two colleges account for a share of the renter population. However, the share of the renter population that is under age 35 (35%) is similar to other nearby communities.
- Western University is expecting to add an additional 60-student program in 2023, which will enroll approximately 240 new students by 2027.
- Lebanon has a higher share of renters aged 65 and over (30%) than other communities in the region.

Households by Tenure, 2016-2020



Renters by Age Group, 2016-2020

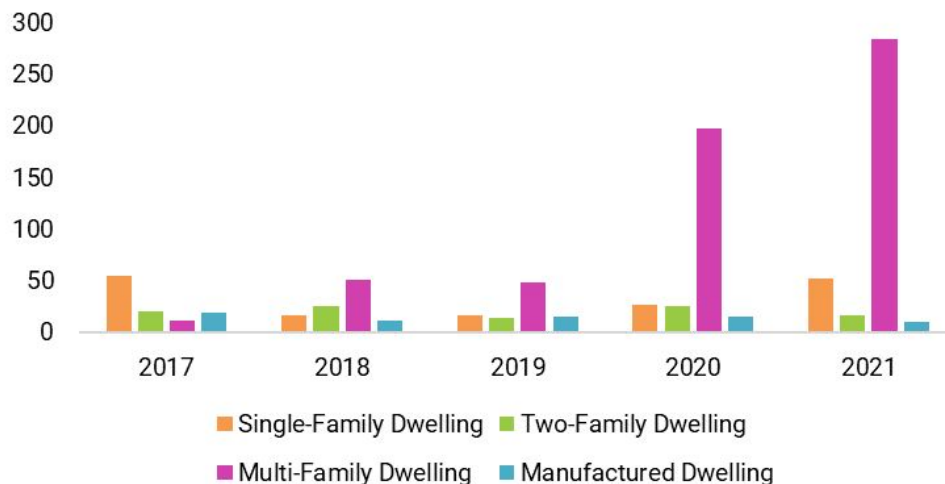


Recent Housing Production

Over 60% of new dwelling units produced from 2017-2021 were apartments in multi-family developments.

- 592 multi-family units were built in Lebanon between 2017 and 2021.
- This represents a significant shift from historical housing production, but it is unclear if this is a continuing trend.

Permits Issued, City of Lebanon, 2017-2021

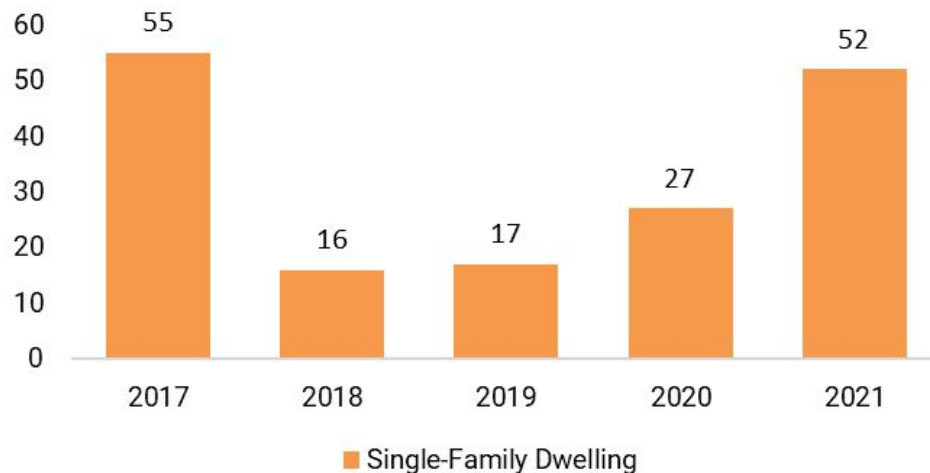


Recent Housing Production: Single Family Dwellings

Lebanon needs to produce single-family dwellings at a faster rate to meet long-term needs.

- The Housing Needs Analysis projects a total 20-year need of 1,447 detached single-family dwellings in Lebanon.
- On average this requires development of 72 single-family dwellings per year.
- Between 2017-2021 Lebanon permitted an average of 34 single-family dwellings per year, well below what is needed to meet the 20-year target.

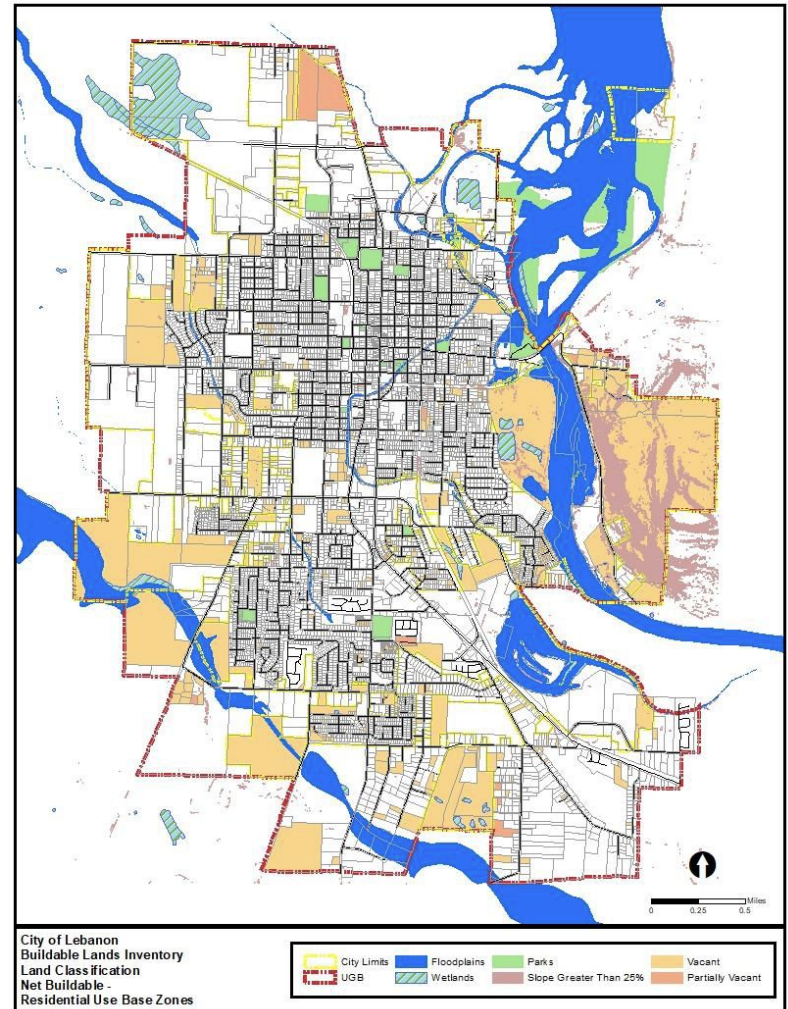
SFD Permits Issued, City of Lebanon, 2017-2021



Buildable Land Supply

While the City has a enough land zoned for housing overall, development is economically infeasible or impractical on some of that land.

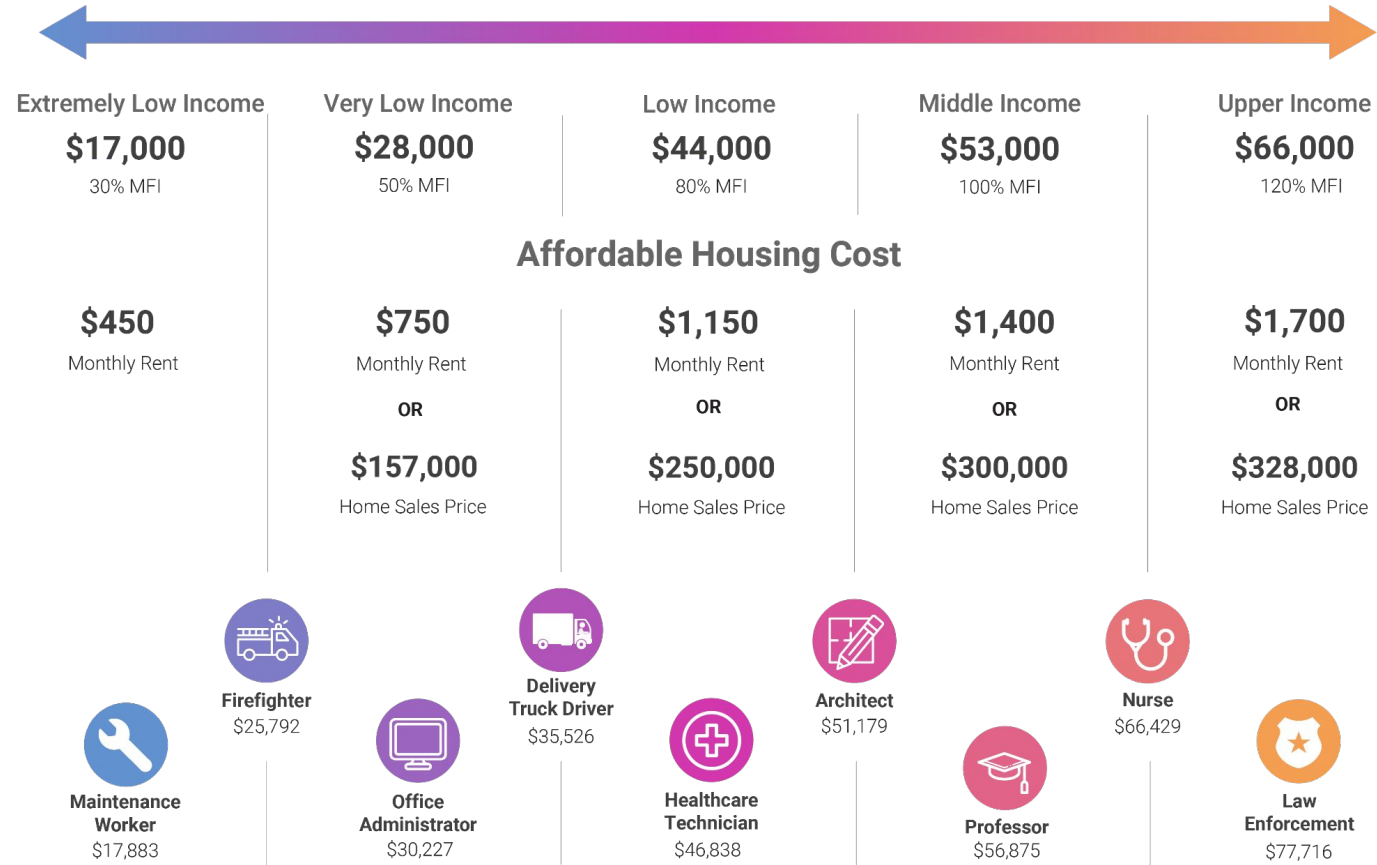
- Steep slopes in East Lebanon require more costly infrastructure and limit development options.
- Major infrastructure improvements are needed in some locations to enable more housing development.



Housing Needs by Income Level

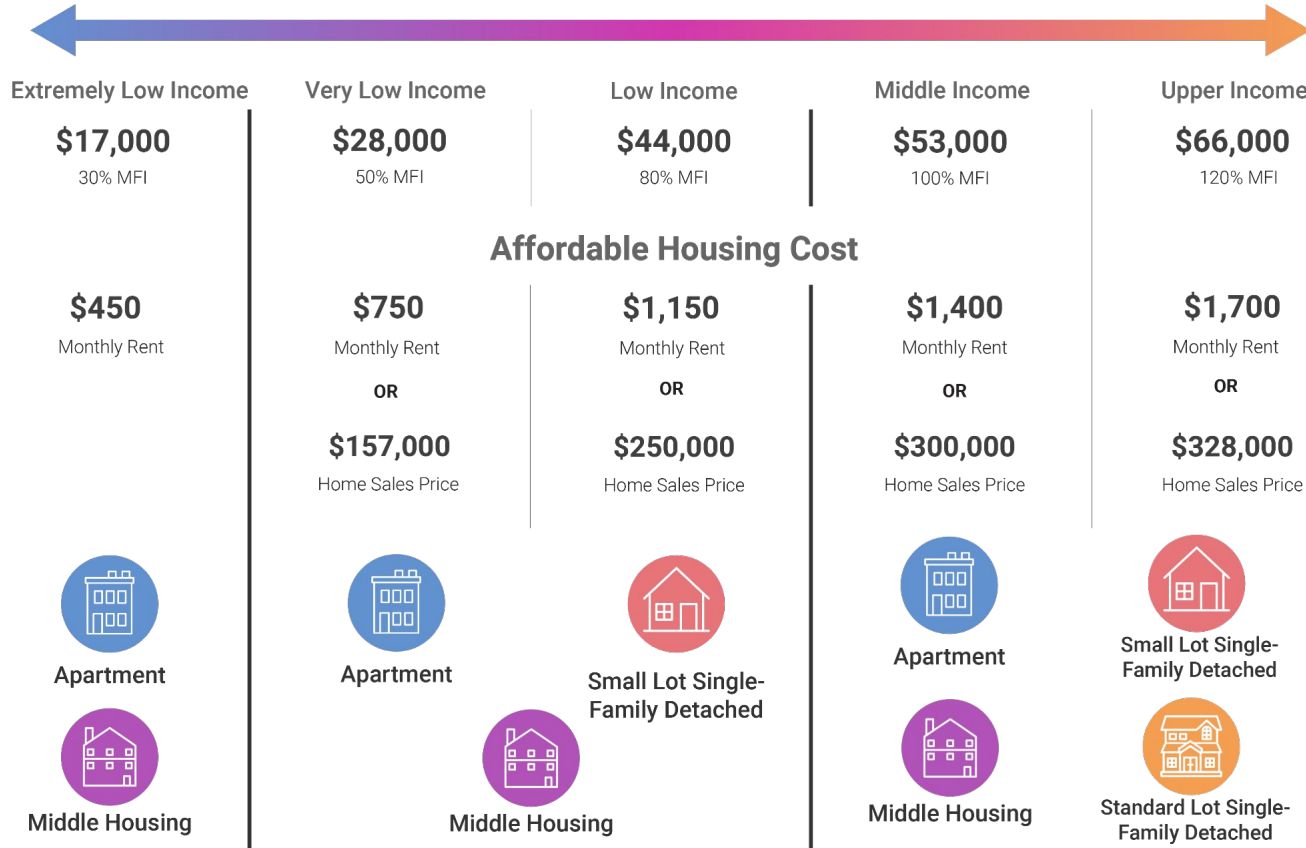
What are the key housing issues and needs by income level?

What level of housing costs are affordable for Lebanon residents?

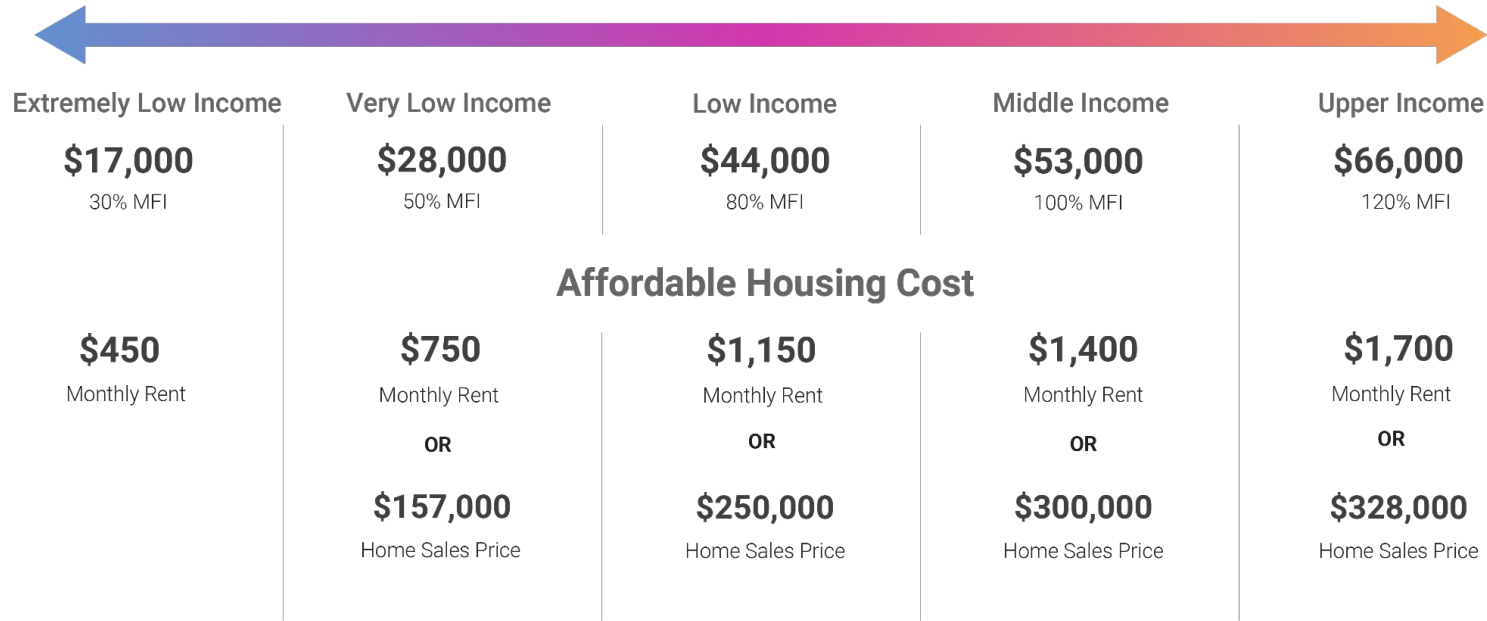


Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates. Table B2401

What housing types are attainable for each income bracket?



How can housing be delivered at that cost?



Housing usually must be subsidized to be affordable at this income level

Can be served by a blend of subsidized housing and market rate housing

Market rate housing

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates. Table B2401

How many units are needed at each income bracket according to the 2019 HNA?

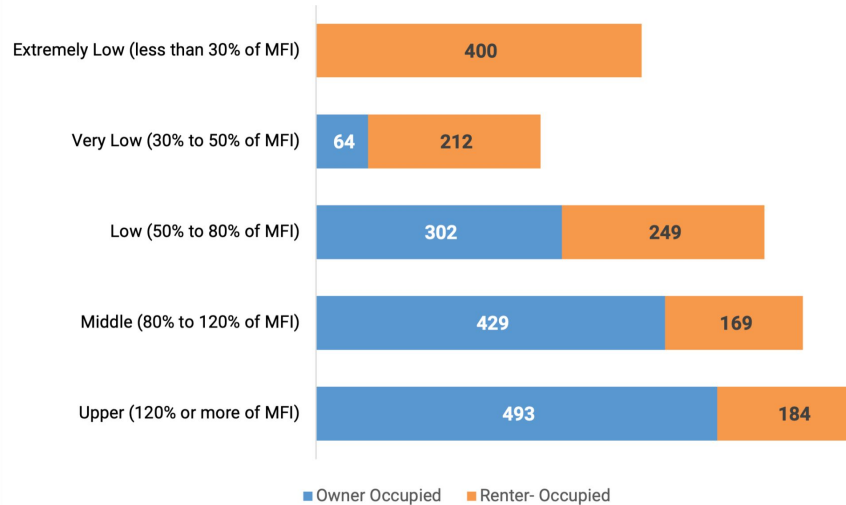


Extremely Low Income	Very Low Income	Low Income	Middle Income	Upper Income
\$17,000 30% MFI	\$28,000 50% MFI	\$44,000 80% MFI	\$53,000 100% MFI	\$66,000 120% MFI
Affordable Housing Cost				
\$450 Monthly Rent	\$750 Monthly Rent	\$1,150 Monthly Rent	\$1,400 Monthly Rent	\$1,700 Monthly Rent
	OR		OR	OR
	\$157,000 Home Sales Price	\$250,000 Home Sales Price	\$300,000 Home Sales Price	\$328,000 Home Sales Price
400 Renter-Occupied Units	212 Renter-Occupied Units	249 Renter-Occupied Units	169 Renter-Occupied Units	184 Renter-Occupied Units
0 Owner-Occupied Units	64 Owner-Occupied Units	302 Owner-Occupied Units	429 Owner-Occupied Units	493 Owner-Occupied Units

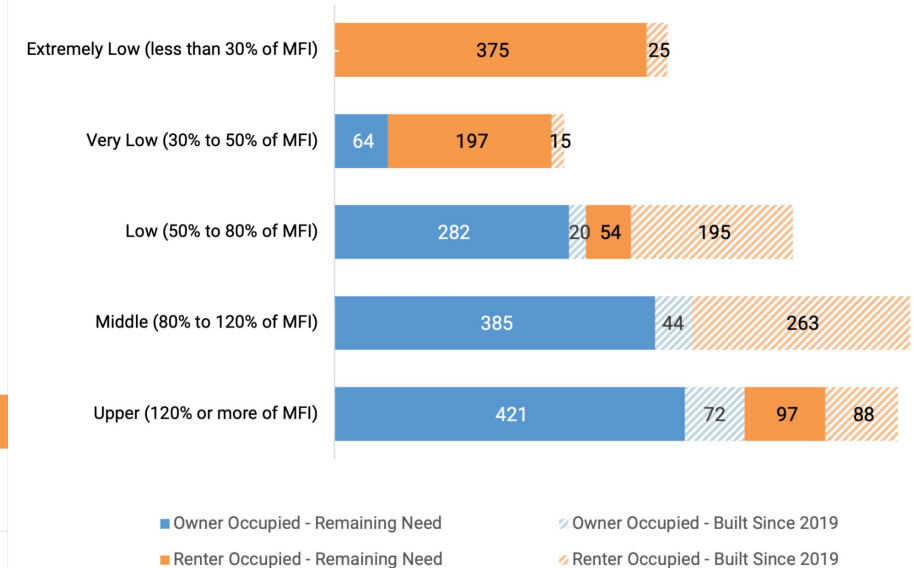
Housing Needs by Income Level

Lebanon has made significant progress toward meeting its 20-year housing need since 2019, but ownership housing and low-income rental housing remain key needs.

Lebanon's Projected 20-Year Housing Need (Units), 2019-2039

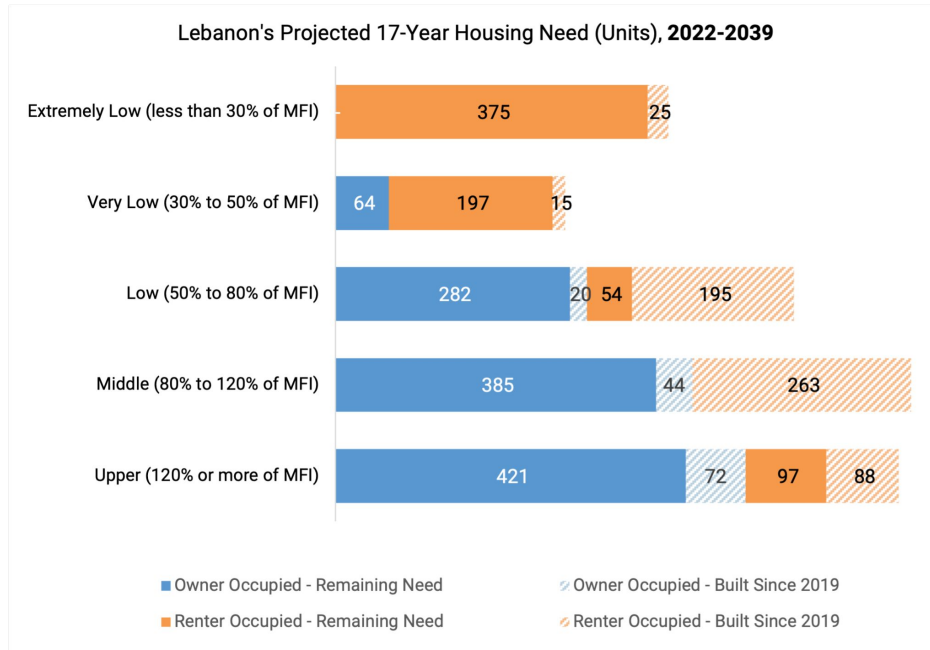


Lebanon's Projected 17-Year Housing Need (Units), 2022-2039



Housing Needs by Income Level

Approximately 15% of the need for middle and upper income owner-occupied housing is currently under development in subdivisions approved in 2021/2022.



133 units approved in subdivisions in 2022 that are likely to be owner-occupied units serving these income levels.

Regional Housing Needs Analysis (RHNA) Comparison

The HNA may underestimate the overall number of housing units needed in Lebanon, especially at both ends of the income spectrum.

- In 2019, the state legislature directed Oregon Housing and Community Services (OHCS) and the Department of Land Conservation and Development (DLCD) to consider a new methodology for projecting housing needs for each City in Oregon, termed the Regional Housing Needs Analysis (RHNA).
- The RHNA projects housing needs based on economic regions and regional incomes, while the HNA is based on local income distribution.
- The HNA estimates a need for 2,503 units, and the RHNA estimates a need for 3,183 units. However, the RHNA estimates that Lebanon needs substantially more housing units for upper income households and for very low and extremely low income households than the HNA does.¹

Projected Housing Units Needed by Income Level, 2019-2039, HNA vs. RHNA



¹ The RHNA methodology is a pilot project and is still being evaluated by state agencies. See [here](#) for more information.

Equity and Inclusion in the Housing Market

Who is disproportionately impacted by housing issues?

People Experiencing Homelessness

The rate of homelessness in Linn County is slightly lower than neighboring counties, but homelessness persists as a key housing issue.

- An estimated 500-675 people experienced homelessness at any one time in Linn County in 2020, less than 1% of the total population.¹
- Under the McKinney-Vento act definition, approximately 6% of all students (268 total) in the Lebanon Community School District were homeless during the 2019-2020 school year.²
- Among other counties in the region, Linn County has a slightly higher rate of homelessness than Benton County and a lower rate of homelessness than Lincoln County.

Point in Time Homelessness Count, 2020

County	Total Population	Estimate of Homeless Population (% of total)	
		Low	High
Lincoln	49,962	1.5%	2.2%
Benton	93,053	0.3%	0.4%
Linn	129,749	0.4%	0.5%

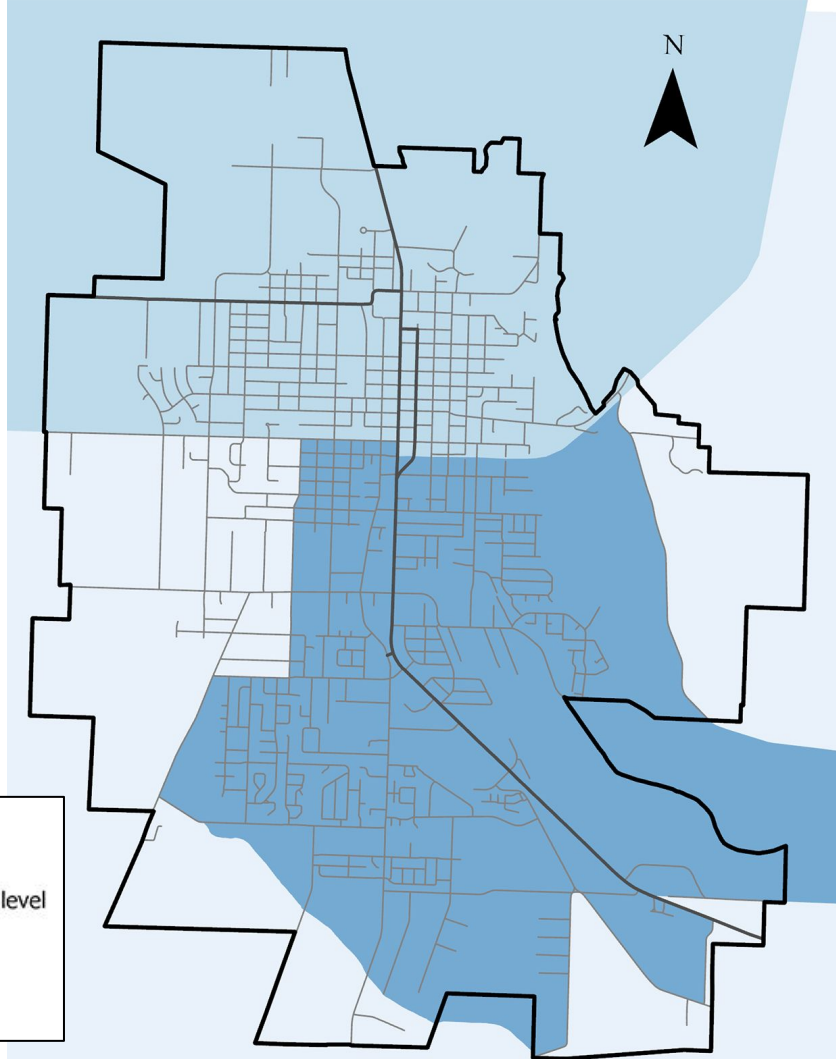
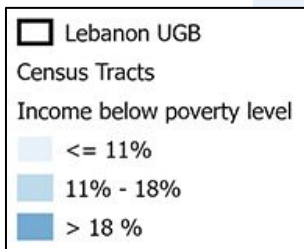
¹ Point in Time Count: Lincoln, Benton & Linn Counties, 2020

² Oregon Department of Education K-12 District Totals and % of Enrollment, 2019-2021. The McKinney-Vento act definition of homelessness includes students who live in shelters, motels, campgrounds, vehicles, and doubled up with other households.

Poverty Status

Approximately 18% of households in Lebanon live below the poverty level.

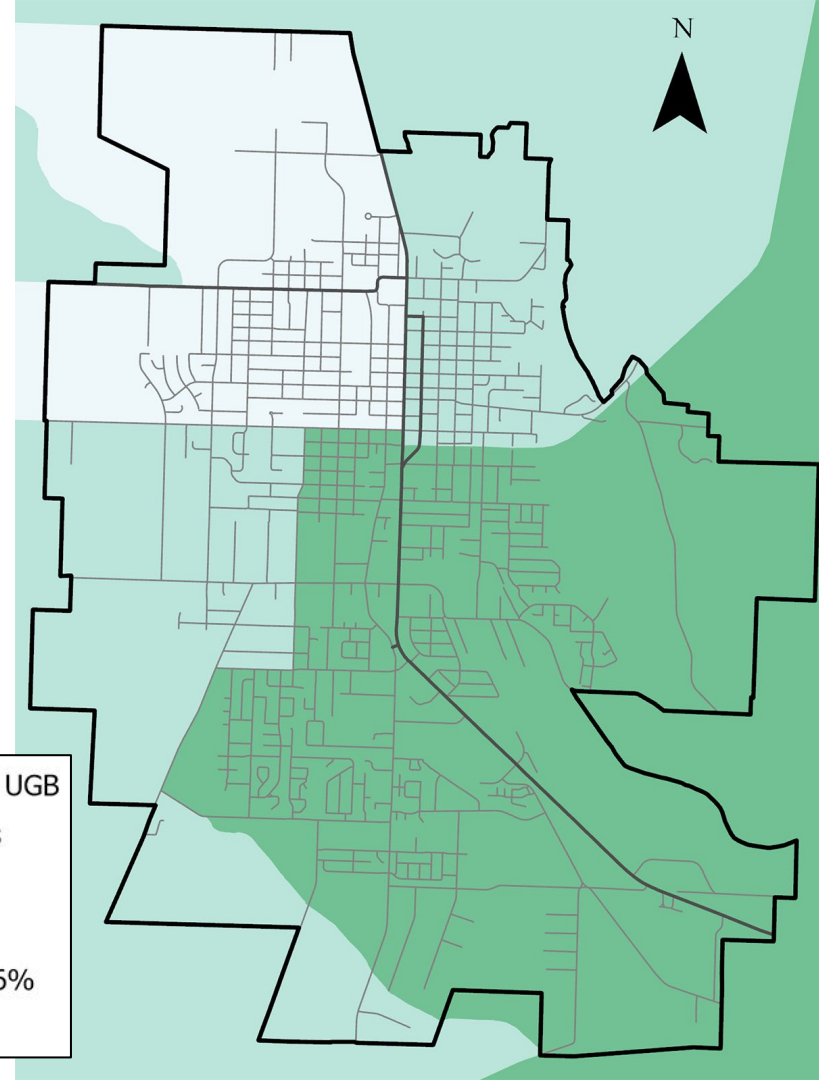
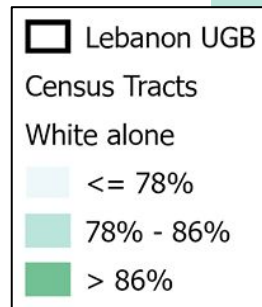
- This is higher than the percentage of Oregonian households living below the poverty level (12.4%).
- The census tracts containing the highest percentages of households living in poverty are in the southern part of Lebanon. One in five households in these areas lives below the poverty level.



People of Color

It is estimated that people of color represent 14% of the total population in Lebanon.

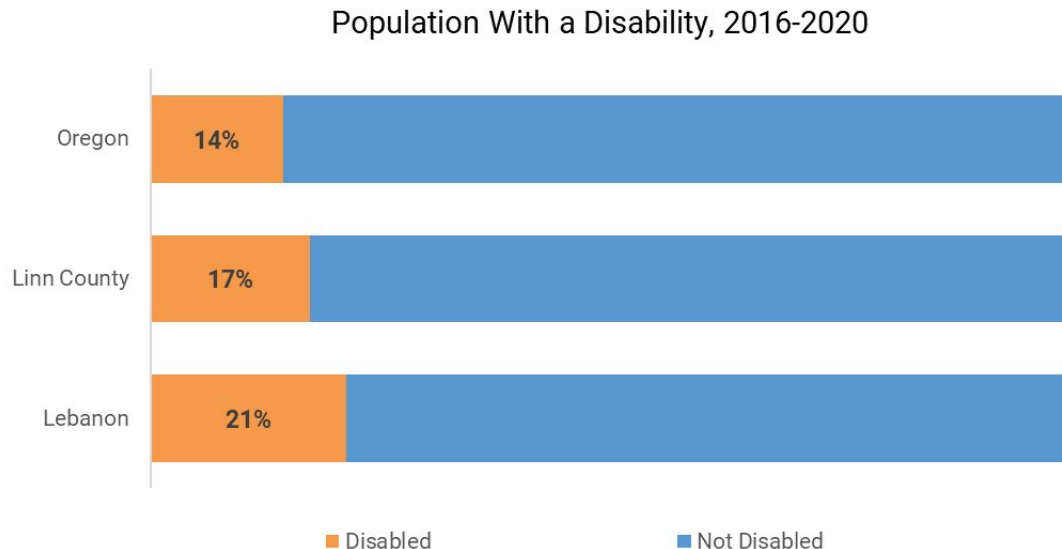
- Roughly 9% of Lebanon's population identifies as Hispanic or Latino. The census tract where the most people of color reside in Lebanon (22% of total population) is located in the northwestern part of the City.
- People of color are more likely to have lower incomes and lower overall wealth, and are thus more likely to experience housing insecurity, vulnerability to homelessness, and lack access to homeownership.



People with Disabilities

More than 1 in 5 people living in Lebanon have at least one disability.

- A higher share of Lebanon's population has a disability than the share of people with disabilities living within Linn County (17% of total pop.) as well as the state of Oregon (14% of total pop.) on average.



People with Disabilities

People with disabilities are more likely to have special needs related to housing.

- Roughly half of the disabled population in Lebanon has an ambulatory difficulty. 40% of the disabled population has a cognitive disability. 1/3 of the disabled population has a hearing difficulty. 1/3 of the disabled population has an independent living disability. People with disabilities may have more than one disability.
- People with disabilities are more likely to have special needs related to housing, ranging from needing in-home care, an assisted living facility or group home, or physical accessibility features.

Disabled Population by Type of Disability, Lebanon, OR, 2016-2020

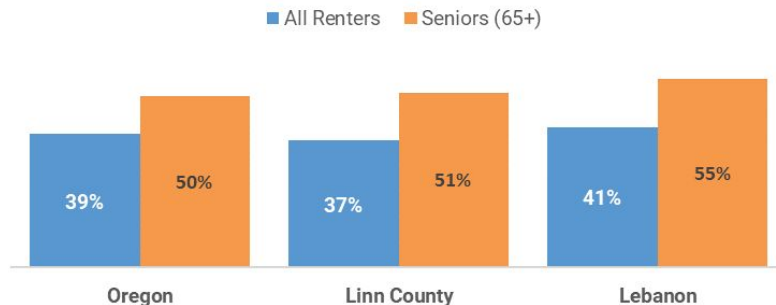
Ambulatory difficulty	49%
Cognitive difficulty	40%
Indepent living difficulty	34%
Hearing difficulty	34%
Vision difficulty	18%
Self-care difficulty	16%

Housing Issues Impacting Elders

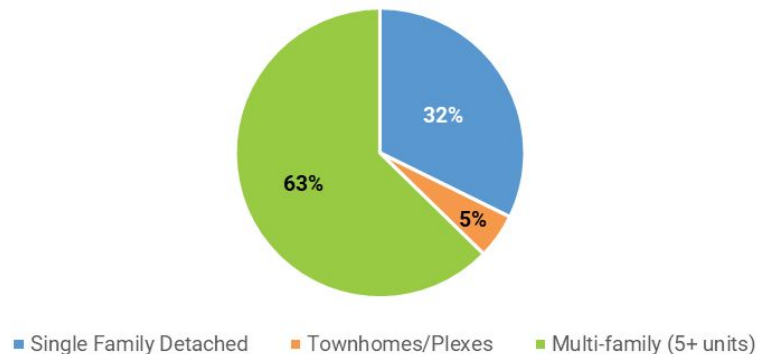
Over half of Senior households who rent in Lebanon experience rent burden, spending more than 35% of their monthly income on rent.

- 1/3 of seniors in Lebanon live in single-family detached housing, and 2/3 live in housing containing 2 or more units.
- People age 65 and older make up roughly 18% of Lebanon's total population, but 30% of renters in Lebanon are age 65 and older.
- A higher share of senior households in Lebanon experience rent burden than in Linn County and in Oregon on average.

Rent Burden for All Renters and Seniors, 2016-2020



Housing Occupied by Seniors (65+) in Lebanon, 2016-2020



Strategic Implications

How should this data influence the Housing Production Strategy? What are the key issues that the HPS must address?

Overview: Key Issues for the HPS

1. Ownership Housing Supply and Options
2. Affordable Rental Housing
3. Land Readiness
4. Households with Special Needs
5. Equitable Access to Neighborhoods and Fair Housing

Ownership Housing Supply and Options

Acceleration of production of for-sale housing and diversification of the types of for-sale housing that are built are necessary to providing attainable options for middle income households.

- Doubling the annual rate of single-family housing construction is needed in order to keep pace with demand over the next 20 years.
- New single-family detached houses are less likely to be attainable to low or middle income households. Different options—such as townhouses, small lot houses, or cottage cluster housing—are more likely to be attainable at this price point (\$150,000-\$300,000). Very few of these housing types have been built in recent years.



Affordable Rental Housing

A substantial amount of market-rate multi-family housing has been built in recent years, but there is still a need for a high number of affordable rental units for very low income households.

- Lebanon has a relatively high proportion of households below the poverty level and a relatively low median household income.
- Renters are subject to greater housing insecurity and vulnerability to homelessness than homeowners because they typically have lower incomes, lower overall wealth, and less control over their housing situation.
- Affordable rental housing for the lowest income households requires the greatest level of public assistance in order to be economically feasible to construct.



Land Readiness

A better understanding of the barriers to development on buildable lands is needed in order to strategically target actions to make land ready for development.

- Major infrastructure improvements may be needed before some sites can be developed at sufficient residential densities.
- Wetlands and steep slopes constrain development on many sites. Solutions are needed to reduce the cost and complexity associated with developing on these sites.
- A significant share of the city's buildable land is distributed across smaller sites. Developers are less likely to build on these lots because they lack the economies of scale of larger sites.



Households with Special Needs

Some groups are disproportionately impacted by a lack of housing options that meet their needs and public assistance is often required for those needs to be fulfilled.

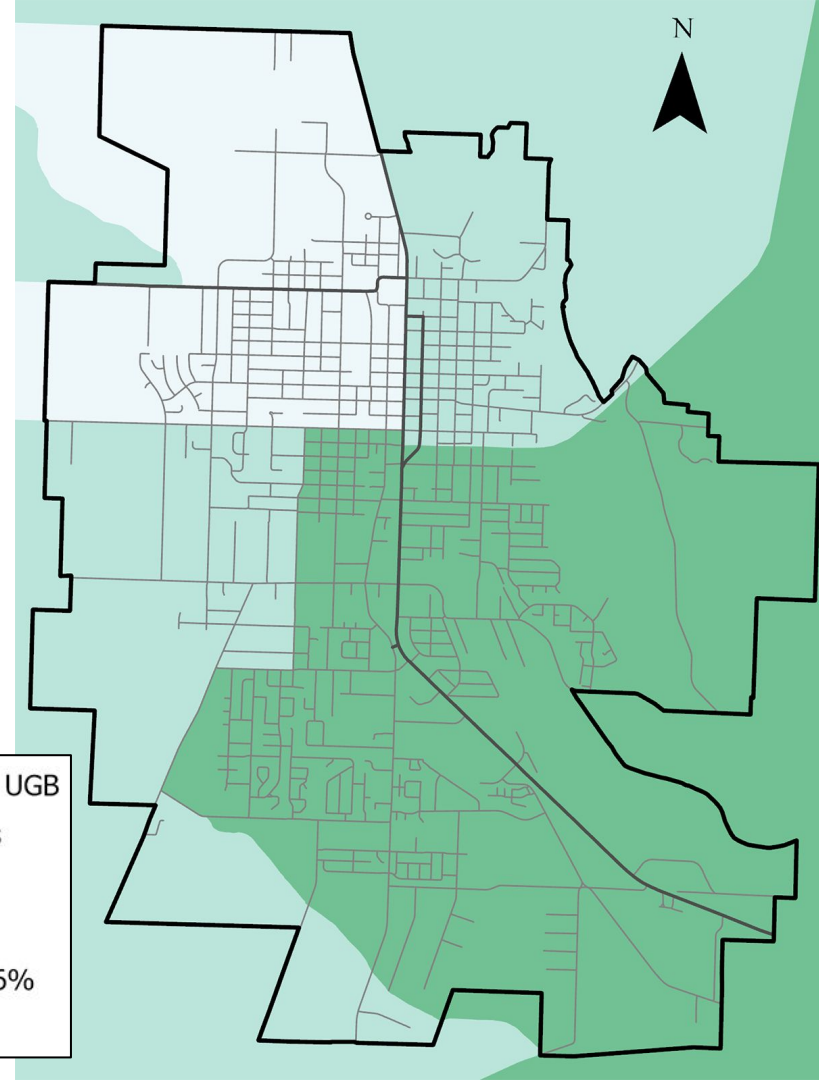
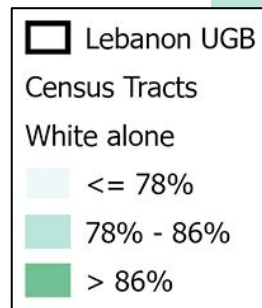
- Permanent supportive housing combines affordable housing with voluntary support services to address the needs of **chronically homeless** people.
- **People with disabilities** need specific features such as no-step entries, lowered counters and sinks, widened doorways, and wheel-in showers.
- **Single households and students** are often forced to live in overcrowded housing situations. Co-living units or micro-apartments are good options but are rarely developed.
- **Seniors** are more likely to be cost-burdened by housing, need accessibility features, or would benefit from co-housing or other communal services.



Equitable Access to Neighborhoods and Fair Housing

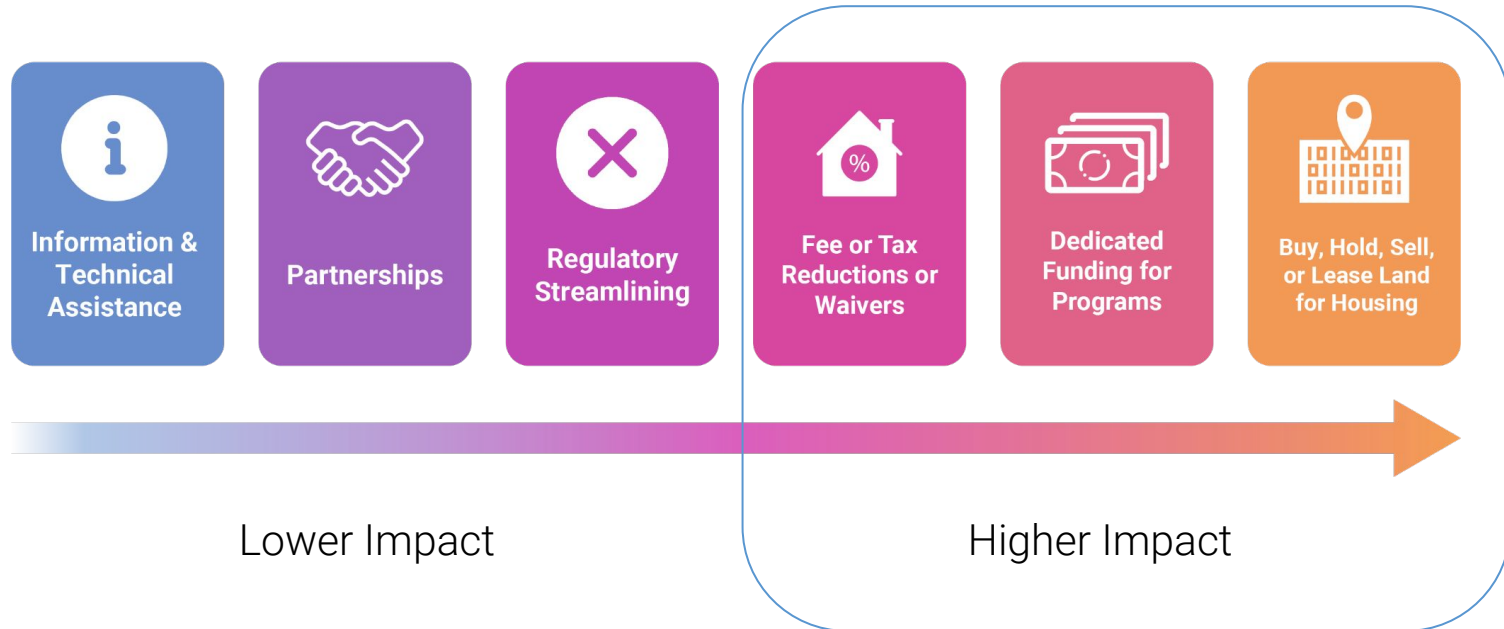
When neighborhoods are segregated by income or race/ethnicity, it presents barriers to economic mobility for people of color or lower income families

- There is some evidence of residential segregation in Lebanon by race/ethnicity. People of color are more likely to live in the neighborhoods in the northwest area of the city.
- Any strategies that impact that location where new housing will be developed—such as zoning changes—should be evaluated for how they impact the ability for people to choose to live in neighborhoods across the city.



Strategies that enable the city to control land or directly affect the cost of development will have a greater impact on housing production

But all strategies are important for fostering a healthy, dynamic housing market.



Appendix B

Draft Strategies and Actions Slides



Draft Housing Strategies

Lebanon Housing Production Strategy

September 30, 2022



01

Overview

Purpose of this document and how it will inform the Housing Production Strategy

02

Regulatory Strategies

Strategies to modify the Lebanon Development Code to address key housing needs.

03

Financial Incentives

Strategies to provide financial resources to encourage development of key housing types.

04

Land-Based Strategies

Strategies that involve acquiring, disposing, or holding land to be used for housing.

05

Investments and Partnerships

Strategies that involve working with other organizations and making public investments to support housing development.

1. Overview

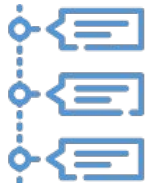
Purpose of this document and how it will inform the Housing Production Strategy

Purpose of the Housing Production Strategy

The Housing Production Strategy will guide a housing-related work program to be implemented over several years. It will include prioritization and timing of housing-related actions and strategies.



- The HPS is a new state requirement for all cities in Oregon with a population over 10,000.
- The document must be updated each time the Housing Needs Analysis (HNA) is updated, every 6-8 years.
- The document must identify strategies and actions the city will take to facilitate development of needed housing as identified in the HNA.
- The city must commit to a specific timeline for implementation of each action and must report progress to the state every 4 years.



Purpose of the Draft Housing Strategies


The purpose of this slide presentation is to identify preliminary housing strategies for discussion and further analysis for inclusion in the Housing Production Strategy.

- Staff will suggest refinements, deletions and additions to these strategies prior to a final set to be included in the Housing Production Strategy report.
- Feedback from the Planning Commission, Council and the public will also inform the final set of strategies and actions appropriate for Lebanon.
- The report will detail the final set of strategies in a more expansive format, including implementation timelines and expected impacts.
- Cascadia Partners (CP) will work with City staff and decision makers to prioritize strategies based on the costs (both fiscal and staff/administrative time), magnitude of impact, equitable impacts, and necessity of the strategy.


DEVELOPMENT INCENTIVES

Action 2.1 Provide a temporary property tax abatement for multi-unit housing


Description	Offer a property tax abatement by adopting a Multiple Unit Property Tax Exemption (MUPTEx). Structure the MUPTEx program to incentivize development of specific needed housing types in specific locations, such as affordable housing, energy-efficient housing, conversions, and accessible housing.
Implementation Steps	<ul style="list-style-type: none"> • Review MUPTEx program structure in other jurisdictions such as Newport, Salem, Eugene and Portland. • Determine policy objectives and eligibility criteria for the program, such as targeted locations, minimum unit number, tenure target (for rent or for sale), required green building or design standards, minimum percentage of dedicated affordable or workforce housing units, allowable commercial property tax exemption, etc. • Meet with overlapping taxing districts to garner support. • Determine if grant funding or consultant support is needed to implement. • Consider building in a third party pro-forma reviewer to the application fee and process. • Draft code amendments and application materials and bring through a public hearing process for adoption.
Considerations	<ul style="list-style-type: none"> • Allows cities to control which projects are eligible and to cap the total amount of tax abatement annually. • The developer must show that the project will provide a public benefit and will not pencil out, but for the tax abatement, at the time of application. • Can be designed to incentivize housing that would not otherwise be built, so it can have a net positive impact on the tax base over time. • Must be approved by at least some overlapping tax districts. • Discretionary approval process can be complex and time-consuming for staff and applicants. Consider building in a third party pro-forma reviewer to the application fee and process as a mitigation measure.
Magnitude of Impact	A 10-year property tax exemption can significantly improve development feasibility for multifamily housing, townhouses, and affordable housing. This program would specifically incentivize multi-unit housing that could not be built "but for" the tax exemption.



Adoption Timeline



Implementation Timeline



Measuring Progress

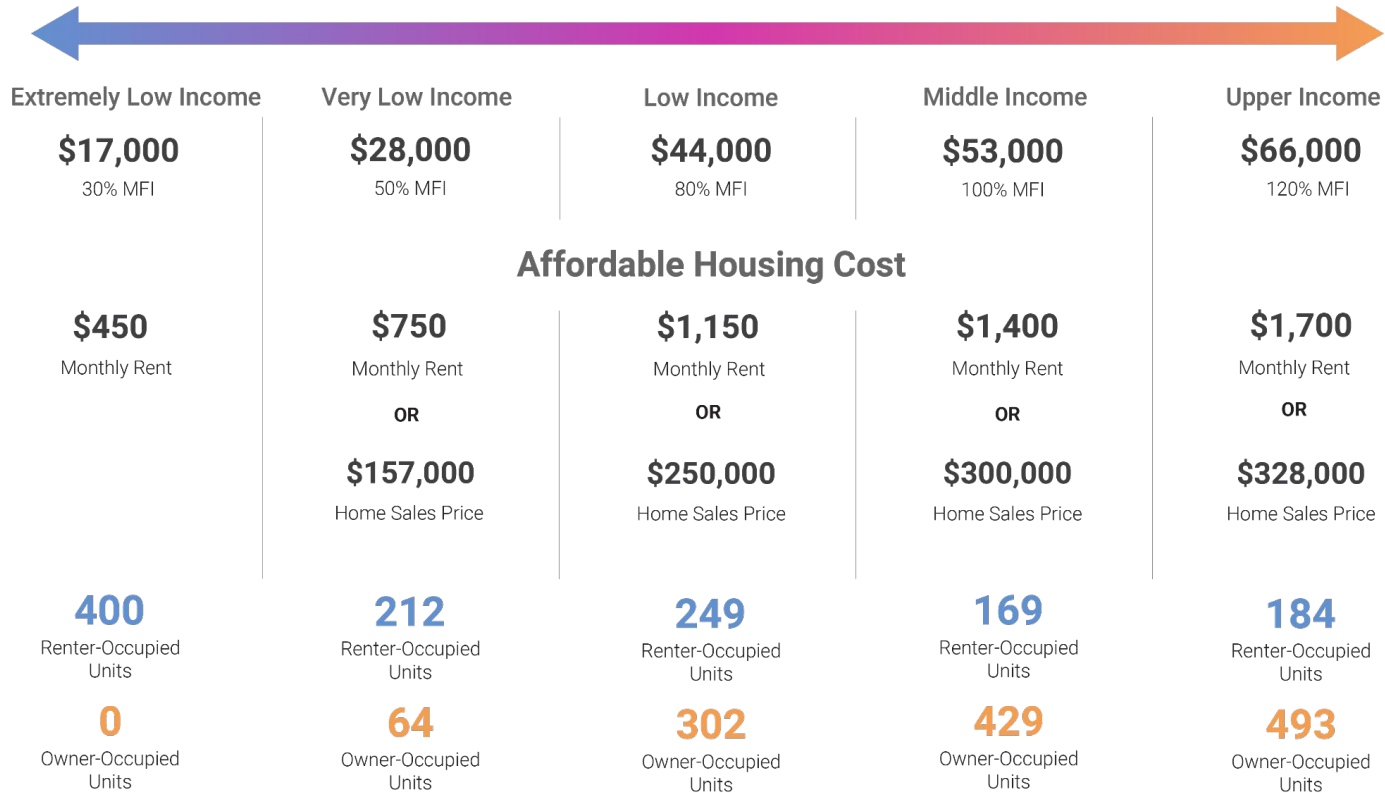
The City should review the program periodically to evaluate how effectively it is meeting goals to create needed housing, including which types of projects are or are not meeting eligibility criteria, and make adjustments as needed.

	Affordability Targets	Housing Type Targets	Tenure Targets	Demographic Targets
Subsidized	● ● ● ●	Single-Family ○ ○ ○ ○	For Rent ● ● ● ●	People of Color ● ● ● ●
Affordable	● ● ● ●	Middle Housing ● ● ● ●	For Sale ○ ○ ○ ○	People Experiencing Homelessness ● ● ● ●
Workforce	● ● ● ●	Multi-Family ● ● ● ●		People with Disabilities ● ● ● ●
Market Rate	● ● ● ●			Seniors ● ● ● ●
				Students ● ● ● ●

Example of a more detailed strategy description

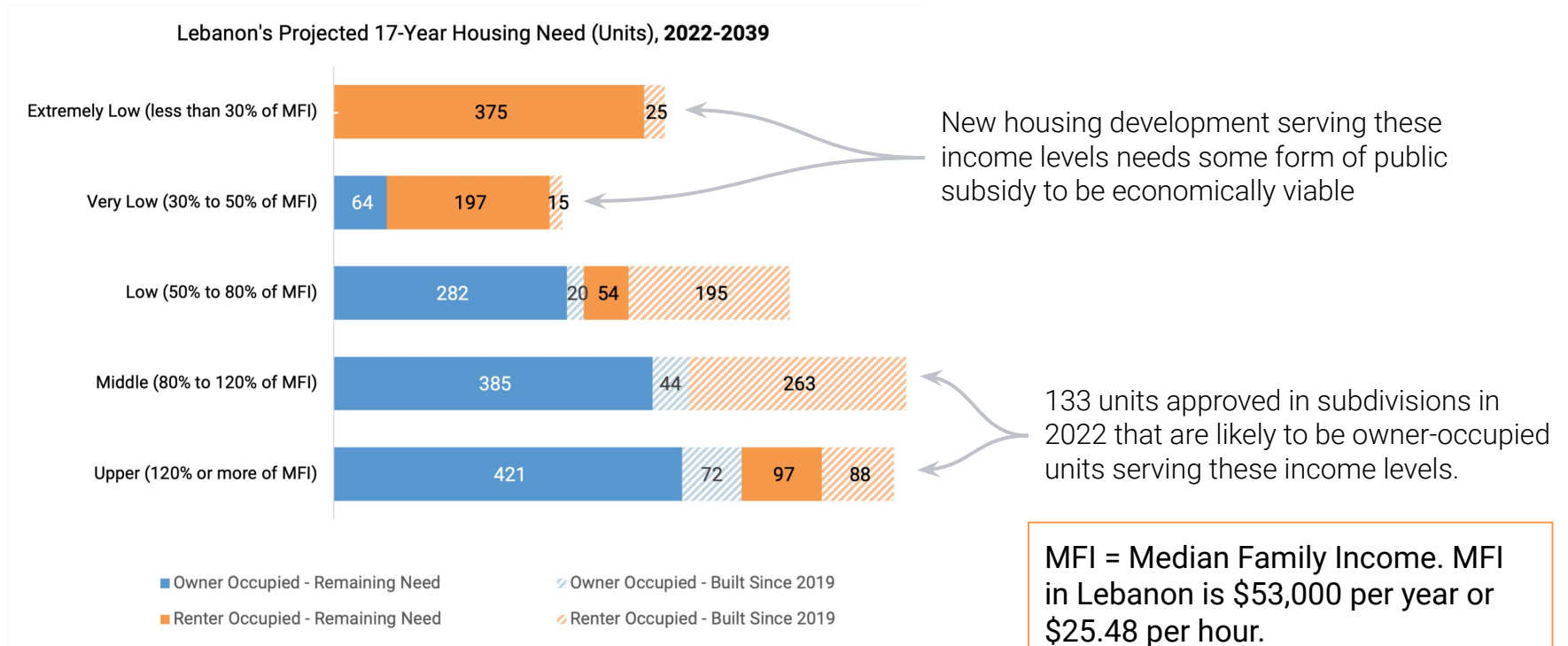
Housing Needs Analysis (2019)

How many units are needed at each income bracket according to the 2019 Housing Needs Analysis?



Key Unmet Housing Needs

Lebanon has made significant progress toward meeting its 20-year housing need since 2019, but ownership housing and low-income rental housing remain key needs.



Contextualized Housing Need

The Contextualized Housing Need identified a number of key issues for the Housing Production Strategy to address, including:

- **Acceleration of production of for-sale housing and diversification of the types of for-sale housing that are built** are necessary to providing attainable options for middle income households.
- A substantial amount of market-rate multi-family housing has been built in recent years, but **there is still a need for a high number of affordable rental units for very low income households.**
- **A better understanding of the barriers to development on buildable lands is needed** in order to strategically target actions to make land ready for development.
- **Some groups are disproportionately impacted by a lack of housing options that meet their needs** and public assistance is often required for those needs to be fulfilled.
- When neighborhoods are segregated by income or race/ethnicity, it presents **barriers to economic mobility for people of color or lower income families.**



2. Regulatory Strategies

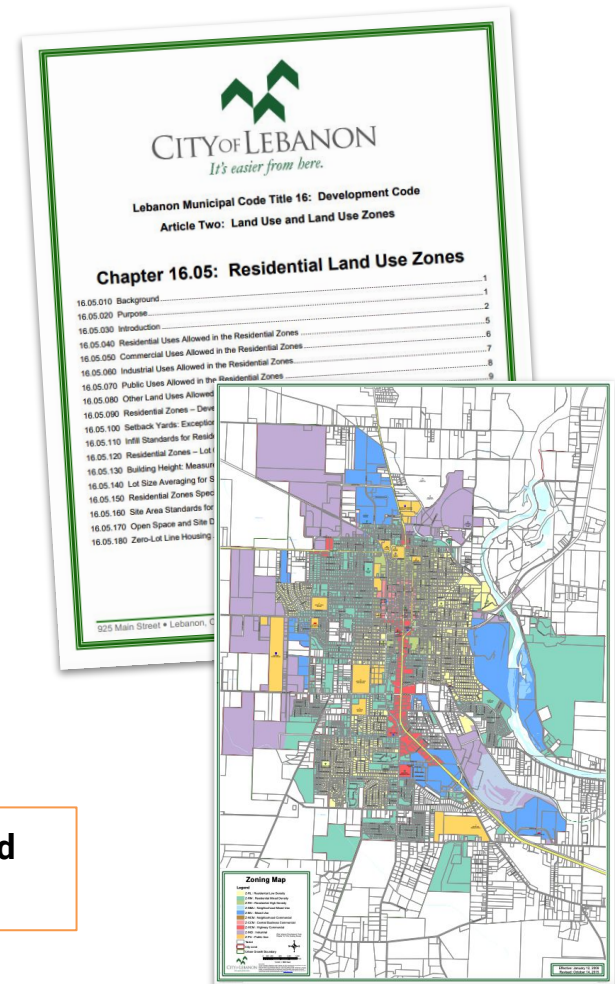
Changes to the Lebanon Development Code to address key housing needs.

Regulatory Overview

Lebanon's Development Code (Chapter 16 of the Municipal Code) generally supports development of a range of housing types to meet the community's housing needs.

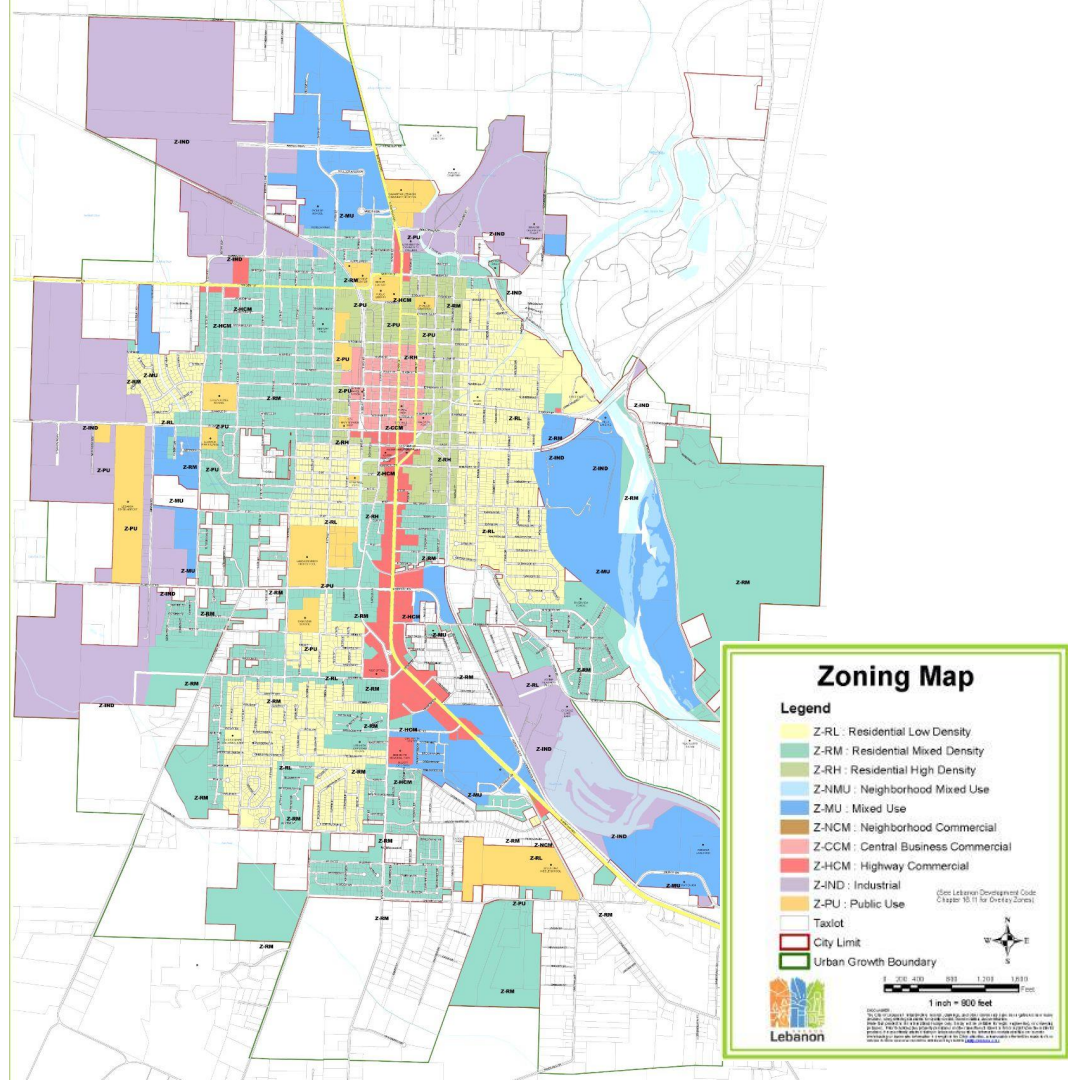
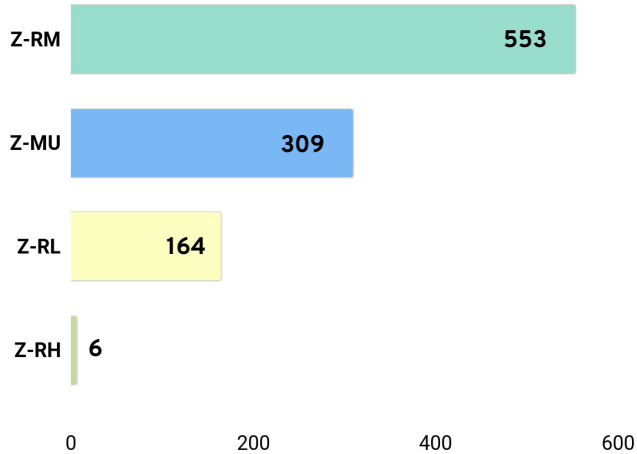
- Permits more affordable/attainable housing types in multiple zones, including zero lot line houses, duplexes, townhouses, cottage cluster housing, and accessory dwelling units.
- Allows for smaller minimum lot sizes for many housing types, such as townhouses on 2,500 square foot lots.
- Enables multi-family housing at densities of approximately 20-25 units per acre. Provides a 20% density bonus for projects that include units affordable at 80% of Area Median Income (AMI).
- Applies reasonable standards for lot coverage, setbacks, open space, and other requirements.

There are opportunities to better calibrate standards to market realities and encourage residential developments to meet key housing needs.



Buildable Acres by Zone

The Z-RM and Z-MU districts have the most buildable land for housing. The zoning strategies will focus primarily on changes to those zone districts in order to maximize potential impact on housing production.



Impact Modeling Process

Cascadia Partners tested the development code by creating physical and financial models of hypothetical housing developments and evaluating the impact of changes to the code.

- The models (called “prototypes”) are based on actual typical sizes of development sites, existing development code requirements, and local market factors such as land and construction costs.
- Some of the key market/financial assumptions behind these prototypes are provided to the right. Actual market conditions for any particular project may vary as these are intended to represent typical/average conditions.



Construction Costs (“Hard Costs”)	Cost/SF
Single Family Detached/Duplex	\$165
Townhouse/Attached	\$175
Wood Frame - 3-4 stories	\$175

Land Acquisition Costs	Cost/SF
Raw land	\$5.00
Infill lots	\$10.00

Market Rents/Prices	Amount/SF
Rents	\$1.50 - 2.00
Sale Prices	\$210 - \$270

AMI is used to determine regional affordability targets.

Median Income Levels (4-Person HH)	Amount
Area Median Income (AMI)	\$75,100
80% of AMI	\$60,080
60% of AMI	\$45,060

Overview of Recommended Regulatory Strategies

Based on the code testing and assessment of the development code, the following 7 regulatory strategies are recommended for consideration in the HPS. The strategies are targeted to the key housing needs that are not being fulfilled by recent development trends.

For-sale housing affordable under 120% of AMI

- 1 **Encourage smaller single-family detached houses** by reducing minimum lot sizes and adding new floor area standards in some zones.
- 2 **Promote cottage cluster housing** by modifying existing standards and creating new standards.

Rental housing affordable under 80% of AMI

- 3 **Recalibrate parking, density, and height standards** to encourage smaller and more affordable units.
- 4 **Restructure density bonus** provisions to encourage private developers to build income-restricted units.
- 5 **Provide more flexibility for multifamily** housing in some commercial zones.

All housing types

- 6 **Simplify infill design standards** to encourage more infill housing development.

Encourage smaller single-family detached houses

By reducing the minimum lot size required for a single-family detached house and supplementing it with a maximum floor area standard, the City can encourage developers to build smaller units.

Context

- The current minimum lot size standard for detached houses of 5,000-6,000 square feet in most residential zones, in combination with other standards, may encourage developers to build larger houses.
- The code allows smaller lots for zero lot line houses and townhouses, but these formats are more complex for developers to build.

Strategy

- Reduce minimum lot size for single-family houses from 5,000 square feet to 2,500-3,500 square feet in the Z-RM and Z-MU zones.
- Adopt a maximum floor area or floor area ratio that limits the size of houses on these smaller lots in order to achieve the intent of the code change.

Considerations

- This code change could enable a 44% reduction in the minimum price per unit needed for single-family housing project to be economically feasible.
- Demand for houses on smaller lots may be less than conventionally sized lots. However, given the lack of affordable for-sale housing, many households may be willing to trade smaller lots for for lower costs.
- Allowing for small lots could reduce access to recreation/open space. This may increase demand for city parks. It may be appropriate to require common open space for subdivisions with smaller lots.



Encourage smaller single-family detached houses

The minimum feasible sale price per unit on this project reduces from about \$490,000 to about \$354,000. The houses under the proposed change would be affordable to a household earning about 146% of AMI.

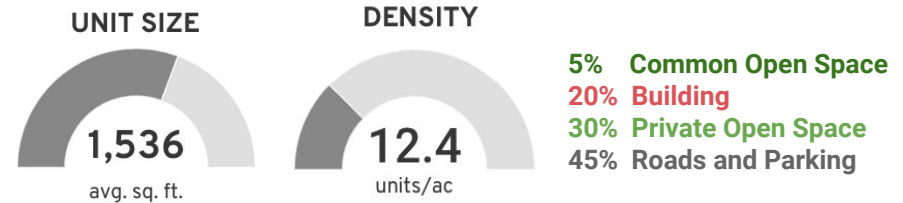
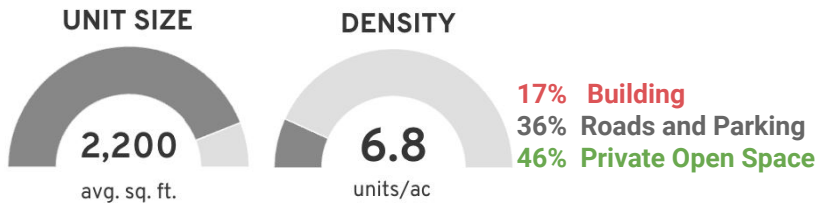
Existing Code (5,000 SF Lots) - 34 units



Alternative Code (2,500 SF Lots) - 62 units



Common open space could be required to due to less private open space in yards. This example includes a small quarter-acre park integrated into the subdivision

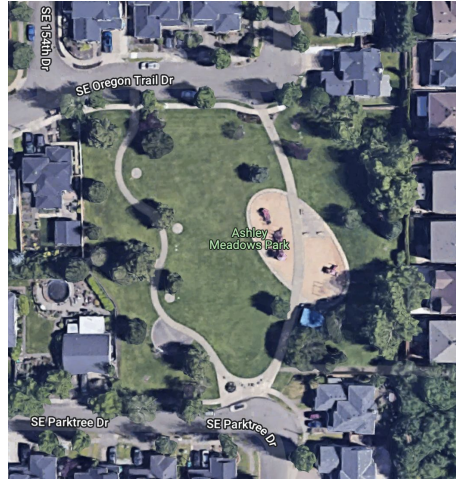


Encourage smaller single-family detached houses

New standards that apply to small lot housing can help ensure that new developments will include smaller units and create livable and attractive neighborhoods.



Place limits on the size of houses on smaller lots (such as a max Floor Area Ratio).



Require common open space, which could be maintained by an homeowners association



Windows

Deep recess



Overhanging eaves

Pavers



Natural wood finish, detailing

Individual doors

Apply design standards to minimize the prominence of garages on smaller facades

Promote cottage cluster housing

Cottage cluster housing is a proven model for delivering smaller, more affordable detached housing, particularly on infill sites. The City can make several changes to the code to make it more economically attractive for a developer to build cottage cluster housing.



Context

- Cottage clusters are multiple detached houses on one lot/site, usually oriented around a common courtyard and with shared parking.
- The City currently limits the number of cottages on a site to 4 and does not apply any special design or development standards.

Strategy

- Increase the number of cottages allowed on one site and scale it by the size of the site.
- Adopt a maximum floor area cap of 1,000-1,500 square feet in order to encourage smaller, more affordable units.
- Establish new design and site development standards to ensure projects meet the desired intent of the housing type.

Considerations

- This code change could enable a 42% reduction in the minimum price per unit needed for a cottage cluster housing project to be economically feasible.
- The Department of Land Conservation and Development (DLCD) has developed a model code for cottage cluster housing that larger cities have applied to comply with House Bill 2001. This code could be a useful reference and starting point for a Lebanon-specific code.



Promote cottage cluster housing

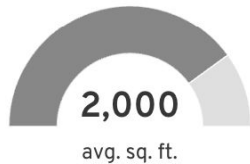
The minimum feasible sale price per unit on this project reduces from about \$447,000 to about \$269,000. The houses under the proposed change would be affordable to a household earning about 118% of AMI.

Existing Code (4 Units on 20,000 SF Lot)

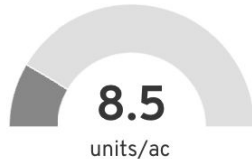
Alternative (6+ Units on 20,000 SF Lot)



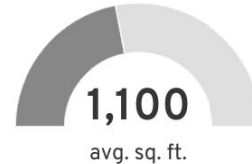
UNIT SIZE



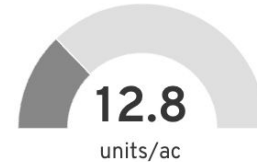
DENSITY



UNIT SIZE



DENSITY



Recalibrate multi-family housing development standards

Several of the key standards that apply to multi-family housing encourage larger, more expensive apartment units and inefficient use of land. Recalibrating these standards to allow for higher densities could make it possible for developers to build smaller, more affordable units.

Context

- The code requires 2.25 parking spaces per unit, regardless of the size of the unit
- Maximum densities are scaled by the size of the unit, but remain lower than optimal for projects with a high share of smaller units.
- Minimum open space of 25% and maximum height of 40 feet (3 stories) also constrain achievable density.

Strategy

- Reduce minimum parking requirement to scale by the size of the unit or number of bedrooms.
- Increase maximum densities to allow for at least 30-40 units per acre or eliminate maximum density standard.
- Increase height limit to allow 4-story buildings in some residential zones and reduce minimum open space standard to 10-20% of the site.
- Update open space requirements to prioritize quality over quantity and yield valuable amenities.

Considerations

- These code changes could enable a typical project to approximately double the number of units on the site and reduce the minimum feasible rent by about 20%.
- Higher densities could have impacts on infrastructure capacity in some locations, so the City would need to continue to apply relevant requirements for impact studies and mitigation.



Recalibrate multi-family housing development standards

The minimum feasible rent per unit on this project reduces from about \$1,880 to about \$1,400. The apartments under the proposed change would be affordable to a household earning about 85% of AMI.

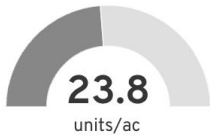
Existing Code (3 Stories, 2.25 Spaces per Unit)



Alternative (4 Stories, parking based on # of bedrooms)



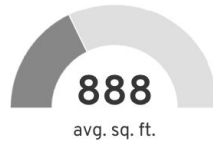
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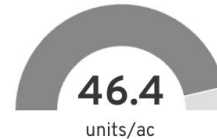
PARKING RATIO



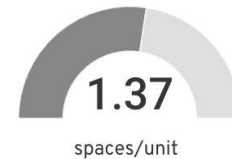
UNIT SIZE



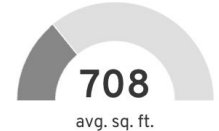
DENSITY



PARKING RATIO



UNIT SIZE





Height and Parking/Open Space Tradeoff

Increasing maximum height to 4 stories enables more of the site to be used for open space or parking.

If maximum height remains at 3 stories, then it will be important to reduce parking or open space requirements in order to have positive impact on development costs and housing affordability.



Balance Open Space Quantity vs. Quality

Consider pairing a reduction in amount of open space with stronger standards about the type/quality of open space.

Current minimum area requirement: 25% of site

- Oregon Model Development Code: 10-20%
- Albany Development Code: 15%

Potential changes to improve quality of open space:

- Limit the amount of open space in grass lawns
- More specific standards about the features and amenities that must be provided

Restructure zoning incentives for income-restricted units

The existing density bonus incentive for affordable units does not offer enough economic value to incent a private developer to include income-restricted units.

Context

- The code provides for a 20% density bonus for projects that include units affordable at 80% of AMI. One half of the bonus units must be income-restricted.
- It is challenging to achieve the additional density while meeting parking, open space, and height requirements.
- The cost of complying with the affordability requirement outweighs the benefit of more density.

Considerations

- Our modeling estimates that a project which uses the density bonus would generate an 18% lower return than a project that does not use the bonus, despite having 20% more units.
- If the code changes identified for multi-family housing were offered in exchange for including 10% affordable units, then a project built to those standards would be about 16% more profitable than current base standards.

Strategy

- Evaluate the most effective set of regulatory incentives for income-restricted housing in coordination with any changes to the multi-family development standards.
- Provide reductions or concessions on multiple standards that affect density, including parking, height, and open space.



Provide more flexibility for housing in commercial zones

Vertical mixed use development is unlikely to be developed except for a few locations. Allowing for other forms of housing in commercial zones could allow the market to respond to demand.

Context

- The code currently requires that any residential use must be above a ground floor commercial use in the Z-NCM, Z-CCM, and Z-HCM zones.
- This form of mixed use development is complex to finance and construct and is unlikely to occur widely in a smaller market such as Lebanon.
- In some areas, particularly off main streets, commercial uses may not be economically viable while residential uses are in high demand.

Considerations

- If the City allows residential uses too broadly in the commercial zones, then it is possible that residential uses will consume land that is needed to meet the City's long term need for commercial land. A Economic Opportunities Analysis (EOA) could help the City to identify if there is a surplus of commercial land.
- This code change could be implemented only in some commercial zones where it is more appropriate to allow housing on the ground floor.

Strategy

- Evaluate options for providing more flexibility for higher density housing in one or more commercial zones.
- This may include allowing for horizontal mixed use development (residential behind commercial) or only requiring a portion of the ground floor to be commercial uses.



Simplify infill design and compatibility standards

The current infill design standards add uncertainty and cost to infill projects. Alternative approaches could provide more predictability while achieving similar design outcomes.

Context

- The Infill Design Standards (16.05.110) require a project under 1 acre in residential zones demonstrate that its characteristics are within a range of characteristics of adjacent properties.
- This requires applicants to inventory the design features of adjacent properties, which could be costly and time-consuming. It may also be unclear how to measure the characteristics of some features.
- Matching the characteristics of adjacent properties may impose barriers and not always result in compatibility.

Considerations

- It would be difficult to determine if a project could meet the standards without an in-depth study of adjacent properties, which adds upfront uncertainty and may deter a developer from pursuing a project.
- The standards give discretion to Planning Commission, adding more uncertainty of approval or the conditions of approval. These uncertainties have greater negative impacts on smaller projects.

Strategy

- Evaluate options for simplifying the standards or replacing them with a set of explicit and clear standards.
- Consider applying the standards only to certain uses or types of development that are most likely to be incompatible with surrounding uses.

About 85% of the vacant or partially vacant lots in residential zones are under one acre and could be subject the infill standards. These lots account for 10% of the buildable acreage in these residential zones.



3. Financial Incentives

New incentives to encourage development of key housing types.

Establish a property tax incentive to support development of key housing types

Property tax abatements can stimulate development of critically needed housing types, while being designed to only be available to projects that would otherwise not be feasible.

Context

- Property taxes are a significant operating cost for new housing development. Offering a temporary abatement of property taxes can significantly improve economic feasibility of a housing project.
- Several different state statutes enable local jurisdictions to offer a property tax abatement to incentivize different types of housing development, including multi-family housing, vertical mixed use, housing owned by a non-profit, and ownership units for lower income households.

Considerations

- The City can control which projects are eligible and to cap the total amount of tax abatement annually.
- Can be designed to incentivize housing that would not otherwise be built, so it can have a net positive impact on the tax base over time.
- Must be approved by majority (over 50%) of taxing districts.

Strategy

- Evaluate options for offering property tax abatements targeted at varying housing types or needs, such as income-restricted affordable housing or mixed use housing.
- Structure the program and run financial pro-forma tests of its effectiveness at increasing feasibility of developing targeted housing types.

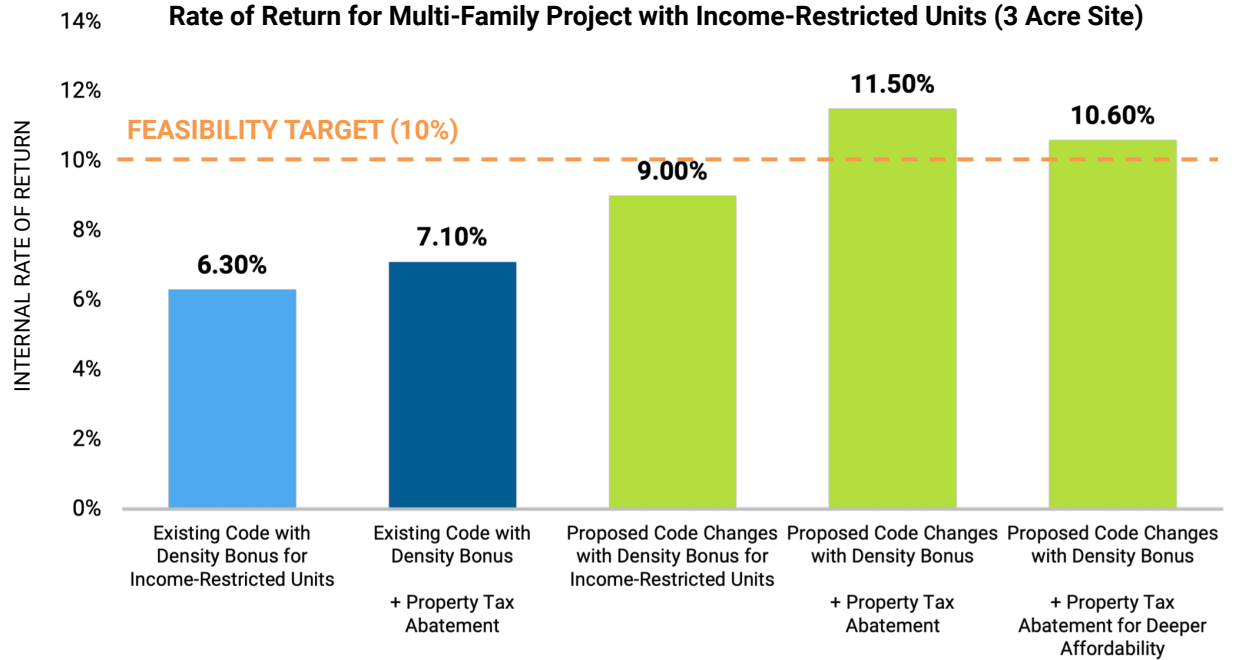
Examples of small Oregon cities that offer property tax exemptions for affordable or market rate housing:

City	MUPTE Application Fee	# of Applications
Cottage Grove (2019)	\$840 No independent review	6
Florence (2022)	\$970 No independent review	None yet
Newport (2020)	\$4,500 \$500 base fee plus \$4,000 for an independent financial consultant	1

Property tax abatements improve economic feasibility for private developers to provide income-restricted units

They are more likely to be used and can deliver more units if proposed code changes are implemented.

The combination of code changes and a property tax abatement could allow for deeper affordability (60% of AMI vs. 80% of AMI)



Total Units	87	87	140	140	140
Percent Income Restricted Units	8%	8%	8%	8%	20%
Max AMI of Income-Restricted Units	80%	80%	80%	80%	60%
Number Income Restricted Units	8	8	11	11	28

Allow System Development Charges to be deferred until occupancy

System Development Charges (SDCs) are a significant upfront cost of development. Allowing the payment to be deferred can remove a barrier to housing development.

Context

- Current SDCs can cost up to \$10,000-\$15,000 per unit depending on the size and type of project.
- The City offers financing of SDCs through an installment loan that is paid over 10 years.
- The City could also allow for deferral of the SDC payment to when the Certificate of Occupancy is issued, rather than when the building permit is issued.

Strategy

- Evaluate options for offering a deferral program.
- Consider if the program should be targeted to certain housing types or offered to all residential developments.
- Incorporate recommendations from forthcoming state study on SDCs.

Considerations

- SDC deferral may be more appealing to developers looking to avoid a lien and may require less administrative time to approve and track than financing.

Examples of Oregon cities that offer SDC deferrals and/or financing for residential developments:

- Albany
- Bend
- Cornelius
- Florence
- Forest Grove
- Lebanon
- Madras
- Medford
- Newport
- Portland
- West Linn
- Winston

Source: League of Oregon Cities SDC Survey Report

Evaluate the feasibility of an SDC reduction or exemption for key housing types

A partial reduction or full exemption of SDC charges is a compelling incentive to develop certain housing types, giving the city a tool to influence the types of housing that are built.

Context

- In addition to offering deferral or financing of SDC payments, the City can provide a reduction or complete waiver for certain developments in order to incentivize production of needed housing types.
- A SDC deferral or waiver can have a significant impact on the economic feasibility of a project, particularly projects with affordable units.

Strategy

- Evaluate options for providing a reduction and/or waiver of SDC fees for targeted housing types.
- Identify strategies to manage the loss of revenue from the reduction/waiver program if it is offered.

Considerations

- The City may define which housing types qualify. For example, the program may only be offered to projects with affordable housing units or Accessory Dwelling Units.
- Waiving or reducing fees will result in lower overall fee revenue, which will impact the amount of funding for capital improvements. The City could limit the number or type of projects that are eligible for a SDC reduction in order to manage revenue loss or could seek to offset this reduction with another funding source.

Examples of Oregon cities that offer SDC reductions or waivers for certain residential developments:

- Beaverton
- Bend
- Cornelius
- Fairview
- Florence
- Lake Oswego
- McMinnville
- Newberg
- Pendleton
- Portland
- Salem
- Sisters
- Springfield
- St. Helens
- Stanfield
- The Dalles

4. Land-Based Strategies

Strategies that involve acquiring, disposing, or holding land to be used for housing.

Prioritize the use of surplus public land for housing needs

Acquiring land for housing is one of the most challenging aspects of development. The City can play a key role in a housing project by offering surplus public land for housing development.

Context

- The City may own or may come into ownership of land which it does not need for other public facilities or uses. The land may have been acquired for a facility that is no longer needed.
- The County may also acquire land that has been foreclosed upon for tax delinquency.

Strategy

- Adopt a policy that specifically prioritizes this surplus land to be used to meet high priority housing needs.
- The policy may state that the City will offer the right of first refusal to a land bank, land trust, or non-profit affordable housing developer.
- Maintain an inventory of publicly-owned lands available for housing development.

Considerations

- The land could also be offered as a long-term lease at very minimal cost to developers for land the City is not yet ready to surplus.
- The policy could be adopted jointly in partnership with the County, school district, or other public agencies, in order to broaden its impact to include other surplus lands.

Clatsop County, Oregon, runs a [program](#) to inventory and publish information on surplus County-owned land. The County accepts proposals from special districts, local social service non-profits and nonprofit housing developers may submit an “Expression of Interest” on available parcels.

The City of [Port Townsend, Washington](#) adopted a land disposition policy that prioritizes surplus public land for affordable housing.

Evaluate ways to support local land acquisition and banking

The City can help to establish a local land bank for affordable housing by helping to convene organizations and agencies that can contribute resources.

Context

- One of the most common barriers to building more affordable housing is acquiring land. Non-profit developers and housing authorities often struggle to compete with the resources of private developers in an open market bid for land.
- Land banks are public authorities or non-profit organizations created to acquire, hold, manage, and sometimes redevelop property.

Strategy

- Support the work of local and regional housing organizations by helping to convene or otherwise support organizations, charities, foundations, or other stakeholders that may be interested in founding a local land bank.
- The City can assist a land bank by selling or donating land to the bank and assisting with startup costs.

Considerations

- Jurisdictions may manage their own land banks or partner with non-profits to do so. Jurisdictions may also donate, sell, or lease publicly owned land for development even without a formal land bank.
- Lands acquired are often vacant, blighted, or environmentally contaminated. Land banks may also acquire lands with title defects or on which dilapidated structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.



Form partnerships with community land trusts

Community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. They can be used to ensure long-term housing affordability.

Context

- By separating the ownership of land from housing, community land trusts prevent market factors from causing prices to rise significantly, and hence guarantees that housing will remain affordable in the long term.
- There are community land trusts that operate in multiple communities throughout the state.

Strategy

- Evaluate ways to support a community land trust that may want to initiate projects in the city.
- The City could sell or donate excess public land to a land trust, provide funding to assist with administration of a trust, or convene local organizations interested in founding a trust.

Considerations

- Proud Ground, a community land trust that operates in the Portland metro region and on the coast, is looking to expand statewide and could be a partner in this work. Proud Ground's mission is to provide permanently affordable homeownership opportunities.
- Lincoln Community Land Trust (consolidated with Proud Ground) is a successful rural area land trust model currently operating in Lincoln County on the Central Oregon Coast.



Form partnerships with institutional landowners

Non-profits and faith-based organizations (FBO) may have surplus land that could be sold or donated to be developed for high priority housing needs, including affordable housing.

Context

- Non-profits/FBOs often perceive affordable housing development and work benefiting homeless and very low-income populations to be consistent with their mission and are interested in partnerships to support housing.
- Property owned by non-profit/FBO may be eligible for property tax exemptions.

Strategy

- The City could engage with non-profits and FBOs to understand long-term plans for their sites and create an inventory of surplus lands.
- The City could help connect institutions with housing developers to explore development opportunities.

Considerations

- These organizations may also be eligible for specialized funding sources and fundraising mechanisms to build housing that could target homeless and very low-income populations.
- The City could also offer technical assistance to understand zoning or infrastructure issues that may need to be overcome for housing to be developed.



5. Investments and Partnerships

Strategies that involve working with other organizations and making public investments to support housing development.

Continue to target and prioritize infrastructure to support housing

Infrastructure investments can reduce costs of housing development and enable development on sites that would otherwise not be viable.

Context

Jurisdictions can have a significant influence on whether it is feasible or attractive to build housing in a certain location based on where public infrastructure projects (water or sewer lines, street improvements, parks, etc.) are located, how they are designed, and the timing of their construction.

Strategy

Whenever planning for improvements, the City should consider how the improvements will affect housing development opportunities in the area and, where feasible, modify project designs or prioritization to better improve conditions for housing development.

Considerations

Strategic infrastructure improvements with potential to benefit needed housing development should be incorporated into long-term master planning efforts such as a wastewater master plan or a transportation system plan and Capital Improvement Program (CIP) planning.



Continue to use urban renewal investments to support housing

Urban Renewal funding can be invested in projects and programs that support housing development, including financial incentives, infrastructure improvements, and land acquisition.

Context

- Urban Renewal can produce significant revenues for projects and programs over a long-term period
- The City has 5 urban renewal districts, all of which have projects or programs that support housing development in a variety of ways.

Strategy

- Continue to utilize Urban Renewal projects to support housing development as identified in adopted Urban Renewal District plans.
- Continue to evaluate ways to target existing planned improvements and programs to address critical housing needs.

Considerations

- City is limited on additional use of UR until existing districts begin to sunset in 2028-2029.
- Projects must be implemented within the boundaries of the URA district, which may or may not include areas suitable for new housing.
- It can take five or more years for a district to produce enough revenue to be used meaningfully for projects.

Existing UR Districts	Year Established
Northwest Lebanon	1989 (6 amendments)
Mill Race	2020
Cheadle Lake	2000
North Gateway	2008
Downtown	2018

Continue to pursue opportunities to assist developers with wetland mitigation

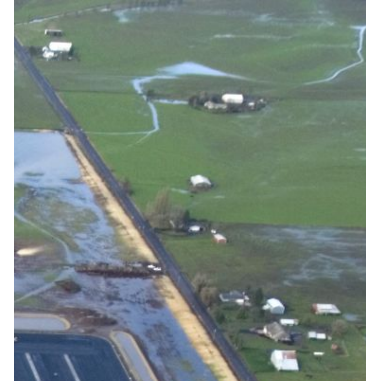
Wetlands constrain housing development on many sites in Lebanon. Solutions are needed to reduce the cost and complexity associated with developing on these sites.

Context

State and regional partners have dedicated staffing and funding devoted to wetlands and can assist with wetland mitigation banking efforts and other forms of technical assistance such as permit streamlining.

Strategy

- Work with state agency partners and CWCOC to explore expansion of wetland mitigation banks, on-site mitigation options and technical assistance available to housing developers.
- Consider developing a Local Wetlands Inventory as a planning and development resource.



Considerations

- Grant funding may be available from the state to create a Local Wetlands Inventory.
- Additional staff time and/or funding may be needed to implement the recommendations of the CWCOC wetlands study.



Continue to leverage CDBG funding for housing rehabilitation

CDBG provides annual grants to carry out community development activities directed toward neighborhood revitalization, economic development, and housing rehabilitation.

Context

- CDBG is a federal funding tool that is broadly intended to assist with community and economic development projects.
- Ideal to be paired with other tools and leveraged to fill funding gaps remaining on housing and community economic development projects.

Strategy

- Continue to work with DevNW and regional partners to leverage CDBG funding to support residential rehab projects benefiting low income populations.
- This could include sharing administrative obligations of the program and establishing a fair split formula for regional funding.

Considerations

- Administration and projects subject to federal requirements. Program is in need of streamlining and can be onerous to navigate without dedicated staff. City should continue to act as applicant city, in partnership with DevNW as operating agent.
- Amount of federal funding for CDBG has not kept up with need or inflation, so funding may not be adequate to meet needs.



Continue to provide information and technical assistance to small developers

Technical assistance to small developers can assist with housing development and can include help with finding suitable sites for housing development, promoting development incentives, understanding land use permitting processes, and providing a sense of clarity and certainty about housing development requirements.

Context

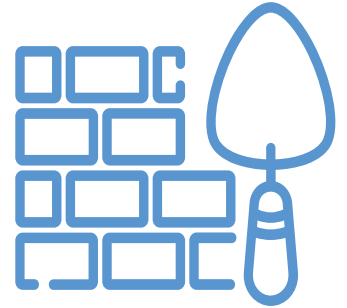
- Can help to build awareness of zoning and local development incentives among area builders.
- Can reduce uncertainty about City regulations and permitting processes to remove barriers to development of certain housing types.

Strategy

- Produce clear, easy to use information that could be distributed on the City website or at City hall.
- Offer workshops, webinars, or training sessions to help small builders become familiar with Lebanon's permitting process and make them aware of developer resources.

Considerations

- Additional staff capacity or funding may be needed to produce new informational materials and trainings.
- Several web-based tools have been developed in recent years that are intended to simplify zoning and permitting information for the public.



Appendix C

Survey Results

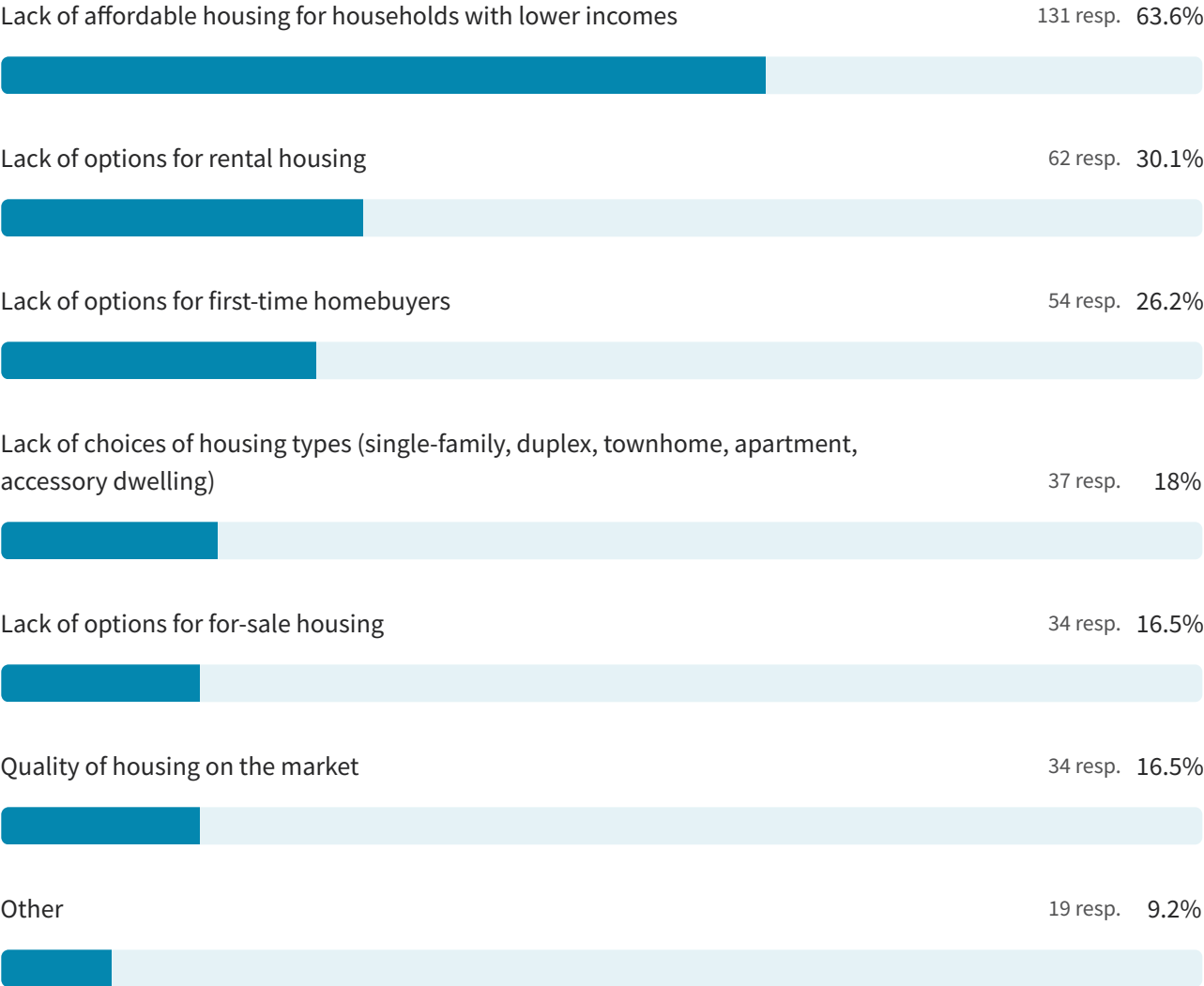
Lebanon Housing Survey 2022

209 responses



What do you think are the most important housing-related issues for current residents in Lebanon?

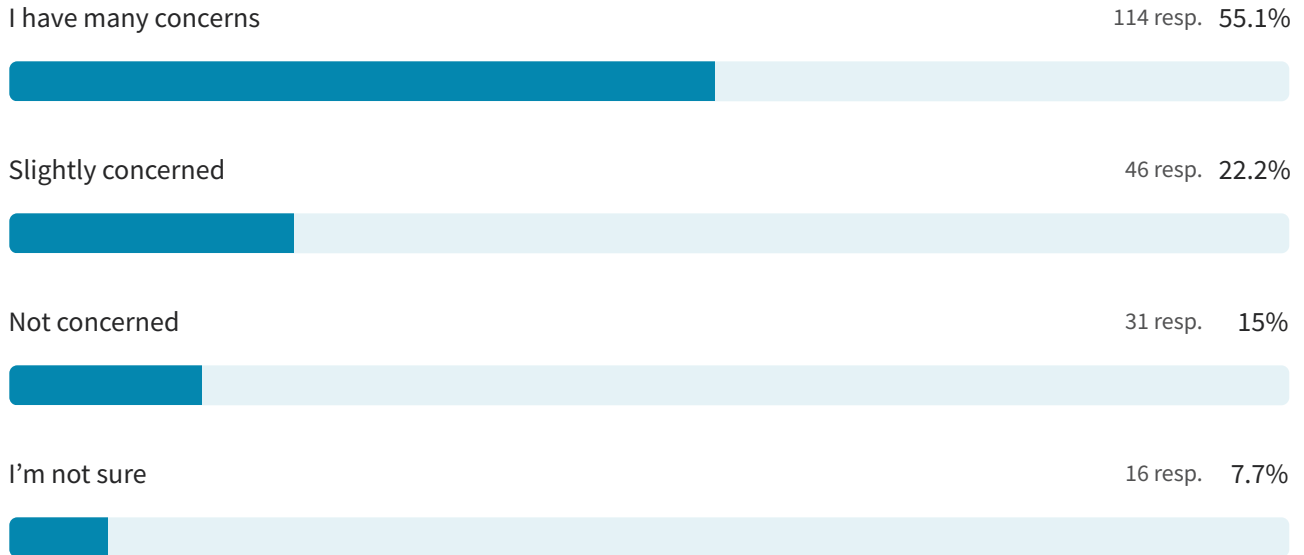
206 out of 209 answered





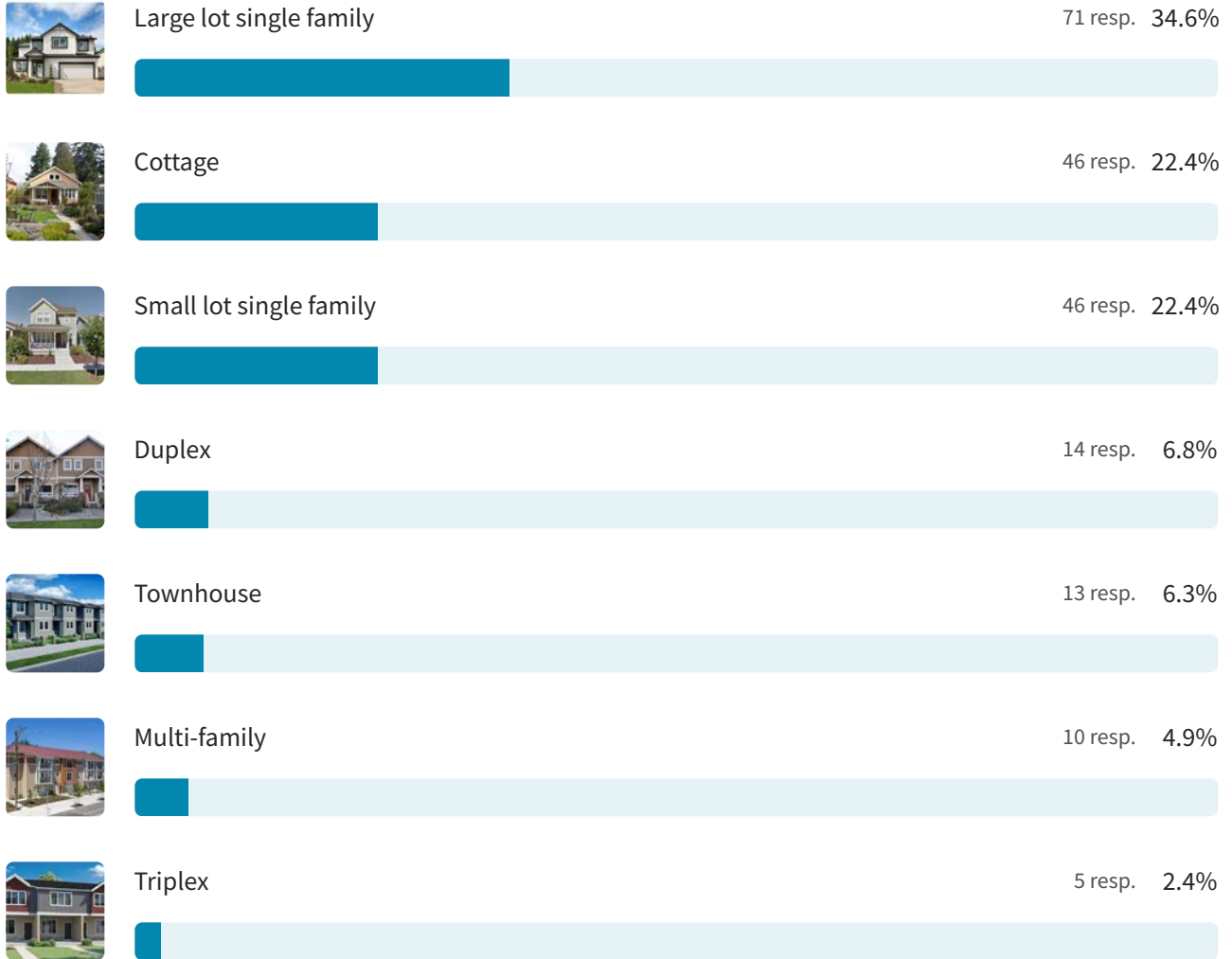
How concerned are you about the community being able to meet the housing needs of new residents in the future?

207 out of 209 answered



Which **type(s) of housing** would you like to see more of in Lebanon?

205 out of 209 answered

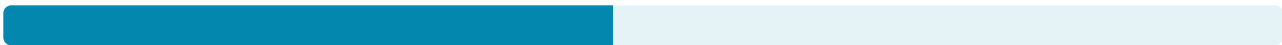




What are **some things the City can do** to help meet housing needs?

208 out of 209 answered

Encourage smaller and more affordable housing options such as duplexes, cottage homes and townhouses 99 resp. 47.6%



Continue to fund the construction of infrastructure (water, sewer, and roads) to help offset the costs of new housing developments 78 resp. 37.5%



Continue dedicating resources to help increase the supply of income-restricted affordable housing 75 resp. 36.1%



Dedicate resources to support senior housing development 67 resp. 32.2%



Make it easier to build multi-family housing 26 resp. 12.5%



None of the above 21 resp. 10.1%



I'm not sure 20 resp. 9.6%



Other 23 resp. 11.1%



What **potential impacts** related to new housing are you most concerned about in your neighborhood?

209 out of 209 answered

Increased traffic or lack of on-street parking in my neighborhood 94 resp. 45%



Housing developers being granted incentives from the City while not providing a significant public benefit 86 resp. 41.1%



Too few new housing units being developed, leading to increased prices, fewer options, and more people experiencing homelessness 67 resp. 32.1%



Negative impacts to the natural environment, such as trees or wetlands 55 resp. 26.3%



New housing that doesn't fit in with the character of my neighborhood 49 resp. 23.4%



Not enough open space in new developments, which could create a need for more public parks 27 resp. 12.9%



New housing being located in places that are far from services and amenities, like shopping area, jobs, or schools 18 resp. 8.6%



I have no concerns 4 resp. 1.9%



I'm not sure 4 resp. 1.9%



Other 22 resp. 10.5%



Do you rent or own the house you're currently living in?

208 out of 209 answered



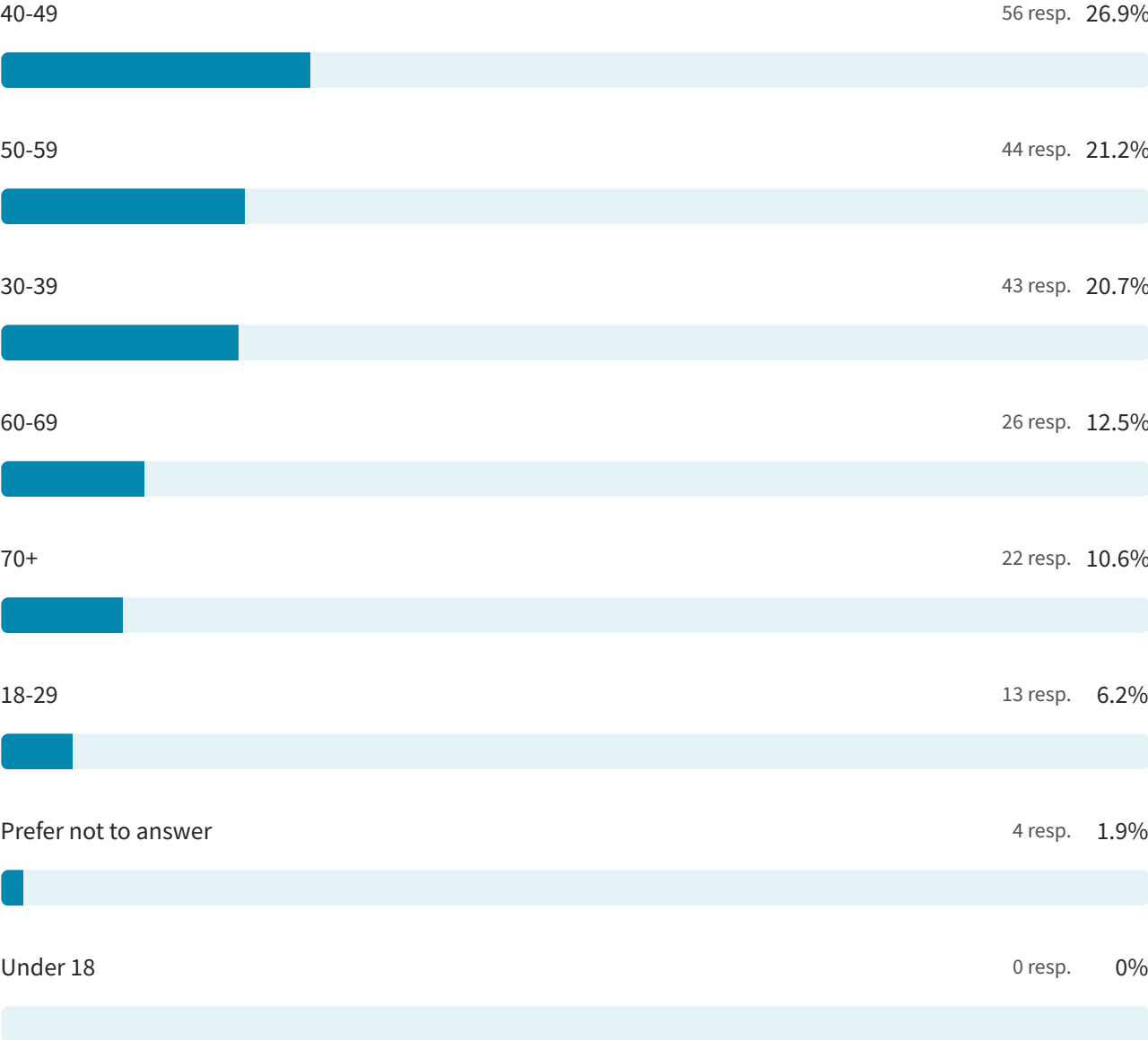
Do you live in Lebanon?

206 out of 209 answered



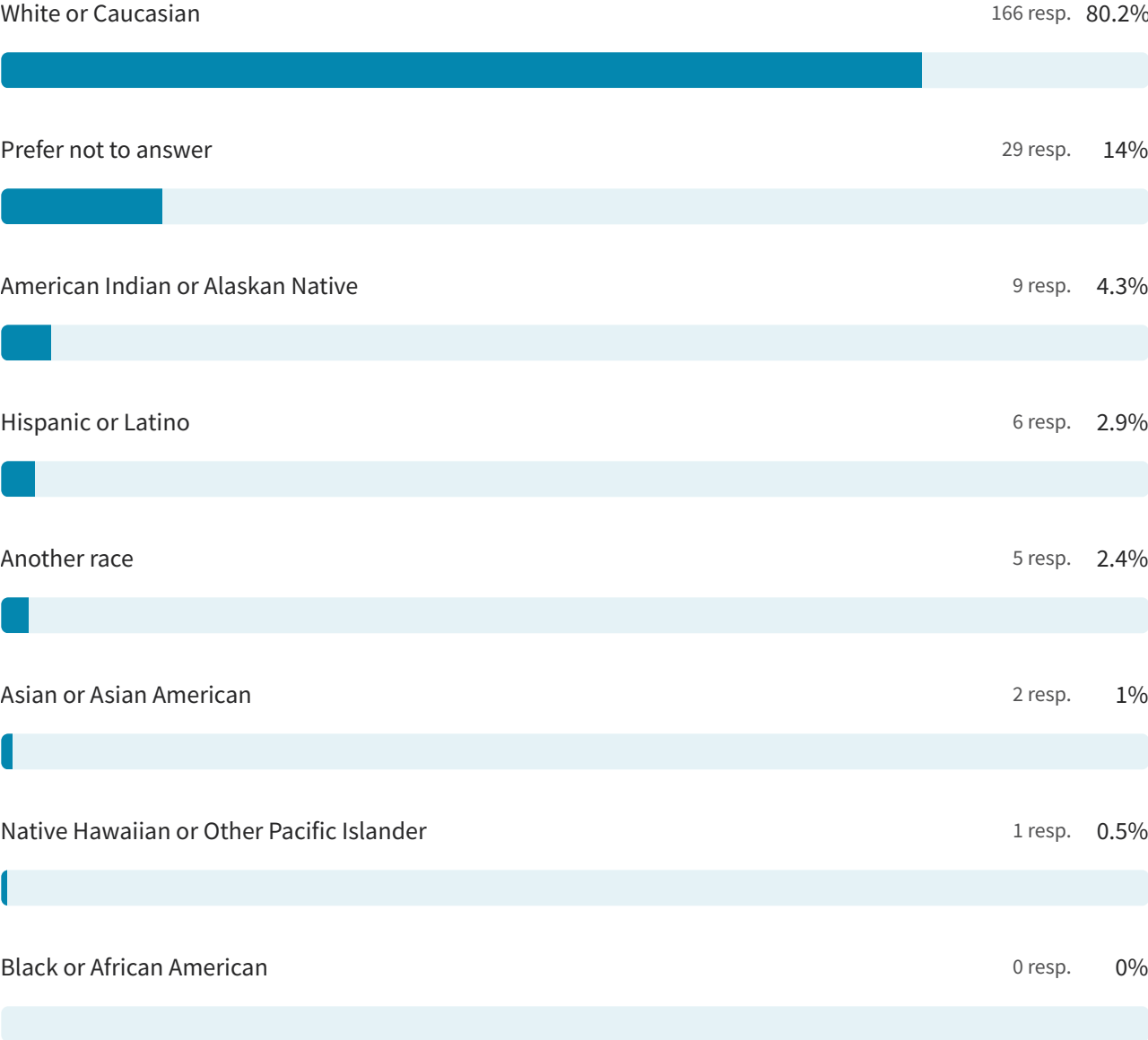
How old are you?

208 out of 209 answered



How would you describe your race and ethnicity?

207 out of 209 answered



How do you identify?

206 out of 209 answered

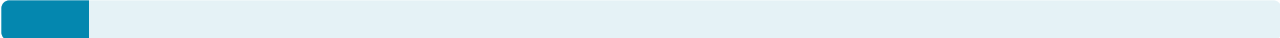
Female 156 resp. 75.7%



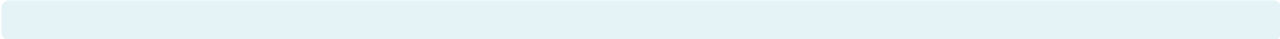
Male 33 resp. 16%



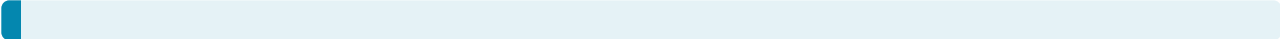
Prefer not to answer 14 resp. 6.8%



Non-binary 0 resp. 0%



Other 3 resp. 1.5%



Appendix D

Overview of Strategies and Actions

Overview of Strategies and Actions		AFFORDABILITY TARGETS				HOUSING TYPE TARGETS			TENURE TARGETS		PRIORITIZATION		
		Publicly Subsidized (< 30% AMI)	Affordable (30-80% AMI)	Workforce (80-120% AMI)	Market Rate (> 120% AMI)	Single-Family	Middle Housing	Multi-Family	For Rent	For Sale	1-3 Years	3-5 Years	5-8 Years
1.1	Encourage smaller, single-family detached houses	○	○	●	●	●	○	○	◐	●			
1.2	Promote cottage cluster housing	○	○	●	●	○	●	○	◐	●			
1.3	Simplify infill design standards	○	◐	●	●	◐	◐	◐	◐	●			
1.4	Provide more flexibility for housing in commercial zones	◐	◐	●	◐	◐	●	●	●	◐			
1.5	Update allowances for manufactured housing to comply with state law	○	○	●	●	●	○	○	◐	●			
1.6	Allow Tiny Homes on Wheels	◐	●	●	◐	○	●	○	●	◐			
2.1	Evaluate the feasibility of a property tax incentive	●	●	◐	○	○	○	●	●	○			
2.2	Allow SDCs to be deferred until occupancy	◐	◐	●	●	◐	●	●	●	●			
2.3	Evaluate the feasibility of scaling SDCs	◐	◐	●	●	●	●	◐	◐	●			
2.4	Restructure zoning incentives for income-restricted units	●	●	◐	○	○	◐	●	●	○			
3.1	Prioritize the use of surplus public land for housing needs	●	●	◐	○	○	◐	●	●	◐			
3.2	Evaluate ways to support land acquisition and banking	●	●	◐	○	○	◐	●	●	◐			
3.3	Form partnerships with community land trusts	◐	●	●	○	●	◐	○	◐	●			
3.4	Form partnerships with institutional landowners	●	●	○	○	○	◐	●	●	○			
4.1	Continue to target infrastructure to support housing	○	○	◐	●	●	◐	◐	◐	●			
4.2	Continue to use Urban Renewal to support housing	◐	◐	◐	●	●	◐	◐	◐	●			
4.3	Continue to pursue opportunities to assist developers with wetland mitigation	◐	◐	◐	●	●	◐	◐	◐	●			
4.4	Continue to leverage CDBG funds for housing rehab	◐	◐	●	○	○	◐	●	●	○			
4.5	Continue providing info and assistance to developers	○	○	◐	●	●	◐	◐	◐	●			

Appendix E

Pre-HPS Survey

Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A03 - FAR, Density, or Height Bonuses for Affordable Housing	Yes	Yes	Yes
	Comments:			
A - Zoning and Code Changes	A05 - Code Provisions for ADUs	No	Yes	Yes
	Comments:			
A - Zoning and Code Changes	A07 - Allow for Single Room Occupancy in Residential Zones	No	Yes	Yes
	Comments:			
A - Zoning and Code Changes	A11 - Add Restrictive Covenants to Ensure Affordability	Yes	Yes	Yes
	Comments: require covenants for all projects identified as affordable housing and when density bonuses are utilized.			
B - Reduce Regulatory Impediments	B02 - Remove Development Code Impediments for Conversions	No	Yes	Yes
	Comments:			
B - Reduce Regulatory Impediments	B04 - Expedite Lot Division for Affordable Housing	Yes	No	No
	Comments:			
B - Reduce Regulatory Impediments	B06 - Streamline Permitting Process	Yes	Yes	Yes
	Comments:			
B - Reduce Regulatory Impediments	B15 - Reduce the Power of NIMBYism to stop, slow, change, or reduce affordable housing	Yes	Yes	Yes
	Comments: The City's Decision Criteria for development is black and white, leaving no room for NIMBYism			
C - Financial Incentives	C02 - Modify SDC fee schedules	Yes	Yes	Yes
	Comments: Provide a reduced SDC charge for smaller single family/duplex dwelling units			
C - Financial Incentives	C03 - Reduce or Exempt SDCs for ADUs	No	Yes	Yes
	Comments:			
C - Financial Incentives	C06 - Publicly Funded Infrastructure Improvements	No	Yes	No

	<p>Comments: When developing adjacent to streets and areas where CIP projects are planned or projects are SDC eligible, the City pays for infrastructure improvements.</p>				
D - Financial Resources	<table border="1"> <tr> <td data-bbox="592 326 1444 375">D01 - Community Development Block Grant (CDBG)</td> <td data-bbox="1444 326 1629 375">No</td> <td data-bbox="1629 326 1810 375">Yes</td> <td data-bbox="1810 326 1990 375">No</td> </tr> </table>	D01 - Community Development Block Grant (CDBG)	No	Yes	No
D01 - Community Development Block Grant (CDBG)	No	Yes	No		
	<p>Comments: City has sponsored the Linn County CDBG application for DevNW to administer funds to repair existing homes and assist with first time homebuyer programs.</p>				
F - Land, Acquisition, Lease, and Partnerships	<table border="1"> <tr> <td data-bbox="592 464 1444 532">F06 - Preserving Safe, Affordable Manufactured Homes</td> <td data-bbox="1444 464 1629 532">No</td> <td data-bbox="1629 464 1810 532">No</td> <td data-bbox="1810 464 1990 532">Yes</td> </tr> </table>	F06 - Preserving Safe, Affordable Manufactured Homes	No	No	Yes
F06 - Preserving Safe, Affordable Manufactured Homes	No	No	Yes		
	<p>Comments: Accomplished through the Linn County CDBG program</p>				