

Workforce Housing Toolkit

Lincoln County, Oregon

2009

Prepared by the Workforce Housing Committee

*An Outcome of *At Home in Lincoln County: A Ten-Year Housing Plan for Lincoln County with a Special Focus on Chronic Homelessness**

EXECUTIVE SUMMARY



Housing for the workforce that is both available and affordable is a vital component of a thriving Lincoln County. Unfortunately, wages have not kept pace with the cost of housing and so a large segment of the workforce is struggling. In addition, there is a shortage of land for workforce housing and the land that is available is highly sought-after. The result is a workforce housing crisis that is expected to get worse over time without concerted action from stakeholders including the workforce (renters and buyers), employers, developers, local government, and the community.

The purpose of the Workforce Housing Toolkit is to provide resources, information, and ideas – the tools – that will promote and facilitate an increase in the quantity and affordability of housing for the workforce.

The tools are organized around the unique needs and opportunities of each stakeholder:

- **RENTER TOOLS** – Rental opportunities are the foundation of affordable workforce housing. Yet, rents are driven higher from a limited supply of apartments and rental houses throughout Lincoln County.
- **HOMEBUYER TOOLS** – Ownership housing is not faring better than rental housing. Market prices for homes in Lincoln County are under pressure from second-home buyers who want to locate on the Oregon coast.
- **EMPLOYER TOOLS** – Employers have a stake in helping to create a strong regional economy and know that the availability and affordability of workforce housing is a critical component of Lincoln County’s economic vitality.
- **DEVELOPER TOOLS** – Developers make workforce housing happen. Building affordable workforce housing is not just a social good, but it can also be profitable with the right resources and approach.
- **LOCAL GOVERNMENT TOOLS** – County and City government are in a unique position to shape workforce housing activities in their jurisdiction and provide leadership through the crisis.
- **COMMUNITY TOOLS** – When housing is unavailable and unaffordable, the community suffers in a number of small ways that upset potential stability and prosperity.

There are a variety of tools – resources, information, and ideas – presented in this Toolkit to address all aspects of this growing crisis in Lincoln County. These are proven solutions that are currently available combined with tested programs and services that have worked in other communities. The real solution to the workforce housing crisis requires the use of all of these tools and the participation of the workforce (both renters and buyers), employers, developers, local government, and the community.

INTRODUCTION

Workforce housing is housing that is available near local jobs and affordable at local wages.

In Lincoln County, there is a shortage of buildable land. The buildable land that is available is highly sought after for housing of all types including second homes and vacation rentals. These conditions have created housing costs that have outpaced wages. The result is a workforce housing crisis that is expected to get worse over time without concerted action from workforce housing stakeholders including:

- Workforce (Renters and Buyers)
- Employers
- Developers
- Local Government
- Community



The purpose of the Workforce Housing Toolkit is to provide resources, information, and ideas – the tools – that will promote and facilitate an increase in the quantity and affordability of housing for the workforce.

Goals

1. Improve access to affordable workforce housing by distributing information regarding available programs, services, and organizations.
2. Increase the quantity of workforce housing by identifying successful ideas and potential resources for development.
3. Increase the financial resources available for workforce housing through local and regional advocacy.

Beneficiaries

The Workforce Housing Toolkit is focused on providing solutions for the entire Lincoln County workforce who struggle to find housing near their place of employment with a special emphasis on those who earn too much for available housing subsidies and too little to afford a market rate rental or home purchase. These are Lincoln County's teachers, healthcare workers, police, fire, and public works employees. These are small business managers and supervisors, professionals, and technicians. The ultimate beneficiary is the entire population of Lincoln County.

BACKGROUND

Benefits of Workforce Housing

Housing for the workforce that is both available and affordable is a vital component of a thriving community or region. It provides a number of community, economic, and social benefits.

Community Benefits	Economic Benefits	Social Benefits
Improved response time for critical service workers	Improved workforce recruitment and retention	Greater social and civic involvement
Greater housing stability	Greater workforce stability	Greater family stability
Reduced fuel consumption and corresponding pollution	Increased productivity	Improved school performance
Reduced stress on transportation infrastructure	Job creation	Improved quality of life



Current Conditions

Unfortunately, wages have not kept pace with the cost of housing and so a large segment of the workforce is struggling. The median sales price for all housing units has increased at an average rate that is more than 2.5 times the rate of increase for wages since 1990. This gap in the rate of increase is widening. In recent years the median rent, estimated by the US Department of Housing and Urban Development (HUD), requires a wage of over \$15.00 per hour to be affordable.

Lincoln County Snapshot (2008)

Housing –	
Median Sales Price	\$250,000
Median Rent (2 Bedroom)	\$723/month
Income –	
Average Annual Wage	\$29,281
Median Family Income	\$47,500
Consumer Price Index	4.21%



Meanwhile, wages and income have moved much more slowly. The average annual wage in Lincoln County, determined by the Oregon Employment Department, has grown at a rate under 3% since 2000. This is just barely ahead of the Consumer Price Index.



Part of the slow movement in wages is due to the conversion of jobs in Lincoln County. Jobs in Natural Resources, Manufacturing, and Construction industries as a whole have declined dramatically since 1980. Jobs in Trade and Services industries have increased. Government has remained relatively constant. This shift has eroded wages in Lincoln County because Construction and Manufacturing jobs tend to pay higher wages. Retail Trade and Leisure and Hospitality jobs tend to pay lower wages and are impacted by the seasonal nature of tourism.

Real Impacts

There are a host of impacts resulting from the workforce housing crisis in Lincoln County. The following are just a few examples.

Response Time for Critical Services Workers: A critical incident often requires public safety, public works, and health care workers to be called in to work to support the workers who are already on the job. The farther these called-in workers have to travel, the slower the response to the incident. For workers living outside the County, this can be an even bigger problem due to limited highway access. Available and affordable housing for critical services workers will attract many of these workers to live in the communities they serve.

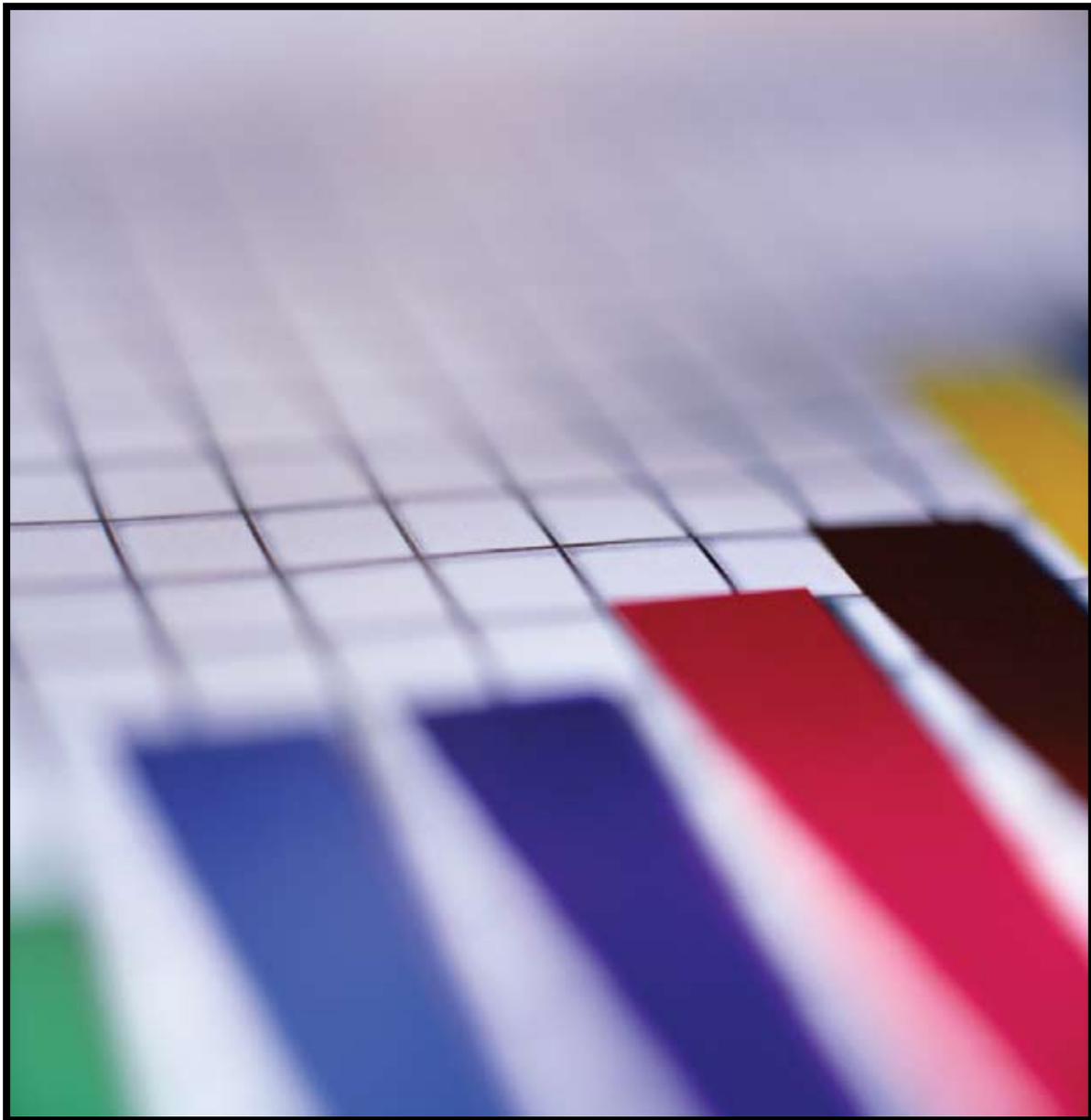
Recruitment and Retention: The cost to fill a vacant position is a tangible impact to economic vitality. This cost varies across a broad spectrum depending on the business or organization involved and the position being filled, but any cost increase has a direct affect on the bottom line. In addition, the longer a position remains vacant, the greater the impact on productivity contributing to a negative impact on the bottom line. Available and affordable housing for the workforce reduces recruitment costs and increases productivity by improving employee retention.

Social and Civic Involvement: Stable housing, including homeownership and arguably affordable rental housing, provides a number of social benefits. These benefits include greater likelihood to vote, greater awareness of local civic processes and representatives, and a greater likelihood to join volunteer organizations. Available and affordable housing improves civic engagement and strengthens communities.

Real Solutions

The tools presented in the following pages combine proven solutions that are currently

available in Lincoln County with tested programs and services that have worked in other communities. There is no one-size-fits-all solution and there is no one stakeholder responsible for implementing a solution. The real solution to the workforce housing crisis requires the use of a broad array of tools, strategies that cross professional disciplines, and the participation of all of the stakeholders.



RENTER TOOLS

In general, rents are considered affordable if they represent no more than 30% of income. An affordable rent at \$10 per hour is \$520 per month. Rental opportunities are the foundation of affordable workforce housing.

Yet, rents are driven higher from a limited supply of apartments and rental houses throughout Lincoln County. The desirability of the Oregon Coast as a vacation destination fuels higher rents as property owners take units out of the general rental market and reserve them for transient vacationers. Additionally, the absence of affordably priced dwellings for sale forces people who might otherwise purchase homes to be renters. These and other conditions make it harder for the workforce to find decent, stable, and affordable rental housing.

Rental Assistance

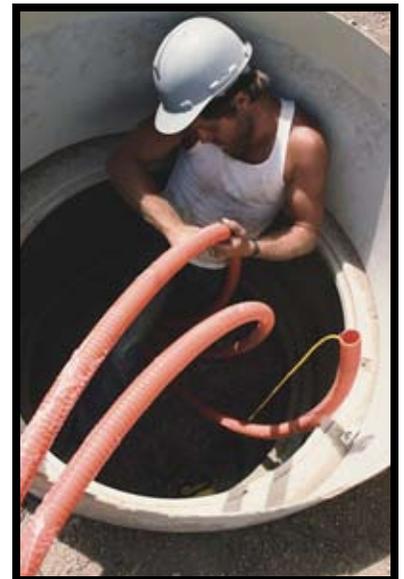
It can be difficult for members of the workforce, particularly those having jobs with a lower hourly rate of pay, to find affordable rentals. Rental Assistance in some form is often the only way a family can remain in decent housing. There are a number of existing and potential programs to assist potential workforce renters.

Housing Choice Voucher: Housing Choice Vouchers originate with the US Department of Housing and Urban Development (HUD) and are distributed through the Housing Authority of Lincoln County. Vouchers make up the difference between a rent payment that is affordable for a family and Fair Market Rent as defined by HUD for Lincoln County.

Affordable Apartments: There are a number of apartments throughout the County that are established to be affordable to people having low income. They sometimes have other eligibility requirements. These are operated by a nonprofit housing provider.

Employer Assistance: Employer rental subsidies are one tool for employers to support workforce housing. Typically, these programs, where offered, are reserved for job positions in the workforce that are particularly difficult to recruit and retain.

Local Government Assistance: Local government might also offer rental subsidies as an employer. However, rental assistance provided by local government is often a budget allocation or grant to a nonprofit rental housing provider.





Other potential initiatives to assist renters include local government incentives to create accessory dwelling units and employer programs to develop and manage housing for their employees.

Renter Education and Counseling

There is no sure formula to finding a decent, stable, and affordable rental unit, but renters who invest time and attention to being a responsible renter often have a better chance of finding a unit and certainly have a better chance of keeping it. The nonprofit housing providers listed below offer classes, information, and resources. Employers, community college, and others may also offer classes.

Housing Authority of Lincoln County

www.halc.info - (541) 265-5326

The Housing Authority is a public nonprofit organization providing housing assistance and education to persons with low income. HALC believes “that affordable housing is fundamental to the success of individuals and families in becoming self-sufficient.” The Housing Authority provides rental assistance through Housing Choice Vouchers as well as managing their own affordable rental properties. In addition, the Housing Authority provides housing education, assistance and family resources through the Oceanspray Family Center.

Community Development Corporation of Lincoln County

www.lincolncdc.org - (541) 574-0320

The Community Development Corporation of Lincoln County is a private nonprofit organization developing and operating their own affordable rental properties for persons with low income and special needs. This includes housing supported with services and workforce housing. In addition, the CDC advocates for community efforts to create affordable living options for Lincoln County.

Community Services Consortium

www.csc.gen.or.us - (541) 752-1010

Community Services Consortium is a nonprofit Community Action Agency providing services in Lincoln and also Linn and Benton counties. CSC’s mission is “to help people to overcome the causes and conditions of poverty by providing services leading to productive and self-sufficient lives.” CSC provides supported rental housing and rental assistance. In addition, CSC develops rental and ownership housing in Lincoln County among many other services.

Community Housing Services of Linn, Benton, and Lincoln Counties

www.csc.gen.or.us/lblrhc.htm - (866) 245-1780

Community Housing Services focuses primarily on home ownership, but will help with referral to resources regarding rental. CHS helps low and moderate income families and individuals purchase affordable housing, access local housing resources, and access homebuyer services such as home ownership education and counseling, home rehabilitation and weatherization programs, financial education, housing information and referral services, and foreclosure prevention counseling. CHS is the best one-stop resource for workforce housing information.



HOMEBUYER TOOLS

Working individuals and families who have good credit and who are ready for the responsibilities of homeownership are struggling to find decent homes for sale that are affordable. Market prices for homes in Lincoln County are under pressure from second-home buyers who want to locate on the Oregon coast. In addition, the new homes being built tend to be larger and more expensive to maximize profit in such a desirable coastal market. And finally, developers are reluctant to build “starter homes” because of a perceived resistance from buyers for higher density and smaller-sized housing. The combination of these factors make homeownership for the workforce difficult.



Down Payment and Closing Cost Assistance

There are a number of existing and potential programs to assist potential workforce homebuyers with their down payment and closing costs. Accumulating a down payment is often one of the largest home purchase barriers. Loans for assistance can be forgiven, deferred, or offered at a favorable interest rate depending on the program.

These programs change names and terms from time to time and a buyer is encouraged to contact the Regional Housing Center, a local lender, or the provider for up to date information.

Federal Home Loan Bank of Seattle: The FHLB offers grants or loans through a local lender. Currently, these are offered to buyers at 80% AMI or less.

Oregon Bankers Association: The OBA offers loans through a local lender. Currently, these are offered to buyers at 80% AMI or less.

State of Oregon: The State currently offers loans for down payment assistance through a local lender to buyers at or below 80% AMI.

Confederated Tribe of Siletz Indians: The CTSI offers loans to Tribal members whose income is 80% AMI or less.

Employers: Employers in Lincoln County may offer loans or matched savings programs for down payment or closing cost assistance. Workforce buyers should check with their employer about programs and services.

Local Government: Cities and the County may offer programs available for their respective residents. Workforce buyers should check with their local public agency regarding programs and services.

There are other programs available, but they can sometimes be hard to find. Check with a local lender or the Regional Housing Center.

Home Purchase Loans

Monthly mortgage payments can also present a barrier to homeownership for the Lincoln County workforce. Reducing the mortgage payment through a favorable, below-market, interest rate or other means can make the difference between owning a home and continued rental.

USDA Rural Development: Rural Development directly offers home loans and mortgage guarantee programs for income-qualified buyers. In some instances, incomes can be greater than 80% AMI.

State of Oregon: The State offers home mortgage loans through a local lender. Currently, these loans can be made for buyers with incomes as high as 150% AMI.

Confederated Tribe of Siletz Indians: The CTSI offers loans to Tribal members. Currently, there is no maximum income limit.

Habitat for Humanity: HFH offers loans directly to workforce homebuyers who are willing and able to put their “sweat equity” into the house they are buying. Currently, HFH loans are for buyers with incomes at 50% AMI or less.

Other programs include additional sweat equity programs, lender and seller special products, and loans offered by the Federal Housing Administration, among others. Check with the Regional Housing Center for more information.

Homebuyer Education and Counseling

Homeownership is a very important step for most families. There are requirements and responsibilities that go well beyond rental. This suggests that prospective buyers invest their time into learning about financial fitness and the unique responsibilities of homeownership before they invest hard-earned cash in a home. Classes are offered by the Regional Housing Center. Employers, community college, and others may also offer classes.



Lincoln County Habitat for Humanity
www.newportnet.com/habitat - (541) 574-4437

Lincoln County Habitat for Humanity is part of an international private nonprofit organization that is dedicated to building simple, decent housing for families with low income. Habitat homeowners must help build their homes by putting 500 hours of “sweat equity” into the home they purchase. Each home is purchased using a 0% interest mortgage financed by Lincoln County Habitat for Humanity.

Lincoln Community Land Trust
www.lincolnclt.org - (541) 758-2615

The Lincoln Community Land Trust provides permanently affordable homeownership for working individuals and families in Lincoln County. The LCLT owns land in perpetuity while an individual or family owns the house on the land. A 99-year, renewable, inheritable lease gives the homeowner full rights to use of the land. A resale formula gives homeowners a fair return on their investment while giving future homebuyers fair access to homes at an affordable price.

Community Housing Services of Linn, Benton, and Lincoln Counties
www.csc.gen.or.us/lblrhc.htm - (866) 245-1780



Community Housing Services focuses primarily on home ownership, but will help with referral to resources regarding rental. CHS helps low and moderate income families and individuals purchase affordable housing, access local housing resources, and access homebuyer services such as home ownership education and counseling, home rehabilitation and weatherization programs, financial education, housing information and referral services, and foreclosure prevention counseling. CHS is the best one-stop resource for workforce housing information.



EMPLOYER TOOLS

Available and affordable housing improves quality of life for the workforce. Available and affordable housing also makes a job market more attractive to the best employees and keeps them over longer periods of time. Both of these contribute to a stable and competitive workforce and a stable and competitive workforce contributes directly to the bottom line.

Housing for the workforce is therefore a critical component of Lincoln County's economic vitality. It can reduce costs (e.g. recruitment and training) and increase productivity (e.g. retention of experienced employees). Employers have a stake in helping to create a strong regional economy and therefore have a stake in improving the availability and affordability of workforce housing.

Employer-Assisted Housing

Employer-Assisted Housing (EAH) programs seek to address the demand-side of the workforce housing issue. These tools benefit the employee by providing one-time and ongoing subsidies, grants, or loans to improve housing affordability. The most common benefits used by employers are listed below. The cost of these tools can be matched to the anticipated savings in recruitment and retention costs or balanced against anticipated productivity increases.

Employer Subsidies: Ongoing employer contribution toward an employee's housing. Typically, this takes the form of a rental subsidy that covers the gap between a rent that is affordable to the employee and the market rent for a particular apartment.

Employer Grants: One-time employer contribution to employee toward an employee's home purchase. The best examples are the employer paying part or all of closing costs or the employer paying one or more points at closing to buy-down (reduce) the employee's mortgage interest rate.

Employer Loans: One-time employer loan toward an employee's home purchase. Some examples are loans to cover part or all of the down payment or the gap between what is affordable to the employee and the sales price of the home. These loans can be forgivable over a reasonable period (potentially matched to a desirable retention threshold), deferred until the home is resold, or repayable with terms that maintain housing affordability.

Education and Counseling: Ongoing employer program, to provide information resources to aid employees in becoming educated housing consumers. These programs often focus on financial fitness, first-time homebuyer training, and referral to nonprofit housing partners. Often, education and counseling is provided by another organization to employees.



Other possible programs include employer-sponsored matching savings plan if used for housing, group mortgage origination, mortgage guarantees, and group mortgage insurance.

Employer-Developed Housing

Employer-developed housing initiatives address the supply-side of the workforce housing issue. These tools benefit the workforce by increasing the supply or availability of affordable workforce housing. The most common forms of employer participation in housing development are listed below. The cost of these initiatives varies considerably based on an employer's objectives.

Land: Employers donate, or sell with favorable price and terms, surplus land for the development of affordable workforce housing. Employers may also choose to develop their own housing on land that they own.

Investment: Employers contribute to affordable workforce housing projects through a partnership with a for-profit or nonprofit housing developer. Employers may also acquire and rehabilitate existing housing or develop housing on their own.

Financing: Employers provide construction financing. Employers may have access to financing or may be able to secure it on more favorable terms than their partner(s) in development.

Employer Resources

The cost to implement Employer Tools can potentially be offset using the following current and potential resources:

- Create a multiple-employer pool to share administrative costs.
- Create partnerships with local lenders.
- Create partnerships with nonprofit housing organizations.
- Contact local and State government regarding incentives for employer-assisted housing.
- Recognize cost savings resulting from effective employer-assisted housing programs.

Employer Advocacy

The benefits of a stable and competitive workforce accrue to business, public, and institutional employers. This broad spectrum of employers has an important voice and message regarding workforce housing. Some avenues to advocate for workforce housing solutions include the following:

- Get involved with Employer and Housing Groups (e.g. Chambers of Commerce, Workforce Housing Committee).
- Communicate with local government officials (e.g. policies, priorities, and resources to address the workforce housing crisis).
- Communicate with State officials (e.g. funding for employer-assisted housing programs).
- Persuade local developers to bring workforce housing to market.

Economic Development Alliance of Lincoln County
www.coastbusiness.info - (541) 961-3837

Nonprofit organization providing relocation and expansion assistance and information resources for businesses. Services include site location assistance, current utility, permit, and rental rates, and employee training programs. The EDALC also keeps statistical and demographic information on the county to support grant writing, business plans, and marketing plans.

Yaquina Bay Economic Foundation and Chambers of Commerce

Groups of local leaders committed to quality of life enhancement through business and economic initiatives and advocacy. The Yaquina Bay Economic Foundation is located in Newport. Chambers of Commerce include Depoe Bay, Lincoln City, Newport, Toledo, Waldport, and Yachats.



DEVELOPER TOOLS

Private and nonprofit developers have ultimate responsibility for what is built. The community can demand, local government and employers can influence, but it is developers who make workforce housing happen. Building affordable workforce housing is not just a social good, but it can also be profitable with the right approach.

Design, Architecture, and Construction

Elements of development contributing to quality and affordability start with design and architecture and carry through construction. These elements should focus on reducing the overall cost of development contributing directly to lower rents and home prices. They should also focus on the ongoing “cost of operation” including elements that minimize heating and cooling costs, maintenance costs, commuting costs, and life-cycle costs among others.



Type of Development: Multifamily or attached housing minimizes the cost of construction and contributes to affordability. This type of development can be balanced with duplex and detached housing that has appropriate site density.

Site Density: Increased site density is important to housing affordability considering Lincoln County’s high land values. Provided that local zoning ordinances support it, increased site density can be achieved without sacrificing privacy and useable outdoor space.

Site Connectivity: Part of the definition of workforce housing is that it is available near local jobs. Infill projects provide more housing in close proximity to employment. In addition, projects located along public transportation routes or encourage cycling as a means of getting back and forth to work reduce the ongoing cost of living in the home.

Type of Housing: Compact floorplans minimize circulation space allowing the same amenities in a smaller home and are less expensive to heat and cool. Two-story homes are generally less expensive to build than the same-size one-story home. These characteristics can also contribute to greater site density and an opportunity for more open space.

Size of Housing: Right-sizing homes to a family’s actual needs often means a smaller,



less-expensive home. Floorplans having fewer square feet can also be less costly to operate and maintain.

Sustainability: Sustainable or “green” features in a home have a number of quality of life and societal benefits beyond creating affordability. Energy efficiency features can dramatically reduce ongoing heating and cooling costs contributing directly to affordability. On-site stormwater detention and water conservation features (including harvesting of rainwater) may actually cost less than conventional alternatives. Sustainable features can closely track traditional design features and there are grants and incentives available.

Manufactured Housing (to HUD codes, like mobile homes) and Prefabricated Housing (to local building code, like modular or panelized homes): Homes built in factories and assembled at a home-site have a number of advantages that contribute to affordability while still maintaining quality. There are fewer construction delays from inclement weather, labor costs are often less, construction waste is minimized, and shortened building times result in savings in construction loan interest.

Other ideas include universal design features or flex houses that require only simple adjustments to accommodate different family life-stages. These can often be designed to allow a portion to be rented in order to supplement mortgage payments. Also, rehabilitation and adaptive reuse of existing structures can often be less costly than building new.

Sustainable Affordability

Once housing is developed it can be a challenge keeping it affordable into the future without specific planning and preparation. The public’s investment through developer resources from various government resources intended to create initial affordability can be lost in a relatively short time. Maximizing these scarce resources through sustainable affordability measures can result in more housing being developed over time than would otherwise be the case.

Housing Retained in the Nonprofit Portfolio: Affordable housing developed with federal and state assistance through a variety of programs does not have affordability permanently assured. The expiration of affordability restrictions is a national problem. The solution is housing owned and/or managed by nonprofit housing providers whose mission and charter assure affordability.

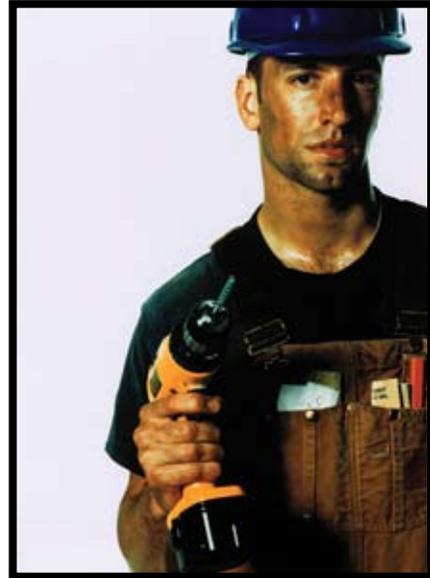
Housing Developed Using a Shared Appreciation Model: The shared appreciation model takes different forms including shared appreciation loans, deed restrictions, limited equity cooperatives, and community land trusts (independent nonprofit or employer- or institution-sponsored). Each of these forms uses a different mechanism to share

future appreciation between the fair, but limited, return to homeowners at resale and the retention of sufficient appreciation to keep the home affordable to the next buyer.

Developer Technical Assistance

Overlapping partnerships, overlapping funding sources, and tools designed to provide affordability long into the future are just a few of the complex features of developing affordable workforce housing added to an already complex process. Some examples of agencies and organizations that provide technical assistance include:

- Oregon Housing and Community Services Department (OHCS)
- Rural Community Assistance Corporation (RCAC)
- Oregon Opportunity Network (Oregon ON)
- Network for Oregon Affordable Housing (NOAH)



Developer Housing Partnerships

The development of affordable workforce housing often requires a number of partners to make the project work. These partnerships can be for the actual development of housing or for the long-term stewardship of projects to assure continuing affordability. Some examples of effective partnerships include the following:

- Development partnerships between for-profit and nonprofit developers each bringing their own resources or abilities.
- Affordable unit set-aside in a project that is otherwise a market rental or sale to be managed by a nonprofit housing partner.
- Land set-aside in a project for development by a nonprofit housing partner.
- Financial contribution to a nonprofit housing provider or local housing fund.

Developer Resources

Similar to housing partnerships, the development of affordable workforce housing often requires a number of different funding sources to make the project pencil out. These resources take the form of grants and loans targeted at creating affordable housing. Often these resources form the backbone of a workforce housing development pro forma.



Housing Tax Credits: Housing Tax Credits exchange a reduction in tax liability for an equity contribution to an affordable housing project. These are the federal Low Income Housing Tax Credit (LIHTC) and the Oregon Affordable Housing Tax Credit (OAHTC).

Federal Grants: The federal government provides grant resources distributed through the State of Oregon for affordable housing for low and very low income and special needs populations. The largest sources are the HOME Investment Partnership Program and the Community Development Block Grant (CDBG).

State Grants: The State of Oregon provides grant resources for affordable housing for low and very low income and special needs populations. The grants offered can change and developers should check with the Oregon Housing and Community Services Department.

Development Loans: The State of Oregon administers a variety of loan programs for development. The loans offered can change and developers should check with the Oregon Housing and Community Services Department. In addition, there are nonprofit lenders such as the Network for Oregon Affordable Housing (NOAH) and the Rural Community Assistance Corporation (RCAC).

Tax Incentives: Tax incentives provide for some form of tax abatement for projects that meet eligibility criteria. These can be established by local taxing authorities to support affordable workforce housing. Developers should check with local government.

Urban Renewal: Affordable workforce housing is a potential eligible use of tax increment set aside through urban renewal. Developers should check with local government sponsors of urban renewal districts.

Other resources include incentives for mixed-use development, vertical development, and sustainable and green design and construction among others.

Developer Advocacy

The resources required to develop affordable workforce housing are insufficient to meet the need. For-profit and nonprofit developers know the requirements better than any other housing stakeholder. In addition, developers are most familiar with the cost impacts of the local development code. Developers can be a strong advocate for prudent changes to the development code and reasonable increases in workforce housing resources.

LOCAL GOVERNMENT TOOLS

County and City government are in a unique position to shape workforce housing activities in their respective jurisdictions.

It all starts with Board or Council priorities expressed in established documents such as strategic business plans, budgets, general plans, and zoning ordinances or by separate actions. These priorities set the stage for any incentive that could potentially be offered to encourage the development of workforce housing. Government understandably has trouble making exceptions, even for a good cause, but not when the “exception” is consistent with established policies and priorities.

Often these priorities are driven by data derived by extensive research and analysis. Local government is skilled and experienced in problem-solving analysis, planning, and implementation. Conducting or supporting a workforce housing needs assessment is another leadership role for local government. It provides two primary benefits: it informs policy and it provides a benchmark to measure future success.

Local Development Code

The local development code establishes priorities through the General Plan and framework through the Zoning Ordinance for development within their jurisdictional boundaries. Workforce housing development can benefit from local government partnership to the extent that priorities recognize the importance and urgency of the workforce housing crisis and that the framework is flexible enough to place the lightest necessary cost burden. Some of the key development code issues are listed below.

Site and Housing Design: There are a number of ideas that can be clearly identified for affordable housing and implemented to reduce the cost per unit of workforce housing projects. Smaller-sized units (e.g. multifamily units, cottage-style homes), greater site density, and proximity to jobs (e.g. infill and mixed-use development) are the keys to making workforce housing affordable.

Cluster Housing: Allowing small affordable housing developments outside the Urban Growth Boundary that meet the overall density for a larger parcel while being clustered in one location is another tool to increase affordability.

Accessory Dwelling Units: Allowing accessory dwelling units is a way to gently introduce greater density in established neighborhoods. Often ADU's serve other valuable purposes besides workforce housing, but allowing them may relieve other housing units for workforce housing.



Inclusionary Zoning: Inclusionary zoning requires developers to set aside a certain percentage of units in a housing development for housing that is affordable to persons with low and moderate income. Oregon does not currently allow mandatory inclusionary zoning. However, this method has proven successful throughout many communities across the United States. Developers can be encouraged to do inclusionary zoning on their own. This can help create diverse, mixed-income communities that provide additional societal benefits.

Development Fees and Charges

Fees and charges are imposed by local government on development projects to recover housing-development-related service costs such as plan review and inspection and housing-development-related infrastructure costs (system development charges). These unavoidable costs will be borne by someone, and most local government organizations expect new development to pay for itself rather than shifting the burden to the general taxpayer. The housing developer often passes the cost along to new renters or homebuyers. The result is a decrease in affordability for the housing units created.

Expedited Processing for Plan Review, Inspection, and Permits: One option available is to expedite processing for affordable housing projects that meet established criteria. Saving projects time can often lower the cost of development. Another option is to implement pre-approved site and housing designs.

System Development Charges: SDC's can be waived (full or partial) if the local government organization establishes clear and consistent goals and policies associated with the waiver and the workforce housing developer demonstrates a significant public benefit from the project. SDC's can also be deferred (full or partial) according to terms that fit a particular project and circumstances. Some considerations or potential terms include periodic payments or lump sum deferred to an appropriate point in time with or without interest on the amount.

Local Government Resource Development

Local government can expand the resources available to help create workforce housing by providing grant and loan programs for development of workforce housing or grants and resources to support capacity-building for organizations committed to providing workforce housing. Some of the best tools to develop resources for workforce housing are listed below.

Surplus and Tax-Foreclosed Land: Local government has, or from time to time acquires, vacant or improved land that cannot serve a governmental purpose. Agencies can establish policies and procedures to review and assess surplus land for its suitability for workforce housing. A nonprofit housing partner can receive that land as a donation or on terms favorable to develop housing.



Urban Renewal: The acquisition of property to be used for affordable workforce housing development and the rehabilitation of affordable workforce housing are potentially eligible uses for tax-increment financing proceeds in an urban renewal district. Locating affordable housing near jobs is a critical component of successful workforce housing. Urban renewal that focuses on economic development without neglecting workforce housing recognizes the comprehensive nature of urban renewal.

Tax Abatement: Tax abatement reduces the overall cost of development and can be used to provide incentives for projects that support affordable workforce housing. Criteria can be established for project eligibility by local taxing authorities to promote the development of workforce housing.

Local government does have a limited ability to establish grant programs that support workforce housing. In addition, local government can support nonprofit housing developers by contributing to their operations funding which indirectly supports the development of workforce housing.

Local Government Advocacy

Local government agencies have mechanisms and resources for public outreach and advocacy that other workforce housing stakeholders do not have. Mailings, radio and television, public meetings, and events all have the potential to carry messages promoting workforce housing policies and priorities. The following items represent just a sampling of ideas and initiatives that local government can advocate.

- Countywide coalitions to address a countywide problem (e.g. Workforce Housing Committee)
- Increased workforce housing development by for-profit and nonprofit developers.
- Introduction of employer coalitions to offer Employee-Assisted Housing programs.

At Home in Lincoln County

The Lincoln County Ten-Year Plan represents a significant local government effort to shape future housing and homelessness efforts. Supported and informed by a broad array of housing stakeholders, including local government, it has already been a catalyst for the creation of 18 units of permanent supportive housing, the formation of the Lincoln Community Land Trust, several efforts to assist persons experiencing homelessness, and this Workforce Housing Toolkit. Local government can continue to participate in the Ten-Year Plan and the action steps and tasks supporting workforce housing.

COMMUNITY TOOLS

The Lincoln County community is an important stakeholder in workforce housing. The availability of affordable workforce housing provides a number of direct benefits to the community. For example, critical service workers are generally more available and can respond more quickly in the event of an emergency. Indirectly, the community also realizes all of the economic and social benefits resulting from available and affordable workforce housing.



The reverse is also true in that the community suffers when housing is unavailable and unaffordable. The population is more transient with people commuting back and forth to work from outside the County. In a number of small ways this circumstance tends to upset the potential stability and prosperity available to the community.

Community Support

The collective resources of community members are significant. Focused attention on the workforce housing crisis can generate resources that can increase the quantity and affordability of housing.

Direct Support: Community members can contribute funds or land directly to nonprofit housing providers. In some cases, there are opportunities to maximize the benefit to a nonprofit housing provider for land donations involving non-urbanized property. Donations can be an important part of the operation of nonprofits focused on providing workforce housing. Donations carry the added benefit of demonstrating community support for workforce housing efforts – such support can leverage other funds from private and public grantors.

Local Housing Fund: Create local or regional housing funds to develop resources for workforce housing. Such a fund aggregates donations for the benefit of a neighborhood, city, or region. It allows the Fund's Board to determine the priorities for their area and to assure that projects are located in their area.

Community Advocacy

Community advocacy is often the most important advocacy tool. It is the voice of voters, it comes from a motive to improve quality of life, and it seeks to improve the well being of individuals and families living and working in the community.

- Support employer, developer, and local government action.
- Join and participate in nonprofit housing organizations.
- Participate in local and regional community groups.
- Communicate with State and local government officials (e.g. policies, priorities, and resources to address the workforce housing crisis).



Yachats Affordable and Workforce Housing Committee (541) 547-4599

The Yachats Affordable and Workforce Housing Committee formed from a recognition that there was a lack of affordable housing in Yachats. This very committed community group provides a forum for discussion and advocates for local housing solutions. In addition, the YAWHC has “rolled up their sleeves” to accomplish important local affordable housing research and education.



Workforce Housing Committee (Lincoln County) (541) 574-0320

The Workforce Housing Committee originated out of At Home in Lincoln County: A Ten-Year Housing Plan for Lincoln County with a Special Focus on Chronic Homelessness. Committee members represent housing advocates, housing providers, business leaders, local government representatives, and members of the Lincoln County community. Its charge is to provide a community forum for discussion of workforce housing issues. The Committee facilitates workforce housing by providing ideas, connections, and advocacy.

CONCLUSION

Lincoln County is not alone in struggling through a workforce housing crisis. There are many communities experiencing the dual problems of extraordinary growth in the rental and ownership cost of housing and inadequate growth in wages to keep housing affordable. The quality communities in Lincoln County, the coastal lifestyle, and the natural beauty of the Oregon Coast will continue to put pressure on housing. Without the combined effort of the workforce (buyers and renters), employers, developers, local government, and the community the crisis will likely grow in severity and impact.

This Toolkit provides proven solutions that are currently available in Lincoln County and tested programs and services that have worked in other communities. However, they are not without local challenges. Access to buildable land, increases in financial resources for workforce housing, and community support and commitment are crucial. The Workforce Housing Committee provides a focal point for discussion of problems and serves as an advocate for solutions.



REFERENCES AND RESOURCES

There are many references and resources regarding workforce housing. This section provides only a handful of some of the best that are available on the web. The Workforce Housing Committee can point anyone interested to additional resources.

Introduction and Background

Strengthening our Workforce and our Communities through Housing Solutions

www.jchs.harvard.edu/publications/markets/wh05-1_workforce_housing_report.pdf

Social Benefits of Homeownership and Stable Housing

www.realtor.org/research/research/homeownershipbenefits

Oregon Housing Alliance

www.oregonhousingalliance.org/index.html

Urban Land Institute J. Ronald Terwilliger Center for Workforce Housing

www.uli.org/ResearchAndPublications/TerwilligerCenterforWorkforceHousing.aspx

Other Toolkits

Central Florida: www.orangecountyfl.net/cms/WorkforceHousing/default.htm

Chicago: www.bpichicago.org/documents/RegionalToolKit.pdf

Maine: www.kvcog.org/Affordable%20Housing%20Tool%20Kit.pdf

Idaho: www.ihfa.org/media/2007-06-14.asp

Orange County (California): www.ocbc.org/wht/index.cfm

Renter Tools

Housing Choice Voucher Program

www.hud.gov/offices/pih/programs/hcv/about/index.cfm

National Low Income Housing Coalition

www.nlihc.org/template/index.cfm

Homebuyer Tools

Federal Home Loan Bank of Seattle

www.fhlbsea.com/CommunityInvestment/OurPrograms



Oregon Bankers Association
www.oregonbankers.com/community/hpap

State of Oregon
www.ohcs.oregon.gov/OHCS/SFF_Purchase_Downpayment_Assistance_Loan.shtml
www.oregon.gov/OHCS/SFF_Homebuying_Low_Interest_Home_Loans.shtml

Confederated Tribe of Siletz Indians (click on Tribal Services, then Housing)
<http://ctsi.nsn.us/>

USDA Rural Development
www.rurdev.usda.gov/rhs/common/indiv_intro.htm

Employer Tools

Employer Assisted Housing: Addressing the Housing Affordability Gap
www.frbsf.org/publications/community/investments/0805/employer_assisted_housing.pdf

New Arguments for Employer-Assisted Housing
www.bos.frb.org/commdev/necd/2006/q1/EmployerAssistedHousing.pdf

Employer-Assisted Housing: Improving the Bottom Line and Unlocking Doors to Homeownership for Your Employees
www.atlantaregional.com/arc/documents/EAH_brochure.pdf

Employer Assisted Housing Resource Guide (click Publications, then Employer Assisted Housing)
www.gmhf.com/

Workforce Housing: Recommendations for a New Public-Private-Nonprofit Partnership for Wisconsin
www.wphd.org/WorkforceHousingReport.pdf

Developer Tools

Smart Communities Network
www.smartcommunities.ncat.org/



Affordable Housing Design Advisor
www.designadvisor.org/

Housing Tax Credits:
www.ohcs.oregon.gov/OHCS/HRS_LIHTC_Program.shtml
www.ohcs.oregon.gov/OHCS/HRS_OAHTC_Program.shtml

Federal Grants:
www.ohcs.oregon.gov/OHCS/HRS_Grants_Tax_Credits.shtml
www.ohcs.oregon.gov/OHCS/HRS_HOME_Program.shtml
econ.oregon.gov/ECDD/IF/CDBG/CDBG.shtml

State Grants:
www.ohcs.oregon.gov/OHCS/HRS_Grants_Tax_Credits.shtml
www.ohcs.oregon.gov/OHCS/HRS_Housing_Dev_Grant.shtml

Development Loans:
www.ohcs.oregon.gov/OHCS/HFS_Multifamily_Loan_Programs.shtml

Local Government Tools
Southern Oregon Workforce Housing Summit
www.ashland.or.us/Files/wfh_book_final.pdf

Central Oregon Workforce Housing Needs Assessment
http://doc.ci.redmond.or.us/Community_Development/Affordable%20Housing/Housing_Needs_Assessment.pdf

Workforce Housing Report: Central City Portland, Oregon
www.pdc.us/pdf/housing_services/pubs/workforce_housing_report.pdf

Impact Fees and Housing Affordability
www.huduser.org/publications/affhsg/impactfees.html

Community Tools
Focus St. Louis
www.workforcehousingstl.org/?page_id=5

Institute for a Competitive Workforce: Workforce Housing Initiative
www.uschamber.com/icw/strategies/workforce_housing.htm

