

# Oregon Transit and Housing Study

Memorandum 7: Oregon Case Studies

June 24, 2022





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## Acronyms and Abbreviations

AMI	Area Median Income
CDBG	Community Development Block Grant
CET	Cascades East Transit
CNT	Center for Neighborhood and Technology
CTUIR	Confederated Tribes of Umatilla Indian Reservation
DLCD	Department of Land Conservation and Development
FTA	Federal Transit Administration
HNA	Housing Needs Analysis
H+T	Housing and Transportation
I-	Interstate
LIFT	Local Innovation and Fast Track
LIHTC	Low Income Housing Tax Credit
LTD	Lane Transit District
MFI	Median Family Income
OAR	Oregon Administrative Rules
ODOT	Oregon Department of Transportation
OR-	Oregon Route
RFP	Request for Proposal
RRSC	River Road Santa Clara
RVTD	Rogue Valley Transportation District
SAP	Strategic Action Plan
SETD	Sunset Empire Transportation District
TGM	Transportation Growth Management
TDP	Transit Development Plan
TPR	Transportation Planning Rule
TT	Transit Triangle
UGB	Urban Growth Boundary
URA	Urban Renewal Area
US-	U.S. Route
VHDZ	Vertical Housing Development Zone

## Executive Summary

The two largest expenses of a typical household are transportation and housing, and the relationship between the two can greatly affect one's quality of life. Policy choices made by Oregon local, regional, and state governments concerning housing and transportation affect environmental and physical health outcomes, economic mobility, educational and cultural opportunities, a household's financial wellbeing, and more. As a result, the state of Oregon wants to better understand the benefits of aligning housing and transportation policies to improve housing affordability and mitigate transportation's effect on climate change.

This technical memorandum contributes to the understanding of the housing and transportation relationship by looking at different tools used by entities in Oregon to tackle this issue. A case study approach was conducted to perform this analysis. Case studies allow the project team to ask questions about the environment where these tools were used, how they were applied, and the lessons learned.

The selected Oregon case studies represent a diverse range of built environments – from coastal communities to cities in the Willamette Valley, Southern Oregon, Central Oregon's high desert, and Eastern Oregon Tribal land. They include projects ranging from citywide policy changes to specific housing development projects. In addition, the selected case studies are from different stages of implementation – ongoing policy updates, adopted plans or policies awaiting implementation, and development projects nearing construction or completed. This varied selection includes a range of policies and tools and provides multiple lessons learned. While some lessons learned are general and easily transferable, others are unique to a specific location and circumstance.

Table 1 provides an overview of the key policy tools used by the various entities and lessons learned. More than half of the Oregon case studies included a Housing Needs Analysis (HNA)\* to provide an accurate understanding of the quality and quantity of additional housing units needed. The policy tools generally consist of city plans and policies to provide more housing, particularly more affordable housing\*, near existing transit, while transit improvements to provide better access to proposed housing are the exception among the Oregon case studies. Other tools include the use of Urban Renewal Areas (URA)\* to provide targeted development incentives and allow for tax revenues to be used strategically to improve a particular area within the URA boundary, policies that lower development costs – such as waivers for System Development Charges (SDC)\* or reduced parking requirements, policies that provide tax incentives – such as a Vertical Housing Development Zone (VHDZ)\*, and ways to increase the supply of land for multifamily development by either changing zoning or expanding the Urban Growth Boundary (UGB).\*

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Items noted with an \* are defined in a study glossary in a separate document. See section 1 for more information.

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Lessons learned highlight the importance of coordinating land use and transportation planning, making decisions based on sound data, eliminating or reducing barriers to development, providing incentives to encourage the desired types of development, and considering the cost burden on often cash strapped smaller government entities (Table 1).

**Table 1. Summary of Case Study Findings**

Project Location	Policy Tools	Lessons Learned
Confederated Tribes of the Umatilla Indian Reservation (Nixyáawii)	<ul style="list-style-type: none"> <li>• HNA conducted to identify accurate housing needs.</li> <li>• Subdivision plan with 99-year residential lease agreement adopted.</li> <li>• Tribal leadership developed a Transit Development Plan (TDP), which defined the mission and fare policy, as well as initial routes.</li> </ul>	<ul style="list-style-type: none"> <li>• Easy coordination between the transit and housing development due to Tribal control of both entities.</li> <li>• Tribal leadership was able to gain a more realistic view of their current housing needs due to an objective HNA.</li> <li>• The TDP provided the policy context to connect transit service to Nixyáawii.</li> </ul>
Eugene (Santa Clara Neighborhood)	<ul style="list-style-type: none"> <li>• Neighborhood Plan adopted following extensive stakeholder and community involvement.</li> <li>• Parallel effort by the transit providers to develop a plan for corridor improvements and identify funding.</li> <li>• City acquired a site for affordable housing through its Land Acquisition for Affordable Housing program using Community Development Block Grant (CDBG).</li> <li>• SDC exemptions to reduce development barriers.</li> </ul>	<ul style="list-style-type: none"> <li>• Discretionary review process can inhibit affordable housing development. A clear and objective approval process combined with proactive neighborhood engagement to build support can make affordable housing development easier.</li> <li>• Smaller transit providers may need support to advance affordable housing development on surplus property.</li> <li>• Coordinated land use and transportation planning can set the stage for affordable housing development opportunities in transit-served areas, even if it takes time for that development to occur.</li> </ul>
Ashland (Transit Triangle)	<ul style="list-style-type: none"> <li>• HNA.</li> <li>• Overlay Zone in the City's Land Use Ordinance.</li> <li>• VHDZ in parts of the Overlay Zone to incentivize mixed-use development.</li> </ul>	<ul style="list-style-type: none"> <li>• Exemptions to making Transportation Planning Rule (TPR) findings and related traffic impact studies.</li> <li>• Alleviating parking minimums facilitates development of housing; parking maximums would also incentivize connections between housing and transit.</li> <li>• HNA can provide the necessary objectivity to overcome preconceptions.</li> </ul>
Bend (UGB)	<ul style="list-style-type: none"> <li>• Pilot program that allows cities to expedite their UGB expansions if the new land is restricted for affordable housing.</li> <li>• Comprehensive plan policies that are specific about what needs to be built along with deed restrictions and covenants to help demonstrate concrete development goals.</li> <li>• SDC waivers, gap financing, density bonuses, and expedited permitting.</li> </ul>	<ul style="list-style-type: none"> <li>• It was unclear if the pilot program would create a meaningfully better or faster option to make land available for affordable housing development.</li> <li>• Limitations on the pilot program, including requirements related to the site's value as farmland and availability of transit service, created limited opportunities to apply the program.</li> </ul>

Project Location	Policy Tools	Lessons Learned
Roseburg (URA)	<ul style="list-style-type: none"> <li>• HNA.</li> <li>• URA.</li> <li>• Local Innovation and Fast Track (LIFT) funding from Oregon Housing and Community Services (OHCS).</li> <li>• Conditional Use permit.</li> <li>• Tax exemption program.</li> </ul>	<ul style="list-style-type: none"> <li>• URA was a good tool for incentivizing housing development.</li> <li>• City was exploring options for generating funding in the URA to provide financial assistance to developers.</li> <li>• Project was successful because of the willingness and flexibility of numerous players and agencies to find a solution and work quickly.</li> </ul>
Lincoln City (Workforce Housing)	<ul style="list-style-type: none"> <li>• Site purchase through Urban Renewal Agency.</li> <li>• Funding through OHCS LIFT grants and 4 percent Low-Income Housing Tax Credits (LIHTC).</li> </ul>	<ul style="list-style-type: none"> <li>• State funders need to better understand the infrastructure and site challenges on vacant parcels in rural towns, and coastal towns in particular, which have unique weather and topographic challenges.</li> <li>• Infrastructure challenges cannot fall to affordable housing developers who are already working from a market feasibility gap with below-market rents without additional public funding to pay for infrastructure upgrades.</li> </ul>
Salem (Regulatory Changes and Development Incentives)	<ul style="list-style-type: none"> <li>• HNA identified need.</li> <li>• Ongoing Comprehensive Plan update.</li> <li>• Targeted one-property URAs.</li> <li>• Rezoning of properties along transit routes.</li> <li>• Establishing a Core Transit Network.</li> <li>• Reduced or eliminated parking requirements near transit.</li> <li>• Current TDP development and station area planning are directly informed by Comprehensive Plan update.</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory incentives can be undermined if the City's goals and market demand are not aligned. Current policy allows and incentivizes but does not prescribe desired forms of development.</li> <li>• Creating one-property URAs can be productive, but incremental and time consuming.</li> <li>• Aligning target areas for mixed-use and multifamily development along transit corridors can make certain incentives more feasible or attractive to developers.</li> <li>• Develop TDPs that are directly responsive to Comprehensive Plans and other land use planning documents.</li> </ul>
Warrenton (Chelsea Gardens)	<ul style="list-style-type: none"> <li>• HNA to establish need.</li> <li>• Updates to City's Comprehensive Plan and Development Code.</li> <li>• Neighborhood Master Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• Developments with various owners and properties of varying sizes need a fair and equitable allocation of infrastructure costs.</li> <li>• Concurrently working on both Development Code revisions and a master planning process can help the two processes inform each other.</li> </ul>



## 1.0 About the Transit and Housing Study

Transportation and housing have large, interrelated impacts on Oregonians' quality of life. Not only do they comprise the two largest expenses for a typical household, but the policy choices that governments make about transportation and housing affect environmental and physical health outcomes, economic mobility, educational and cultural opportunities, a household's financial well-being, and more.

A desire to better understand the benefits of aligning housing and transportation policies has grown across the state, prompted by declining housing affordability and concerns about transportation contributions to climate change. The Oregon State Legislature asked the Oregon Department of Transportation (ODOT) to study policies and actions that could improve households' quality of life through increasing housing opportunities with easy connections to transit. Moreover, the Oregon Transportation Commission – the body responsible for setting statewide transportation policy – recently worked with ODOT to adopt a 2021-23 Strategic Action Plan (SAP) that includes climate equity addressing climate change as key goals, along with improving access to active and public transportation and taking steps to address congestion.

While ODOT is first and foremost a transportation agency and housing policy is not directly a part of its mission or vision, it seeks a better understanding of transportation and housing connections and recognizes that better alignment of housing and transportation can help to achieve the policy goals in the SAP among others. With these goals in mind, ODOT is pursuing this Transit and Housing Study (Study) for the following reasons:

- ODOT recognizes the **bidirectional relationship between transportation planning and land use decisions** and understands that **a well-designed transportation system can bring economic value to a region** by improving the connection between communities and their destinations, enabling vibrant neighborhoods where commercial and social activities take place, and reducing the need for major, future transportation investments.
- ODOT and its partners also recognize the importance of **ensuring transportation, transit, and housing plans work together**, which is why partnerships and coordinated planning are important.
- ODOT helps fund transportation, transit, and coordinated land use and transportation plans; **this Study can inform those plans and funding allocation.**
- ODOT's public transportation division and planners throughout the agency **can work to help implement or promote results of this Study.**
- This work will **help implement the Oregon Public Transportation Plan**, which calls for integration of plans, supporting transit with housing, and other topics to be addressed in this Study.
- ODOT understands that regional plans that do not evaluate social and environmental impacts can negatively affect housing affordability, cause displacement, and increase greenhouse gas emissions via sprawl and long commutes.
- The SAP identifies **equity** as a priority, specifically, "Prioritize diversity, equity and inclusion by identifying and addressing systemic barriers to ensure all Oregonians benefit from transportation services and investments." Transportation and land use plans that do not

prioritize equity, including addressing current inequities, may inadvertently contribute to or continue racial and economic segregation of neighborhoods.

As this Transit and Housing Study progresses, a glossary of key terms will accompany each white paper. Throughout each document, an \* denotes terms defined in the glossary, which is organized by topic area. The \* is only provided on the first instance of the word.

This Transit and Housing Study will provide a foundation and understanding of how housing and public transportation are linked and affect households' quality of life. At the conclusion of the Study, the goal is to identify actionable strategies that local housing and transportation planning departments, Tribal governments, and transit providers can take, given the unique mobility needs and circumstances throughout Oregon.

## 2.0 Introduction to Oregon Case Study Evaluation

Identifying and evaluating examples of transit and housing connections within Oregon and developing them into case studies helps to understand what elements are favorable to better connecting housing and transit, and what factors act as barriers. This report provides a series of case studies across the state, which provide geographic diversity on a variety of scales. By examining specific processes and locations across the state, the report provides transit characteristics, density thresholds, development types, funding opportunities and barriers, and regulatory aids and barriers. The report also provides lessons learned and calls out missed opportunities that could have or could better connect transit and housing. Each case study also highlights roles that played into supporting the effort and any champions.

The findings from these case studies, along with other reports developed to date for this Study, will be synthesized into a toolkit of potential approaches for a variety of stakeholders and include a final project report.

### 2.1 Selection and Evaluation Methodology

Initially, the team researched the internet to identify potential case studies at a variety of scales within a variety of geographies, (urban, small city, or tribal) representative of the different types of communities across Oregon. Starting with a list of 20 plus locations, the team culled it down based on available information, variety of scales (citywide or countywide to single parcel), and the ability to interview stakeholders related to the effort. The overarching purpose in selecting case study locations was to select case studies that could serve as an example or provide illustrative tools to other Oregon communities to replicate for their own use. The Portland region has a robust level of transit service and was developed at a scale that is not comparable to other Oregon communities; therefore, while Portland region case studies were considered, the team did not deem them demonstrable for other Oregon communities relative to the Oregon case studies ultimately selected.

The team conducted internet research and scheduled interviews with at least two stakeholders (e.g., local agency staff, transit providers, developers, advocates) for each case study. When two stakeholders were not available, the team conducted additional research to develop the case studies. The team developed a set of questions to guide stakeholder interview discussions. The interviews were generally focused on successes, lessons learned, missed opportunities, and challenges.

Interviewees often sent follow-up materials for the team's further investigation, and in some cases reviewed the write-up. In addition to interview-related information, the team reviewed relevant local policies to develop its findings related to opportunities and challenges and lessons learned that may be applicable to other Oregon communities.

#### 2.1.1 Housing + Transportation Index

Case study areas were evaluated using the Center for Neighborhood and Technology's (CNT) Housing and Transportation Affordability Index ("H+T Index") to provide a comprehensive way of assessing the affordability of a given location. Traditionally, a unit is considered affordable if local median housing costs (mortgage, rent, utilities, insurance, etc.) account for less than 30 percent of a

median household's gross monthly income.<sup>1</sup> However, this traditional housing-focused benchmark does not account for transportation, which is often a household's second-largest expenditure.

Pairing transportation with housing costs provides a more holistic view when considering affordability. Now urban areas that are location efficient (have convenient access to jobs, services, transit, amenities) are evaluated on a scale that accounts for reduced transportation costs compared to rural areas that may have cheaper housing costs but higher transportation costs. Based on research done by the CNT, transportation costs totaling 15 percent of a household's income are considered obtainable, making the new overall benchmark for affordability 45 percent.

The research behind the index shows that without adjusting living costs to include transportation "a little over half (55 percent) of US neighborhoods are considered 'affordable' for the typical household..." but "the number of affordable neighborhoods drops to 26 percent, resulting in a net loss of 59,768 neighborhoods that Americans can truly afford" when transportation costs are included.<sup>2</sup>

Understanding the implications of this new affordability standard requires understanding a few of the variables that comprise the tool. In addition to housing costs taken from the American Community Survey, transportation costs are mainly assessed through auto ownership, auto use, and transit use. These three variables are assessed for a typical household that sets a constant household income, household size, and commuters per household to ensure that variations in transportation costs are only due to the built environment and not household characteristics.

For this Study, the household characteristics filter is set to Regional Moderate, which puts the typical household income at 80 percent of the regional Area Median Income (AMI) and uses the regional average for household size and commuters per household. Because this Study is attempting to understand affordable and obtainable transit and housing options for Oregon residents, viewing the H+T Index through a more moderate lens (80 percent of the AMI) was deemed the most appropriate.

## 2.2 Approach Limitations

Development of case studies was not an exhaustive research effort, and the team relied on available information and what the stakeholders or interviewees shared. The team made efforts to document findings related to the case studies from a variety of written sources, but otherwise were limited to the number of stakeholders that could be interviewed. The case study information presented is a combination of interview notes, web and document research, and synthesis of findings based on professional judgement.

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<sup>1</sup> Spending approximately 30 percent of gross monthly household income on housing costs is generally considered an affordable threshold. This dates back to policies from the U.S. Department of Housing and Urban Development (HUD). Paying more than 30 percent on housing makes a household "cost burdened." (Source: <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-081417.html>)

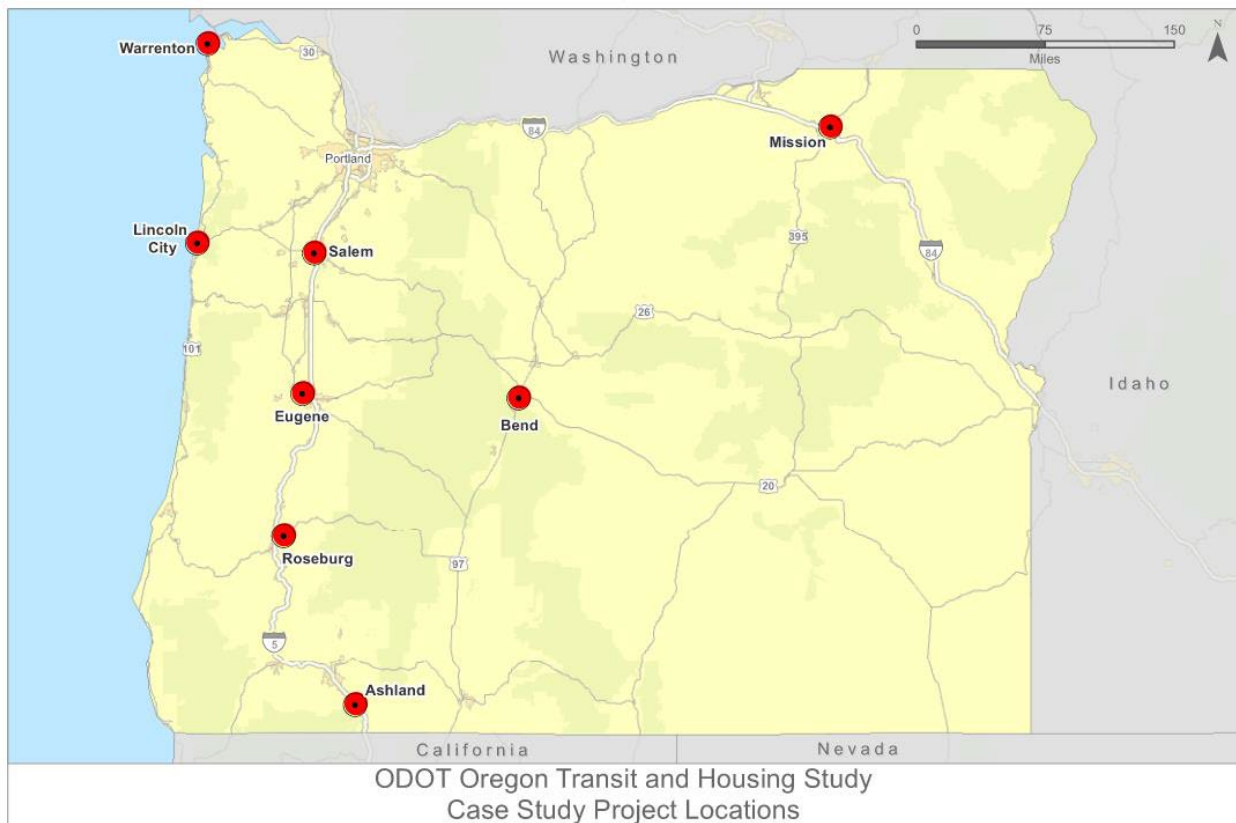
<sup>2</sup> <https://htaindex.cnt.org/about/>

### 3.0 Case Studies

As previously stated, the selected Oregon case studies include a range of built environments – from coastal communities (Warrenton and Lincoln City) to cities in the Willamette Valley (Salem and Eugene), Southern Oregon (Roseburg and Ashland), and Central Oregon’s high desert (Bend), to Tribal land in Eastern Oregon (Mission) – (Figure 1).

The following sections describe the eight Oregon case studies. Each case study provides a project overview and facts, describes the project location, outlines the process and timeline, discusses the benefits and challenges to the co-location of transit and housing, and provides some key lessons learned that may be informative to other Oregon communities.

Figure 1. Case Study Location Map



## 3.1 Confederated Tribes of Umatilla Indian Reservation – Nixyáawii Neighborhood and Kayak Public Transit

### 3.1.1 Project Overview and Facts

- The Nixyáawii Neighborhood case study evaluates a new 12-acre neighborhood south of the existing Nixyáawii Education Center and Yellowhawk Tribal Health Center. When completed, the new neighborhood will have up to 70 newly constructed homes, walking trails, and access to Kayak Public Transit – a mission-driven organization providing free transit throughout northeastern Oregon and southeastern Washington. The plan will reserve space for future neighborhood businesses and services.
- The project aims to allow Confederated Tribes of the Umatilla Indian Reservation (CTUIR) Tribal Members to build homes and live on the reservation. The neighborhood will offer lots ranging from 4,000 to 6,800 square feet with 99-year leases for Tribal members. Flexibility in size, location within the neighborhood, and design are key for Tribal homeowners to build and own a home that suits their needs, particularly for single-family market-rate homes. The connection to Kayak Public Transit also aims to improve Tribal members' access to low-cost transportation options in this rural area.
- The Nixyáawii Neighborhood is championed by the CTUIR.
- The project began in March 2021 when the CTUIR Board of Trustees approved the Nixyáawii subdivision and zoning designations. In October 2021, the CTUIR Board of Trustees approved the 99-year residential lease agreement for the Nixyáawii Neighborhood. The development was slated to break ground in 2021, however, the ongoing pandemic and a volatile development market have caused delays. Lot sales are planned to begin in spring 2022.
- The Nixyáawii Neighborhood is near the existing Kayak Transit Hub, with access to bus routes to local and regional destinations, including La Grande, Walla Walla, Pendleton, Pilot Rock, and Hermiston. The Kayak Transit Hub is within a half mile of all future residents, making it easily accessible within a 10-minute walk.

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The project team interviewed Robert Johnson of Kayak Public Transit and J.D. Tovey, CTUIR Planning Director, on December 28, 2021, to inform this case study.

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“The Reservation is home to the Cayuse, Umatilla and Walla Walla Indians, but for a long time it was difficult for Tribal members to actually live on the Reservation, because of fractionation, high land prices, or construction barriers such as wells and septic tanks. This neighborhood aims to help alleviate as many of those barriers as possible. “J.D. Tovey III, Planning Director for CTUIR.

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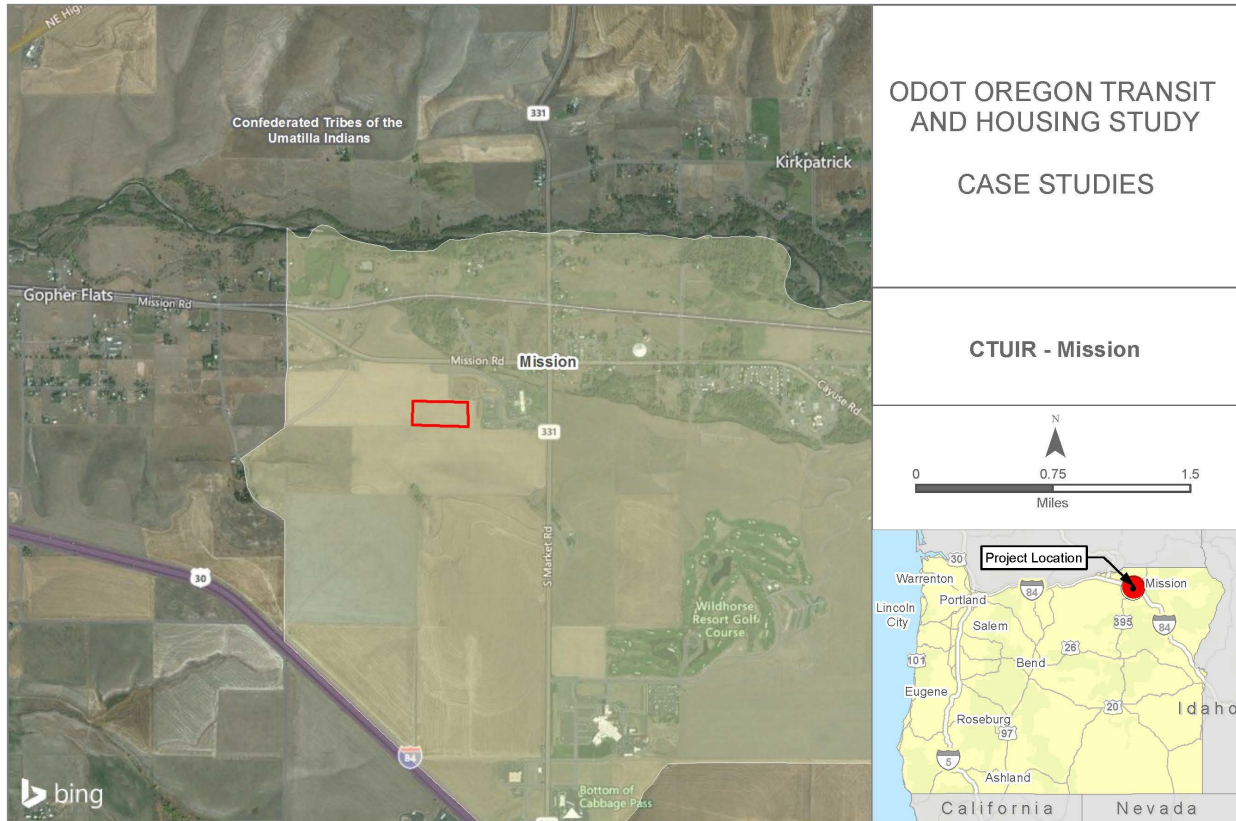
### 3.1.2 Project Area Characteristics

The Nixyáawii Neighborhood is in Mission, a census-designated place in Umatilla County within the CTUIR (Figure 2). Mission has a population of 960, a median household income of \$38,750, and an average household size of 3.00, according to 2020 census data.

The Nixyáawii Neighborhood will be situated on land that is currently undeveloped, immediately adjacent to an assemblage of civic uses, including a school, police department, and Tribal offices, all

of which are configured in a suburban development pattern. Most of the land surrounding the project site, however, is farmland.

Figure 2. Nixyáawii Neighborhood Location Map



Source: HDR using Bing aerial imagery and US Census Bureau boundaries

### 3.1.2.1 Housing + Transportation Index

Due to the rural nature of the Nixyáawii site, the census-designated place of Mission, Oregon, was chosen for evaluation in the H+T Index because it was the smallest geographic boundary containing the development site. The H+T Index shows that the combined housing and transportation costs in Mission equal 62 percent of the typical household income (Figure 3). This is more than the affordability benchmark of 45 percent and considered an expensive area. The total value consists of 30 percent for housing costs, and 32 percent for transportation costs. This breakdown shows that housing in Mission is at the affordability benchmark for housing costs (30 percent)<sup>4</sup>, but transportation is more than double what is considered affordable (15 percent).

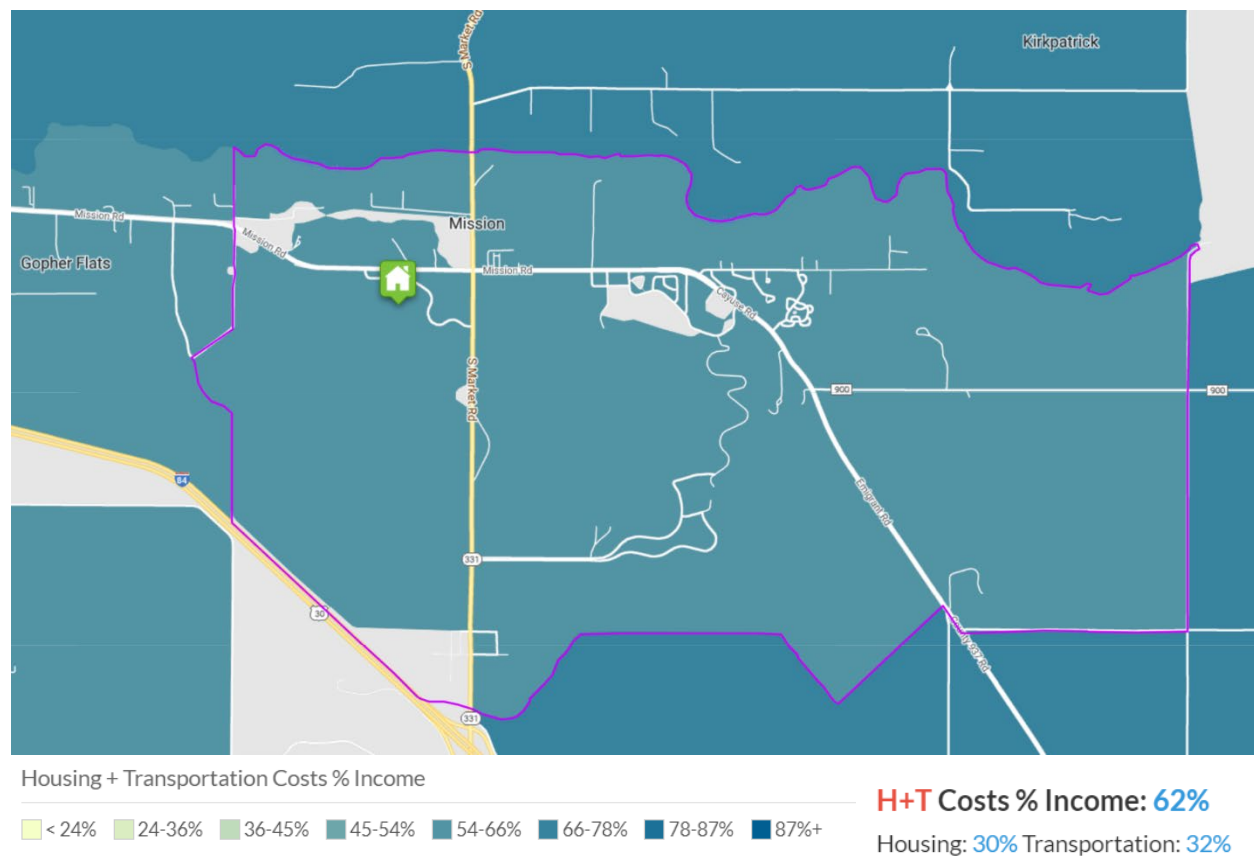
**The Regional Moderate<sup>3</sup> filter used in the H+T Index for Mission:**

- 80 percent of AMI is \$39,000
- The regional average commuters per household is 1.08
- The regional average household size is 2.73

<sup>3</sup> Data: Center for Neighborhood Technology H+T Index

<sup>4</sup> See footnote 1 on page 4.

Figure 3. Nixyáawii Neighborhood H+T Index Map



Source: <https://htaindex.cnt.org/map/>

### 3.1.3 Process and Timeline

In 2017, CTUIR won an Oregon Transportation and Growth Management (TGM) grant to conduct an HNA. The HNA demonstrated a need for family housing, specifically 60 to 80 percent more market-rate homes for families of median income level. The Tribal lands already had a surplus of low-income housing and needed to provide more housing choices for families who wanted to move out of low-income housing. Growing median income among Tribal members has led to demand for more market-rate housing from residents who have become financially successful, freeing up low-income housing for others who need it. Without an adequate supply of market-rate housing, higher income households remain in housing units more suitable for lower income households, thus limiting the supply of low-income housing. Tribal families who do not live on the Reservation and desire to move to CTUIR also have a need for more market-rate housing.

In March 2021, the CTUIR Board of Trustees and the Land Protection Planning Commission approved the Nixyáawii Subdivision plan to create the lots and layout of the neighborhood. Objectives of this development are to provide market-rate housing to address pent up demand, better meet the variety of housing needs, and free existing low-income housing for those who need it.

The Neighborhood Residential zoning designation is used for residential areas in the Mission Community area and promotes safe, walkable neighborhoods and homes that face the street. The Neighborhood Services zoning designation creates space for small scale, local businesses and services that are located within walking distance of residential areas.



Nixyáawii Community Financial Services, a certified Community Development Financial Institution, is owned and operated by CTUIR. CTUIR received a grant from the Spirit Mountain Community Fund to create a new community loan program that will provide financing to help more people with upfront costs of purchasing a lease-lot in the Nixyáawii Neighborhood.

Public transit has been an integral part of planning for the Nixyáawii development including electric, intra-campus style shuttles to the nearby government center, casino, and golf course for employment opportunities.

### 3.1.3.1 Results

The new Nixyáawii Neighborhood will include 99-year leases for 70 market-rate lots that range from 4,000 to 6,800 square feet for CTUIR Tribal members 18 years and older (Figure 4). Owners will lease the land and build and own their homes. Owners will have to pay a consideration fee (\$2.50/square feet) and an annual subdivision assessment fee that funds road maintenance, snow removal, and park maintenance (\$0.2320/square feet). The development includes rear access to parking via alleys, a community park, walking trails, and space reserved for future neighborhood businesses and services. After some delays due to the pandemic and a volatile development market, lot sales in the Nixyáawii Neighborhood are slated to occur in spring 2022.

Figure 4. Nixyáawii Neighborhood Site Plan and Context



Source: CTUIR/Nixyáawii project website (nixyaawii.com)

### 3.1.3.2 Connection to Transit

The Tribal Planning Office operates the Tribal-owned regional transit system, Kayak Public Transit, which provides coordinated planning of routes, stops, and housing. Kayak has been in operation since 2001 with its mission to provide safe transportation for everyone in the region. Kayak provides a rural, regional fixed-bus transit system that is bi-state, in northeastern Oregon and southeastern Washington. Kayak's Transit Hub is located immediately east of the Nixyáawii Neighborhood and is the origin and destination for several bus routes with connections to La Grande, Walla Walla, Pendleton, Pilot Rock, and Hermiston. Bus service is free to the general public. Kayak is funded through a combination of Federal grants, State grants, and CTUIR general funds.

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2020 census data showed that 3.4 percent of Mission commuters use public transportation, and 1.6 percent of workers have no vehicle available to commute.

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Public transit has been an integral part of planning for the Nixyáawii Neighborhood, incorporating details such as bus pullouts and stops for service. Plans include electric, intra-campus style shuttles to the nearby Nixyáawii Governance Center, casino, and golf course for employment opportunities.

Umatilla County received ODOT Public Transit Division funding to contribute to a TDP, which helped establish the mission of the transit service and the fare-free service. The TDP provided the necessary policy context to encourage transit connection to the Nixyáawii Neighborhood.

Kayak is working with regional partners to coordinate system improvements, including new vehicles, bus barns, and offices, GPS mapping for routes and stops, electrification, and route planning to new areas, such as Boardman and the Port of Morrow. In 2009, Kayak received a Go Oregon grant to upgrade offices and construct a bus barn; CTUIR has been successful with winning grants to fund capital improvements.

### 3.1.4 Benefits and Challenges to the Co-location of Transit & Housing

The Nixyáawii Neighborhood is located near a community school, clinic, Nixyáawii Governance Center, and with up to 850 employment opportunities at the casino within a five-minute walk. The project is the first market-rate home project for CTUIR. Kayak service, such as fixed-bus routes or shuttles, will provide access to and from the Nixyáawii Neighborhood.

While the Nixyáawii Neighborhood has progressed and will succeed in achieving its desired goals, it has not been without challenges. Interviewees suggested that helping Tribal leadership understand the need for additional housing and density was a challenge as most are used to the rural concept of single-family homes rather than multifamily development. The pandemic and a volatile development market also caused project delays.

### 3.1.5 Lessons Learned

The CTUIR sovereignty provided easy coordination between transit and housing development in this case study, which could be instructive for other Tribes or jurisdictions that have the organizational capacity to provide transit service.

An objective HNA was key in identifying the need for market-rate housing and convincing Tribal leadership that more low-income housing, as had been previously provided, is not the urgent housing need.

## 3.2 River Road Santa Clara Neighborhood Plan – Eugene, OR

### 3.2.1 Project Overview and Facts

- This case study evaluates two sites within the Eugene River Road Santa Clara (RRSC) Neighborhood—one developed for affordable housing, and one pending development on surplus land from the Santa Clara Transit Station—in the context of recent land use and transportation planning efforts for the area. These two projects and the broader planning context around them illustrate several ways local governments and transit providers can help support affordable housing near transit, as well as a few of the challenges that can arise.
- The RRSC Neighborhood Plan, which is nearly finished, aims to improve integration between land use and transportation planning. The Plan has five topic areas: Land Use, Transportation, Economic Development, Parks and Natural Resources, and Community.
- Project champions include the City of Eugene, the Lane Transit District (LTD), and housing developers (both affordable and market-rate).
- Holistic efforts related to the neighborhood plan and broad, integrated land use and transportation planning have been ongoing for decades. The affordable housing site was acquired for development in 2016 and a developer was selected in 2019. The Santa Clara station site was acquired in 2015 and a portion remains undeveloped.

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The project team interviewed Andrew Martin and Tom Schwetz of Lane Transit District and Terri Harding and Rob Inerfeld from the City of Eugene on February 14, 2022 to inform this case study.

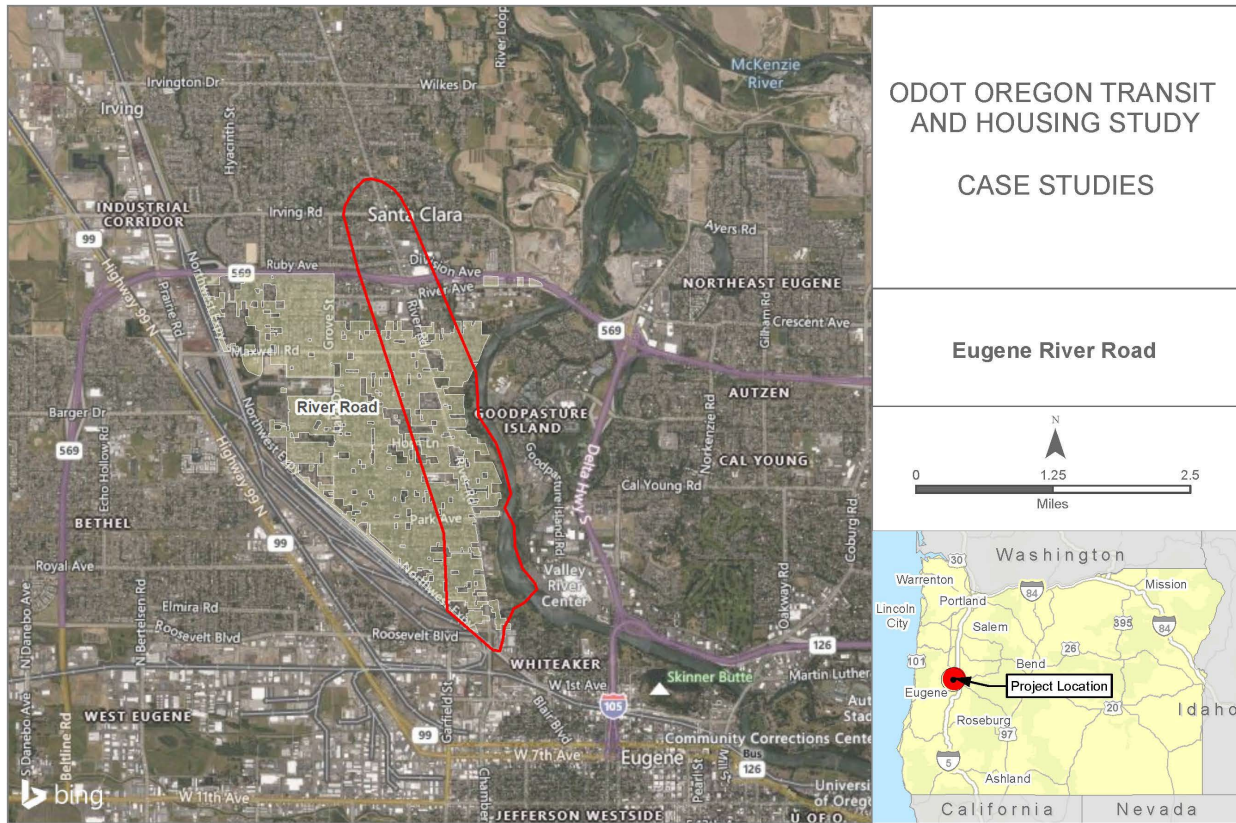
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### 3.2.2 Project Area Characteristics

Eugene is the third largest city in Oregon with a population of 176,654, a median household income of \$52,689, and an average household size of 2.29, according to 2020 census data. It is situated in the Mid-Valley along Interstate-5 (I-5) and the Willamette River near its confluence with the McKenzie River. Major industries in the City include healthcare, manufacturing, outdoor recreation, arts, and higher education. It is well known as a college town with a significant student population, as it is home to the University of Oregon, Bushnell University, and Lane County Community College.

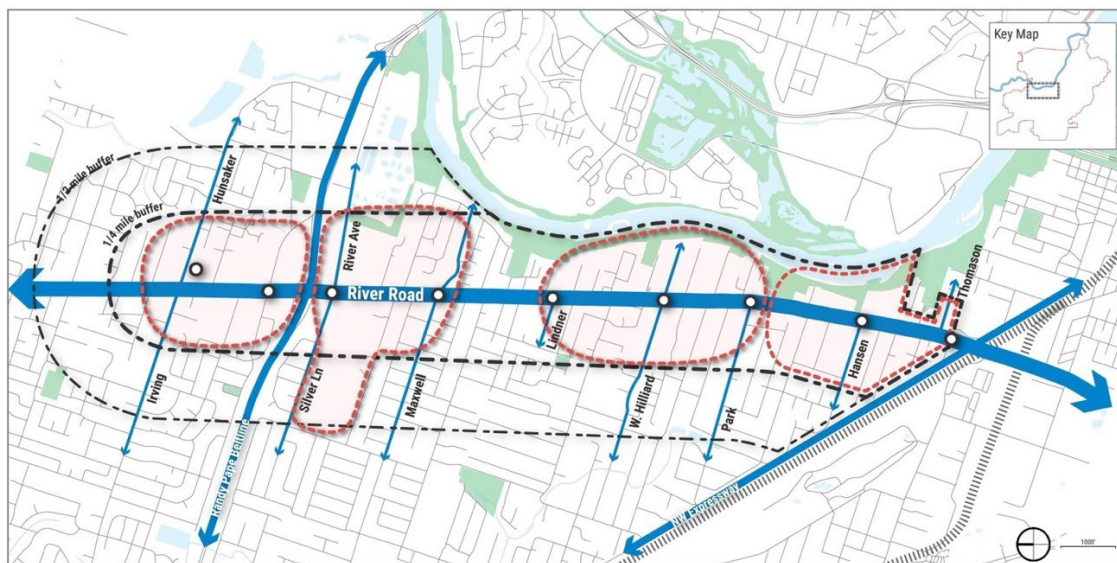
The Santa Clara and River Road neighborhoods, located on the northwest side of Eugene, are largely suburban in character, with some older development that has yet to be annexed to the City of Eugene (Figure 5 and Figure 6). While the housing variety has increased in recent years, most is single-family detached.

Figure 5. Eugene River Road Location Map



Source: HDR using Bing aerial imagery and US Census Bureau boundaries

Figure 6. Eugene River Road Corridor Study Map



Source: Eugene River Road Corridor Study, <https://www.eugene-or.gov/DocumentCenter/View/60545/River-Road-Corridor-Study-FTA-Grant>

Note: Map orientation does not have North pointing upwards.

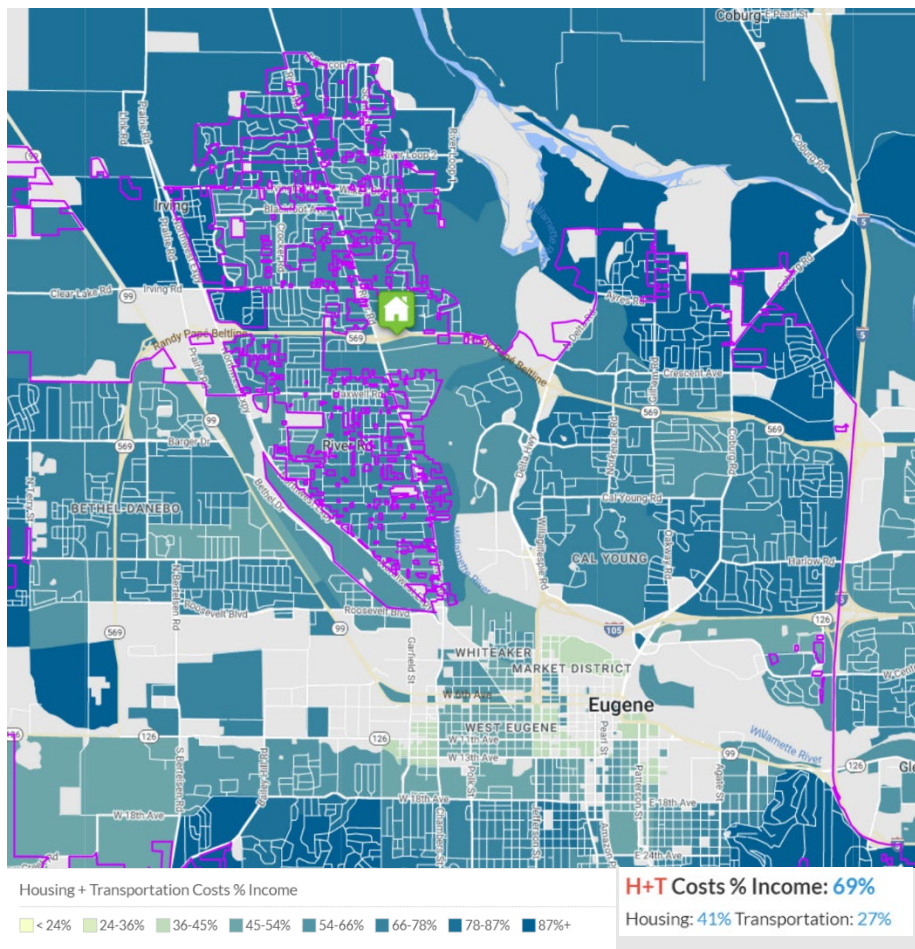
### 3.2.2.1 Housing + Transportation Index

For the City of Eugene Oregon, the H+T Index shows a combined housing and transportation cost of 69 percent of typical household income (Figure 7). This value is 24 percentage points over the 45 percent affordability benchmark and considered expensive. The total value consists of 41 percent for housing costs, and 27 percent for transportation costs. The housing costs are 11 percentage points above the associated affordability benchmark, and transportation costs are 12 percentage points above what is considered affordable. In Eugene, both housing and transportation solutions will need to be assessed to direct the City towards the affordability benchmark. The City of Eugene was used as it was the smallest subset that contained the area for the River Road/Santa Clara neighborhoods.

**The Regional Moderate<sup>5</sup> filter used in the H+T Index for Eugene:**

- 80 percent of AMI is \$35,000
- The regional average commuters per household is 0.98
- The regional average household size is 2.39

Figure 7. Eugene River Road Corridor H+T Index Map



Source: <https://htaindex.cnt.org/map/>

<sup>5</sup> Data: Center for Neighborhood Technology H+T Index

### 3.2.3 Process and Timeline

The RRSC Neighborhood Plan builds on decades of efforts by the City of Eugene to integrate land use and transportation planning. The City has been working on the RRSC Neighborhood Plan with community organizations, residents, the County, and consultants since 2017. The RRSC Neighborhood Plan includes goals related to supporting affordable housing, compatible infill development, and transportation.<sup>6</sup> These goals include:

- Transportation:
  - Goal 4: Ensure a safe transportation system for all users.
  - Goal 5: Promote a connected and efficient multi-modal transportation system that is equitable and affordable.
  - Goal 6: Plan for a transportation system that is future oriented, environmentally responsible, and transitions to zero carbon.
- Land Use:
  - Goal 11: Support development that is well designed and economically, socially, and environmentally sustainable.
  - Goal 12: Ensure future housing addresses the needs of the community.
  - Goal 13: Support a thriving, vibrant, and active River Road corridor.
  - Goal 14: Promote land use and development that protects and enhances neighborhood character.

In addition, LTD has a project called *MovingAhead* which aims to enhance transit in five key corridors, including the River Road Corridor. The *MovingAhead* effort began with community input in 2015 and 2016. Through this project, River Road was recommended for future EmX investments, a local version of bus rapid transit with station shelters, special bus lanes, frequent service, and real-time travel information.<sup>7</sup>

#### 3.2.3.1 Results

Within the larger context of these ongoing planning efforts, there have been recent investments in both affordable housing and transit in the corridor:

- Site 1 (Iris Place): St. Vincent de Paul, a nonprofit affordable housing provider, built 53 affordable housing units on River Road, completed in November 2021.<sup>8</sup> This project is described in additional detail below.
- Site 2 (Santa Clara station): The new Santa Clara Transit Station along River Road (which opened for service in February 2021) addresses safety and operational issues that made the former site difficult to access and enables the station to serve EmX buses.<sup>9</sup> LTD had to acquire

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<sup>6</sup> [https://www.eugene-or.gov/DocumentCenter/View/65547/220415\\_RRSC\\_NeighborhoodPlanDraft](https://www.eugene-or.gov/DocumentCenter/View/65547/220415_RRSC_NeighborhoodPlanDraft)

<sup>7</sup> <https://www.movingahead.org/>

<sup>8</sup> <https://www.svdv.us/svdv-newest-affordable-housing-iris-place/>

<sup>9</sup> <https://www.ltd.org/cip-santa-clara/>, <https://www.eugene-or.gov/DocumentCenter/View/60545/River-Road-Corridor-Study-FTA-Grant>

a larger site than needed for the transit station facilities; the balance of that site has been under discussion as an opportunity site for affordable housing or other community priorities. This project is described in additional detail in Section 3.2.3.2.

The City of Eugene acquired the site for Iris Place through its Land Acquisition for Affordable Housing program using CDBG funds in early 2016. The site was offered through a Housing Request for Proposals (RFP).<sup>10</sup> As part of the acquisition and RFP process to develop the property, staff conducted extensive outreach with area neighbors resulting in neighborhood support for the development. City Council ultimately selected St. Vincent de Paul as developer in January 2019.<sup>11</sup> In addition to the land, the City awarded the developer housing development funds (\$725,000 in federal HOME Investment Partnerships Program funds) and \$234,000 in SDC exemptions and is providing a 20-year property tax exemption.<sup>12</sup> St. Vincent de Paul received other financing through the state, including 9 percent LIHTCs and other state resources.<sup>13</sup>

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**Financial support for the Iris Place affordable housing development:**

- City exempted SDCs
  - City exempted property taxes for 20 years
  - City offered free land
  - State 9 percent LIHTCs
  - Federal CDBG funds
  - Federal HOME funds
- 

### 3.2.3.2 Connection to Transit

The two sites evaluated in this case study had transit present before development. Iris Place Apartments was sited directly on River Road where buses were already operating and expected to see improvements. The Santa Clara Transit Station site is next to a transit station, awaiting development.

Current bus service in the River Road corridor includes routes 51 and 52, which run roughly 10 miles round trip along River Road between Eugene Station and the River Road/Irvington Drive intersection. They are coordinated so that a bus from one of these routes arrives at 15-minute intervals. The Iris Place site is situated along River Road, with direct connection to these transit routes.

The Santa Clara station site was acquired by LTD in 2015.<sup>14</sup> The site is large (approximately 8 acres) and flat. It was historically the site of the Santa Clara Grange, then the Santa Clara Elementary School.<sup>15</sup> The site was subsequently purchased for commercial development, but there was community opposition to the site being developed as a commercial center given the prevalence of large commercial centers in the area and its historic importance to the community. LTD intends to sell the unused portion of the site for development. It has been under consideration as an

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2020 census data showed that 3.7 percent of Eugene commuters use public transportation, and 5.1 percent of workers have no vehicle available to commute.

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<sup>10</sup> <https://www.eugene-or.gov/DocumentCenter/View/35383/Summary-of-Land-Acquisition-for-affordable-housing-program?bidId=>

<sup>11</sup> <https://www.eugene-or.gov/ArchiveCenter/ViewFile/Item/6100>

<sup>12</sup> <https://www.eugene-or.gov/ArchiveCenter/ViewFile/Item/6100>

<sup>13</sup> <https://www.eugene-or.gov/DocumentCenter/View/35383/Summary-of-Land-Acquisition-for-affordable-housing-program?bidId=>; <https://www.eugene-or.gov/ArchiveCenter/ViewFile/Item/6100>

<sup>14</sup> [https://www.ltd.org/file\\_viewer.php?id=4534](https://www.ltd.org/file_viewer.php?id=4534)

<sup>15</sup> [https://sci.uoregon.edu/sites/sci1.uoregon.edu/files/santa\\_clara\\_facts\\_sheet\\_2019.pdf](https://sci.uoregon.edu/sites/sci1.uoregon.edu/files/santa_clara_facts_sheet_2019.pdf)

affordable housing opportunity site, but there are still a range of opinions among community members about the future vision for the site.

The site is currently regulated by a Planned Development overlay that requires a discretionary process—this is holding up disposition and development of the site, given lack of consensus about its desired future use. The Santa Clara Transit Station itself was approved through this discretionary process.<sup>16</sup> The City and LTD have been working with the community through the RRSC Neighborhood Plan to find a balance between community desires, development that can be supported by the market, and development that supports the long-range vision for the City. The goal is to agree on the standards and process that will apply to future site development, to be able to develop without having to go through a discretionary process that could be appealed.

### 3.2.4 Benefits and Challenges to the Co-location of Transit & Housing

There were many benefits and challenges to these sites as they relate to the co-location of transit and housing. The Iris Place affordable housing development required substantial funding at all levels of government to ensure the project was financially feasible – it benefited from City commitment to making the development work and willingness to find funding. Without the City’s use of federal housing funds for site acquisition for affordable housing and other financial support for the development (including SDC exemptions and a 20-year property tax exemption), the project likely would not have succeeded. In addition, the City and its partners conducted a robust neighborhood engagement process to select a development proposal for the site, leading to community support.

The Santa Clara Station surplus property has faced numerous challenges in reaching agreement on what can be developed. The discretionary development review requirement, providing the review board with much control, resulted in delays and uncertainty. In addition, the extensive neighborhood planning process that has played out over many years to facilitate agreement has not worked. The site has a lot of community history and importance which raises community members’ expectations of what can and should be built there. Importantly, LTD has limited experience with selling surplus property for development and may be required to sell any surplus land for at least the amount that it spent on that land. Because land acquisition is often the biggest cost in a development, this may limit the ability for affordable housing developments to be financially feasible.

### 3.2.5 Lessons Learned

A discretionary review process can inhibit affordable housing development. A clear and objective approval process combined with pro-active neighborhood engagement to build support can make affordable housing development easier.

All but the largest transit providers may need support to advance affordable housing development on surplus property. In particular, agencies need to appreciate the level of effort and risks associated with redeveloping sites acquired to generate surplus property for development.

Coordinated land use and transportation planning can set the stage for affordable housing development opportunities in transit-served areas, even if it takes time for that development to occur.

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<sup>16</sup> <http://rowellbrokaw.com/blog/2019/santa-clara-station>



## 3.3 Ashland Transit Triangle Infill Strategies Project – Ashland, OR

### 3.3.1 Project Overview and Facts

- This case study evaluates changes to the City of Ashland’s Land Use Ordinance to incentivize mixed-use development in an underdeveloped area that has been designated as the Transit Triangle (TT) and adopted in the Land Use Ordinance as an Overlay Zone<sup>17</sup>. The City also established a VHDZ in parts of the TT Overlay to incentivize mixed-use development. The TT Overlay includes parcels adjacent to major streets with bus transit service. Goals include promoting development of a mix of housing units and businesses adjacent to a bus route. The City hopes to encourage walking, bicycling, and transit use in the area. The plan for the new overlay was driven by a demand for more affordable housing and mixed-use development, including affordable rental workforce housing, and smaller studio and one-bedroom rental units. To take advantage of the VHDZ incentives, developers will be required to build ground floor commercial uses to activate the area for pedestrians.
- The project was championed by the City’s Community Development Department, based on policies provided by the City Council’s 2015-2017 Strategic Planning Goals and Objectives. The department spearheaded the project and initiated the land use changes.
- Analysis for the TT Overlay began in 2015 and included development modeling and scenario planning, market and demographic analyses, and evaluation of the City’s zoning code. The TT Overlay was adopted in December 2018 and VHDZ Overlay in December 2020. No development has occurred using the new incentives to date.
- The TT is well served by existing bus routes operating on Siskiyou Boulevard (Oregon State Route 99 [OR-99]), Ashland Street (OR-66), and Tolman Creek Road, including the route with the region’s highest ridership. The City’s goal was to transform the TT from its current low-density suburban development patterns to a denser urban form that is more supportive of transit, walking, and biking.

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To inform this case study, the project team interviewed Maria Harris, Planning Manager for the City of Ashland, and Paige West, Planning and Strategic Programs Manager for the Rogue Valley Transportation District on December 28, 2021.

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### 3.3.2 Project Area Characteristics

Ashland is a small city located in Southern Oregon’s Rogue Valley region along I-5 and OR-99. Ashland has a population of 21,360, a median household income of \$58,364, and an average household size of 2.05, according to 2020 census data. Major local industries include tourism, wine production, outdoor recreation, arts/entertainment, and higher education; the City attracts visitors to the Oregon Shakespeare Festival and students to Southern Oregon University. Ashland has an active second and vacation home market, which exacerbates affordability challenges for lower income residents by reducing the available housing stock for year-round residents. Ashland’s HNA showed that small households (one to two people) are the largest share of total households in Ashland:

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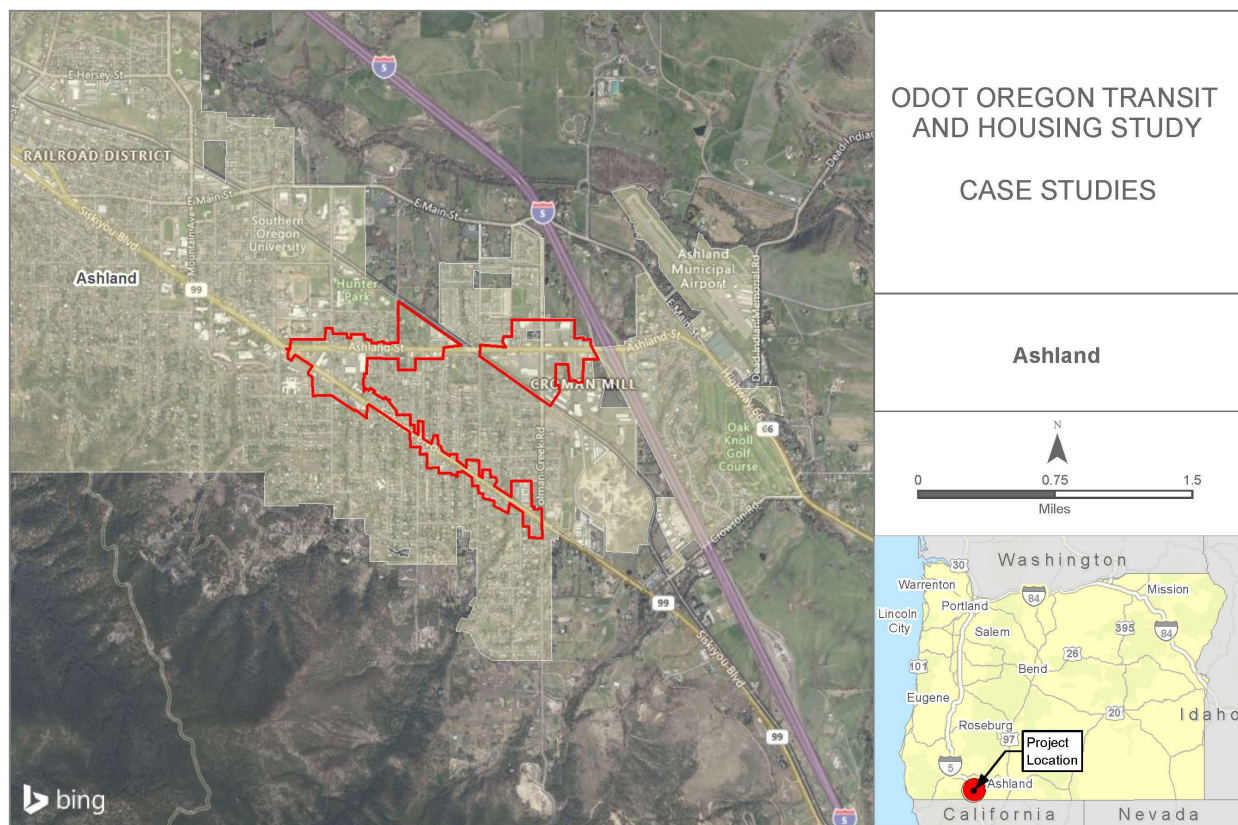
<sup>17</sup> Chapter 18.3.14 of the City of Ashland’s Land Use Ordinance

39.4 percent of Ashland households are single-person compared to 27.8 percent of Oregon households.

The TT is located approximately 1.5 miles southeast of Ashland’s downtown and encompasses parcels generally aligned along two boulevards – Siskiyou Boulevard (OR-99) and Ashland Street (OR-66) – providing regional connections to downtown and I-5, with Tolman Creek Road roughly defining its eastern extent (Figure 8 and Figure 9). Rogue Valley Transportation District (RVTD) provides fixed-route bus service on all three streets.

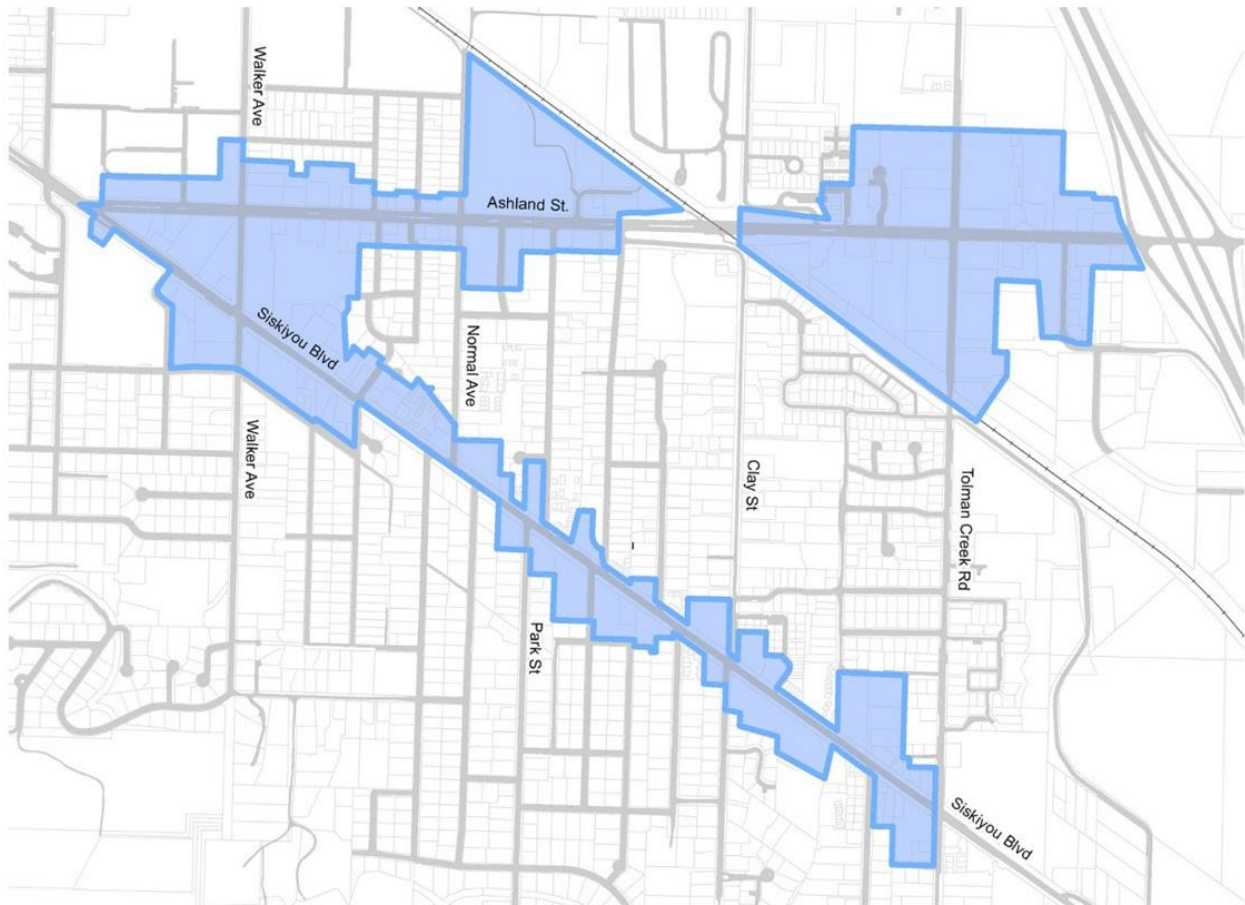
The existing land uses within the TT Overlay area include commercial uses, generally in a suburban development pattern, undeveloped or underdeveloped parcels (including an old movie theater that has been vacant for a decade), and a mix of single-family and multifamily residential uses. The context surrounding the overlay areas is predominantly lower density single-family residential.

Figure 8. Ashland Transit Triangle Location Map



Source: HDR using Bing aerial imagery and U.S. Census Bureau boundaries

Figure 9. Ashland Transit Triangle Overlay Map



Source: City of Ashland Land Use Ordinance, <https://ashland.municipal.codes/LandUse/18.3.14.020>

### 3.3.2.1 Housing + Transportation Index

For the City of Ashland, the H+T Index shows that the combined housing and transportation costs make up 75 percent of a typical resident's income (Figure 10). The combined 75 percent is well above the H+T Index's affordable benchmark of 45 percent. The breakdown of these values shows that the housing (45 percent) and transportation (30 percent) costs in Ashland are expensive, both of which are 15 percentage points over their affordability threshold. Therefore, both transportation and housing solutions will need to be implemented to provide a more affordable cost of living. Though the case study area is a smaller subset within Ashland, filtering the H+T Index to the municipality level generated the most holistic image.

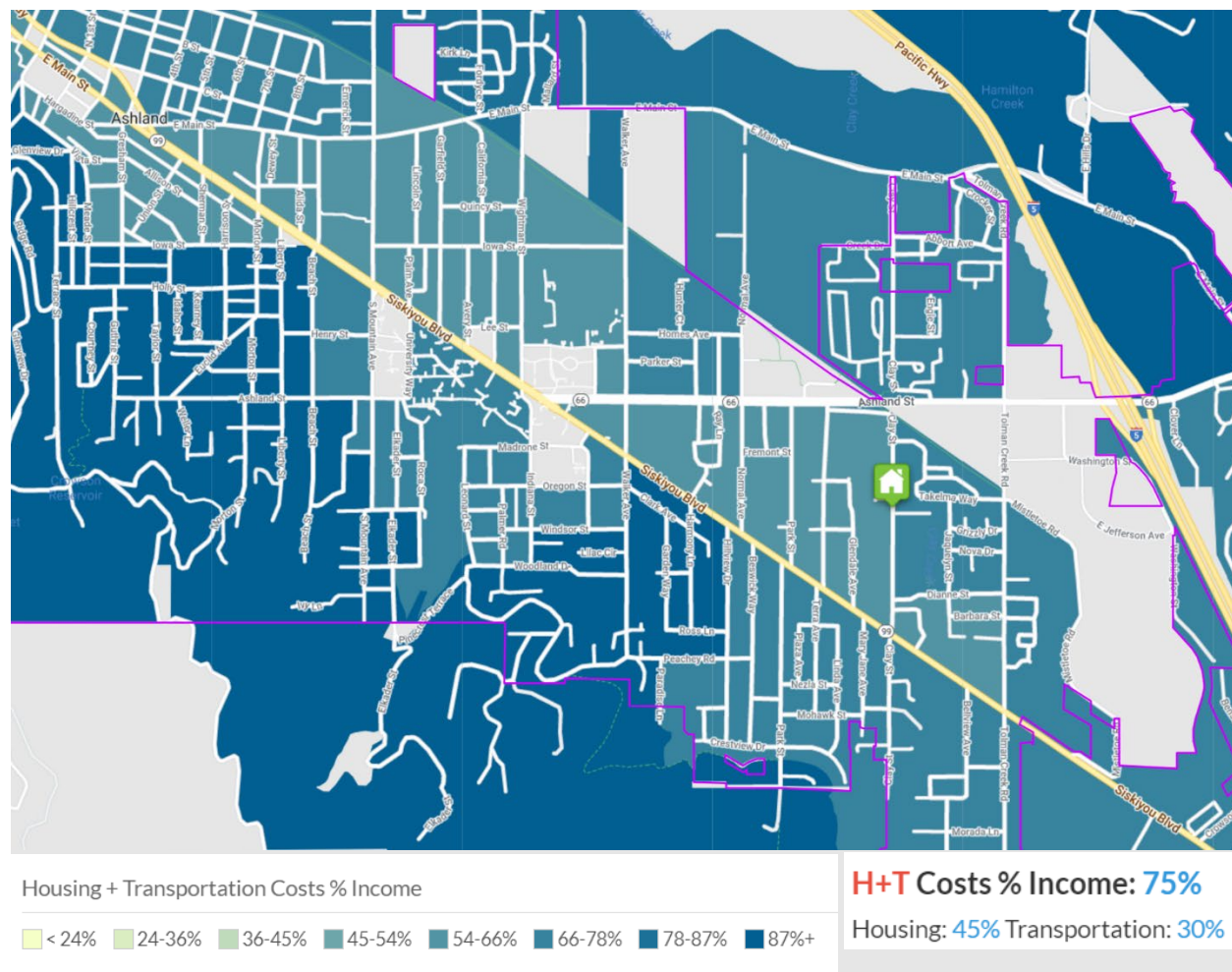
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**The Regional Moderate<sup>18</sup> filter used in the H+T Index for Ashland:**

- 80 percent of AMI is \$35,000
  - The regional average commuters per household is 0.93
  - The regional average household size is 2.45
- 

<sup>18</sup> Data: Center for Neighborhood Technology H+T Index

Figure 10. Ashland Transit Triangle – H+T Index Map



Source: <https://htaindex.cnt.org/map/>

### 3.3.3 Process and Timeline

The project was championed by the City's Community Development Department, based on policies provided by the City Council's 2015-2017 Strategic Planning Goals and Objectives, which included:

Goals:

- Update infill strategy along major corridors.
- Explore incentives for developers for more affordable housing.

Objectives:

1. Construct moderately sized housing units.
2. Support transit through increased ridership.
3. Generate an environment for business development and expansion.
4. Create a walkable setting.

Building on these strategic goals, the City worked with consultants to test financial performance (market) and physical parameters (zoning) affecting potential development in the TT. The evaluation

included an analysis of example buildings at a range of scales and forms along with visualizations to support engagement and illustrate options. Findings included:

- Current zoning standards encouraged development of large apartments, townhomes, and condos at low density.
- Projected commercial rents were too low for new construction.
- Rental rates were not affordable for median income households.

The City conducted an online survey and held open houses to review alternatives and gather feedback.

The City has not expanded its UGB in the past 20 years and has no current plans to do so. Instead, the City wants to intensify land uses and plans to accommodate population growth with increased density.

### 3.3.3.1 Results

The results of this work culminated in the adoption of the TT Overlay in 2018 and the VHDZ Overlay in 2020.

The TT Overlay is an optional zoning overlay intended to promote development of a mix of housing units and businesses adjacent to a bus route designed to encourage walking, bicycling, and transit use. The overlay maintains the existing underlying zoning designation, which supports development of ownership residential units and hotel/traveler accommodation units.

The overlay encourages development of rental housing by offering additional development flexibility and regulatory incentives:

- Multifamily is allowed in the non-residential base zones (C-1 and E-1), with limitations on ground-floor residential space.
- Retail sales and services, office, and restaurants are allowed in the residential base zones (R-2 and R-3), with limitations on the amount of commercial space allowed.
- Density is regulated based on floor area ratio, with the base zone density (in dwelling units per acre) as a minimum rather than the maximum in R-2 and R-3 zones.
- Allows 5- to 10-foot height bonuses, provided that the building includes step-backs (setting the building facade back further from the front and/or rear lot line) for the height above 25 feet.
  - Up to 42 feet (3 stories) in the underlying R-2 and R-3 zones, versus 35 feet (2 ½ stories) in the base zone.
  - Up to 50 feet (4 stories) for the underlying C-1 and E-1 zones versus 40 feet in the base zones.
- Modest parking reductions for multifamily and retail sales and services, office, and restaurants.

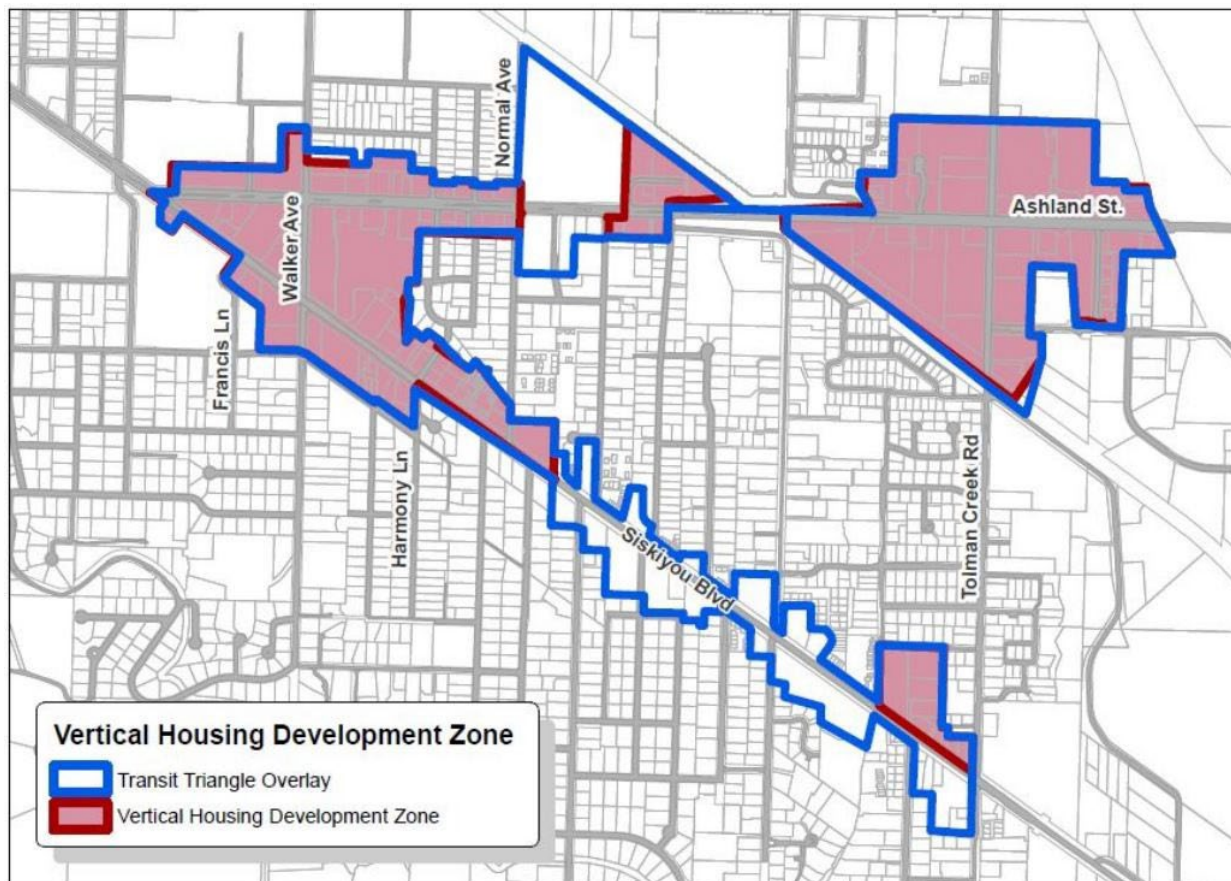
However, local developers noted that requirements like step-backs make it difficult to use the incentives and reduce or even eliminate their value.

Interviewees noted the need to overcome minimum parking standards. Ultimately, the Planning Commission and Council reduced the parking requirements for residential units in the TT Overlay and cottage housing standards. Interviewees suggested that parking maximums may be the only way to

get cities to reduce the required off-street parking, which is one of two factors that can affect project feasibility, whether it be a long-range plan like the TT Overlay or a development project.

The City also adopted a VHDZ Overlay, which is a statewide tax abatement program to encourage construction of residential units above ground floor commercial spaces (Figure 11). The VHDZ offers a 10-year partial property tax abatement for qualifying multi-story mixed-use development. This incentive has been used in Ashland and other communities to support mixed-use development when market conditions are otherwise opposed. However, the program is structured (in state statute) to offer a greater incentive for taller buildings, which reduces its value in the TT given the allowed heights.

Figure 11. Ashland Transit Triangle Vertical Housing Development Zone Map



Source: City of Ashland City Council Resolution, [https://www.ashland.or.us/SIB/files/121520\\_VHDZ\\_Resolution\\_CCFinal\(1\).pdf](https://www.ashland.or.us/SIB/files/121520_VHDZ_Resolution_CCFinal(1).pdf)

These programs are intended to encourage denser and mixed-use development by offering financial and physical incentives to make development more feasible. The TT Overlay offers a physical height boost, allowing taller buildings than otherwise allowed with the code, while the VHDZ provides a partial property tax abatement. By both increasing buildable space and reducing ongoing operating costs (property taxes), development of taller, mixed-use properties becomes more financially feasible. However, because of the limitations imposed in the TT overlay on buildings more than three stories, neither option is as effective an incentive as it could be. Perhaps because of these limitations, no new developments in the TT Overlay have used the new incentives since they were adopted.

### 3.3.3.2 Connection to Transit

Transit was a major part of this project. The TT has predominantly low-density suburban development patterns and the City is interested in transforming it to a denser urban form that is more supportive of transit, walking, and biking. This conforms with the City's goals of intensifying the existing land use within its UGB, to avoid expanding the UGB to accommodate population and household growth. One of the goals of the TT Overlay designation was to encourage development of more affordable and workforce rental housing, and for smaller studio and one-bedroom rental units. Thus, there is a strong need for transit access to serve these populations.

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2020 census data showed that 2.0 percent of Ashland commuters use public transportation, and 2.6 percent of workers have no vehicle available to commute.

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RVTD provides fixed-route bus service on all three streets that create the triangle: Siskiyou Boulevard (OR-99), Ashland Street (OR-66) and Tolman Creek Road. In addition, the TT functions as eastern terminus of Route 10, which has the highest ridership in the RVTD transit system. Recent transit improvements in the area include 20- to 30-minute service and enhancements for expanded weekday evening and Saturday service.

### 3.3.4 Benefits and Challenges to the Co-location of Transit & Housing

The TT Overlay and VHDZ create incentives to build housing in a transit-served area of the City. Both policy tools allow for increased density and a mix of land uses.

Involving implementing partners early was a challenge. Consequently, ODOT's request for traffic impact analysis was not anticipated by the City and came at an unexpected time, presenting a challenge. ODOT was concerned about traffic impacts and required optional TPR findings, including traffic intersection analysis. This requirement caused project delays and additional costs of \$15,000-20,000. The additional analysis showed no significant traffic impact as the area was already zoned for three-story mixed-use buildings. While the planning rules often have specific requirements, City staff recommends that future rules incorporate a threshold, providing for more rigorous analysis above it, and for more use of professional judgment and qualitative analysis below the threshold.

Another challenge was getting the school district to support the project as they raised concerns about the VHDZ. To implement a VHDZ, jurisdictions must notify overlapping taxing districts and provide an opportunity to opt out of offering the tax abatement. The school district was concerned that the incentive would encourage housing that may not be family housing and would be less likely to increase student enrollment. While the tax abatement would not affect the school district directly,<sup>19</sup> they did not feel it was in their interest to support it initially, and it took a year for the City to get their support to include their taxes in the abatement.

The TT Overlay provides bonuses for residential rental development; however, a subsequent study for the City identified financing and market obstacles to developing multifamily rental housing in the

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<sup>19</sup> Under Oregon's school funding law, per-pupil funding is equalized statewide, and reductions to local property tax revenues for an individual school district mean more funding is needed from statewide sources, but do not reduce funding to the school district directly. In addition, in this case, the VHDZ overlaps with an existing URA where increases in property tax revenue go largely or entirely to the urban renewal district for a period of time rather than to the overlapping taxing districts, so the tax abatement would affect funding for the urban renewal district rather than the school district.

City based on input from the local development community. It showed that those obstacles may require stronger incentives to overcome, especially in the face of a strong market for home ownership, including second homes.<sup>20</sup>

The emphasis on mixed-use development in the TT Overlay and the VHDZ incentive may make them less beneficial for regulated affordable housing because building commercial space in an affordable housing project can make the whole project subject to prevailing wage laws that can increase construction costs, sometimes substantially.

Restrictions on buildings greater than three stories in the TT Overlay limit the effectiveness of the regulatory and financial incentives that the City put in place for the area, and local developers indicated that the code details make the incentives less desirable.

### 3.3.5 Lessons Learned

Exemptions to making TPR findings and related traffic impact studies for some types of projects can expedite development of housing.

Alleviating parking minimums – requiring less off-street parking – facilitates development of housing. Parking maximums – setting limits on the amount of off-street parking that can be developed – would not only facilitate quicker development, but also incentivize connections between housing and transit because parking to support auto use would not be as freely available.

An HNA can provide the necessary objectivity to overcome preconceptions, such as only single-family housing is needed.

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<sup>20</sup> [https://www.ashland.or.us/Files/AshlandHousingStrategyImpPlan\\_Final\\_20190614.pdf](https://www.ashland.or.us/Files/AshlandHousingStrategyImpPlan_Final_20190614.pdf)



## 3.4 Bend Affordable Housing Urban Growth Boundary Expansion – Bend, OR

### 3.4.1 Project Overview and Facts

- This case study highlights a pilot program established under state law and overseen by the Oregon Department of Land Conservation and Development (DLCD) that allows cities to expedite their UGB expansions if the new land brought into the growth boundary is restricted to affordable housing.
- Project champions include the City of Bend and the property owner.
- The legislation was passed in 2016 and revised in 2019. The City of Bend was one of the first cities to pursue the pilot project, which was selected in 2018. No development has occurred yet.

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To inform this case study, the project team interviewed Damian Syrnyk, Senior Planner and Lynne McConnell, Housing Director with the City of Bend on December 27, 2021.

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### 3.4.2 Project Area Characteristics

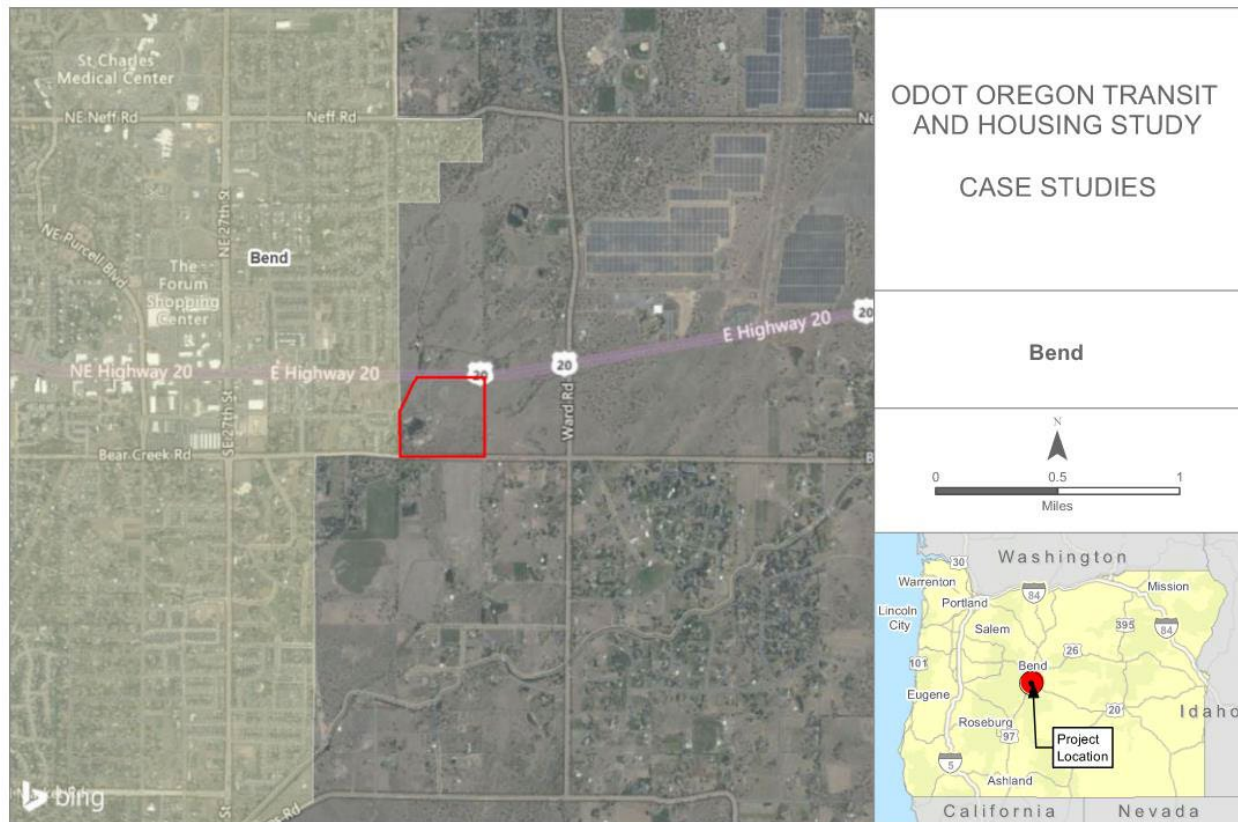
Bend is the largest city in Central Oregon situated on the Deschutes River just east of the Cascade Range. The City has a population of 99,178 people, a median household income of \$67,973, and an average household size of 2.42, according to 2020 census data. Bend has been growing rapidly in the past three decades; in 2019 Bend was among the fastest growing municipalities in Oregon.<sup>21</sup> Tourism and outdoor recreation are major industries that draw visitors and new residents to the area, alongside other major employers including healthcare and social services.

The site is located on the eastern edge of the City of Bend, just south of State Highway 20, an ODOT facility (Figure 12). Given its location at the edge of the UGB, the land north, south, and east is undeveloped land and rural residential. West of the site are single-family subdivisions and some remaining undeveloped land.

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<sup>21</sup> <https://www.census.gov/library/visualizations/interactive/fastest-growing-city.html>

Figure 12. Bend Location Map



Source: HDR using Bing aerial imagery and U.S. Census Bureau boundaries

### 3.4.2.1 Housing + Transportation Index

For the City of Bend, Oregon, the H+T Index shows that the combined housing and transportation costs were 66 percent of typical household income (Figure 13). This is above the 45 percent affordability benchmark and considered expensive. The total value consists of 38 percent for housing costs, and 28 percent for transportation costs. Both the housing and transportation costs are considered expensive as they are 8 and 13 percentage points respectively above their affordability benchmarks. Therefore, both transportation and housing solutions need to be assessed to provide more affordability City-wide.

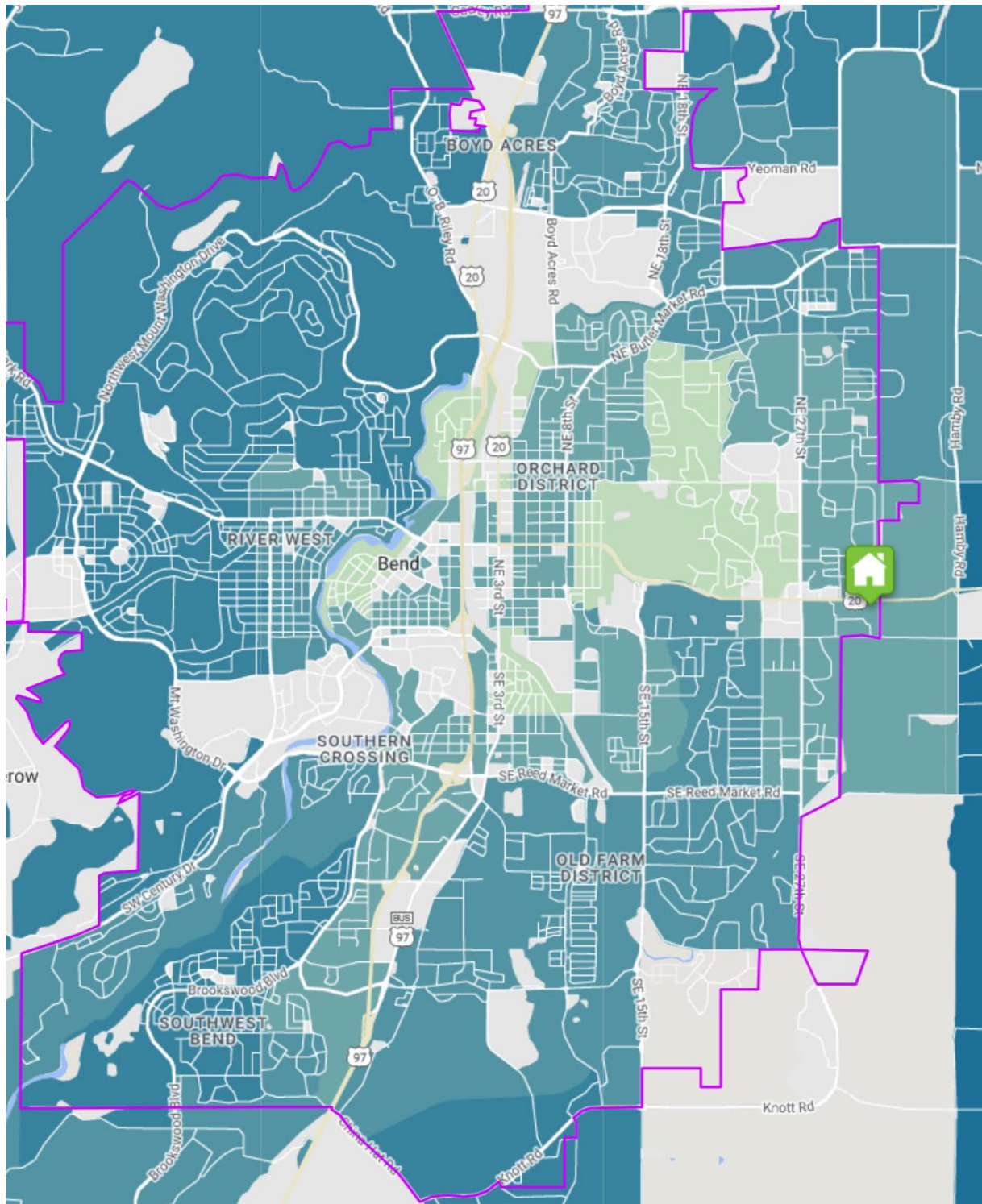
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**The Regional Moderate<sup>22</sup> filter used in the H+T Index for Bend:**

- 80 percent of AMI is \$41,000
  - The regional average commuters per household is 0.99
  - The regional average household size is 2.49
- 

<sup>22</sup> Data: Center for Neighborhood Technology H+T Index

Figure 13. Bend UGB Expansion H+T Index Map



Housing + Transportation Costs % Income



**H+T Costs % Income: 56%**

Housing: 31% Transportation: 25%

Source: <https://htaindex.cnt.org/map/>

### 3.4.3 Process and Timeline

In 2016, the Oregon Legislature passed House Bill 4079 which created a pilot program to enable two cities to use an expedited UGB expansion process to bring in land for housing if at least 30 percent of the newly built housing was affordable to households earning under 80 percent of the AMI<sup>23</sup>, and if the newly added land was protected for affordable housing for at least 50 years.<sup>24 25</sup>

The City of Bend advanced the project site, located on Bear Creek Road, for use in the pilot program in collaboration with the landowners (initially PacWest Builders). The site was selected for the pilot program in November 2018 by DLCD.

The City is using comprehensive plan policies specific to the needs in the area along with deed restrictions and covenants to ensure affordability requirements are met.

The City is also contributing local funding and incentives to support the affordable housing, including SDC waivers, gap financing, density bonuses, and expedited permitting. More broadly, the City is using an equity map to prioritize infrastructure investments. The City Council set a goal to realign the timing of capital improvement projects based on the affordable housing needs.

#### 3.4.3.1 Results

The proposed project has undergone program and team changes, causing some delays.

The original proposal included 394 units: 185 units affordable to households earning less than 60 percent of AMI, 175 units affordable at 120 percent AMI, and 34 market-rate units. The City submitted comprehensive plan amendments and forms to guarantee affordability in April 2019, and the project was approved by DLCD in August 2019. In September 2019, the City and ODOT resolved a conflict over required transportation improvements to State Highway 20, which abuts the site. The City initially worked with the for-profit developer/landowner and nonprofit Housing Works to develop affordable housing in the newly added land.<sup>26</sup> Housing Works is an affordable housing developer working throughout Central Oregon. However, the for-profit developer withdrew from the project in January 2020<sup>27</sup> due to concerns about financial feasibility<sup>28</sup> and the property was sold to a new developer

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<sup>23</sup> A note on MFI vs AMI from HUD: "HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The metropolitan area definitions are the same ones HUD uses for Fair Market Rents (except where statute requires a different configuration). HUD calculates Income Limits as a function of the area's Median Family Income (MFI). The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. The term Area Median Income is the term used more generally in the industry. If the term Area Median Income (AMI) is used in an unqualified manner, this reference is synonymous with HUD's MFI. However, if the term AMI is qualified in some way - generally percentages of AMI, or AMI adjusted for family size, then this is a reference to HUD's income limits, which are calculated as percentages of median incomes and include adjustments for families of different sizes." This analysis uses AMI, which, like MFI, is specific to families of four. Source: HUD. 2018. "FY 2018 Income Limits Frequently Asked Questions." <https://www.huduser.gov/portal/datasets/il/il18/FAQs-18r.pdf>

<sup>24</sup> <https://www.oregon.gov/lcd/UP/Pages/HB4079-Pilot-Program.aspx>.

<sup>25</sup> <https://www.oregon.gov/lcd/UP/Pages/HB4079-Pilot-Program.aspx>,  
<https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=3089>

<sup>26</sup> <https://www.opb.org/article/2021/02/19/bend-affordable-housing-veterans-homeless/>

<sup>27</sup> [https://www.oregon.gov/lcd/UP/Documents/2020\\_AffordableHousing\\_PilotPrj\\_LegReport.pdf](https://www.oregon.gov/lcd/UP/Documents/2020_AffordableHousing_PilotPrj_LegReport.pdf)

<sup>28</sup> <https://mccmeetingspublic.blob.core.usgovcloudapi.net/deschutes-meet-e3778f6ca02240ffb2e46440b3d5e421/ITEM-Attachment-001-c21e9a3bd4b14d8cb1d830a1a62b41b4.pdf>

(Hayden Homes). Hayden Homes builds both market-rate and affordable housing and intends to develop both on the site with minimal subsidy.<sup>29</sup>

The most recent development proposal calls for 347 total units, with 108 rental units affordable at 80 percent of AMI, 30 for-sale units affordable at 80 percent of AMI, 209 market-rate for-sale homes, and a neighborhood park. Hayden Homes requested (and received<sup>30</sup>) \$1 million in American Recovery Plan Act funding from Deschutes County to cover land acquisition costs for phase 1 of the project, which includes the affordable rental units along with 27 of the market-rate for-sale units.<sup>31</sup>

Given these delays, no development has taken place as of publication. The latest publicly available schedule anticipates construction starting in late 2022 with lots delivered beginning in mid-2023.<sup>32</sup>

### 3.4.3.2 Connection to Transit

There is existing transit service roughly a half mile away from the site. The developer has agreed to construct a stop at the site with Cascades East Transit (CET), the transit service provider in Bend, agreeing to provide service to it. The CET district has limited revenue that constrains its ability to expand its system. While it was willing to expand service, it could not take the lead in designing and developing a new stop adjacent to the site, so this fell to the developer.

In addition, ODOT is involved given the site's proximity to State Highway 20 and the need to provide direct access to the site from the highway (discussed in Section 3.4.4).

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2020 census data showed that 0.3 percent of Bend commuters use public transportation, and 3.0 percent of workers have no vehicle available to commute.

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This case study highlights the difficulty in siting transit-supportive housing and affordable housing, which tends to have heavy transit use, on the edge of UGBs. In this case, the existing transit provided by CET is a half mile away. Generally, areas on the edges of UGBs are less developed – housing is lower density, retail and services are sparse, and transportation tends to be more car dependent.

### 3.4.4 Benefits and Challenges to the Co-location of Transit & Housing

City staff suggested this might not be a replicable policy tool for developing affordable housing for several reasons. The original pilot program directed DLCD to set up process and select two sites. Only two cities ended up applying to the pilot program (Bend received approval in 2018 and the City of Redmond received approval in 2019—though Redmond does not have any fixed route transit service and is trying to work out a solution to adhere to state rules). Other jurisdictions gave a variety of reasons for not applying for the program, including lack of suitable sites or use of other approaches to meet local housing needs.<sup>33</sup>

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<sup>29</sup> <https://www.bendoregon.gov/home/showpublisheddocument/50868/637668604434470000>

<sup>30</sup> <https://www.deschutes.org/administration/page/commission-invests-78-million-support-affordable-housing-development>

<sup>31</sup> <https://mccmeetingspublic.blob.core.usgovcloudapi.net/deschutes-meet-e3778f6ca02240ffb2e46440b3d5e421/ITEM-Attachment-001-c21e9a3bd4b14d8cb1d830a1a62b41b4.pdf>

<sup>32</sup> <https://mccmeetingspublic.blob.core.usgovcloudapi.net/deschutes-meet-e3778f6ca02240ffb2e46440b3d5e421/ITEM-Attachment-001-c21e9a3bd4b14d8cb1d830a1a62b41b4.pdf>

<sup>33</sup> [https://www.oregon.gov/lcd/UP/Documents/2018\\_AffordableHousing\\_PilotPrj\\_LegReport.pdf](https://www.oregon.gov/lcd/UP/Documents/2018_AffordableHousing_PilotPrj_LegReport.pdf)

The administrative rules related to the pilot program required strong access to transit for site suitability—a certain number of fixed route trips within a certain distance. This requirement eliminated many sites, given their locations on the urban fringe. Bend’s site is as close as it could be to transit given it is outside current City limits. While not close enough to meet the rules, transit service will be extended out to the site.

Secondly, the City’s limited authority to coordinate affordable housing with CET limits the ability to provide the clear transit-housing connection. Given the long lead time associated with even an expedited UGB expansion, it was hard for the Central Oregon Intergovernmental Council and CET to finalize transit service planning so far in advance of when the development would be built. However, because serving affordable housing fits with their needs based on state funding, they anticipate being able to extend service to the site.

One of the barriers in developing this site includes obtaining access to State Highway 20, because ODOT typically seeks to limit access from development directly to state highways for safety and traffic flow reasons. The need to provide transit service to the site, which would likely be routed along State Highway 20, created a stronger rationale to provide a direct connection.

### 3.4.5 Lessons Learned

This pilot project was intended to overcome two challenges: the long process to bring in new land to a UGB, and lack of land for affordable housing. However, it has had challenges. Because Bend has yet to produce affordable housing via the program after four years, it is unclear that the program creates a meaningfully better or faster option to make land available for affordable housing development, even though the UGB expansion process seems to have been faster than a traditional UGB expansion process. City staff also noted pilot program limitations, including requirements related to the site’s value as farmland and availability of transit service, create limited opportunities to apply the program. Likely reasons why only two cities applied for the pilot program.

This example also highlights challenges with building affordable housing at the edge of the UGB. While the City, developer, and CET were able to work together to extend transit to the site in this instance, this is not always a viable option right away, and likely prevented other jurisdictions from using this program. While the area surrounding the development may eventually also be brought into the UGB and develop with a mix of uses, in the near-term, the fringe location can mean less access to jobs and amenities. However, the lower land costs can keep development costs down if the site is straightforward to connect to urban infrastructure.

## 3.5 Sunshine Gardens – Roseburg, OR

### 3.5.1 Project Overview and Facts

- This case study evaluates the Sunshine Gardens apartments in Roseburg Oregon, a 144-unit affordable housing complex built in a URA.
- The URA has been successful in attracting multifamily development. Sunshine Gardens is the third project to begin construction and a fourth was recently approved as well. The News-Review newspaper quoted the City’s Planning Director as saying, “I would’ve never imagined when we developed this urban renewal plan that in 2½ short years we’d be in construction, or in the process of reviewing plans, for 400 units.”
- The project sought to bring multifamily development and low-income housing to Roseburg, both of which are sorely needed. It also sought to continue the build out of the Diamond Lake URA and act as a catalyst for extending transit to the property and nearby ballparks.
- Project champions include Wishcamper Developers (the developer that worked to overcome obstacles), and the City of Roseburg. The City was an active participant and champion for the project, helping the developer obtain a conditional use permit and tax exemption status approval, while working with ODOT and the transit district to assure that the future residents had available transportation choices.
- The Urban Renewal Plan was adopted in 2018, OHCS funding was granted in 2020, and the property received its conditional use permits in 2021. Interviewees noted that this project moved exceedingly quickly.

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To inform this case study, the project team interviewed Justin Metcalf of Wishcamper Developers, and Stuart Cowie, the Planning Director at the City of Roseburg on December 17, 2021.

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### 3.5.2 Project Area Characteristics

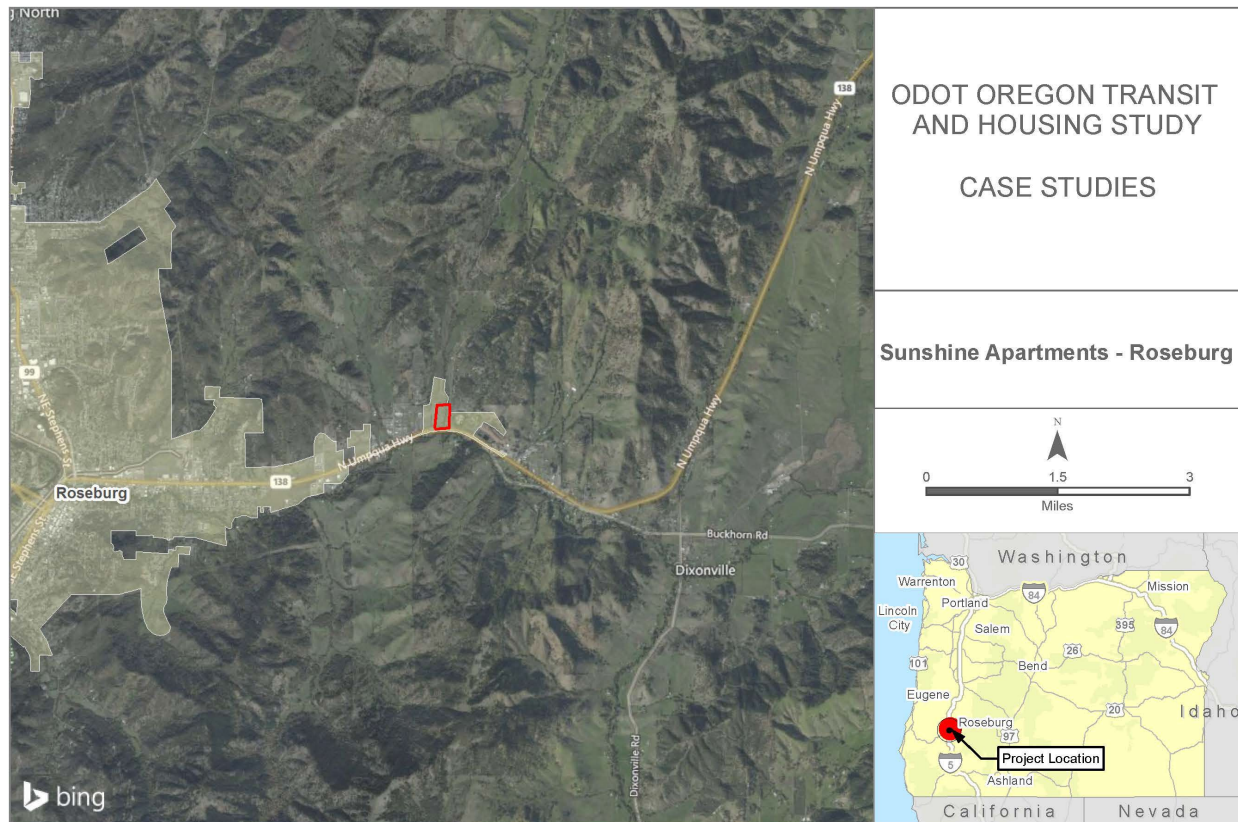
Roseburg is a town of 23,683 people in southern Oregon’s Umpqua River Valley with a median household income of \$47,920, and an average household size of 2.15, according to 2020 census data. The South Umpqua River runs through the town as well as I-5 and OR-99. Roseburg has historically been a lumber town and its largest employer remains a wood products company, along with a growing healthcare industry at Mercy Medical Center. There is a severe need in Roseburg for multifamily affordable housing as the City has not seen much affordable housing construction in recent years. A 2019 HNA demonstrated a severe shortage of multifamily housing and affordable housing for low-income households.<sup>34</sup>

The property is an old mill site along Diamond Lake Boulevard and OR-138, just east of downtown Roseburg (Figure 14). It is located across from a large recreational ballpark facility (Sunshine Park) in the Diamond Lake Urban Renewal District. The site consists of one 9.07-acre parcel. East of the project is Sunshine Road and further east is Sunshine Park that also serves as an established pickup/drop-off location for the school district. West and north of the site is vacant land. The North Umpqua Highway 138 is south of the site.

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<sup>34</sup> [https://www.nrtoday.com/business/another-apartment-complex-is-coming-to-the-diamond-lake-blvd-corridor/article\\_caa31566-9e1b-5f90-8068-a7debda87e53.html](https://www.nrtoday.com/business/another-apartment-complex-is-coming-to-the-diamond-lake-blvd-corridor/article_caa31566-9e1b-5f90-8068-a7debda87e53.html)

Figure 14. Roseburg Sunshine Gardens Location Map



Source: HDR using Bing aerial imagery and U.S. Census Bureau boundaries

### 3.5.2.1 Housing + Transportation Index

For the City of Roseburg, Oregon the H+T Index shows that the combined housing and transportation costs make up 64 percent of the typical household income (Figure 15). This is above the affordability benchmark of 45 percent and considered expensive. The total value consists of 35 percent for housing costs, and 29 percent for transportation costs. The housing cost is above the 30 percent benchmark and the transportation cost is close to double the 15 percent benchmark. Due to the higher transportation costs relative to the benchmark, providing more accessibility to transit options may achieve affordability.

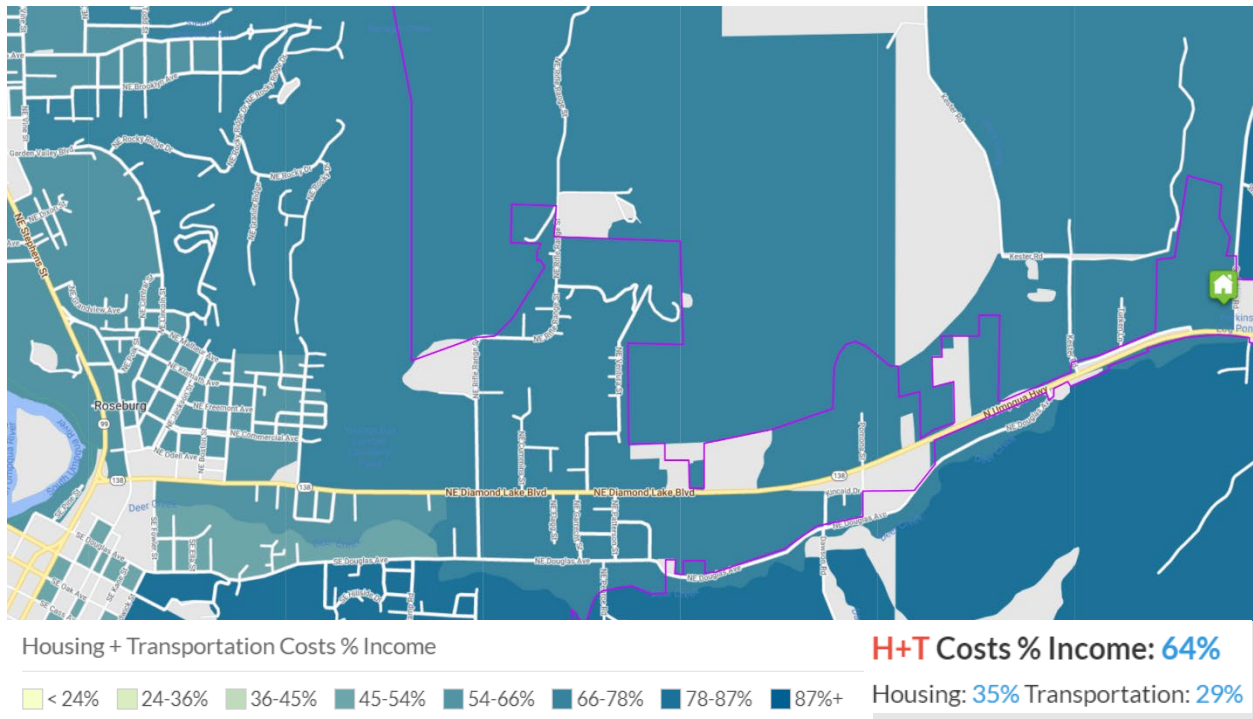
**The Regional Moderate<sup>35</sup> filter used in the H+T Index for Bend:**

- 80 percent of AMI is \$33,000
- The regional average commuters per household is 0.81
- The regional average household size is 2.41

<sup>35</sup> Data: Center for Neighborhood Technology H+T Index



Figure 15. Sunshine Gardens – H+T Index Map



Source: <https://htaindex.cnt.org/map/>

### 3.5.3 Process and Timeline

Wishcamper wanted to build affordable or workforce housing at the site and had previously done acquisition-rehabilitation projects within the City of Roseburg. The developer worked with the City and conducted early community outreach to identify marginalized and low-income communities in the City. They worked with culturally specific organizations operating in Oregon to help connect to the Hispanic population in Roseburg.

The developer was also familiar with opportunities available within an urban renewal district. The City adopted the Diamond Lake Urban Renewal Plan in 2018 covering approximately 711 acres of land.<sup>36</sup>

Sunshine Gardens received LIFT funding from OHCS in 2020, and 4 percent LIHTCs from the agency as well. The property received conditional use permits in early 2021. Interviewees noted that this project moved exceedingly quickly, and the City’s small but helpful planning department were a big part of the efficient process.

The Diamond Lake Urban Renewal Plan defines *urban renewal* as:

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues—the amount of property taxes generated by the increase in total assessed values in the URA from the time the URA is first established—are used to repay borrowed funds. The borrowed funds are used to pay for urban renewal programs and projects. The amount of funds used for projects, programs and administration cannot exceed the maximum indebtedness amount set by the urban renewal plan.

36

<https://www.cityofroseburg.org/storage/app/media/Master%20Plans/Diamond%20Lake%20Urban%20Renwal%20Plan.pdf>

### 3.5.3.1 Results

Wishcamper considered using the City of Roseburg's SDC buydown program, which is available for multifamily development in the URA. It would have allowed the developer to offset up to \$5,000 per unit in SDCs. Because the property was a qualifying project in the URA, the URA would have deferred the SDC payments and paid them at a later date with the tax increment financing.

Ultimately, Wishcamper decided to pursue another option to create a nonprofit low-income housing entity that was not subject to property taxes per the City of Roseburg's locally adopted tax exemption program. This required City Council approval and support from the overlapping taxing districts, which it received in 2021.<sup>37</sup> By creating a nonprofit low-income housing organization, the property is not subject to property taxes which reduces ongoing operating costs.

Current development plans call for 144 units in six, 3-story buildings (each with 24-units). The property will have a community building as well as playgrounds and landscaped open areas. Rental units are expected to have one, two, or three bedrooms and will range from 672 square feet about 1,176 square feet (Figure 16).

Figure 16. Sunshine Gardens Modeling Aerial Image



WISHCAMPER SUNSHINE ROAD MODELING REVISIONS  
DECEMBER 30, 2020



Source: Wishcamper/Otak 2020

Wishcamper also sought to integrate equity into their development process as a requirement of the OHCS grant and to understand the needs of the low-income community they were hoping to serve. Equity-focused aspects of this project included:

- Intentional outreach to communities that did not speak English.
- Intentionally working with Minority, Women-Owned, and Emerging Small Businesses subcontractors on the development.
- Intentional marketing, lease up, and resident services at the property.

<sup>37</sup> [https://www.nrtoday.com/business/another-apartment-complex-is-coming-to-the-diamond-lake-blvd-corridor/article\\_caa31566-9e1b-5f90-8068-a7debda87e53.html](https://www.nrtoday.com/business/another-apartment-complex-is-coming-to-the-diamond-lake-blvd-corridor/article_caa31566-9e1b-5f90-8068-a7debda87e53.html)

### 3.5.3.2 Connection to Transit

The lack of a strong connection to transit was a major concern for the developer when they selected the property. There was no close bus service (the last stop was a half mile away), no sidewalks, and no bike lanes along the main streets abutting the site. Knowing that the low-income population they intended to serve often lacks cars, they were concerned about how people would get to work and amenities from the property – they did not want people walking along OR-138 without sidewalks.

The City and developer requested that ODOT conduct a corridor study to determine how to provide pedestrian and bicycle access to the apartments and URA. The plan was to provide a separated multiuse path paralleling the highway. The corridor study was helpful in reaching a successful conclusion on how to provide safe pedestrian and bicycle access to the site.

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2020 census data showed that 0.6 percent of Roseburg commuters use public transportation, and 3.9 percent of workers have no vehicle available to commute.

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Ultimately, Wishcamper opted to include a bus stop and turnaround at the site and is funding the infrastructure and physical improvements providing an easement on the site. While the actual costs were not overwhelming, this used some of the site's square footage which took away from the development potential.

The developer and City also coordinated with the school district on transportation, reaching an agreement where school buses would pick kids up from apartment complex. The school district wrote a letter of support for the project noting that it would accommodate any children that lived at the apartments.<sup>38</sup>

With inclusion of the new bus stop, the regional transportation system agreed to extend service to the project. With a longer bus route and stop near the apartments and ballfields, the City is eager to build out other parts of the URA along the route. Interviewees noted that this expanded transit service also moved quickly; expanding a bus line typically takes a bit of time, but the bus stop will be available and ready as soon as the property has its certificate of occupancy.

### 3.5.4 Benefits and Challenges to the Co-location of Transit & Housing

The connection to transit was a challenge when siting this development (and for the City's URA in general). The City and developer were both aware that the low-income residents they sought to serve do not always have access to cars. Without a bus, bike lanes, or even sidewalks along the highway, transit access was a major concern and focus.

Many participants came together to get this project to work including evaluating and working around obstacles. The URA designation was a draw for new multifamily development, and the City's SDC buydown program was alluring (although this development opted not to use this financing tool, it remains a beneficial option). In addition, the project had willing partners: the City worked with the developer to navigate the permitting process and find a way to make the project work; the developer was willing to dedicate space and fund the transit infrastructure; ODOT was willing to perform a corridor study evaluating safe transportation options; and the transit provider was willing to extend the bus route to service the new stop. Without the flexibility and dedication to this project from these partners, this site would not have come to fruition.

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<sup>38</sup> [https://www.nrtoday.com/business/another-apartment-complex-is-coming-to-the-diamond-lake-blvd-corridor/article\\_caa31566-9e1b-5f90-8068-a7debda87e53.html](https://www.nrtoday.com/business/another-apartment-complex-is-coming-to-the-diamond-lake-blvd-corridor/article_caa31566-9e1b-5f90-8068-a7debda87e53.html)

### 3.5.5 Lessons Learned

URA is a useful tool to incentivize housing development. The City is exploring options for generating funding in the URA to provide financial assistance to developers and could include developing programs to assist with brownfields clean up and remediation. The taxing districts in Roseburg (schools and fire districts) see the need and support the URA.

Ultimately, this project was successful because of the willingness and flexibility of numerous participants and agencies to find a solution and work quickly.

## 3.6 Lincoln City Workforce Housing – Lincoln City, OR

### 3.6.1 Project Overview and Facts

- The proposed project will have approximately 107 units with one, two, or three bedrooms located in several buildings on an undeveloped site along U.S. Route 101 (US-101) in Lincoln City.
- The project developer is Portland-based Innovative Housing, Inc. which has a long history of developing regulated affordable housing across the Portland Metro Area and some other cities. Lincoln City's Urban Renewal Agency, Economic Development Agency, and Community Development Department are all championing the effort.
- The site was purchased by the Lincoln City Urban Renewal Agency in 2020. The project received funding in 2021 and is finalizing site configuration. Construction was supposed to break ground a few years ago but has been beset by construction cost overruns and pandemic-related delays.

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To inform this case study, the project team interviewed Alison Robertson and Jodi Mescher from the City's Urban Renewal and Economic Development Department, and Julie Garber of Innovative Housing, Inc. (the project developer) on February 3, 2022.

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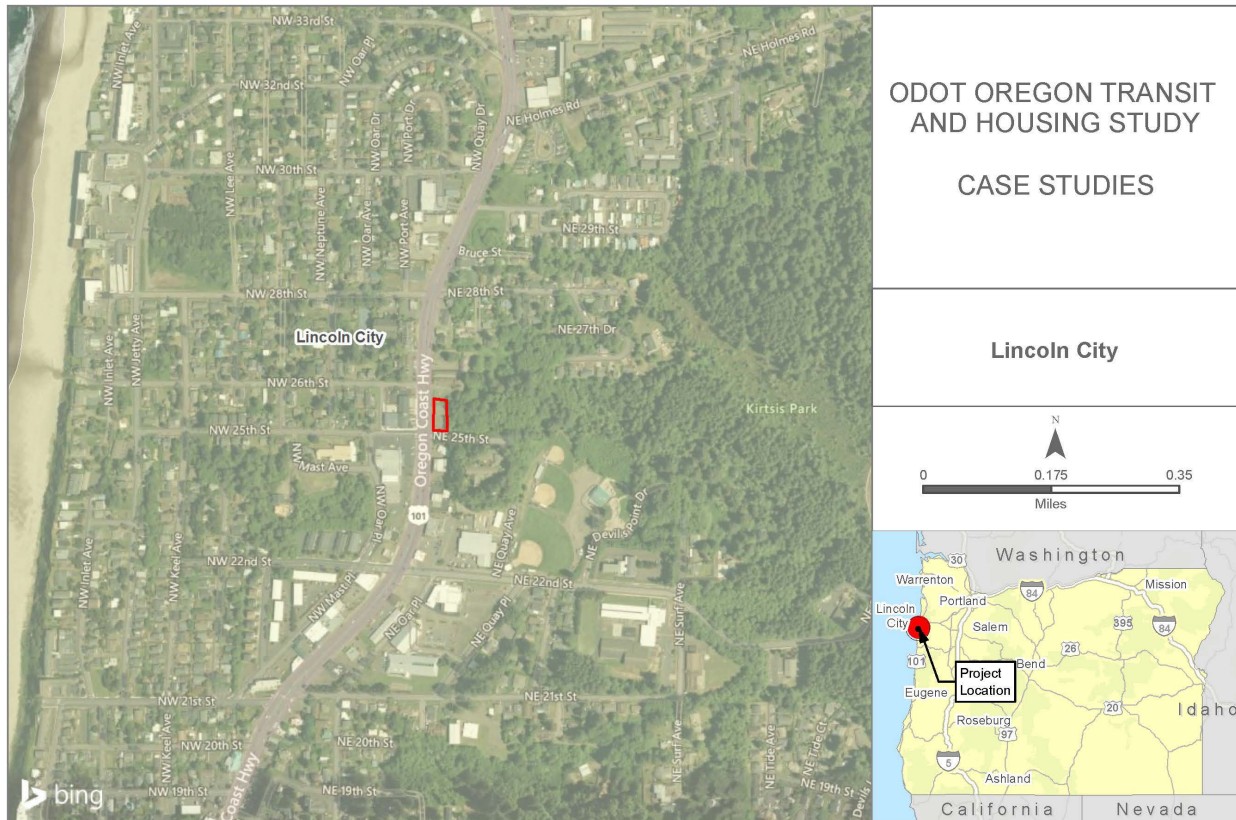
The City of Lincoln City is in predevelopment\* to build a new workforce housing project along US-101. The project aims to provide badly needed workforce housing, targeting households earning less than 60 percent of AMI (\$57,400 in 2021 for a family of four) or roughly \$45,920 per year. Typical regulated affordable housing serves households earning less than 60 percent of AMI, but housing focused at 80 percent is often considered workforce housing which is in short supply in many cities and towns along the coast.

### 3.6.2 Project Area Characteristics

The City of Lincoln City is a small town located along the Central Oregon Coast. It has a population of 9,815 year-round residents, according to 2020 census data, but the population booms during summer months due to tourism. The median household income is \$46,080, and the average household size is 2.26, according to 2020 census data.

The project will be built on an undeveloped site of approximately 4 acres located at the intersection of US-101 and Northeast 25th Street in Lincoln City (Figure 17). The site presented major challenges for development. As one interviewee noted, sites along the coast are undeveloped for a reason. It fronts US-101 without pedestrian orientation or a signal/crosswalk at the Northeast 25th Street intersection. In addition, there is a steep slope east of US-101 up Northeast 25th Street that requires significant engineering for retaining walls and stormwater drainage. The site is located just north of St. James Episcopal Church & Santiago School.

**Figure 17. Lincoln City Workforce Housing Location Map**



Source: HDR using Bing aerial imagery and U.S. Census Bureau boundaries

### 3.6.2.1 Housing + Transportation Index

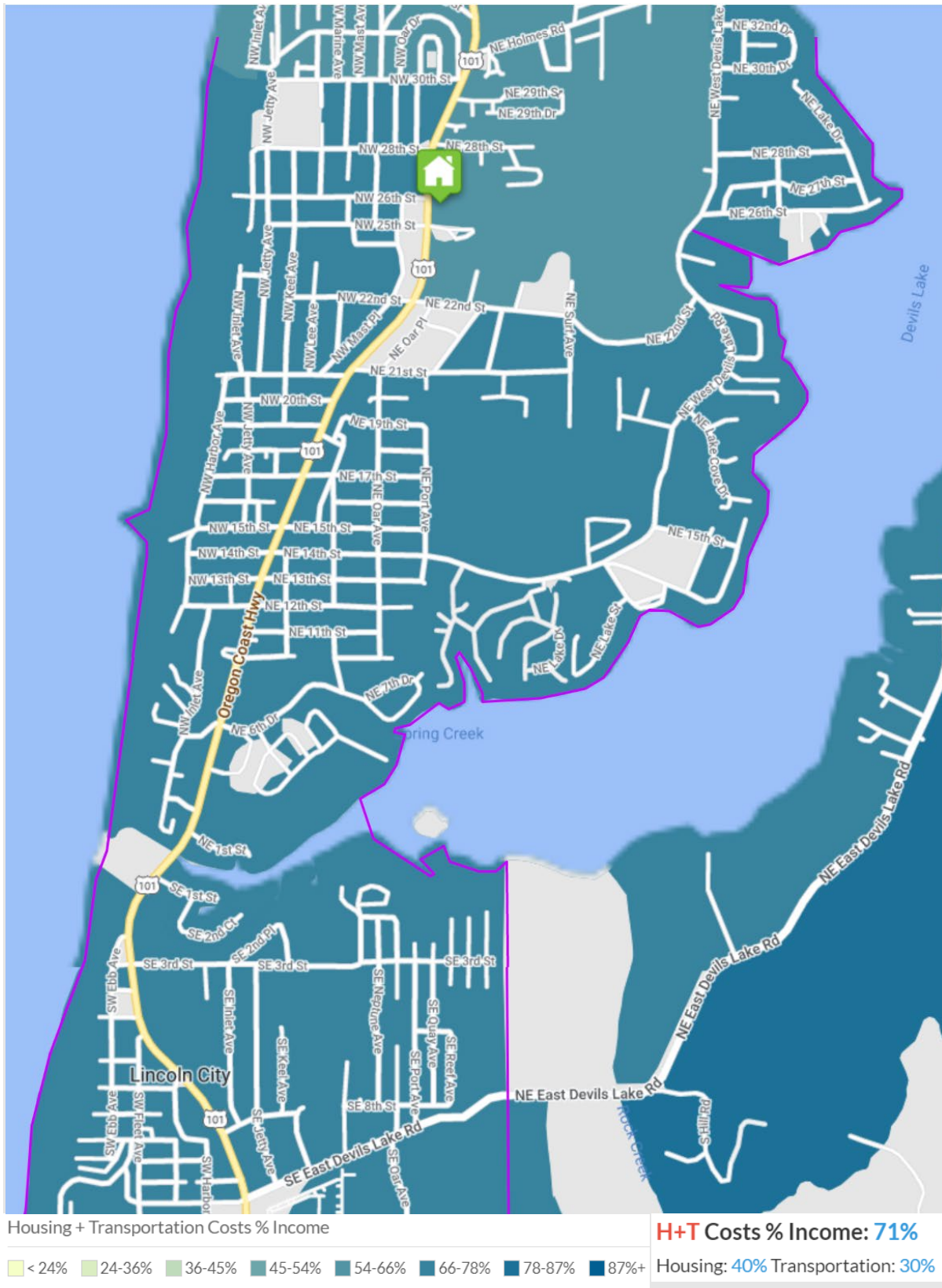
For Lincoln City, the H+T Index shows that the combined housing and transportation costs total 70 percent of a typical resident’s household income (Figure 18). This value is 25 percentage points above the affordability index (45 percent of income) and considered expensive. The total value consists of 40 percent for housing costs, and 30 percent for transportation costs. The housing cost is above the 30 percent benchmark and the transportation cost is double the 15 percent benchmark. Therefore, to achieve affordability it may be necessary to implement both housing and transportation solutions.

#### **The Regional Moderate<sup>39</sup> filter used in the H+T Index for Lincoln City:**

- 80 percent of AMI is \$34,000
- The regional average commuters per household is 0.86
- The regional average household size is 2.22

<sup>39</sup> Data: Center for Neighborhood Technology H+T Index

Figure 18. Lincoln City Workforce Housing – H+T Index Map



Source: <https://htaindex.cnt.org/map/>

### 3.6.3 Process and Timeline

The City purchased two of the site's three parcels in 2009 with the intent to develop. The City put out a request for qualifications in 2018 to solicit a developer, which Innovative Housing, Inc. won. The Urban Renewal Agency was able to buy an adjacent parcel to contribute to the project in 2020, which helped increase the project concept from about 70 units in early designs to about 107 at present.

This site had been identified as appropriate for residential development because it includes access to transit, schools, a community/recreation center and other amenities (e.g., grocery, parks). Proximity to amenities and services, including transit, was part of the application for public funding.

The project will be funded through OHCS LIFT grants and 4 percent LIHTCs. The project took two years to secure funding as it did not receive the 9 percent LIHTCs it sought in its first application. The funding awards were also delayed due to bond limits and pandemic-related issues. The project was awarded funding in 2021 and the developer is now finalizing the site's design. Due to delays, increased construction costs, and engineering challenges with the slopes, the project has a funding gap and is seeking to value engineer the design and find additional funding. Funding would go toward right-of-way areas, utilities, a public pathway, and stormwater drainage requirements.

#### 3.6.3.1 Results

The present development plans call for 107 units in two- and three-story buildings. A mix of one-, two-, and three-bedroom units will be provided. Additional community space will include a laundry room, community room, communal kitchen, and covered play area, in addition to the leasing office and resident service office. Exterior amenities will include a walking path, community garden, and playground.

The development has not broken ground as the funding gap remains for which new funding awards or value engineering are proposed. In addition, the pedestrian orientation to US-101 has not been finalized.

#### 3.6.3.2 Connection to Transit

Lincoln County operates a transit bus route that runs about 7 miles along US-101. The bus is one loop that takes an hour and service ends at 7 PM each day. The site has a transit stop within a quarter mile, near a community center. The bus would connect residents to the local hospital, a casino, grocery stores, and numerous other retail outlets along the highway, and to other towns via the Northwest Connector collaborative bus systems, but is not conducive for workforce housing due to service ending at 7 PM.

Interviewees noted that ODOT has been responsive and innovative, providing good communication. Both parties are realistic and issues have been addressed quickly (e.g., site access needed to come from US-101 because of the challenging grade on Northeast 25th Street).

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2020 census data showed that 1.7 percent of Lincoln City commuters use public transportation, and 3.5 percent of workers have no vehicle available to commute.

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### 3.6.4 Benefits and Challenges to the Co-Location of Transit & Housing

The project's alignment with US-101 is challenging. For many of the small towns along the coast, the highway is the area's main street and the center of retail and tourism. However, ODOT's standards for state highways and a city's ideal of a main street do not always match, even though ODOT's



standards allow for local exceptions. Because most coastal town main streets are along US-101 and under ODOT jurisdiction, local governments must work with ODOT and within ODOT's requirements, or request an exemption, which can add complexity.

The lack of a crosswalk at the intersection of Northeast 25th Street and US-101 presents a major challenge. All parties want the crosswalk in place, but they have not been able to secure funding. The affordable housing project cannot absorb this major infrastructure cost, especially when below-market rents and a hyper-competitive funding environment have already created a funding gap.

Lastly, the existing transit system is a challenge. Long headways, a long route, and service ending at 7 PM would not serve workforce housing residents well because they may have shift work ending later than the transit service. Conversations to extend the bus service or split the route in half to shorten the loop can be difficult and political. Different parties focus on different riders (e.g., tourists, workers, year-round residents) who have different transit needs. Adding a bus also requires additional drivers and thus additional funding. Splitting the route also might necessitate a transfer which can frustrate some riders.

### 3.6.5 Lessons Learned

Comments from interviewees suggest that state funders need to better understand the infrastructure and site challenges on vacant parcels in coastal towns and be willing to allow a higher cost per unit to accommodate these challenges. Infrastructure challenges, like sidewalks, crosswalks, and signals cannot fall to affordable housing developers who are already working from a market feasibility gap with below-market rents. If state funders want to see (badly needed) affordable housing constructed in these challenging areas, they must work with the developers to find or provide infrastructure funding.

## 3.7 Regulatory Changes and Development Incentives – Salem, OR

### 3.7.1 Project Overview and Facts

- Cherriots, the Salem-area transit provider, established a Core Network with frequent and reliable transit service in 2017.
- The City is obligated to generate more housing based on an HNA, which was conducted in 2015. The City is in the process of making regulatory changes to create an increase in mixed-use and multifamily development to meet identified housing needs. Regulatory changes include a Comprehensive Plan update to include multifamily around the Core Network; rezoning of properties along major corridors to allow mixed-use development; modified multifamily design standards to reduce or remove parking requirements to create an incentive for development.
- Regulatory changes are targeted to create opportunities for development and redevelopment along transit routes, particularly the Core Network.
- The City has used targeted URAs to create development incentives. The current URAs were established over the years, reaching back as early as the 1970s, with the latest addition in 2020.
- Project champions include the City of Salem Community Development Department, the City of Salem Urban Renewal Agency, and Cherriots.
- Summary of project outcomes: The City's goal is to create development incentives through regulatory changes that allow/encourage mixed-use and multifamily. The City has had success with targeted one-property URAs. The Salem Housing Authority has played a more proactive role in recent years. The Core Network was established as a set of transit corridors where Cherriots has committed to providing stable service with a focus on frequency and reliability.

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To inform this case study, the project team interviewed Lisa Anderson-Ogilvie, the Deputy Community Development Director and Planning Administrator for the City of Salem on March 18, 2022.

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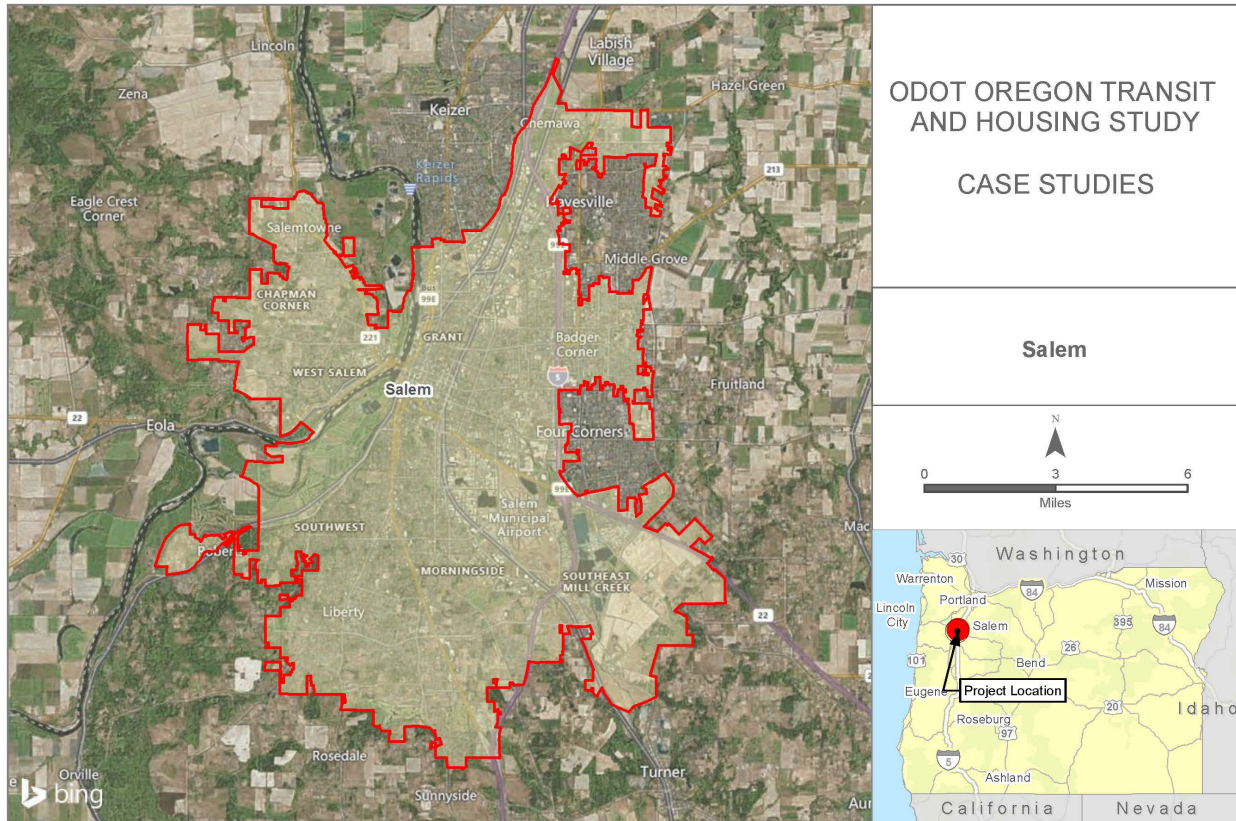
### 3.7.2 Project Area Characteristics

The City of Salem, Oregon's capital, is located along the I-5 corridor in the mid-Willamette Valley (Figure 19). It has a population of 175,535, a median household income of \$58,726 (below the State's median household income of \$65,667), and an average household size of 2.60, according to 2020 census data. Only 29.6 percent of Salem's population has a college degree, leaving a large group of residents less likely to have jobs that may enable them to afford conventional homeownership. By comparison, the percentages of population with college degree in some of the other case study locations are higher: 43.0 percent in Eugene, 44.9 percent in Bend, and 62.0 percent in Ashland, with a state average of 34.4 percent. Housing has been the City's focus since 2015, when an HNA was conducted and determined the City is obligated to create more housing.

The existing development patterns in Salem range from a dense urban core with a mix of uses to low-density suburban and rural residential areas at the fringes. Because there is an abundance of developable land within the existing UGB, a UGB expansion is currently not planned. Instead, the City's approach to creating more opportunities for housing development includes regulatory changes

that reduce barriers or create incentives, along with the use of URAs and a proactive role of the Salem Housing Authority, who actively pursues the acquisition of developable land.

Figure 19. City of Salem Location Map



Source: HDR using Bing aerial imagery and U.S. Census Bureau boundaries

### 3.7.2.1 Housing + Transportation Index

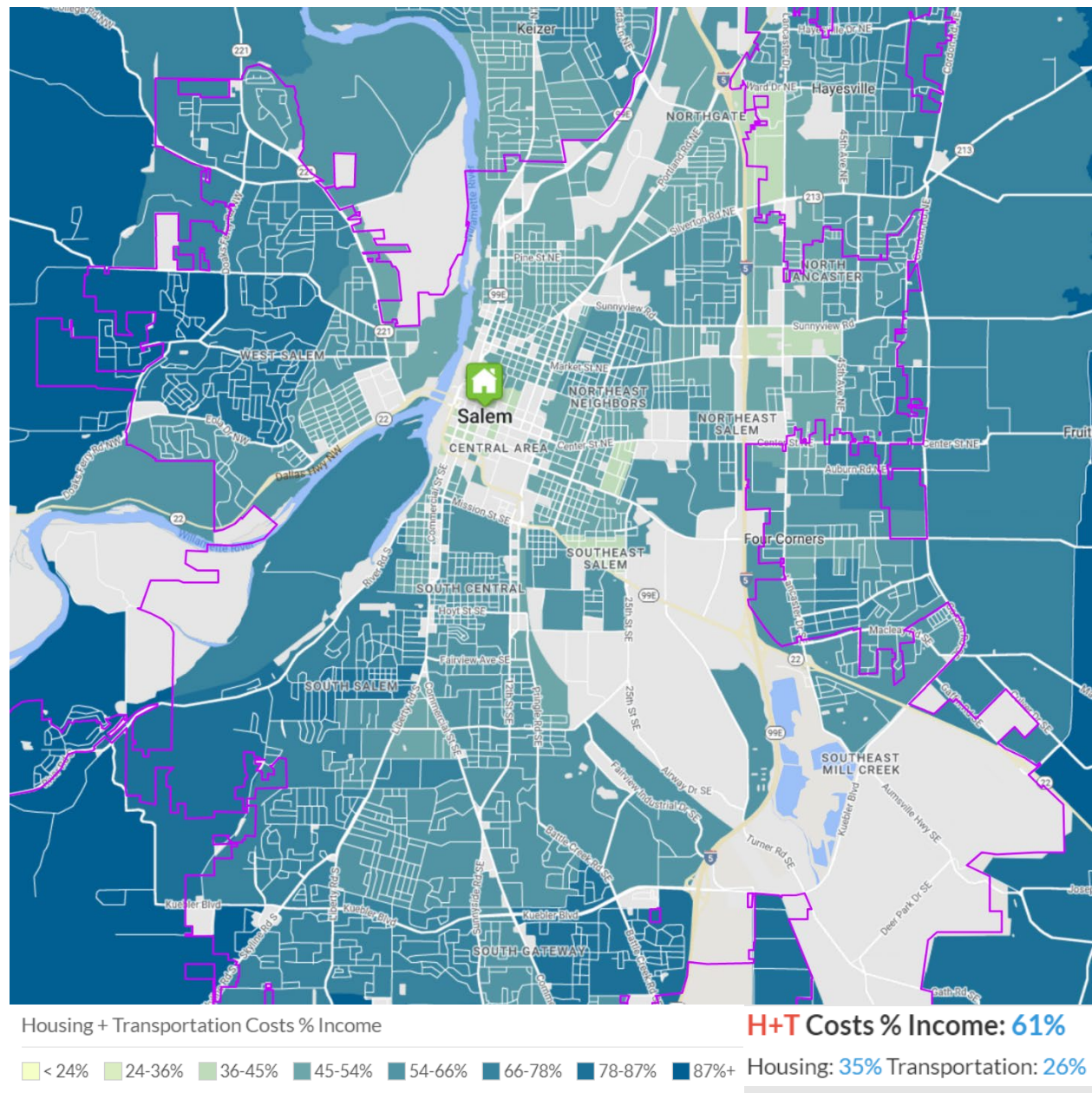
For the City of Salem, Oregon the H+T Index shows a combined housing and transportation cost totaling 61 percent of household income (Figure 20). This is 16 percentage points above the affordability index (45 percent of income) and considered expensive. The total value consists of 35 percent for housing costs, and 26 percent for transportation costs. Housing costs are 5 percentage points and transportation costs are 11 percentage points above the affordability benchmark. Due to the higher relative transportation costs, increasing accessibility and transit service within Salem may provide more affordability in the City.

**The Regional Moderate<sup>40</sup> filter used in the H+T Index for Salem:**

- 80 percent of AMI is \$40,000
- The regional average commuters per household is 1.08
- The regional average household size is 2.73

<sup>40</sup> Data: Center for Neighborhood Technology H+T Index

Figure 20. City of Salem – H+T Index Map



Source: <https://htaindex.cnt.org/map/>

### 3.7.3 Process and Timeline

The City of Salem is in the process of updating its Comprehensive Plan, which includes guiding principles to ensure an adequate supply of affordable and accessible housing for current and future generations. The plan also includes a complete, integrated transportation network that ensures safe and efficient travel by all modes and enhances connectivity for residents and businesses. Specific goals pertinent to housing and transit include:

- Disperse affordable and multifamily housing across Salem.
- High-density residential development along corridors in Cherriots' Core Network to increase pedestrian and transit access to jobs and services and support transit use.

The City has been rezoning land along major corridors, particularly those with frequent transit service, as mixed-use to allow multifamily as a permitted use in commercial corridors, rather than the current conditional use. It intends to promote infill and redevelopment with standards that encourage pedestrian-oriented development. The City has modified its multifamily design standards with reduced or no parking requirements to reduce the cost burden on developers and create an incentive for higher density. Generally, multifamily development within a quarter mile of the Core Network no longer requires off-street parking. The City also created an incentive to add housing to commercial developments by allowing a reduction in commercial parking requirements.

The City has plans to convert more than 300 acres of land to multifamily zoning. The targeted parcels are distributed throughout the City to help create opportunities for increased development of higher density and more affordable housing to meet projected multifamily housing needs. However, some of the targeted areas are currently not served by transit.

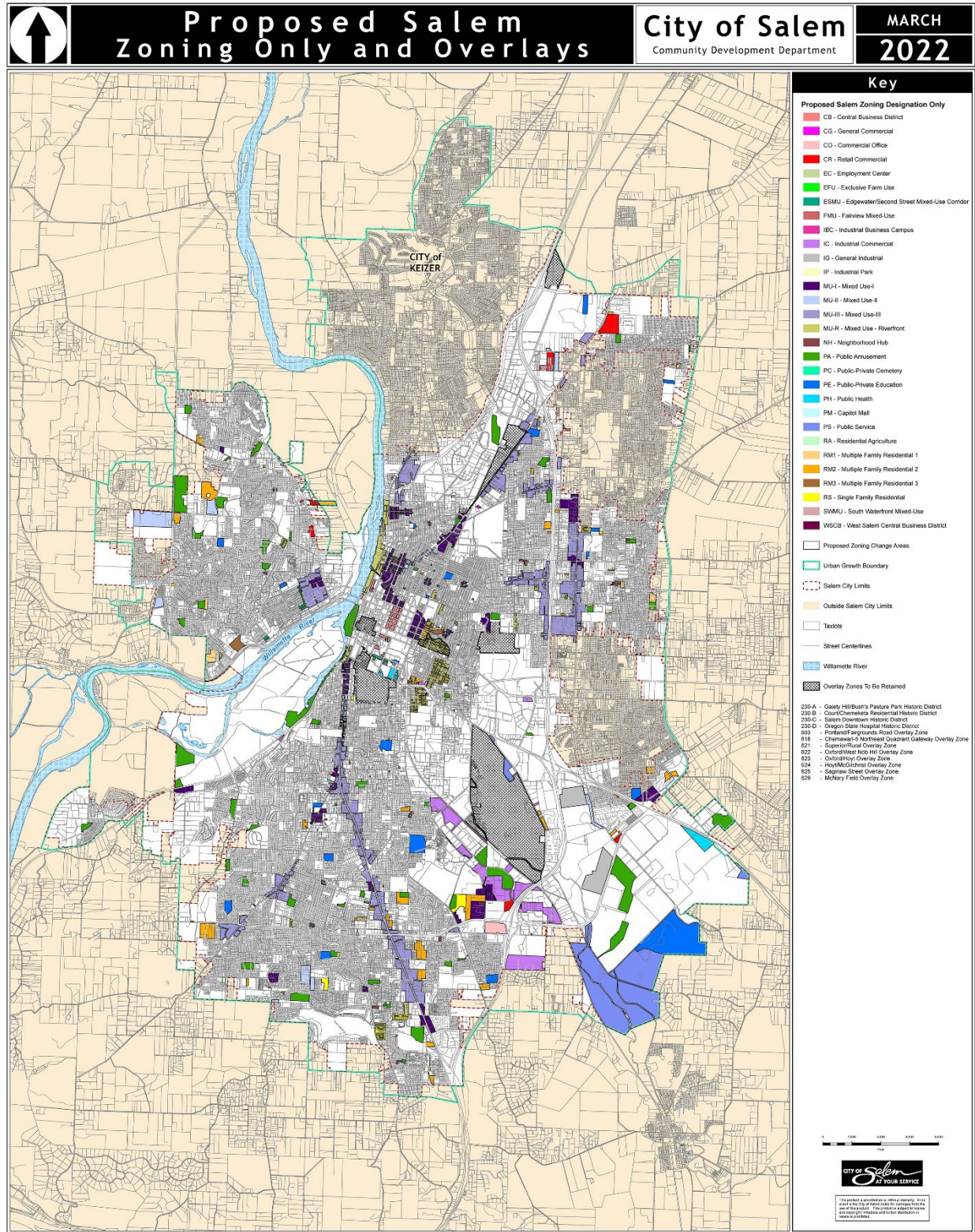
Similarly, the City plans to add more than 1,500 acres of mixed-use land, principally along major corridors with transit service. As a result, most of the existing and proposed mixed-use land would be located within a quarter mile of the Cherriots Core Network (Figure 21).

Recent redevelopment in the North Downtown/Broadway area is driven by incentives provided by the Riverfront/Downtown URA, which was established in 1975 (Figure 22). The URA work resulted in three mixed-use buildings built between 2006 and 2008, including acquisition, demolition, consolidation, RFPs, and grants. A mixed-use building with 23 dwelling units and 2,600 square feet of commercial space was recently constructed along Broadway Street, where Cherriots provides frequent bus service. The City approved a 10-year tax exemption for the site through the Multiple Unit Housing Tax Incentive Program. The school district – one of the taxing districts needed to agree to the project – initially denied the tax exemption but announced it will reconsider based on the developer offering to cap rent increases for 10 units at 5 percent per year and not to raise rents on other units more than 7 percent per year. The developer also agreed to lower the move-in deposit amount required for the units. If the school district does not approve the grant, the City may consider offering a grant through the URA instead.

In the West Salem URA, established in 2001 and located just outside of downtown across the Willamette River, the City is proposing to rezone several acres of industrial land to mixed-use as part of the Comprehensive Plan update. Outside the URA, multifamily development in West Salem is being considered along Wallace Road where an affordable housing developer has been working to buy the land for apartments. A 500-unit multifamily project is proposed at the corner of Orchard Heights and Doaks Ferry Road, where a zone change to multifamily was recently approved. Both projects are served by Cherriots bus routes.

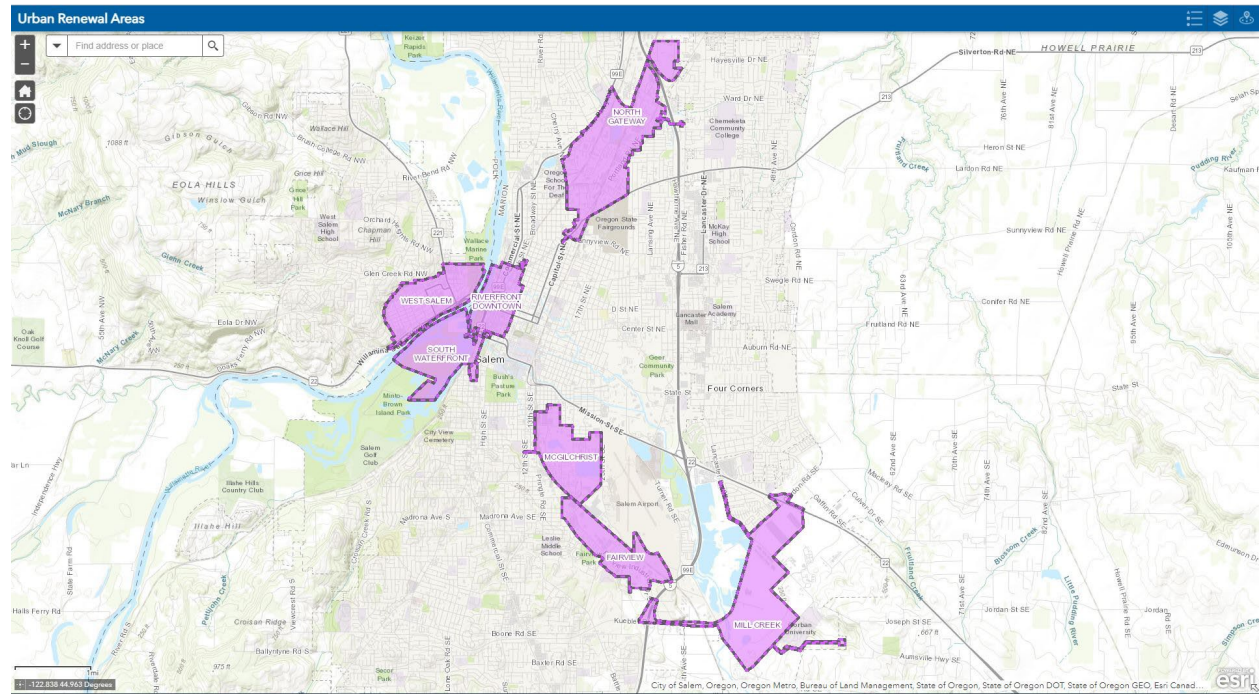
Lancaster Drive, a major north-south corridor east of I-5, has the highest transit ridership in the City and a large proportion of low-income residents in the area. The corridor is dominated by suburban style big-box retail with large parking lots and an abundance of driveways. The City only controls approximately one third of the corridor, with the remainder under Marion County jurisdiction. Currently, the City and County do not have the same vision or goals regarding multifamily development. While the City has rezoned some nodes to allow and incentivize multifamily along the corridor, Marion County has not rezoned any parcels or permitted any residential uses. The City is considering Lancaster Drive as their next URA.

Figure 21. City of Salem Zoning Changes Map



Source: City of Salem, <https://www.cityofsalem.net/our-salem>

Figure 22. City of Salem Urban Renewal Areas Map



Source: City of Salem, <https://www.cityofsalem.net/Pages/urban-renewal-area-map.aspx>

The City adopted a new street design and mixed-use zones to implement the State Street Corridor Plan in 2018. The plan was created to encourage pedestrian-friendly, mixed-use development or redevelopment along State Street, a major east-west corridor with several bus routes. It also included a new street cross section (including a road diet, lane reduction, for a portion of the corridor) to support the land use and zoning changes and accommodate facilities and amenities to make pedestrians and bicyclists feel welcome and comfortable.

The City recognizes that many major corridors are not pedestrian or bicycle friendly nor well designed for walkable mixed-use development. A new Transportation System Plan is underway and intends to address these shortcomings.

### 3.7.3.1 Connection to Transit

Transit in the Salem region is provided by Cherriots, which provides local bus service throughout Salem-Keizer and regional bus service linking Salem to the Mid-Willamette Valley region. Compared to the similarly sized Eugene, Oregon, transit in Salem is relatively sparse. During the early 2000s recession, transit service was reduced, especially evening and weekend service, and some routes were changed. Those service impacts contributed to the popular notion in Salem that transit is unreliable. More recently, Cherriots has had stable funding and brought back evening and weekend service. In 2017, Cherriots established the Core Network, a set of transit corridors committed to providing service with a focus on frequency and reliability to signal to riders, business owners, and developers where to locate and build if they wish to orient themselves and their businesses around transit. In 2021, Cherriots kicked off a project to develop a Long Range Transit Plan, their first ever 20-year planning

2020 census data showed that 2.6 percent of Salem commuters use public transportation, and 2.9 percent of workers have no vehicle available to commute.

document to help guide the transit network and regional transportation options as the region grows and the demand for public transportation increases.

### 3.7.4 Benefits and Challenges to the Co-location of Transit & Housing

The City has created numerous one-property URAs to provide targeted development incentives. In the City's experience, creating financial incentives is key to attracting the desired types of development. While this approach has resulted in successful projects, it is incremental and time consuming.

The Salem Housing Authority has been more proactive in recent years. As noted above, the City bought most of a downtown block to redevelop the site as a mixed-use project in conjunction with the Salem Housing Authority, which will provide affordable housing in the Core Network and close to services.

Another possibility, inclusionary zoning, has not been implemented by the City due to concerns that the affordability requirements may stifle development and negatively affect production of multifamily projects.

Multifamily developments in Salem tend to be larger projects, often with hundreds of units. Smaller infill projects with 6 to 12 units are rare in the Salem market and around the state outside of the inner Portland area. Single-family development remains active in Salem. At times this creates competition for available land and may disadvantage potential multifamily developments, particularly projects that require rezoning. As a result, some suitable sites for mixed-use or multifamily projects get developed as lower density single-family projects.

In 2015, Cherriots attempted to provide on-demand bus service to predominantly suburban West Salem to attract riders to a transit service that resembled ride share companies more than traditional transit providers. However, a combination of complex logistics and anemic ridership resulted in this approach being a short-lived experiment.

### 3.7.5 Lessons Learned

Regulatory incentives can work, but they can easily be undermined in situations where market demand (single-family development) does not align with the City's goals (multifamily development). The City's approach to regulatory changes is permissive rather than prescriptive, allowing and incentivizing the desired outcome, but not prescribing it.

While the City in conjunction with a proactive Salem Housing Authority have had successful targeted one-property URAs, it is an incremental and time consuming approach.

Aligning target areas for mixed-use and multifamily development along transit corridors can make certain incentives more feasible or attractive to developers (i.e., reduced parking requirements).

The City is considering adopting criteria for the Multiple Unit Housing Tax Incentive Program that requires affordable housing units for future projects.



## 3.8 Chelsea Gardens – Warrenton, OR

### 3.8.1 Project Overview and Facts

- Chelsea Gardens is the first neighborhood master plan in Warrenton. The plan is approximately 19 acres for development of up to 350 new dwelling units, most – around two thirds – provided as apartments, and up to 50,000 square feet of commercial use. Building footprints are limited to 20,000 square feet to encourage a mixed-use, neighborhood scale, and pedestrian-oriented design.
- The Master Plan was developed concurrently with updates to the City’s Comprehensive Plan and Development Code.
- The project was championed by the City of Warrenton Community & Economic Development Department.
- The project was intended to strike a balance between the need to create new housing and business opportunities with development of common-sense regulations that protect neighborhood livability and mitigate traffic impacts while supporting property owners’ interest in redeveloping. The objective was to encourage development of a mixed-use, high-density neighborhood and facilitate orderly conversion of low density residential and commercial lands to mixed-use, urban densities when public facilities are available and feasible to serve a neighborhood. Another objective was to create a walkable and pedestrian-oriented district to support higher transit use and less auto traffic.
- Project outcomes to date include a new chapter in the Municipal Code regulating the creation of new neighborhood master plans; and development underway for the Trillium House Apartments, an affordable multifamily development consisting of 42 units.
- The proximity of transit was seen as a positive in the planning process of Chelsea Gardens, acknowledging that not every resident had to have a car. However, transit orientation was not the primary driver of the project.

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To inform this case study, the project team interviewed Jeff Hazen of the Sunset Empire Transportation District (SETD) on January 4, 2022. <sup>41</sup>

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### 3.8.2 Project Area Characteristics

The City of Warrenton is located in Clatsop County on Oregon’s North Coast along US-101. Warrenton has a population of 6,277, a median household income of \$61,991, and an average household size of 2.73, according to 2020 census data.

Chelsea Gardens, formerly referred to as Spur 104, includes a wedge of land bounded by OR-104S and US-101 (Figure 23). The site is located outside the tsunami zone and close to amenities, including the existing commercial development along SE Ensign Lane immediately to the south. The site includes parcels of various sizes owned by 22 property owners, adding up to a total area of

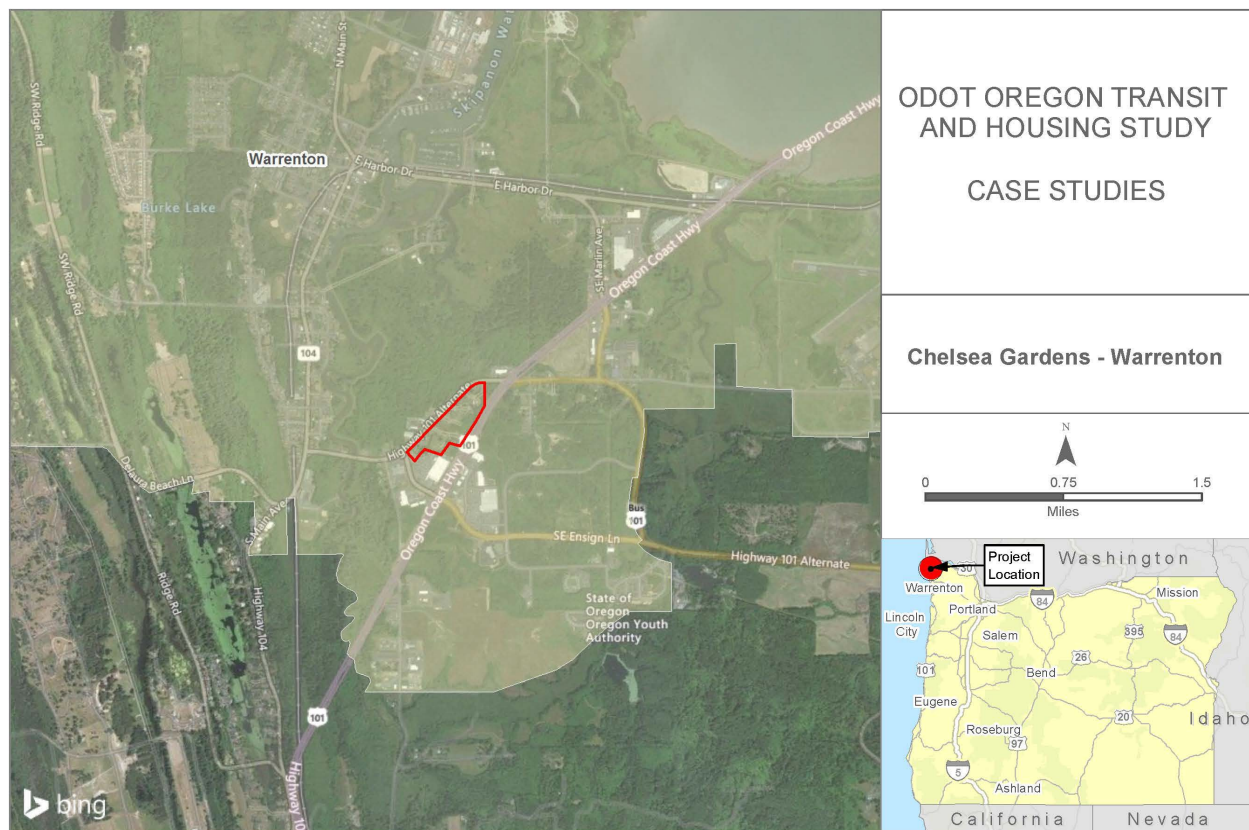
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<sup>41</sup> Due to staff changes and retirements no participating City staff were available to be interviewed. The interview was conducted with a SETD representative, even though SETD was not part of the project planning team. To supplement the information provided by SETD and to provide a fuller picture of the planning process, the project team conducted an extensive review of City Council minutes and other pertinent documents.

approximately 19 acres (15.2 acres of which are owned privately). The site's zoning previously included a mix of residential and industrial; however, elected officials raised concerns about traffic impacts of potential development at the permitted densities, which led to the master planning process for the area.

The existing land uses within the Chelsea Gardens master plan area are predominantly low density, rural residential uses, though immediately south and adjacent is a larger commercial area that includes big box stores, chain restaurants, and automotive retail and services in a suburban, auto-oriented development pattern.

**Figure 23. Chelsea Gardens Location Map**



Source: HDR using Bing aerial imagery and U.S. Census Bureau boundaries

### 3.8.2.1 Housing + Transportation Index

The H+T Index for the City of Warrenton shows that the combined housing and transportation costs make up 71 percent of a resident's income (Figure 24). The combined 71 percent is well above the H+T Index's affordable benchmark of 45 percent and considered expensive. The total value consists of 39 percent for housing costs and 32 percent for transportation costs. Housing costs are 9 percentage points above the affordability benchmark and

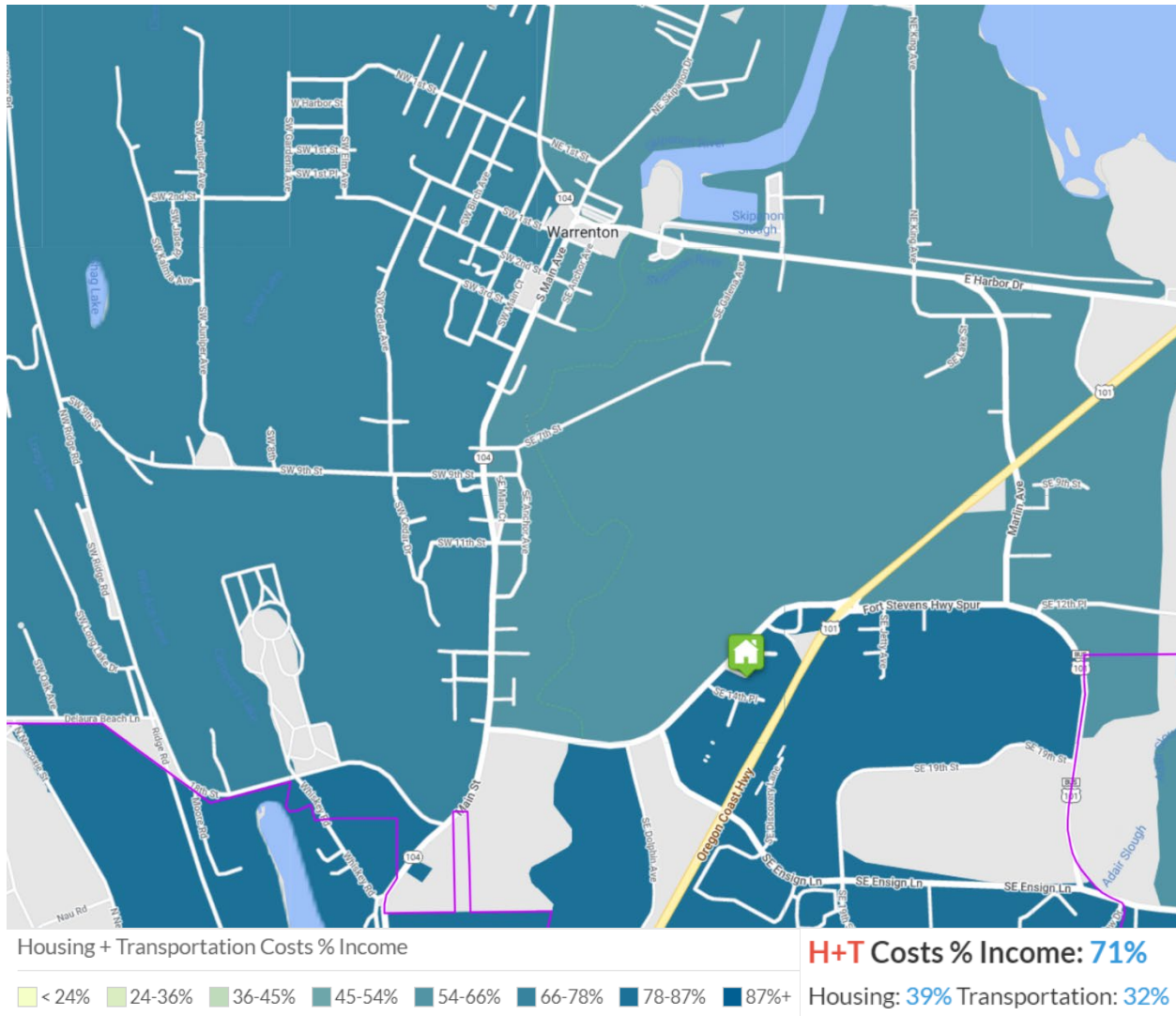
**The Regional Moderate<sup>42</sup> filter used in the H+T Index for Warrenton:**

- 80 percent of AMI is \$37,000
- The regional average commuters per household is 0.98
- The regional average household size is 2.32

<sup>42</sup> Data: Center for Neighborhood Technology H+T Index

transportation costs more than double the affordability benchmark. Therefore, increasing transit service accessibility in Warrenton may provide more affordability.

Figure 24. Chelsea Gardens – H+T Index Map



Source: <https://htindex.cnt.org/map/>

### 3.8.3 Development Process and Timeline

In March 2019, the City Commission adopted a zone change of the Chelsea Gardens area from a combination of residential and industrial zoning to Commercial Mixed Use. Concept plans for the Chelsea Gardens area were developed during a public charrette and presented to the Planning Commission and City Commission in May 2019.

One of the driving forces behind the Chelsea Gardens master plan was a June 2019 HNA, which included strategies to:

- Ensure land zoned for higher density uses is not developed at lower densities.
- Consider rezoning of commercial land.
- Incentivize affordable and workforce housing.

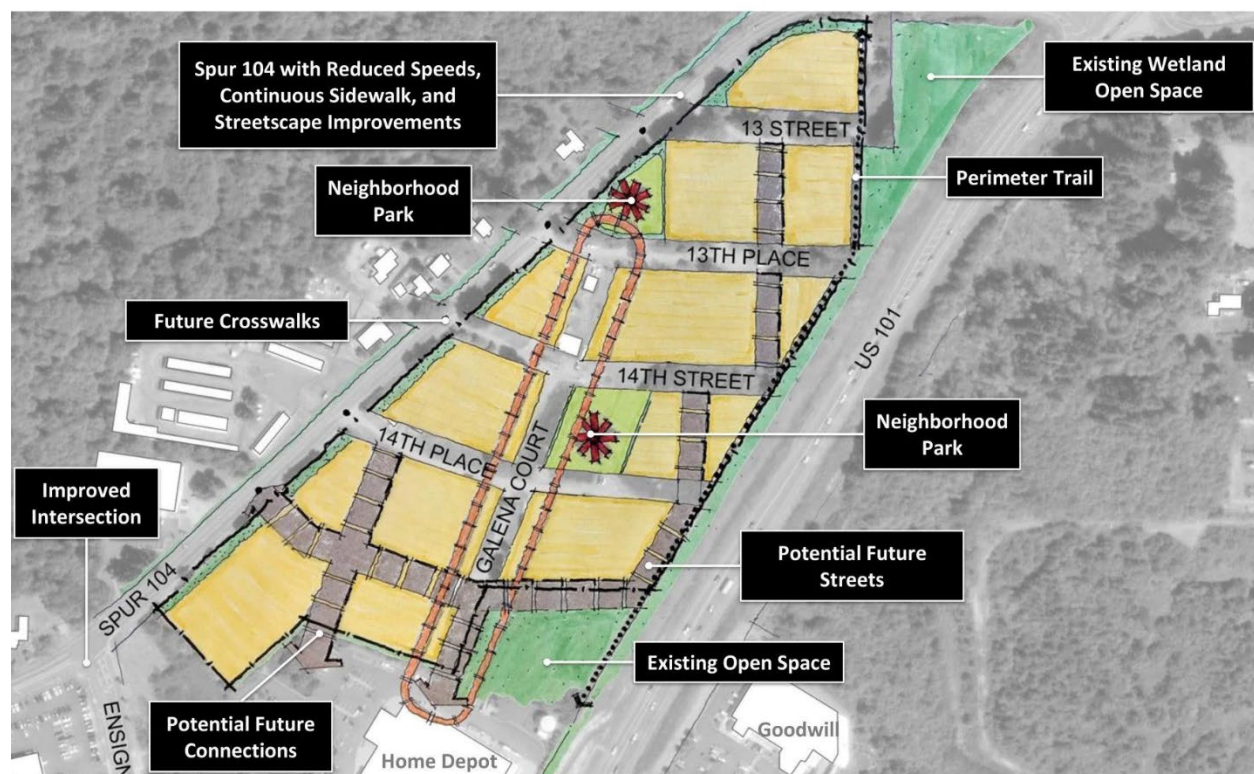
- Facilitate missing middle housing types.
- Support high density housing in commercial zones.
- Encourage cottage cluster housing.

The process culminated in ordinance adoption in February 2020 to create neighborhood master plans and the following regulatory updates:

- Comprehensive Plan Update: Added a new section for master plans to help establish policy goals for new neighborhoods.
- Zoning Map Overlay: Added a master plan overlay to provide guidance for the physical layout, provide predictability, and establish performance measures such as a cap on dwelling units and commercial square footage.
- Development Code Amendments: To address issues with implementation of the master plan.

The master planning effort informed development code changes to increase density, include smaller lot size requirements, provide diverse housing types (including mixed-use buildings, multiplexes, townhomes, cottage clusters, and accessory units), and revise parking requirements. The master plan allows up to 350 dwelling units and 50,000 square feet of commercial space, is intended to utilize the existing rights-of-way, creates a walkable district, and connects to the surrounding community (Figure 25).

Figure 25. Chelsea Gardens Framework Plan



Source: The Daily Astorian article from February 12, 2020, [https://www.dailyastorian.com/news/local/warrenton-approves-chelsea-gardens-neighborhood/article\\_8fcf3e50-4dc9-11ea-8aeb-536e77c2c5f4.html](https://www.dailyastorian.com/news/local/warrenton-approves-chelsea-gardens-neighborhood/article_8fcf3e50-4dc9-11ea-8aeb-536e77c2c5f4.html)

In February 2022, the Warrenton City Commission approved Trillium House Apartments, an affordable multifamily development on approximately 1.54 acres, the first project in the Chelsea Gardens master

plan area (Figure 26). The four-story project is sponsored by the Northwest Oregon Housing Authority and includes 42 one-, two-, and three-bedroom units restricted to occupants with incomes between 30 and 60 percent of AMI. The project is designed to address the lack of affordable housing for Clatsop County's working families and has won more than \$4 million in federal and state grants and tax credits. In 2021, the project received about \$1.1M in LIHTCs from OHCS.

Figure 26. Trillium House Site Plan



Source: The Columbia Press article from August 20, 2020, <https://thecolumbiapress.com/?a=2318+affordable-housing-project-wins-state-funding>

### 3.8.3.1 Results

Chelsea Gardens is the result of two concurrent efforts led by the City: A Neighborhood Master Plan for the Chelsea Gardens area, and updates to the City's Development Code. While both efforts informed and reinforced each other, the master plan was intended for a specific geographic area, whereas the code revisions would apply Citywide.

The master plan encompasses an approximately 19-acre area and allows for development of up to 350 new dwelling units, most (about two-thirds) provided as apartments, and up to 50,000 square feet of commercial use. Building footprints are limited to 20,000 square feet to encourage a mixed-use, neighborhood scale, and pedestrian-oriented design.

### 3.8.3.2 Connection to Transit

SETD serves Warrenton, Astoria, Seaside, and Cannon Beach and provides regional connector service to other transit systems along the coast, including Tillamook County Transportation District, Lincoln County Transit, Columbia County Rider, and Benton Area Transit. The Chelsea Gardens site is currently not served by transit, although SETD bus service operates on US-101, with stops along Ensign Lane including a stop serving the commercial development east of US-101. SETD had limited service to Warrenton until after Oregon's 2017 Jobs and Transportation Act, which allowed for expanded services and improvement implementation. Transit riders are mostly low income, transit dependent local residents commuting to Seaside or Cannon Beach for employment. Annual ridership in Warrenton was about 250,000 pre-pandemic and has since dropped to approximately 135,000. One of the biggest challenges is reliability of service due to traffic backups during summer months on US-101, with no room on the shoulders or opportunities for transit vehicle signal priority.

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2020 census data showed that 0.1 percent of Warrenton commuters use public transportation, and 2.1 percent of workers have no vehicle available to commute.

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### 3.8.4 Benefits and Challenges to the Co-location of Transit & Housing

The Chelsea Gardens Master Plan and associated regulatory changes provided the framework for implementation of the first project – the Trillium House Apartments. Questions that arose throughout the process included the fair and equitable allocation of infrastructure costs (for streets, lighting, parks, paths, and other amenities) to developers of parcels that will be developed over time and have a range of sizes.

Another challenge involves traffic impacts on several, nearby intersections, requiring intersection improvements during Chelsea Gardens development. Intersection improvements would likely be added to the City's Capital Improvement Plan and developers in the area would pay an equitable share of the costs.

SETD and the cities served have a good relationship and a track record of coordinating transit service, including bus stops, bus routes, and service frequency. However, not all communities coordinate with SETD on Transportation System Plan and comprehensive plan updates. Closer coordination between SETD and cities would be helpful for future planning and financing. One mechanism that has helped improve coordination is the area's long range transit plan process.

### 3.8.5 Lessons Learned

Undertaking Development Code revisions concurrently with a master planning process can help the two processes inform each other.

Determining the fair and equitable allocation of infrastructure costs is key for a development with various owners and properties of varying sizes.

SETD's 2016 Long-Range Comprehensive Transportation Plan includes a long-term vision for enhanced transit service to the existing commercial development along SE Ensign Lane immediately to the south.

## 4.0 Conclusion

As stated previously, the Oregon case studies represent a variety of built environments and include projects ranging from citywide policy changes to specific housing development projects. The case studies help identify a range of policies and tools that generally fall into one of the following categories:

1. Analytical tools that help determine housing and/or transportation needs.
2. Regulatory tools that provide the legal framework that allows the desired outcome.
3. Strategic tools and financial incentives to help realize that outcome.

Creating conditions that result in more affordable, higher density housing near transit is a complicated undertaking, and often requires a combination of tools. The following highlights some of the key lessons learned from the Oregon case studies:

- A realistic understanding of actual housing needs, as provided by an HNA, can help eliminate misconceptions and direct efforts to the right targets.
- Coordination between land use and transit planning is key to successful developments and transit routes.
- Understanding market forces is important when undertaking regulatory changes as not everything that can be built will be built.
- Undertaking regulatory revisions concurrently with a master planning process can help the two processes inform each other.
- Reducing or eliminating parking requirements near transit can reduce the cost of development and incentivize transit use.
- A clear and objective approval process can make affordable housing development easier.
- URAs can be useful tools to incentivize housing development in a targeted fashion.
- State programs should adequately size requirements to accommodate smaller, often cash-strapped communities and affordable housing developers.

In addition to the Oregon case studies presented herein, the Transit & Housing Study is investigating better transit and housing connectivity using a survey of State, local agency, transit provider, developer, and community-based organization staff. The survey is not as in depth as the case studies; however, findings are similar and consistent. For example, survey respondents cited parking policy as a way to further incentivize better connections between transit and housing. The project has developed a Transit & Housing Study Survey Summary, which along with this report and other project documents, will inform the final study report.

## 5.0 References and Additional Resources

### Confederated Tribes of Umatilla Indian Reservation – Nixyáawii Neighborhood and Kayak Public Transit

- <https://cuj.ctuir.org/2021/09/nixyaawii-neighborhood-still-in-the-works-for-2022/>
- <https://nixyaawii.com/news-updates/>
- <https://nixyaawii.com/about/frequently-asked-questions/>
- <https://elkhornmediagroup.com/ctuir-to-break-ground-on-groundbreaking-neighborhood/?fr=operanews>
- <https://www.ctuir.org/departments/tribal-planning-office/kayak-public-transit/>
- <https://nixyaawii.com/>
- <https://cuj.ctuir.org/2021/09/nixyaawii-neighborhood-still-in-the-works-for-2022/>

### River Road Santa Clara Neighborhood Plan – Eugene, OR

- [Current bus service describes in RR corridor study: https://www.eugene-or.gov/DocumentCenter/View/60545/River-Road-Corridor-Study-FTA-Grant](https://www.eugene-or.gov/DocumentCenter/View/60545/River-Road-Corridor-Study-FTA-Grant)
- <https://www.eugene-or.gov/3661/Land-Use>
- <https://www.movingahead.org/>
- <https://www.svdp.us/svdp-newest-affordable-housing-iris-place/>
- <https://www.ltd.org/cip-santa-clara/>
- <https://www.eugene-or.gov/DocumentCenter/View/35383/Summary-of-Land-Acquisition-for-affordable-housing-program?bidId=>
- <https://www.eugene-or.gov/ArchiveCenter/ViewFile/Item/6100>

### Ashland Transit Triangle Infill Strategies Project – Ashland, OR

- [https://www.ashland.or.us/SIB/files/FINAL\\_Ashland\\_Transit\\_Triangle\\_Infill\\_Strategies\\_City\\_Council\\_Work\\_Session\\_091718.pdf](https://www.ashland.or.us/SIB/files/FINAL_Ashland_Transit_Triangle_Infill_Strategies_City_Council_Work_Session_091718.pdf)
- [https://www.ashland.or.us/SIB/files/Ashland%20Transit%20Triangle%20Infill%20Strategies\\_Open%20House\\_120418.pdf](https://www.ashland.or.us/SIB/files/Ashland%20Transit%20Triangle%20Infill%20Strategies_Open%20House_120418.pdf)
- <https://ashland.municipal.codes/LandUse/18.3.14.060>
- <http://records.ashland.or.us/WebLink/PDF/4fi24tewcqIfyoq3qbroe3de/2/2020-28%20Verticle%20Housing%20Development%20Zone.pdf>
- <https://gis.ashland.or.us/developmentproposals/>
- [https://www.ashland.or.us/Files/AshlandHousingStrategyImpPlan\\_Final\\_20190614.pdf](https://www.ashland.or.us/Files/AshlandHousingStrategyImpPlan_Final_20190614.pdf)

### Bend Affordable Housing Urban Growth Boundary Expansion – Bend, OR

- <https://www.opb.org/news/article/bend-oregon-urban-growth-boundary-affordable-housing/>
- <https://www.bendoregon.gov/Home/Components/News/News/3183/29>



- <https://www.bendoregon.gov/home/showpublisheddocument/48225/637424999573270000>
- <https://www.jdsupra.com/legalnews/bend-continues-to-plan-for-affordable-4984454/>
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