



CITY OF ASTORIA

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COMMUNITY DEVELOPMENT

MEMORANDUM

DATE: October 27, 2015

TO: CITY COUNCIL

FROM:  BRETT ESTES, CITY MANAGER

SUBJECT: AFFORDABLE HOUSING STRATEGY – NEXT STEPS

BACKGROUND

The City Council held a special work session on September 14 to discuss the Affordable Housing Study that was completed by the Community Development Department in support of the City Council's goal setting for FY 14-15/15-16. At the work session, staff presented background information, a Draft Problem Statement, case studies, and a range of short term and long term solutions to create more housing opportunities in Astoria. The City Council directed staff to study the options in more detail and bring potential solutions back for review as part of an overall housing strategy.

DISCUSSION/ANALYSIS

Problem identification is an important first step when designing a response or solution to a particular problem. Based on the results of the housing study, there is a clear problem. Staff proposed a Draft Problem Statement that acknowledges the problem, but also advances the discussion.

Draft Problem Statement: The following statement was revised to reflect the need for housing across all income levels.

The City of Astoria has a shortage of housing. Both market rate and affordable units are in short supply creating a dilemma for new and existing residents. Demand is far outstripping supply as the annual number of units being produced are fewer than what is needed, causing prospective homeowners and renters to look elsewhere for housing. There are also implications for workforce development; if no additional housing is

created, it becomes an economic development issue as businesses have difficulty recruiting new employees.

In order to address the problem, the City of Astoria needs to create a housing strategy and a work program to implement the strategy.

Strategy: Staff has proposed a list of short term and long term actions that in total will act as a housing strategy. The proposed actions will guide annual work programs for the Community Development Department.

- **Administrative:** The Department will establish a vacant house registry to encourage turnover and blight removal. As staff investigates code complaints in the field, new observations will be added. Existing derelict buildings that are under investigation will also be added. A new code enforcement officer position is being explored.
- **Advocacy:** Council can lobby through League of Oregon Cities (LOC) for more Federal Housing and Urban Development (HUD) funding, flexibility, and updates to income limits through Congressional delegation.
- **Regulatory:** Staff proposes an overhaul of the Development Code to allow more infill and redevelopment in existing neighborhoods. Provisions could include smaller lot sizes for single family and duplexes, accessory dwelling units in existing or new garages, less parking requirements for duplexes, and design standards to ensure compatibility with surrounding development patterns and architectural styles. In addition, the Department is reviewing the development review process and could include this as part of a larger package of code amendments for the streamlining project.
- **Public-private partnerships:** The City can immediately begin to work with local non-profit partners such Community Action Team (CAT), Clatsop Community Action (CCA) and the Northwest Oregon Housing Authority (NOHA) to look for creative methods of providing affordable housing. As each organization develops its pipeline, the City can determine what role if any it can play to partner on a project. For example, the City property between Hilltop Apartments (owned by CCA) and Astoria Middle School should be flagged as a prime site and reserved for future housing. Other city-owned properties already zoned residential could also be disposed and leveraged for affordable housing.

Regarding workforce housing, the City can partner with private owners to create more multi-family apartments, ADUs, and smaller houses with lower price points for service industry workers in or near the downtown. Renovation of buildings such as the Gunderson, Waldorf, and State Hotel are potential adaptive reuse projects. Finally, the former Central School and Blue Ridge sites are larger redevelopment areas ripe for a new mix of housing types.

- **Funding:** Urban renewal funding and possibly the City's revolving loan ("DQ Fund") should be explored as a housing generator in the Astor West URD, as it has been in Astor East. Potential sites could include the Uniontown Apartments (22 units) and older mixed use buildings with vacant apartments. The City could partner with NOHA to gap finance the rehabilitation of the exterior while NOHA

renovates underutilized interior units. Staff will open a dialogue with NOHA as part of the development of a larger Astor West Strategy (Council Goal FY 15-16). For future funding sources, the Council should consider the development of an "equity fund" in concert with the State, Community Development Financial Institutions such as Craft 3, local lending institutions, and larger employers who need workforce housing.

RECOMMENDATION

Staff recommends Council approve the Problem Statement, the affordable housing strategy, and the list of actions. In addition, staff will continue to report back on progress of implementing the work program, including the status of any redevelopment projects.

By: 

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