



PENDLETON'S HOUSING STRATEGY

2023

**CITY OF PENDLETON
COMMUNITY DEVELOPMENT
DEPARTMENT**

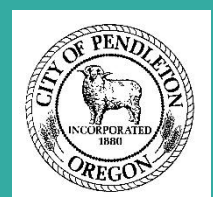


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Executive Summary

This document serves as the Housing Strategy (HS) report for the City of Pendleton, as required by State law (OAR 660-008-0050). The HS was developed in partnership with the community and local stakeholders in 2022. The HS addresses housing needs identified in Pendleton’s Housing Needs Analysis (OHNA), adopted in 2016.

The HS is organized in five sections:

- **Strategies and Actions Summary Table** lists all the strategies and actions included in the HS along with their affordability, housing type, tenure, and equity targets.
- **Section 1: Pendleton’s Housing Needs** provides a summary of Pendleton’s current and future housing needs, of factors affecting housing production, and of housing-related equity concerns.
- **Section 2: Engagement** includes a summary of stakeholder and community input that was used to develop the strategies and actions included in the HS as well as some recommendations for future engagement.
- **Section 3: Strategies to Meet Future Housing Need** contains a list of twenty-two (22) specific actions Pendleton intends to undertake to fulfill its commitment to meeting its housing needs.
- **Section 4: Achieving Fair and Equitable Housing Outcomes** includes a narrative summarizing how the actions in the HS, in combination with other city actions, will achieve equitable housing outcomes.

Housing Needs

The OHNA (Appendix A) provided Pendleton with housing data to establish strategies and the Contextualized Housing Need Summary is based on the OHNA and the HS in developing the strategies and actions included in the HS.

Current Housing Needs

- Single-family houses makeup most of the

housing stock in Pendleton and will continue to be a key housing need.

- Housing costs are high relative to income levels in Pendleton.
- The City identified a deficit of affordable and market-rate rental apartments. In 2018-2022, Pendleton increased its available affordable and market-rate rental apartments. This will adjust the OHNA.

Future Housing Needs

- Pendleton expects to add around 1,329 new residents over the next 20 years. To accommodate these new residents, the City will require the addition of 870 new dwelling units, consisting roughly of:
 - 37% single family (320 units)
 - 50% multi-family (438 units)
 - 9% townhomes/plexes (81 units)
 - 4% manufactured housing (31 units)
- About 59% of the future housing stock will be a mix of apartment buildings and townhomes, and 41% will consist of single-family housing and other housing types.
- The City will need to shift the types of housing produced to respond to evolving needs, construction costs, economic and demographic trends.
- New housing is needed for all income levels to create a healthy, well-functioning housing market.

Factors Affecting Housing Production

- There is enough land zoned for housing overall, but that does not mean that land is buildable and economical to develop.
- There is a tighter supply of land for mixed use and high-density housing than single-family housing.
- Market factors outside the City’s control—such as job and population growth, construction costs, the developer pool, and availability of financing—will continue to

impact how much and what type of housing is

Strategies

Input from the Housing Committee, made up of housing stakeholders and the public, shaped the HS. The general themes of this input included:

- There was broad support for more flexible zoning allowances to encourage a wider range of housing types. These were adopted in 2021.
- There is support for financial incentives such as tax abatements or land donations to help facilitate housing development.
- There is a need for more ownership housing options for upper-low, middle- and upper-income households that may move to Pendleton or seek to upgrade from existing homes.
- There is a need for more housing for low and very low-income households, particularly those in unstable housing situations.

Strategies and Actions

The strategies and actions included in this document were initially identified by MIG Consultants based on experience with similar policies in similar jurisdictions, an audit of the City's existing zoning code and housing policies, best practices research, and a list of potential strategies published by Department of Land Conservation and Development (DLCD). Working collaboratively with staff and based on input from stakeholders and the community, the Housing Committee refined the strategies and actions to best fit Pendleton's housing needs and the City's capacity for implementation over time.

The actions in this document fall into three strategic categories: (1) Develop Affordable Housing; (2) Support Measures that Increase UGB Efficiency; and (3) Address Severe Rent Burdens. There is a one-page summary devoted to each action, which includes a description of the action, steps to implement it, implementation considerations, an adoption

produced.

timeline, an implementation timeline, an estimate of magnitude of the action's impact, some suggestions for measuring progress on implementation, and a summary of the action's targets. A full list of the actions and targets can be viewed in the table found on page 7.

Achieving Fair and Equitable Housing Outcomes

The fairness and equity of the actions included in the HS have been evaluated in terms of their impacts on:

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

Of the twenty-one (21) actions included in the HS:

- Ten (10) may have a high impact on subsidized housing.
- Fourteen (14) may have a high impact on affordable housing.
- Seven (7) may have a high impact on development of market-rate housing.
- Sixteen (16) may have a high impact on development of "missing-middle" housing, which includes ADUs, Duplexes, Triplexes, Quadplexes, Townhouses, and Cottage Clusters. Of these sixteen, five (5) are designed to keep tenants in their rental unit, and one (1) provides opportunity for tenants to purchase a home and own a rental unit to assist with mortgage payment.
- Seven (7) may have a high impact on development of single-family housing.
- Nineteen (19) may have a high impact on

development of housing for rent.

- Nine (9) may have a high impact on development of housing for sale.

Appendices

- **Appendix A** contains the 2019 FCS Housing Needs Analysis and the Contextualized Summary of this analysis and the 2016 Sabino Housing Market Analysis.
- **Appendix B** contains a memo of support from the Housing Committee.
- **Appendix C** contains a summary of community engagement efforts that informed development of the HS.

○ Low or no ◐ Moderate or potential impact ● High

Overview of Strategies and Actions		AFFORDABILITY TARGETS				HOUSING TYPE TARGETS			TENURE TARGETS		EQUITY TARGETS				
		Publicly Subsidized (< 30% AMI)	Affordable (30-80% AMI)	Workforce (80-120% AMI)	Market Rate (> 120% AMI)	Single-Family	Middle Housing	Multi-Family	For Rent	For Sale	People of Color	People Experiencing Homelessness	People with Disabilities	Seniors	Students
Strategy 1: Develop Affordable Housing															
1.1	Donation of publicly owned lands	●	●	●	●	●	●	●	●	●	●	●	●	●	●
1.2	Partner with organizations on infrastructure improvements	●	●	●	●	●	●	●	●	●	●	●	●	●	●
1.3	Establish a revolving loan program	○	○	●	●	●	●	●	●	●	●	●	●	●	●
1.4	Partner with nonprofits to leverage state and federal grants to develop affordable housing	●	●	◐	○	○	◐	●	●	○	◐	●	●	◐	◐
1.5	Utilize urban renewal program to encourage downtown housing redevelopment	○	◐	◐	●	○	○	●	●	◐	●	◐	◐	●	◐
1.6	Defer SDC's for affordable housing development	●	●	●	◐	◐	◐	●	●	◐	●	◐	●	●	●
1.7	Establish reimbursement districts to finance infrastructure: utility extensions, road development	◐	◐	◐	●	●	●	◐	◐	●	●	○	○	◐	○
1.8	Provide separate utility billing for subsidized assistance through a nonprofit for qualifying households	●	●	●	○	●	●	◐	●	●	●	●	●	●	○
1.9	Support OHCS LIFT Program Project Boost Criteria	●	●	◐	○	○	●	●	●	●	●	●	●	◐	○
1.10	Work with owners to determine why townhouse/plex remains vacant and to facilitate occupancy	◐	◐	◐	○	○	●	◐	●	○	●	●	◐	◐	◐
Strategy 2: Support Measures that Increase UGB Efficiency															
2.1	Encourage uninterested property owners and partner with interested abutting property owners in UGB exchanges to develop housing	○	◐	●	●	●	●	○	●	●	●	◐	◐	●	○
2.2	Encourage Planned Unit Developments optimizing housing	○	◐	●	●	●	◐	○	●	●	◐	◐	◐	◐	◐
Strategy 3: Address Severe Rent Burdens															
3.1	Encourage installation of separate water meters for new 2-4 unit single-story plexes	◐	●	◐	○	○	●	○	●	○	●	◐	◐	◐	○
3.2	Partner with nonprofits to establish water bill credit for severely rent-burdened households who have separate water meters	◐	●	◐	○	○	●	○	●	○	●	◐	◐	◐	○
3.3	Provide a fund to supply a limited \$ voucher for rent burdened households whose water is subject to disconnection or is past due	●	●	◐	○	◐	●	●	●	○	●	●	●	●	●
3.4	Partner with nonprofits to continue LIHWA (Low Income Heating/Water Assistance)	●	●	◐	○	◐	●	●	●	○	●	●	●	●	●

Overview of Strategies and Actions		AFFORDABILITY TARGETS				HOUSING TYPE TARGETS			TENURE TARGETS		EQUITY TARGETS				
		Publicly Subsidized (< 30% AMI)	Affordable (30-80% AMI)	Workforce (80-120% AMI)	Market Rate (> 120% AMI)	Single-Family	Middle Housing	Multi-Family	For Rent	For Sale	People of Color	People Experiencing Homelessness	People with Disabilities	Seniors	Students
3.5	Encourage developers to consider housing that empowers rent burdened households to own homes	⊖	●	●	⊖	⊖	●	⊖	●	●	●	⊖	⊖	⊖	
3.6	Consider partnership with nonprofits or establish programs to credit non-water related fees (sewer, road, utility)	●	⊖	⊖	○	⊖	●	○	●	⊖	●	●	●	●	
3.7	Encourage construction of mobile home parks/cottage clusters that respect both low income housing and established housing in neighborhood	○	●	●	○	○	○	●	●	○	●	⊖	●	●	
3.8	Encourage construction of small square footage homes as accessory dwellings or in cottage cluster formations	○	●	●	○	○	●	○	●	○	●	●	●	●	
3.9	Encourage development of affordable housing	●	●	⊖	○	⊖	●	●	●	⊖	●	●	●	●	

1. Pendleton's Housing Needs

Pendleton completed an Oregon Housing Needs Analysis (OHNA) in 2017. The OHNA provides a basis for the City to anticipate future land and housing needs and to develop strategies to meet those needs using data and projections related to buildable lands, population growth, and employment trends.

Pendleton's OHNA, which provided Pendleton's baseline data for the Contextualized Housing Need Summary (see Appendix B). This summary is intended to help the City to select the most appropriate and effective strategies to facilitate housing production. Key information about Pendleton's current and future housing needs is summarized in this section.

Current Housing Needs

Single-family houses makeup most of the housing stock and will continue to be a key housing need.

Most current residents in Pendleton live in detached, single-family houses or manufactured homes on individual lots (Figure 1). The majority of single-family houses are owner-occupied. While existing homeowners are less likely to be cost-burdened than renters, many people report that there are few options on the market for first-time homebuyers. Moreover, there are few options for existing homeowners to upgrade to newer or larger homes or for middle-to-upper income households that seek to move to Pendleton.

Housing costs are high relative to income levels.

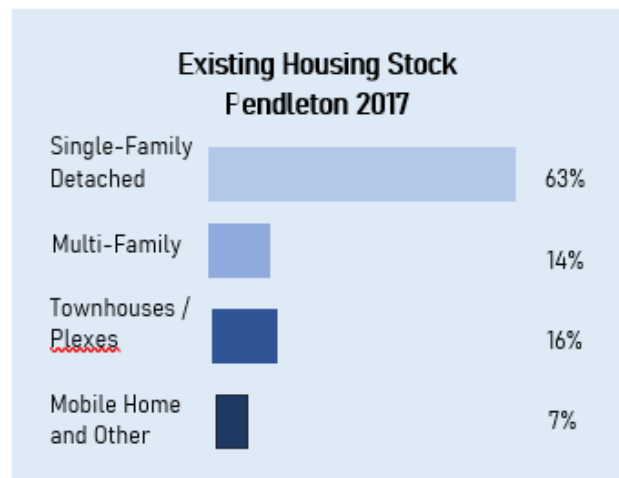
A little over one-third of Pendleton's households are considered low-income, making 76% or less of the median family income for Umatilla County. Although housing

rents and prices are slightly higher than the County and moderately lower than the State of Oregon, the lower income levels of many current residents result in affordability challenges. Approximately 2 in 10 rent-paying households in the City are severely rent burdened, meaning that 50% or more of their income goes towards monthly housing costs.

The City has a significant deficit of both affordable and market-rate rental apartments.

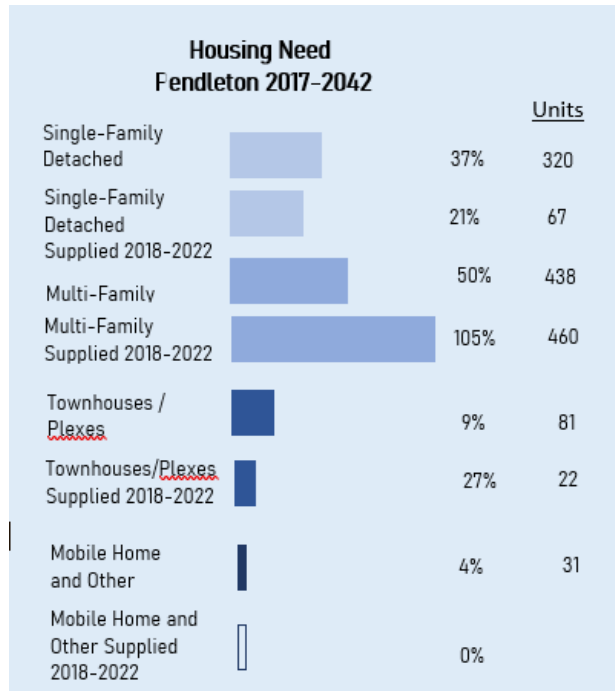
Vacancy rates for rental units have declined in recent years, and there has been an increased amount of new construction of multi-family rental housing over the last three years. Pendleton issued 150 building permits for income-restricted affordable housing in the past 2 years. Before these permits, 48 income-restricted units were permitted in 1996. Residents report that there are few options for livable rental apartments in the City, even for middle- or upper-income households.

Figure 1. Existing Housing Stock and Future Need



Source: Pendleton Housing Needs Analysis, 2017

Figure 2. Pendleton's Housing Need



Source: Pendleton Housing Needs Analysis, 2017

Future Housing Needs

Pendleton will continue to grow at a steady rate and a mixed amount of new housing is needed to accommodate that growth.

Pendleton is expected to add around 1,329 new residents over the next 20 years and has a pent-up demand waiting for housing. To accommodate these new and waiting residents, the city will require the addition of 870 new dwelling units:

- 63% single family (320 units)
- 16% townhomes/plexes (81 units)
- 14% multi-family (438 units)
- 7% manufactured housing (31 units)

Of these new dwellings, roughly 70% of the need is for owner-occupied units and 30% is for renter-occupied units.

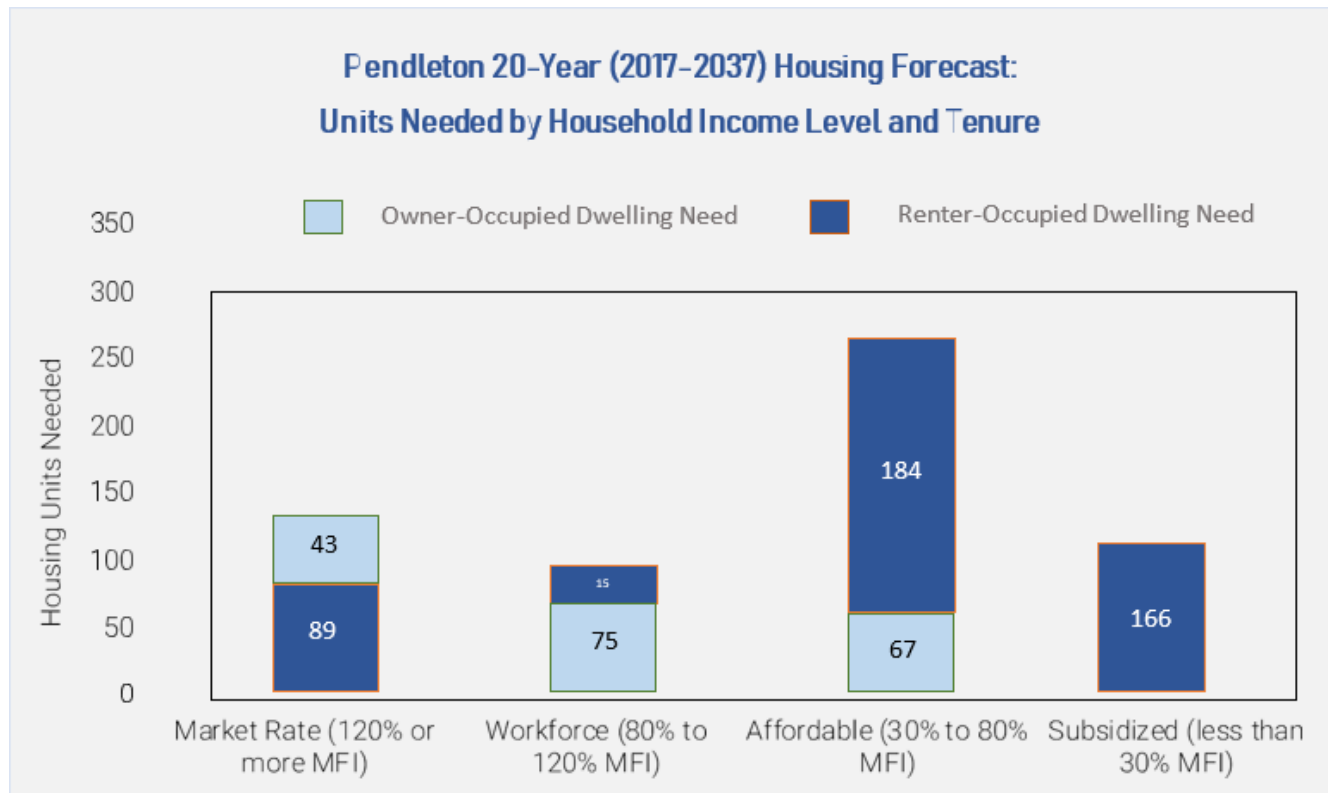
25% of the owner-occupied dwelling need is for workforce or market rate units while 70% of the renter-occupied dwelling need is for affordable and subsidized units (Figure 2).

Demographic changes are driving a shift in housing needs, but single-family detached housing will remain an important need.

The City's current housing is predominantly single-family detached houses, which makes up 63% of the housing stock. However, young households are starting families later and renting for longer than previous generations. Older households are downsizing from single-family homes.

Due to these demographic and generational changes, only 37% of the future housing stock will consist of single-family detached houses. About 50% of the future housing stock will be a mix of plexes, townhomes and apartments, and 4% will consist of manufactured housing and other housing types (Figure 1)

Figure 3. Pendleton 20-Year Housing Forecast: Units Needed by Household Income



Source: Pendleton Housing Needs
Analysis, 2017

The City will need to shift the types of housing produced to respond to evolving needs.

If the City's historical average housing production rate of about 14 single-family dwellings and 38 units per year continues, then it will likely satisfy the overall forecasted housing need for about 870 units over the next 20 years.

Multi-family units, townhomes, plexes and other housing types need to account for about 50-70% of the net new housing production over the next 20 years, and these housing types have made up 180% of housing production since 2017. However, housing for affordable rental types is only 32% of the newly constructed multi-family/townhouse/plex units. (Figure 3).

New single-family detached houses remain an important need.

It is important to note that this shift does not diminish the need to continue to produce single-family detached houses. The City will need to continue to produce a significant number of single-family detached houses (about 16 per year), though this is less than the amount that has been produced historically. (From 2007 to 2017, the City has issued about 12 single-family permits per year).

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

One-third of the net new housing need is for affordable housing (housing affordable

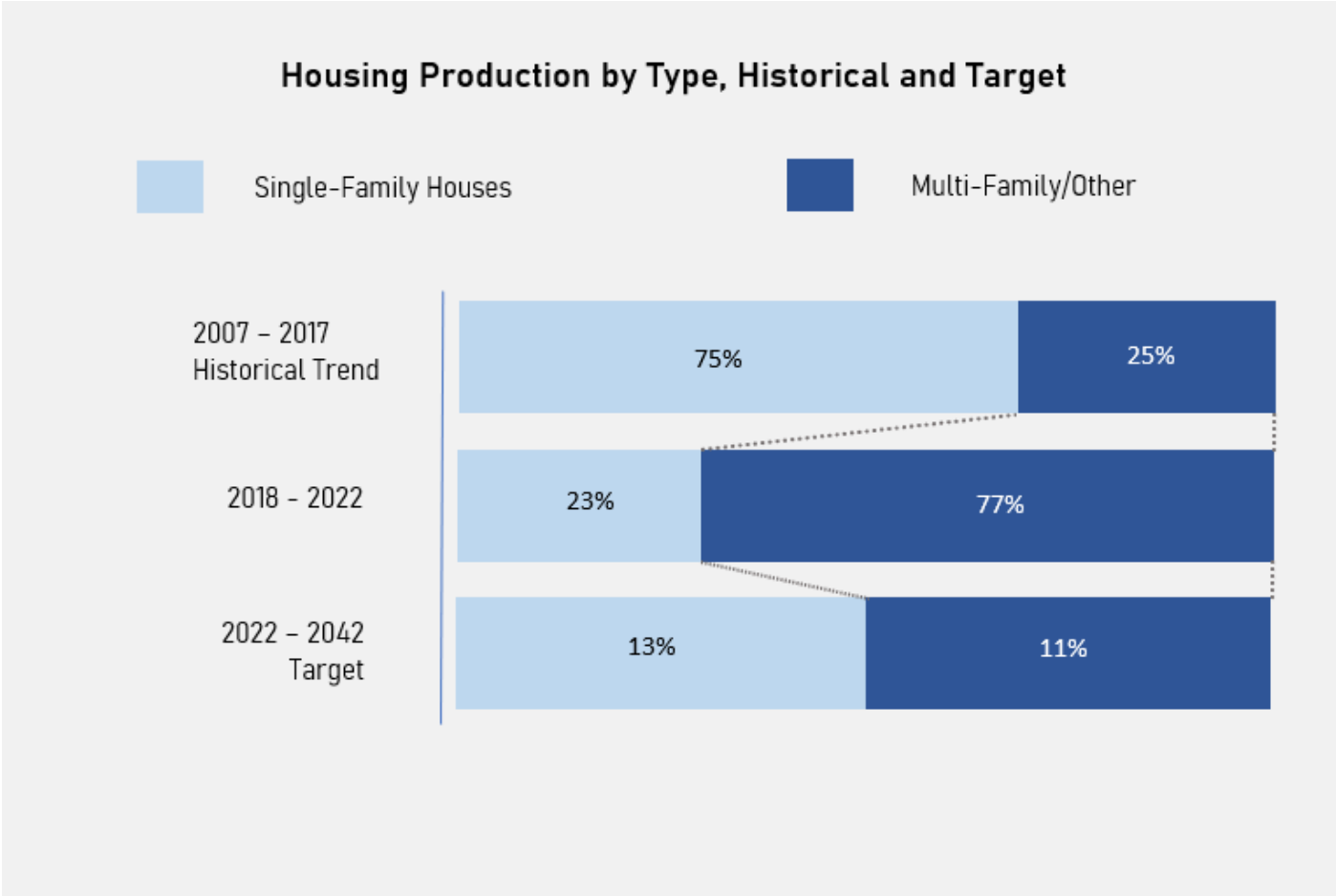
to people earning 80% of the median household income and below), and over half of new housing need is for workforce and market-rate units. Due to the costs of development and construction, new, privately developed housing units are less likely to be affordable for mid to lower-income households.

While market forces drive market-rate housing production, subsidies and other

targeted incentives are often required to close funding gaps and spur the development of affordable housing.

Still, if higher income households occupy newer units, this opens older, less expensive units for middle to lower income households. For this reason, it is important for the City to facilitate development of new housing that is affordable to lower, middle-, and upper-income households.

Figure 4. Housing Production Historical Trend and Target



Source: Pendleton Housing Needs Analysis, 2017

Market Factors Influencing Housing Production

- **Population and Job Growth.** Pendleton has seen slower population and job growth than some other regions of the State and the Northwest. Developers are more likely to invest in high growth areas and may overlook places with more modest growth rates.
- **Construction Costs.** Local incomes are not keeping up with the costs of development. Construction costs are at an all-time high across the country, and they may be even higher in small towns such as Pendleton due to a lack of construction laborers, supplies, and higher costs to transport materials.
- **Developer Pool.** Due to the factors noted above, there may be relatively few qualified developers or home builders who are interested in building in Pendleton. This is likely to change over time if local market conditions improve and developers perceive there is a strong demand in Pendleton for new housing.
- **Financing Options.** Even if a developer is interested in building in Pendleton, they likely still need to obtain financing from a bank or other lender. Lenders may be unwilling to fund a project unless there are comparable projects in the same area that have shown to be successful.

Factors Affecting Housing Production

In addition to being informed by current and future housing needs, the strategies and actions of the HS are influenced by an understanding of some of the key factors that are affecting housing production in Pendleton. These include the following factors:

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

An inventory of the City's land for housing found land to meet expected housing needs through zoning amendments to allow higher density in lower density zones. However, Pendleton is built inside a bowl with hillsides surrounding. Developers are limited to those lands that are rolling or of moderate slope with absorption of severe slopes with larger lots. An expansion of the Urban Growth Boundary (UGB) is imminent. Much of the land is encumbered with environmental and topographic constraints which is costly to serve with infrastructure

and not economical for multi-family housing.

There is a tighter supply of land for mixed use and high-density housing, than single-family housing.

There is a surplus 425 acres (slated for development) for low-density housing over the next 20 years, and 264 acres (slated for development) of land for mid-to-high density housing. Given the land availability issue noted above, either more land zoned for high-density housing or the allowance to increase density in the low-density housing zone would ensure that the market can respond to this need.

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

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

Equity: Whose Housing Needs are Not Being Met?

It is important for the City to not only consider how many housing units are needed in the future, but whose housing needs are not being met and what impacts those unmet needs may have on that population and the City as a whole. Some population groups are disproportionately impacted by a lack of housing options that meet their needs compared to other groups or the population, including Black, Indigenous and People of Color (BIPOC), people experiencing homelessness, people with disabilities, seniors, and students. Less than 17% of the population is a mixture of BIPOC.

For this reason, each action included in the HPS includes a summary of equity targets, highlighting the degree to which that action will help to produce housing that can meet the needs of specific populations that may be disproportionately impacted by housing issues.

For more discussion of the needs of some of these specific groups, see the Achieving Fair and Equitable Housing Section.

2. Engagement

The implementation of the HS will impact many existing and future residents of Pendleton. The HS was developed with input from a variety of community members and stakeholders in the housing development process. This engagement process included two housing summits where contractors and developers met with the City and consultants to discuss Pendleton's housing needs. In 2022 the Housing Committee met with developers to discuss potential strategies to encourage development. Pendleton conducted two Housing Needs Analysis, one by Sabino in 2016 and a second in 2019 by FCS. The Housing Committee continues to be attended by housing stakeholders. An open house will be held, along with a workshop, with the Planning Commission.

Stakeholder Survey

A survey was sent to a broad list of stakeholders from both consumers and producers of needed housing. The survey included 12 open-ended questions about populations underserved by existing housing, key issues with existing housing stock, needed housing types, cost of development, regulatory barriers, market issues, and ways the City can help facilitate the production of housing. There were 18 survey responses with participants representing the following roles within the community:

1. Representative of major employer
2. Local elected or appointed official
3. Non-profit/public housing developer
4. Other real estate professional (realtor, contractor)
5. Private housing developer
6. Representative of an advocacy or social service organization

The following is a summary of the key themes that emerged in the stakeholder survey. A complete record of the responses is provided in Appendix C:

- The following populations were commonly identified as having challenges in meeting their housing needs: seniors, people with disabilities, people with mental illnesses, people experiencing homelessness, lower income families, middle income families looking for homeownership options, younger families, and households looking to upgrade or purchase larger/newer homes.
- Poor quality, aging, or under maintained housing makes it difficult for many people to find housing that is acceptable, particularly middle- or upper-income households looking to purchase a home.
- No specific housing types (such as single-family detached, townhomes, apartments) were identified significantly more often than others, and many respondents noted that all

types of housing were in short supply.

- Many respondents indicated that more flexibility in zoning standards and the locations where new housing is allowed would help to facilitate new development. These respondents often noted that although there is a good supply of vacant and buildable land overall, much of the land is not in ideal locations or costly to serve with infrastructure.

Housing Committee

The HS Housing Committee (HC) consisted of both consumers and producers of needed housing. The Committee represented the following roles:

1. Real estate professionals, including homebuilders, contractors, and realtors
2. Affordable housing developer
3. Social service organization representative
4. Local university representative
5. Local school district representative

Two meetings were held with the HC to provide an overview of the Housing Production Strategy requirements and process, receive their feedback on the Contextualized Housing Need memo, and discuss and receive feedback on the draft strategies and actions.

The Housing Committee's input was important in shaping the strategies that were included in the HS below. The input from the HC on specific strategies is identified in the Draft Strategies Memo (Appendix B). A recap of each of the HC meetings is provided in Appendix C. Key themes that emerged from the HC meeting discussions are summarized below:

- Local home builders on the committee confirmed the need for more flexibility in zoning, such as reductions in minimum lot sizes and allowances for a wider range of housing types. Affordable housing providers and social

service representatives also noted that this flexibility was important.

- There was not a consensus view among the HC members about the need for reduction in off-street parking requirements. However, some members supported a reduction while others were concerned about the impacts of that change.
- A local realtor confirmed market data that showed a tight inventory of for-sale homes in Pendleton. There is strong demand for people who want to move to Pendleton, and housing options are limited with few listings at any one time. More for-sale options would relieve pressure in the market.
- The HC was broadly supportive of any financial incentives the City could offer to reduce the cost of development and improve feasibility. Several HC members were specifically supportive of a temporary property tax abatement for new housing.
- Some HC members noted that even though there is some new affordable housing development underway, there could be an increased need for low-income housing and policies to protect tenants from eviction as COVID-era eviction moratoriums were lifted.
- Some HC members expressed support for City action to help establish a local non-profit land trust or land bank, recognizing that land acquisition is a key challenge for new housing development.

Public Meeting, Open House, and Public Survey

One virtual public meeting was held during the project to receive feedback from the community on the draft housing production strategies. During this time, there was also a virtual open house and online survey to educate the public about the project and solicit feedback on the proposed draft strategies.

Four residents of Pendleton attended the public meeting and ten residents took the public survey. A recap of the public meeting and a record of online survey results is provided in Appendix C. The input from the public on specific strategies is identified in the Draft Strategies Memo (Appendix B). Key themes of the public meeting and survey are summarized below:

- Several members of the public expressed concern about any proposed reductions in off- street parking requirements and the impacts of that change. Respondents to the online survey were somewhat evenly split on the question of reducing parking requirements (50% approved, 40% disapproved).
- There was generally broad support among meeting participants and survey respondents for City actions to provide financial incentives or other forms of support to encourage housing development, particularly affordable housing.
- Proposed strategies to reduce barriers in the zoning code, such as reducing minimum lot sizes, were generally supported among survey respondents and some of the meeting participants. Others expressed concern about the impact of the changes or did not see the need for the changes.
- There were some concerns over what types of housing should receive incentives such as a tax abatement or

reducing permit fees. One respondent in the survey felt it should be geared towards affordable housing.

Responding to Community Feedback

Input from housing stakeholders, the Housing Committee, and public shaped the HS in two ways. At the outset of 2017, the insights from engaging with developers helped staff focus on strategies that have proven effective in meeting Pendleton's housing needs and were supported by the community. The general themes of this initial input include:

- Encourage UGB exchanges to facilitate interested land-owners and remove stagnant land.
- Partner with non-profits or establish policies that provide utility connections for subsidized assistance to alleviate rent burdens.
- Encourage development that empowers rent burdened households to own homes.
- Focus on cluster housing to provide increased density of affordable housing.
- Support of partnerships with prospective developers and non-profits to reduce expense related to costs that make housing development less attractive without negatively impacting the City to fund impacts from housing development.
- Pendleton engaged in these strategies with prospective developers, which resulted in multi-family housing development that exceeded the housing need by 55%. The feedback from the community and stakeholders on the proven strategies was summarized and presented at a joint meeting of the Planning Commission and City Council. Based on this input, as well as direction from the Planning Commission and City Council, some strategies were modified or removed, including:
 - Housing Committee recommended

adoption of the proposed strategies with exception of Takeyama's concept of construction of a duplex for purchase so that the new owner could rent out the second unit to help make the mortgage payment. The HC made this recommendation because the owner may encounter difficulty in evicting a non-paying renter or a renter who exhibits bad behavior.

- The City recognizes that strategies may be altered or eliminated based upon factors outside of the City's control. Shortages in supplies and labor force may reduce housing production that cannot be recouped through any strategy. Shut down of production factories, economic constraints (high interest, inflation, national debt, banking irresponsibility, stock market, etc.), and changes in Oregon Governor's objectives may discourage housing potential beyond any benefit a strategy can offset.

Recommendations for Future Engagement

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

- Conduct interviews with stakeholders from both consumers and producers of housing, such as people living in low income housing and local homebuilders. The Housing Committee served this purpose for this project and involves stakeholders from CAPECO, Energy Trust, GEODC, and RCDC, plus the finance/banking industry, property management, and real estate.
- Provide for more rounds of feedback from stakeholders, the public, and City staff on proposed strategies. Time permitting, a more iterative process of developing strategies may result in new

approaches tailored to unique conditions in Pendleton.

- Use a variety of approaches to build awareness among the public and to encourage participation. This may include communicating through trusted leaders in the community, additional media outreach, and incentives for participation.
- Provide multiple formats and times for public engagement meetings.

3. Strategies to Meet Future Housing Need

The strategies and actions included in this document were identified by staff based on proven experience with new housing development, an audit of the City's existing zoning code and housing policies, and a list of potential strategies published by DLCD. Working collaboratively and based on input from stakeholders and the community, staff refined the strategies and actions that best fit Pendleton's housing needs and the City's capacity for implementation over time.

Format

The actions in this document fall into three strategic categories: (1) Develop Affordable Housing; (2) Support Measures that Increase UGB Efficiency, and; (3) Address Severe Rent Burdens.

There is a one-page summary devoted to each action, which includes a description of the action, steps to implement it, implementation considerations, an adoption timeline, an implementation timeline, an estimate of magnitude of the action's impact, and some suggestions for measuring progress on implementation. Once adopted, it is assumed that these actions will continue to impact the production of needed housing over time.

Pendleton did not choose to utilize some of

the strategies to increase housing. Pendleton has the second to lowest System Development Charge in Oregon. Waiving of fees that are already low will have a greater impact on the City's ability to mitigate increased housing impacts than warranted by waiving of these fees. Pendleton considers all strategies as options that can be offered on a case-by-case basis and these strategies can be utilized separately or in various package options.

Housing Need Targets

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

- **Affordability Targets:** This section evaluates the degree to which an action will help to produce housing affordable to various income levels. The evaluation is based on the housing types that are most likely to be produced because of the action and the extent to which the City can target the action to meet housing for certain income levels.
- **Housing Type Targets:** This section evaluates the degree to which an action will help, or has helped, to produce single-family, middle housing, and multi-family housing. Middle housing includes Accessory Dwelling Units (ADUs), duplexes, triplexes, quadplexes, townhouses, and cottage clusters.
- **Tenure Targets:** This section evaluates the degree to which an action will help to produce housing that is either for-sale or for-rent.
- **Equity Targets:** This section evaluates the degree to which an action will help to produce housing that can meet the needs of specific populations that may be disproportionately impacted by housing issues.

Impact Levels

The impact of each action on a housing need has been assessed as follows:

○ **Low or no impact:** This indicates that the action is very unlikely to help meet the relevant housing need either (1) because the action would not lead to production of a housing type that would benefit that need or population or (2) because there are limitations in how that housing type can be targeted to specifically meet that need.

◐ **Moderate or potential impact:** This indicates that the action either (1) may have a moderate impact on meeting the relevant housing need or (2) the implementation of the action could potentially be designed to target that need.

● **High impact:** This indicates that the action may directly benefit a certain housing need and is likely to be most effective at meeting that need relative to other needs.

Why These Strategies

Pendleton has been actively pursuing solutions to encourage housing development for over 10 years. The biggest hurdle Pendleton has in gaining interested developers is the topographic and geologic environment in comparison to neighboring cities such as Hermiston to Boardman, which are predominately sandy, flat lands. The added expense of developing on sloped land with basalt rock has made Pendleton's growth slow. Therefore, city officials met with developers and stakeholders to create strategies that would peak their interest in Pendleton. Below are proposed developments that were applied for since 2012:

- 2012 Jivanjee Circosta & SW 18th Street – this development utilized land donation in the form of a reduced land sale. He participated in deferral of system development charges and an infrastructure partnership for the construction of SW 18th street to city standards, full width with curbs, gutters, and sidewalk. This resulted in 32 dwelling units. He did not complete full build-out of the land and sold off the remaining parcel.

- 2021 Plute & Historic Downtown – the Urban Renewal Program granted monies to convert office space and redevelop upper stories of three buildings in our downtown historic district into residential units. This resulted in 46 dwelling units.
- ~~Takeyama – a developer approached Pendleton to purchase and develop various sites that exhibited slope challenges. The City was working to assist with his housing plan. He designed lot divisions and built housing that would provide a small square footage duplex at prices affordable for rent burdened individuals to purchase while giving them the ability to live in one unit, renting out the second unit as income generation to pay off the mortgage. Pendleton encourages this concept with other developers at pre-design meetings. This resulted in six dwelling units with plans for additional.~~
- 2018/2022 Palmer & SW Hailey Avenue - SW 30th Street: discussion was made with this land owner on forming a reimbursement district for grading and installation of a public sewer line. The developer filed application for a subdivision on land that has a good location but has these constraints: slope and a natural drainage ravine. The developer failed to record the plat in 2018. It was re-approved with minor road alignment alterations in 2022 but has not been recorded. Potential 116 residential lots.
- 2019 Ivanvov & Westgate - The City donated land that was provided to the City on behalf of the State. The land rests across from the Eastern Oregon Correctional Institution, below the Blue Mountain Community College, and is both topographically and geologically challenged (slope and basalt rock). The client also participated in system development charge deferral. This resulted in 250 apartments, 19 buildings with a laundry room and rec center, including a pool.
- 2020 Wildflower - following on Jivanjee's duplex development, the large remaining parcel was reacquired by the City and then sold at a reduced cost to Wildflower on the condition that flood victims would have first consideration (land donation). The client was offered system development charge deferral. The City continued with the infrastructure partnership in building SW 18th Street complete with utilities. This affordable housing project was made possible through a nonprofit partnership grant. 80 affordable units were built.
- 2021 Katelyn Addition & SW 18th Street extension - The City was researching growth potential through an urban growth boundary exchange and a prominent residential developer. The developer was interested in land that was relatively easy to build with good views. The timeline for a UGB exchange did not appeal to the developer, so the City suggested that he approach land owners, one of whom he had a relationship for other land purchases, to see if any would be interested in selling rather than retaining in CRP farm deferral. A deal was negotiated, and a subdivision was recorded for 25 view lots. This subdivision is under construction.
- 2022 Pendleton Estates & Nye Avenue - 12th Street - Pendleton was approached by interested developers who are also building in Boardman and Hermiston area. They liked Pendleton for its beauty and views. They purchased 60 acres of hillside that also has basalt rock. They presented a subdivision that would provide 144 residential lots and 72 condo units as well as build a collector road that the City has needed for years. This collector road would divert traffic from traversing at a 16% grade to a road built at 12%, which will reduce winter problems. The City offered to form a reimbursement district to pay the cost of building Nye Avenue, which would be paid back as lots are built. The developer intended to build in phases. Following COVID-19 supply shortages,

reduced labor force, and high interest rates, this development is on hold.

- 2022 Sage Hill Subdivision & Middle School – A new developer was branching off from his employer. He invested in a land purchase near Pendleton’s Sunridge Middle School. This land is relatively flat but has a large amount of basalt rock and lacked public utilities in the near area. The City is partnering with him to install public sewer allowing smaller lots that will not have septic systems. To assist with this potential, the City offered to form a reimbursement district to install public sewer from 1,200+ feet away, under Tutuilla River, to the intended road connection into the subdivision. This will provide 40 residential lots.
- 2022 South Hill & SE 15th Street – This project began as a nonprofit partnership. The City was approached to donate land for affordable housing. The City had two large parcels off Franklin Grade/SE 15th Street. The land is sloped but free from basalt rock, so blasting would not be required. To assist with development and because the City wanted to perform improvements to a transportation facility (a three-way intersection) improving sight-distance, the City formed a partnership to build SE 15th Street to city standards, including utilities. There is a planned subdivision south of this development. 80 affordable units are under construction.
- 2022 Creekside Estates – A landowner that has been sitting on land for 20+ years approached the City with a subdivision. This land abuts our city limits and is inside the urban growth boundary. It is isolated in that a single-car bridge is utilized for access and abuts our Community Park. There has been a subdivision planned in this area for decades, but no intent to construct until a local road connection could be made from our residential district by McKay School to the area off SW Kirk Extension. Recognizing that the City could continue to grow to the west urban growth boundary (also owned by same landowner), the City offered an infrastructure partnership to upsize sewer lines from an 8-inch line sufficient to serve the subdivision to 12-inch for the future expansion. There are 14 residential lots platted. The project is at Final Plat stage.
- 2023 Jones & Sunridge – Pendleton is participating in a UGB expansion to the east of our Sunridge Estates development near the Middle School. If this project is shown to meet State requirements for an expansion, 50 acres will be developed into additional housing. Pendleton needs lands that are 12% or less in slope with little basalt rock to see additional growth.

Action 1.1 Donation of Publicly Owned Lands

Affordable Housing

Description

Donate or reduce in price surplus, publicly owned property to a developer committed to constructing housing on the land within a limited timeline for a type of housing identified as needed.



Implementation

Steps

- Identify potential surplus land and zoning designation of land.
Declare land surplus.
Identify types of housing needed and suitable for land.
Find developer / Market property specific to housing need, zone, and land characteristics.
Negotiate terms.

Considerations

- Current zone may require rezone or may be prohibited from rezoning (cannot spot zone).
Proximity of utilities, infrastructure, and access may discourage benefit.
Lands within UGB are limited and topographically challenged.
Balance of housing target with a limited resource - land.
Timelines need to be attainable and desirable between parties.

Adoption Timeline 1-3 3-5 5-8 yrs Implementation Timeline 1-3 3-5 5-8 yrs

Magnitude of Impact 2018-2022 Pendleton donated ___ acres, which resulted in ___ housing units

Measuring Progress The City will generate a map of all public lands, mark those that could be considered surplus, and review for zoning potential and infrastructure proximity.

Table with 4 columns: Target Category, Target 1, Target 2, Target 3. Rows include Affordability Targets (Subsidized, Affordable, Workforce, Market Rate), Housing Type Targets (Single-Family, Middle Housing, Multi-Family), Tenure Targets (For Rent, For Sale), and Demographic Target (People of Color, People Experiencing Homelessness, Seniors, People with Disabilities, Students).

Action 1.2 Infrastructure Partnerships

Affordable Housing

Description

The City partners with investors to construct infrastructure that facilitates housing development. The City may build a portion of the infrastructure or a public utility facility, such as a pump house, or a portion of the sewer, water, or storm water improvements. This may include relocation of intersections, sewer, water, or storm water lines. The objective is to improve the infrastructure serving a housing development or creating a potential for future development beyond the housing development proposed.

Implementation Steps

- Make agreement with developer.
- Obtain engineered designs.
- Prepare bid, if applicable.
- Review cost estimates.
- Hire/Award and Monitor contractor.

Considerations

- Availability of capital funds.
- Either based on competitive bid or public employee availability and BOLI laws.
- Supply shortages.
- Reputation of bid-awarded contractor.
- Timelines need to be attainable and desirable between parties.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact 2018-2022 Pendleton donated ____ acres, which resulted in ____ housing units

Measuring Progress The City gauges progress based on number of executed contracts, Council approvals to construct new public roads or utilities to serve new housing.

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

Action 1.3 Revolving Loan Program

Affordable Housing

Description

The program acts as a reimbursement distribution. Creation of a separate fund within the budget for the potential use to build infrastructure that provides gap funding based on sale of lot, that are difficult for private party to recoup so private party has funds available for actual structures.

Implementation

Steps

- Establish and maintain fund.
- Write revolving loan code.
- Make agreement with developer.
- Write contract.
- Follow revolving loan code.

Considerations

- Funding potential fluctuates.
- Interest of developer.
- Funds promised but not acted upon (tied-up).

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact Pendleton has utilized this strategy with one approved subdivision which will add 52 single-family lots and has pending a second development with 250 acres.

Measuring Progress The City would gauge the number of housing units that were generated based on the number of developers that utilized this strategy.

Affordability Targets	<input type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input type="radio"/> Affordable	<input checked="" type="radio"/> Market Rate
Housing Type Targets	<input checked="" type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale
Demographic Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	
	<input checked="" type="radio"/> People with Disabilities	<input checked="" type="radio"/> Students

Action 1.4 Non-Profit Partnerships

Affordable Housing

Description

City will form relationships with non-profit(s) specially established to construct affordable housing. City will work with a non-profit to determine the housing type needed and the availability of project sites.

Implementation

Steps

- Identify developers that meet the criteria for non-profit consideration.
- Identify potential projects and locations.
- Obtain local government endorsements or political policies for grant consideration.
- Obtain Council agreements to implement local assistance on projects need for a grant.

Considerations

- Land available or project site availability.
- Political resistance – NIMBY.
- Insurmountable infrastructure improvements.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact Pendleton has partnered with three non-profits to produce homeless transitional housing, 80 units affordable housing, and under construction, 70 units low-income.

Measuring Progress The City will track the number of projects possible and the number of non-profits that are interested or able to partner for affordable housing.

Affordability Targets

● Subsidized Workforce

● Affordable Market Rate

Housing Type Targets

Single-Family Multi-Family

Middle Housing

Tenure Targets

● For Rent For Sale

Demographic Target

People of Color Seniors

● People Experiencing Homelessness

● People with Disabilities Students

Action 1.5 Downtown Redevelopment

Affordable Housing

Description

Through long-term loan leveraging, provide tax increment financing, post 2003, to assist with projects within the downtown district emphasizing potential housing in upper stories.

Implementation

Steps

- Create Urban Renewal District.
- Create relationship with banking industry to carry loan.
- Create policies and oversight commission.
- Create applications, procedures, and sub-committees to award grants.
- Market program.
- Amend program as needed.

Considerations

- Limited tax increment return.
- Availability of long-term financing.
- Inflation limiting factor to availability of funding.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact Pendleton has generated x of housing units in x of upper stories in our downtown district.

Measuring Progress The progress can be tracked through the ability to pay back the debt incurred based on increased tax revenue.

Affordability Targets	<input type="radio"/> Subsidized	<input type="radio"/> Workforce
	<input type="radio"/> Affordable	<input checked="" type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Demographic Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input type="radio"/> People Experiencing Homelessness	
	<input type="radio"/> People with Disabilities	<input type="radio"/> Students

Action 1.6 System Development Charge Deferral

Affordable Housing

Description

Negotiate development agreement contracts with developers who propose housing type targets per Housing Need, allowing payment of SDC’s over a period of time; a scheduled debt service with payment terms and interest.

Implementation

Steps

- Create ordinance and adopt.
- Negotiate with prospective developers.
- Draft agreements and contracts.
- Initiate.

Considerations

- Housing construction delays.
- Upgrade nearby transportation infrastructure prior to receipt of funds, which limits funding for other transportation projects.
- Requires lien on property.
- Timelines need to be attainable and desirable between parties.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact The City has initiated x of SDC deferrals to generate x of housing units.

Measuring Progress The progress can be tracked through the number of housing units built utilizing this strategy.

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

Action 1.7 Reimbursement Districts/LID's

Affordable Housing

Description

1. Local Improvement District – once completed, assess debt service with a standard payment over a period of years.
2. Reimbursement District – the City or developer builds the infrastructure with the cost covered by the City. As houses are built, the infrastructure cost is added into the cost of the lot and paid back to the City.

Implementation Steps

- Create and adopt a LID ordinance.
- ID project and partner.
- Propose improvement.
- Calculate estimate, finish design.
- Finalize cost.
- Implement repayment.

Considerations

LID – mandatory debt service.

Reimbursement – based on economy (longer term to carry).

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact The City has initiated x of LID's to generate housing units. The City is establishing reimbursement contracts with two developers. One is to bring public sewer for construction of 54 housing lots, the other is to build a street to open 250 acres up for housing.

Measuring Progress The progress can be tracked through the number of housing units built utilizing this strategy.

Affordability Targets	<input type="radio"/> Subsidized	<input type="radio"/> Workforce
	<input type="radio"/> Affordable	<input checked="" type="radio"/> Market Rate
Housing Type Targets	<input checked="" type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input type="radio"/> For Rent	<input checked="" type="radio"/> For Sale
Demographic Target	<input checked="" type="radio"/> People of Color	<input type="radio"/> Seniors
	<input type="radio"/> People Experiencing Homelessness	<input type="radio"/> Students
	<input type="radio"/> People with Disabilities	

Action 1.8 Utility Bill Assistance

Affordable Housing

Description

1. Provide a 10% discount, if income eligible, then the renter/owner can qualify for a 10% reduction in water and sewer rates. This is in affiliation with CAPECO, local non-profit social service provider for income challenged individuals.
2. If income eligible, the City will fund a program that allows payment on past due water and sewer accounts up to \$175 per year.

Implementation Steps

- Meet with non-profits to discuss program to act as vetting agency.
- Generate budget with program consideration; set aside funds in budget.

Considerations

- Affiliated non-profit subsidizes more than the limited allowance.
- Income-eligibility is not reviewed annually; therefore, recipient may receive benefit when no longer eligible for benefit, which reduces funds for qualified recipients.
- Vetting may become emotion driven rather than income driven.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact The City has assisted 48 households in 2022.
The City’s current assisted number of households is 12, Feb. 2023.

Measuring Progress Track the number of households utilizing the program.

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

Action 1.9 OHCS LIFT Program

Affordable Housing

Description

Pendleton would favorably consider development proposals and place as the priority applications from organizations that are participating in Oregon Housing Stabilization through Oregon Housing and Community Services (OHCS) LIFT (Local Innovative Fast Track) Program. Main goal is to create and encourage new affordable family-sized housing units in historically underserved communities (families earning at or below 60% Area Median Income (AMT) for rentals or 80% AMI for home ownership). Units must be ready for initial lease-up or sale within 36 months.

Implementation

Steps

- Make leaders aware of the LIFT Program.
- Establish a policy that applications involved in LIFT will be given priority over other development/land use applications.

Considerations

- Land available or project site availability.
- Political resistance – NIMBY.
- Insurmountable infrastructure improvements.
- Timelines need to be attainable and desirable between parties.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact The City has approved two housing developments that participated in this program, which will produce 160 units.

Measuring Progress Track the number of applications utilizing the program.

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

Action 1.10 Vacant Townhouses/Plexes

Affordable Housing

Description

Any housing structure or in-fill residential lot that remains vacant for years. Could be due to inhabitable condition, neighboring lot condition, utility connection failure, absentee owners, or owner is over-extended.

Implementation

Steps

- Identify potential sites.
- Determine re-development issues.
- Internal hiring to inspect site.
- Formulate strategy to motivate: (URD Program?).
- Build relationship with owner.

Considerations

- Unwilling property owners.
- Infrastructure or redevelopment costs excessive.
- Return on investment.

Adoption Timeline 1-3 3-5 ● 5-8 yrs **Implementation Timeline** 1-3 3-5 ● 5-8 yrs

Magnitude of Impact The City should see a reduction of in-fill lots and inhabitable structures, blight.

Measuring Progress Habitable homes / construction, lots identified as vacant.

Affordability Targets	<input checked="" type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	
	<input checked="" type="radio"/> People with Disabilities	<input checked="" type="radio"/> Students

Action 2.1 UGB Exchanges with Abutting Owners

UGB Efficiency

Description

Taking lands inside UGB that will not be developed due to uninterest or topography or infrastructure unavailable and exchange for lands abutting UGB that has potential and interest to be developed with single-family and middle housing.

Implementation

Steps

- Identify all undeveloped lands that could be removed.
- Identify potential property to swap.
- Exam feasibility, topography, infrastructure – services.
- Form relations.
- Gain interest of owners (leverage).
- Apply for swap with DLCDC.
- Find interested developer.
- Form timelines.
- Develop plans – interested developer agreement.

Considerations

- Lack of interested owners.
- Lack of interested developer willing to delay return.
- Timeline to process (5+yrs).
- Limited lands that meets criteria.

Adoption Timeline 1-3 ● 3-5 5-8 yrs **Implementation Timeline** 1-3 ● 3-5 5-8 yrs

Magnitude of Impact The increase of housing potential is unknown. Could be huge if property owners were interested and ground highly developable (hillside for flat land)

Measuring Progress Succeed with a single project.

Affordability Targets	<input type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input type="radio"/> Affordable	<input checked="" type="radio"/> Market Rate
Housing Type Targets	<input checked="" type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input type="radio"/> People Experiencing Homelessness	<input type="radio"/> Students
	<input type="radio"/> People with Disabilities	

Action 2.2 Planned Unit Developments

UGB Efficiency

Description

Encourage the appropriate development of tracts of land that are large enough to allow comprehensive site planning, and to provide flexibility in the application of zoning regulations, thereby promoting a harmonious variety of uses, the economy of shared service and facilities, compatibility with surrounding areas, and the creation of an attractive, healthful, efficient and stable environment for living, shopping and working.

Implementation Steps

- Locate interested developer / property owner.
- Form PUD.

Considerations

- Adequate funding to sustain (underfunded = defunct PUD).

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact The City has received no interest in years for formation of a PUD. Only 1 project formed in Pendleton’s history, and it went defunct.

Measuring Progress The Grecian Heights PUD was constructed with 100+ units.

Affordability Targets	<input type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input checked="" type="radio"/> Market Rate
Housing Type Targets	<input checked="" type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input checked="" type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	
	<input checked="" type="radio"/> People with Disabilities	<input checked="" type="radio"/> Students

Action 3.1 Separate Water Meters in 2-4 Unit Plexes

Severe Rent Burdens

Description

Install separate water meters and plumbing lines so that each unit’s tenant receives their own bill. This allows the tenant to be eligible for subsidies, financial assistance (see Strategy 1.8).

Implementation Steps

- Consider lower meter costs for landowners purchasing multiple meters to serve a single structure provided structure is established as affordable housing (not market rate rentals).
- Check to see if State offers subsidies for the developer’s cost.
- Prepare document/flyer with benefits of independent meters.

Considerations

- Tenants may choose not to irrigate. Landowner may feel property devalued.
- Landowner will need to install a separate irrigation meter for common areas, exterior faucets (logistics of water use and water rights).
- Not desirable.
- Cost of meter and install and maintenance by City.
- Transfer of savings to increase cost of meter for single-families.

Adoption Timeline 1-3 ● 3-5 5-8 yrs **Implementation Timeline** 1-3 ● 3-5 5-8 yrs

Magnitude of Impact This is not a major factor on increasing housing. This strategy is designed to keep tenants in their rental unit.

Measuring Progress Can be measured by design of flyer, the number of new units with separate meters, and the cost evaluated with possible subsidies identified.

Affordability Targets	<input checked="" type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	<input type="radio"/> Students
	<input checked="" type="radio"/> People with Disabilities	

Action 3.2 Partnerships for Water Bill Credits

Severe Rent Burdens

Description

Form an agreement with non-profit organization(s) to provide water bill subsidies for severely rent-burdened households who have separate water meters.

Implementation

Steps

- Meet with non-profit organization(s) capable and willing to manage subsidies.
- Identify rent-burden classification.
- Formulate or determine levels of subsidy.
- Make contract or agreement with non-profit organization(s).

Considerations

- Non-profit(s) willingness to manage.
- Non-profit(s) available funding.
- Non-profit(s) willingness to add program.

Adoption Timeline 1-3 3-5 5-8 yrs **Implementation Timeline** 1-3 3-5 5-8 yrs

Magnitude of Impact This is not a major factor on increasing housing.
This strategy is designed to keep tenants in their rental unit.

Measuring Progress Can be measured by the number of rent-burdened households utilizing the program.

Affordability Targets

Subsidized

Workforce

Affordable

Market Rate

Housing Type Targets

Single-Family

Multi-Family

Middle Housing

Tenure Targets

For Rent

For Sale

Target

People of Color

Seniors

People Experiencing Homelessness

People with Disabilities

Students

People with Disabilities

Action 3.3 Disconnection or Shut-Off Vouchers

Severe Rent Burdens

Description

Form an agreement with non-profit organization(s) to provide a voucher for severely rent-burdened households who are about to have their water disconnected or show a past due amount. The voucher would be limited to one voucher per household per calendar year.

Implementation

Steps

- Identify who would provide funding and where it will come from.
- How to vet the status of whether the client is rent-burdened.
- Identify who will provide the voucher (non-profit/City/other).
- Establish system that does not permit multiple vouchers issued in a one-year period.
- Council to approve budget line item if funded by City.

Considerations

- If funded by City, increases water bill cost for all other users.
- Funding source limited or discontinued.
- Management of program to prevent benefits to non-rent burdened household or multiple vouchers issued in a single year.
- Implemented by staff = additional time burden or impact to daily work schedule.

Adoption Timeline 1-3 3-5 5-8 yrs **Implementation Timeline** 1-3 3-5 5-8 yrs

Magnitude of Impact This is not a major factor on increasing housing.
This strategy is designed to keep tenants in their rental unit.

Measuring Progress Can be measured by the number of rent-burdened households utilizing the program.

Affordability Targets	<input checked="" type="radio"/> Subsidized	<input type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	
	<input checked="" type="radio"/> People with Disabilities	<input checked="" type="radio"/> Students

Action 3.4 LIHWA Heat/Water Assistance

Severe Rent Burdens

Description

Form an agreement with non-profit organization(s) to provide subsidies for low income households who are experiencing problems paying their electric/gas or water bill.

Implementation Steps

- Identify non-profit(s) to partner with to implement program.
- Review non-profit and City relationships.
- Identify type of partnership – who will fund/market/vet/implement.

Considerations

- Non-profit reputation / ability.
- Limited number of partners in community.
- Criteria of qualifications.
- Loss of partnership – rebuilding program.
- Economic down times.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact This is not a major factor on increasing housing.
This strategy is designed to keep tenants in their rental unit.

Measuring Progress Can be measured by the continuation of the program and the sustainable relationship or partnership.

Affordability Targets	<input checked="" type="radio"/> Subsidized	<input type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	<input type="radio"/> Students
	<input checked="" type="radio"/> People with Disabilities	

Action 3.5 Rent-Burden Household Ownership

Severe Rent Burdens

Description

Encourage the construction of townhouses/duplexes/condos that allow the rent-burdened tenant to purchase dual units allowing recoup of cost and ability to own building through rental of second unit.

Implementation Steps

- At Pre-Design Meetings with developers—mention housing type as option for affordable housing.
- Write code language to allow in-fill minor partitions or subdivisions: access restricted small acreage parcels < 7 acres.
- Talk with known developers about this option when at front counter, at housing workshops, and at general meetings.

Considerations

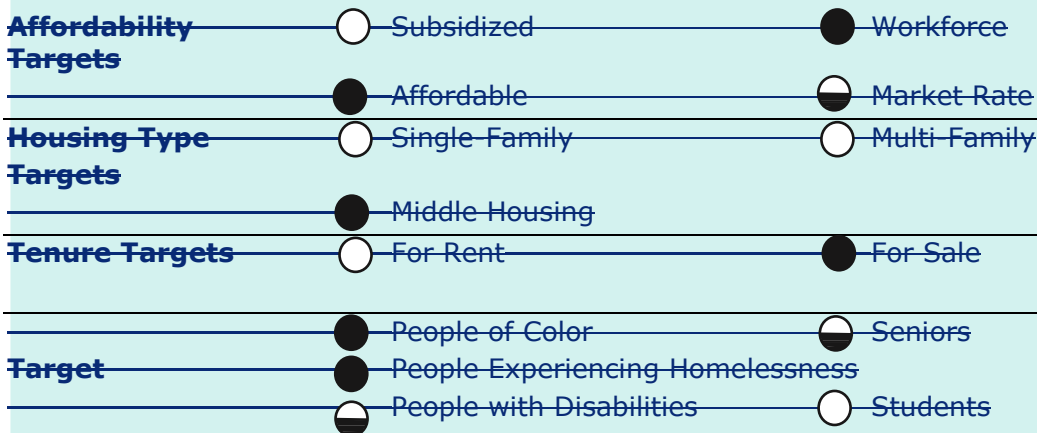
- New concept, change is slow.
- Financial side of home ownership—changes in the economy.
- Limited space and knowledge.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact—This offers a different housing mix.

—This strategy is designed to allow tenants to own their own rental property.

Measuring Progress—Can be measured by the number of developers that build this concept.



Action 3.6 Credit User Fees

Severe Rent Burdens

Description

1. Provide a 10% discount, if income eligible, then the renter/owner can qualify for a 10% reduction in user fees.
2. If income eligible, the City/non-profit will fund a program that allows payment on past due user fee accounts up to \$x per year.

Implementation Steps

- Determine if Council will accept program.
- Find non-profit to partner with on this program.
- Meet with non-profit(s) to discuss program to act as vetting agency.
- Generate budget with program consideration / set aside funds in budget.

Considerations

- Fees may be waiver rather than subsidized = lack of maintaining funds for use.
- Not able to subsidize by non-profit (not a basic need).

Adoption Timeline 1-3 3-5 5-8 yrs **Implementation Timeline** 1-3 3-5 5-8 yrs

Magnitude of Impact This is not a major factor on increasing housing.
This strategy is designed to keep tenants in their rental unit.

Measuring Progress Can be measured by the continuation of the program and the sustainable relationship or partnership.

Affordability Targets

Subsidized Workforce

Affordable Market Rate

Housing Type Targets

Single-Family Multi-Family

Tenure Targets

Middle Housing For Sale

For Rent

Target

People of Color Seniors

People Experiencing Homelessness

People with Disabilities Students

Action 3.7 Est. Respectable MHP/Cottage Cluster

Severe Rent Burdens

Description

Develop code standards that allow this type but also has design standards for quality of neighborhood. When established, restrict RV's in the MHP's.

Implementation Steps

- Write draft code and design standards to promote neighborhood quality of life and livability.
- Hold workshops.
- Revise and notify residential land owners.
- Follow code language process.

Considerations

- Public push to include RV's in MHP's.
- Absentee landlords.
- Quality of neighborhood.
- NIMBY – densifying in neighborhood known for affluent lifestyle.
- Increase traffic congestion, poor circulation.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact Relatively moderate to high for affordable housing. This strategy may increase blight in an affluent neighborhood.

Measuring Progress Can be measured by the number of MHP's developed.

Affordability Targets	<input type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input checked="" type="radio"/> Multi-Family
	<input type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	
	<input type="radio"/> People with Disabilities	<input checked="" type="radio"/> Students

Action 3.8 Accessory Small Square Footage Homes

Severe Rent Burdens

Description

In-filling of large yards with additional housing options on single-family lots. Allows aging homeowners opportunity to move into smaller home, rent out larger home, or provide a mother-in-law space or college student/child rental and reduce the amount of yard upkeep or water usage.

Implementation

Steps

- Place flyer in water billing of housing option.
- Hold housing workshops to introduce or promote housing option.
- Establish Enterprise Zone for tax incentive for construction of additional accessory dwelling.

Considerations

- Cost to create Enterprise Zone.
- NIMBY – densifying in neighborhoods known for affluent lifestyle.
- Increase traffic congestion, poor circulation.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact This will increase the density of Pendleton.

Measuring Progress Can be measured by the number of accessory dwellings built.

Affordability Targets	<input type="radio"/> Subsidized	<input checked="" type="radio"/> Workforce
	<input checked="" type="radio"/> Affordable	<input type="radio"/> Market Rate
Housing Type Targets	<input type="radio"/> Single-Family	<input type="radio"/> Multi-Family
	<input checked="" type="radio"/> Middle Housing	
Tenure Targets	<input checked="" type="radio"/> For Rent	<input type="radio"/> For Sale
Target	<input checked="" type="radio"/> People of Color	<input checked="" type="radio"/> Seniors
	<input checked="" type="radio"/> People Experiencing Homelessness	
	<input checked="" type="radio"/> People with Disabilities	<input checked="" type="radio"/> Students

Action 3.9 Develop Affordable Housing

Severe Rent Burdens

Description

Continue to support and identify potential affordable housing projects.

Implementation Steps

- Utilize Housing Committee to identify and promote affordable housing projects.

Considerations

- Location of utilities and infrastructure – new build or build to standards.
- Limited amount of desirable or economically feasible land for affordable housing.
- NIMBY’s – areas where affordable housing has not historically been located or increasing the density in a neighborhood that has not seen construction in years.
- Traffic congestion.
- Transportation services required – transit, intersection improvements, etc.

Adoption Timeline ● 1-3 3-5 5-8 yrs **Implementation Timeline** ● 1-3 3-5 5-8 yrs

Magnitude of Impact This strategy increases affordable housing.

Measuring Progress Can be measured by the number of projects.

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

4. Achieving Fair and Equitable Housing Outcomes

Of the twenty-one (21) actions included in the HS:

- Ten (10) may have a high impact on subsidized housing.
- Fourteen (14) may have a high impact on affordable housing.
- Seven (7) may have a high impact on development of market-rate housing.
- Sixteen (16) may have a high impact on development of “missing-middle” housing, which includes ADUs, Duplexes, Triplexes, Quadplexes, Townhouses, and Cottage Clusters. Of these sixteen, five (5) are designed to keep tenants in their rental unit, and ~~one (1) provides opportunity for tenants to purchase a home and own a rental unit to assist with mortgage payment.~~
- Seven (7) may have a high impact on development of single-family housing.
- Nineteen (19) may have a high impact on development of housing for rent.
- Nine (9) may have a high impact on development of housing for sale.

Most of the actions, as described in the HS, may have a high impact on the development or assistance to remain in subsidized or affordable housing. As a group, the proposed actions included in the HS will achieve equitable outcomes in the following ways:

Location of Housing

Many of the actions in this Housing Strategy encourage compact, mixed-use development patterns. These primarily entail economic incentives, partnerships, public awareness, code and zoning changes, including:

- Action 1.1 Donation of Public Lands
- Action 1.2 Infrastructure Partnerships

- Action 1.3 Revolving Loan Program
- Action 1.4 Non-Profit Partnerships
- Action 1.8-9, 3.1-4 Partnership subsidies for rent-burdened tenants.
- Action 3.7 Establish Respectable Mobile Home Parks/Cottage Clusters in Affluent Neighborhoods
- Action 3.8 Accessory Small Square Footage Homes

Adopting these strategies will codify methods Pendleton has used to increase affordable housing and educate developers on how to provide accessory single-family homes increasing density through middle housing types; thereby encouraging more opportunities to live in a mixed housing type neighborhood with services in close proximity. (Figure 3).

Fair Housing and Housing Choice

Several of the actions included in the HS further fair housing goals. They target housing needs of low-income and workforce earners and create housing opportunities in concentrated areas of poverty. These include:

- Action 1.4 Non-Profit Partnerships
- Action 1.6 System Development Charge Deferral
- Action 1.10 Redevelopment of Vacant Townhouses/Plexes
- Action 1.8-9, 3.1-4 Partnership subsidies for rent-burdened tenants.
- Action 3.7 Establish Respectable Mobile Home Parks/Cottage Clusters in Affluent

Neighborhoods

- Action 3.8 Accessory Small Square Footage Homes
- ~~Action 3.5 Rent-Burden Household Ownership for rent-burdened tenants.~~

There is some evidence of residential segregation in Pendleton by income level. Higher income households are concentrated on the north hill, while lower income households are concentrated on the south hill. However, Pendleton has reached its north urban growth boundary, which has led to affluent housing developments in the south area of Pendleton. There are two physical features that create a more apparent distinction between income levels: improved public rights-of-way and lot grade.

This pattern is closely related to the City's historic growth. Areas to the north were developed by the affluent original owners, land sold off or developed for friends and acquaintances and is predominantly single-family homes, many listed on the historic register. The south was developed by owners that desired to reduce their land without being forced to pay for road improvements. The south is also where the industrial factory owners built homes for their labor workers, some of which are on the historic register. Pendleton has several neighborhoods or original owner homes scattered south of the Umatilla River, but the area north of the Umatilla River developed faster. Because the division between affluent and low-income is reflected more in physical features, income is not clearly defined in zoning. Pendleton has several neighborhoods with single-family homes or townhouses built in Low - or - Medium Density Residential zones but in neighborhoods that demonstrate a lower quality home. It is difficult to categorize segregation when considering dense historic neighborhoods also built on a slope with small yards and some having accessory dwellings or flag lot land divisions. Because Pendleton is built within a bowl or valley, many neighborhoods were built to a density that leaves little room for expansion except above garages, some of which held cars built in the

1930's.

The original planners of Pendleton did choose areas that have more slope for High-Density Residential. This included the north shore of the Umatilla River, which places Pendleton's largest natural resource amenity in proximity to multi-family development. They also chose the flat and central land area for Mixed-Use Commercial. Both zones allow multi-family developments. In 2003, Pendleton adopted the Urban Renewal Program, which has opened the potential for redevelopment of the upper stories of historic buildings on Main Street for multi-family. Many have been converted since the Urban Renewal Program's adoption.

Pendleton has some large lots within its south and north hill area that are platted for single-family dwellings. These lots either have complications with utility services or access. They remain vacant waiting for a developer that is willing to build on property with grade and utility and/or infrastructure needs.

In 2022, Pendleton adopted code language to permit Middle Housing in all residential zones. This opened opportunities for rental development on any lot where a single-family home could be constructed and in all neighborhoods.

This pattern is not correlated directly with segregation by race/ethnicity. There is a higher percentage of People of Color in the same neighborhoods as low-income households. If adopted, many of the strategies included in the HS would create new housing opportunities in all residential zones of Pendleton.

Housing Options for Residents Experiencing Homelessness

While several actions in the HS have a moderate or partial impact on residents experiencing homeless, there is one action that would have a high impact on providing housing with mortgage assistance options for residents experiencing homelessness:

- Action 3.5 Rent-Burden Household Ownership

In future updates of the HS, the City should evaluate this strategies effectiveness and other strategies in terms of benefitting populations experiencing homelessness.

Affordable Homeownership and Affordable Rental Housing

Many of the actions included in the HS support and create opportunities to encourage production of housing units for sale and for rent at prices that are affordable to the public, primarily through economic incentives, partnerships, public awareness, code and zoning changes. Many of the strategies focus on maintaining tenants in their current homes. These include:

- Action 1.8 Utility Bill Separation
- Action 3.1 Separate Water Meters in 2-4 Unit Plexes
- Action 3.2 Partnerships for Water Bill Credits
- Action 3.3 Disconnection or Shut-Off Vouchers
- Action 3.4 LIHWA Heat/Water Assistance
- Action 3.6 Credit User Fees

Gentrification, Displacement, and Housing Stability

Many of the actions included in the HS increase housing stability for residents and mitigate the

impacts of gentrification and displacement. These objectives are achieved primarily through land use and zoning changes that facilitate the use of lower-cost housing types, development incentives that reduce costs and fees, and public funded infrastructure improvements that support the renovation and creation of new housing units.

These include:

- Action 1.1 Donation of Publicly Owned Lands
- Action 1.2 Infrastructure Partnerships
- Action 1.3 Revolving Loan Program
- Action 1.4 Non-Profit Partnerships
- Action 1.5 Downtown Redevelopment
- Action 1.6 System Development Charge Deferral
- Action 1.7 Reimbursement Districts/LIDs
- Action 1.10 Vacant Townhouses/Plexes
- Action 3.5 Rent-Burden Household Ownership

As the City measures and considers the magnitude of the actions included in the HS over time, it should continue to assess equity goals and engage persons at risk for displacement. This work should include prioritizing actions that directly address the needs of vulnerable populations as well as mitigating any strategies that have been determined to have little or no results in improving housing.

Appendix A: Housing Needs Analysis (2019)

See attached 2019 FCS Housing Needs Report (64pgs)

Contextualized Housing Need Summary

Pendleton began research on its housing need in 2011. Winterbrook Planning wrote several technical memorandums prompting the update of the Comprehensive Plan through Periodic Review. These memos referenced the Sabino Community Development Resources research on analyzing Pendleton's housing market. Sabino's analysis was not completed until 2016. In 2012, Pendleton hired Pendleton Solutions Housing Group to determine Pendleton's true residential buildable lands inventory. Pendleton is built inside a bowl, hillsides on the north and south with the Umatilla River dividing. A levy was constructed to protect the flat downtown area from flooding. Residences are constructed on the hillsides. Pendleton is nearing its slowest development stage as there are few tracts of land remaining that are not impacted by: 15%+ steep grades, basalt rock outcroppings, and/or extension of public utilities and city streets. The combination of these deterrents has discouraged developers from considering Pendleton. The City requested an inventory to eliminate those lands that depict severe slope to get a clear picture of lands available.

Sabino took the buildable lands inventory and the data that they gathered in 2011 to create the 2016 Analysis of the Housing Market. Sabino found that Pendleton's housing market lacked entry and mid-priced dwellings. Most residents were interested in upgrading to a bigger or nicer home priced around \$225,000 or slightly less (pricing as of 2011). The analysis showed a slight need for 15 condos/townhouse units and 35 mid-range dwellings. Rental property had a greater need. Most were looking for family sized rentals, two- or three-bedroom units. Rental stock quality was the greatest deterrent for available rental spaces. Pendleton's estimated rental needs were 50 moderately-priced units and 20 higher-end rental units. In 2016, Sabino updated the analysis and determined that housing quality appeared to be a bigger factor than quantity. Pendleton lacked 160 new housing units at all levels, most being high-end, and 100 moderately-priced rental units with 25 higher-end rental units.

Winterbrook Planning analyzed the population projection, the buildable lands inventory, and land needs to meet the projected growth. They determined that Pendleton has adequate land to accommodate growth through 2033. Pendleton needs 470 acres to accommodate its housing shortage. Pendleton has 868 acres of vacant buildable lands and 181 acres of infill land.

In 2019, Pendleton again performed a Housing Needs Analysis. The HNA showed Pendleton will increase by 1,157 people over the next 20 years creating a demand for 497 dwelling units. Combined with the pent-up need of 373 multi-family units, Pendleton will require 870 dwelling units. 274 units ranging from a very low mortgage payment to upper mortgage payment (\$1,743+). Renter-occupied units were the remaining 596 units, most falling within low (\$726-\$1,162) and extremely-low (\$436-) rents. The adjusted buildable lands provided 734 acres, subtracting lands with: 25% slope or greater, non-serviceable land, lands within the floodplain, deduction for parks, schools, and roads; and incorporating mixed-use areas. Most of the land available in Pendleton is within the Low-Density zone. Five methods were analyzed to conclude that Pendleton's UGB is adequate. Housing policies were suggested. The strategies listed in the Housing Strategy Report incorporates most of the suggested policies and includes others that have become common practice when meeting with developers.

Appendix B: Housing Committee Draft Strategies

Memo

The Housing Committee made a commitment to increase housing by 50 homes annually since 2017. COVID affected this goal, as did a slow construction market pre-2020. Pendleton has seen a tremendous growth in the construction of single-family, market multi-family, and affordable housing post COVID. This has provided 400+ housing units that will be available in 2024. The City has worked with developers to make these projects happen.

The Housing Committee encourages the City Council to consider adoption of the housing strategies that resulted in 9 housing projects plus 2 other potential projects. The Committee also requests consideration to recommend at design meetings the concept developed by Mr. Takeyama, who brought a housing solution for rent-burdened families to purchase their own home.

Successful Strategies:

- Land Donation.
- Infrastructure partnerships – City works to build full streets or extend utility lines either through Reimbursement Districts or Non-Profit Partnerships.
- Utilize the Urban Renewal Program to continue adding apartments above ground floors in the Historic Downtown.
- Reimbursement District – City contracts out construction of utility extensions which are paid back as lots are sold. Also allow the deferral of city street improvements until entire neighborhood is built out.
- System Development Charge Deferral – City extends out the payment of SDC's for up to 20 years to relieve immediate finance cost.
- Urban Growth Boundary Exchange – City works with the State to exchange land inside city limits owned by uninterested landowners to bring in land that may be easier to develop for housing.
- Non-Profit Partnerships – form partnerships with organizations that can receive government funding to build affordable housing, utility bill assistance, LIFT program, and crediting user fees.
- Infrastructure Partnerships – City recognizes that development occurs in phases leaving land available for development provided utility lines are installed to a dimension that allows continued development; however, current developer only needs to install utilities that will serve their development. So, City will absorb the cost to upsize the lines to encourage development beyond current project.
- Takeyama – encourage construction of duplexes that are affordable for rent-burdened persons to purchase as a home, giving opportunity to rent out second unit as a means of meeting mortgage payment. **April 4, 2023: Housing Committee does not recommend encouraging this type of development as it may be difficult for the owner to evict a non-paying or bad behavior renter.**
- Other Options:
 - Revolving Loans to help finance infrastructure needed for housing development.
 - Vacant Townhouses/Plexes that are experiencing a no-rent income due to blight, working with owners to either rehabilitate or sell the property to a contractor willing to flip the

unit.

- Cottage Cluster development that constructs a group of smaller homes on one lot with a small garden-community based relation.
- Small square footage homes – encouraging owners of large lots to build accessory dwellings and rent out.

Appendix C: Housing Committee Minutes Recap

2020: The Committee discussed the draft housing policies, asking the Secretary to add "as defined by HUD" to the end of the proposed definition for affordable housing and to add "Consider OHSC Project Boost Criteria for the Low-Income Housing Tax Credit program" under Strategy 1: Develop Affordable Housing. The Committee approved the Draft Housing Policy Strategies and ask that George Cress forward the strategies and the Housing Needs Analysis to the Planning Commission for a recommendation to adopt. The Oregon Housing and Community Services updated Housing Qualified Allocation Plan, which explains how the State will allocate grants and tax credits from the Federal government toward affordable housing projects. The program will need strong partnerships between local organizations (e.g. CAPECO, the Umatilla County Housing Authority) to be competitive for grant funding for affordable housing projects. It also emphasized a focus on creating systems to connect residents with local social services.

The Housing Committee discussed record low interest rates bringing in new housing. Pendleton is seeing an uptick in housing that may bring Pendleton back into its average growth rate. Migration is coming from retirees returning to their hometown and people exiting metro areas. The real estate market cannot meet the demand and there is less than a month's supply of properties for sale.

The City is looking at land available and encouraging subdivisions. The City is negotiating with a property owner to develop an area between Interstate 84 and the south hill water tower. It would be beneficial to find a buyer for the area off SW 12th and Nye, but this area has some serious topographic challenges. Three apartment complexes are in various stages. A topic at the May 5th, 2020, Council meeting was discussion on rent-burdened households. Housing rehabilitation grants were discussed, and the after effects from the 2020 flood were also deliberated. Flood damage to many homes has exacerbated the need for affordable housing, whether temporary until owner's home is repaired, or relocation due to uninhabitable homes.

Following the flood, the City attempted to purchase the mobile home park that experienced the worst of the flooding to rebuild and re-establish. The property owner opted to sell the park to a private party. CAPECO is working with FEMA and the City to provide temporary housing for the flood victims.

A fourth multi-family project is underway. The City is in discussion with a prospective low-income housing development. Supply shortage is causing housing to decline.

2021: The Committee would like to see 50 housing units built per year. Pendleton is currently averaging 50 per year for the last four years with the 77 units built in 2020. The multi-family projects continue to move forward. Some are in initial stages while others are under actual construction. Zoning continues to move forward on Middle Housing code language.

The Committee voiced concerns around the reduction in parking under Middle Housing because Pendleton is built on hills and most of its citizens have vehicles. There is contention between property owners and on-street parking. Also, code changes may affect housing projects that are beyond the design stage or cost estimate stage but not under construction.

Housing construction is slow; however, the multi-family projects continue to move towards construction or completion. A potential subdivision has been broached with the Community Development Department. The discussion is circling around utility extensions. Planned subdivisions are in the design stage and topography is the main problem.

The City is working with Westgate Apartments to move forward. The City donated this land to the developer. The developer has submitted civil plans. He is experiencing finance difficulties because of COVID and changes with banking financing. He is inquiring on what other assistance the City can provide to help since costs are escalating. The City is also working with the Rees-Goad proposal. This development is years away and will require rezoning, master planned public utilities and road construction. Wildflower is moving forward, and the City is formalizing the land sale, which was reduced in cost due to the partnership on the construction of SW 18th Street having not been fully paid by the original purchaser. The primary single-family developer in Pendleton has been approached by the City to find a potential location for a new subdivision. This is in discussion. The City has a “prime land” shortage. Most development has already occurred on the flat land. Pendleton is left with the steeper land that has utility and road issues, or the City is against the Urban Growth Boundary. It would be beneficial if the UGB could be expanded to areas that are flat, that land surrounding Pendleton. The South Hill Commons project off SW 15th did not receive funding, but the application remains in consideration. The City is working with a potential build area, getting utility lines looped to meet pressure demands.

Pendleton is struggling with industry shutting down production due to a lack of workforce labor. COVID construction delays are hitting Pendleton late, so the City is in a slump right now. Pendleton’s Economic Director spoke at the HC meeting to discuss what type of housing our industry labor will need. The Mayor provided a more optimistic viewpoint. In 2011, the City knew there was a problem. The City co-chaired the first formal study for housing with Kim Travis of Oregon Housing and Community Services. One of the items discovered was no outreach was performed. The City wasn’t talking to the developers and landowners and wasn’t doing anything to attract them. The Housing Development Summit held at the Convention Center 4 years ago was a direct outcome of that. The City has a tight Urban Growth Boundary, and Pendleton is a rocky river valley that’s costly to develop, however, City staff is working on this. The City reached out to develop an area that might bring 100 housing sites, if a developer is willing. The City needs to continue to be creative and groups like this need to continue to meet. An Urban Growth Boundary Bill was recently approved and is tied to affordable housing. The City can extend the UGB by 40 acres. Last year was discouraging because of COVID restrictions, which hurt financing, but a goal was set to have 50 new housing units a year, which came from the 2019 Housing Study. This year there may be as many as 200.

The City’s problem is not developers that do not want to come here and develop. They like Pendleton and want to develop here. The Housing Summit was a good idea and exposed the City to some new developers. Developers have been coming here for years. Our problem is land availability that is easy to develop, appropriately priced, and doesn’t have multiple owners. When the State of Oregon does a land inventory, if there are more than two landowners they don’t even count it as on the market. The handful of properties available have multiple owners. The problem is the land. The problem is these landowners look at what people are getting for their land in Hermiston where it’s flat and sandy and think since they’re getting a certain price for their land, they should get the same. They don’t recognize that the cost to build in Pendleton is going to be twice as much as it is in Hermiston because it’s rocky and steep.

South Hill Commons has been funded. Wildflower and Pratt have obtained building permits, 113 housing units. A developer is replatting a completed subdivision to add more housing. This might provide 8-10 additional homes. Real estate market cannot keep up. The Mayor stated that the City has put out word that if a development needed infrastructure improvements, the City would work towards making this happen. The City discussed removal of blighted homes by purchasing and flipping these homes. The Committee determined that the City should not get into the market of flipping houses; there are plenty of contractors that are willing to do this.

Staff presented notes from a housing strategy webinar. The Committee continued discussion on removal of blighted housing. The Committee heard an Oregon Housing and Community Services presentation on

rural housing programs. The Committee discussed economic incentives to prompt restoration of blight homes. The Rees/Goad project is before the legislation for funding. The City continues to work on installing public utilities on the Rees/Goad property.

2023: HB2003 is specific to creating policies and strategies to develop different housing types. Staff has compiled a strategies and policies worksheet and added a rating system designed by the State. Staff must rate the strategies and policies according to the State rating system. Once staff has completed the worksheet, it will go to the Planning Commission and City Council to be adopted.

Zoning gave an update on HB2003 and HB2001: Pendleton's Housing Strategy implementation was separate from the original zoning changes. These changes will affect affordable and low-income housing; once the final draft is available, it will be sent to the Planning Commission and City Council for approval.