Housing 101: Demystifying Subsidized Housing for Transportation Planners

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Today’s Focus

- Transportation and housing systems, side by side
- The language: some useful definitions
- Follow the money
- The anatomy of a project: The Knoll, Tigard
- Planning affordable housing
- Parting words: Opportunities for collaboration
Different Characteristics

- Public sector domain
  - Planned & orderly
  - Long-range
  - Place-specific

- Public & private
  - Mixed and sometimes contested domains
  - Entrepreneurial
  - Opportunistic
  - Need-driven, not place-specific

Transportation

Housing
Language of Housing

**Affordable Housing**
- Housing for which residents pay no more than 30% of income for housing costs
- Often means subsidized housing

**Subsidized Housing**
- Housing built with the assistance of housing subsidies
- Technically, owner-occupied housing is subsidized

**Public Housing**
- A particular type of housing owned & managed by local housing authorities
- Sometimes conflated with subsidized housing
Two-Tier Housing System

“Unsubsidized” housing
- Provided by the market
- Source of pride & wealth
- Example: Single-family detached home

Subsidized Housing
- For those who can’t afford market-rate housing
- Stigmatized
- Example: Public housing
Where Does Money Come From?

- **Nationally**
  - HUD: US Department of Housing & Urban Development
  - Low Income Housing Tax Credits: IRS allocates to states. In Oregon, OHCS allocates to developers
  - Rural Development: Communities < 10,000

- **State: Oregon Housing & Community Services**

- **Local**
  - Not many cities or counties contribute $
  - Tax increment financing in Urban Renewal districts
  - Bonds (City of Portland)

- **Lenders**

- Foundations, donations, fundraising
## HUD Money

### Public Housing Operating Subsidies
- 22 Housing Authorities in Oregon
- [http://orhousing.authorities.org/](http://orhousing.authorities.org/)

### Special Purpose Grants
- HUD 202: Senior Housing
- HUD 811: Housing for persons with disabilities
- Many others
- HUD NOFAs

### Entitlement Grants To Localities
- HOME
- Community Development Block Grant: *Not used for new housing construction*
- Emergency Shelter Grant
- Housing for Persons with Aids
HUD Grants to Jurisdictions in Oregon 2010

- HOME
- CDBG
- ESG
- HOPWA

- Other Places
- PDX
- State
Role of Local Jurisdictions

- “Participating Jurisdictions” for HOME
  - 6 plus Balance of State
    - Portland (Mult Cty & Gresham), Clackamas Cty, Washington Cty (Beaverton), Salem/Keizer, Eugene/Springfield, Corvallis

- Allocate and administer HOME funds
  - Extensive federal HOME regulations
  - Each jurisdiction has its own process, timetable
  - Monitors projects throughout affordability period

- Prepare Three to Five Year Consolidated Plan
Role of Oregon Housing & Community Services

- Administers HUD resources for the “Balance of the State”
- Lender for affordable housing
  - Single-family (homeownership)
  - Multi-family
- Administer Federal Low Income Tax Credit Program (LIHTC)
- Manage state housing policy
State Money & Tax Credits

Low-Income Housing Tax Credits

2 types

1) Competitive, value of equity approximately $60 million annually. Equity covers about 65% of total costs.

2) Tied with tax-exempt bonds. Even more market driven. Equity covers about 22% of total costs.
State Funds

- Trust Fund and Document Recording Fee

Established in 1991 and 2009 by legislature to facilitate the creation and preservation of affordable housing

Applications through Consolidated Funding Cycle (Annually in April)
Who Builds Affordable Housing?

- For profit developers
- Not for profit Community Development Corporations and special needs agencies
  - Oregon Opportunity Network: 39 member CDCs
  - 15,000 units; 13,000 rental
  - $1.5 billion investment
  - Largest CDCs
    - Northwest Housing Alternatives: 1,750 units
    - Innovative Housing: 1,439 units
    - Central City Concern: 1,393 units
    - REACH: 1,356 units
How Housing Gets Built

- Grants & Patient Debt
- Tax Credits
- Bank Debt
What Does Housing Cost?

- It depends…
  - Price of land
  - Environmental & other conditions
  - Type of development
  - Size of development
  - Local variations in construction costs
  - Complexity of financing

- Range in Oregon in 2010
  - Low: $73,000 per unit in Wallowa
  - High: $275,000 per unit in Portland
Anatomy of a Local Project
The Knoll, Community Partners for Affordable Housing

Housing for Older Adults in Tigard
Location, Location, Location

Walkscore: 77
(Proximity to amenities, downtown Tigard)
• 48 affordable senior units
• 12 set aside for veterans
• Elevator, universal design principles
• Pedestrian, transit–friendly location
• Catalyst for downtown development
• Significant street & sidewalk improvements
• Cutting edge sustainability features
The Knoll: Timetable

- First funding application October 2005
- Site control (this site) October 2008
- Construction Began in April 2010
- Leasing Begins January 2011
- Completion April 2011
Funding: $10 M

- Oregon Housing & Community Services ($2 M) from federal stimulus bill
- Washington County Community Development
  - HOME ($1.5 M); CDBG ($450K)
- Washington County Housing Authority (vouchers)
- Metro TOD Grant ($150K)
- City of Tigard
- JP Morgan/Chase (Construction Lender)
- Enterprise (LIHTC Investor $5.7 M)
- NOAH (Permanent Lender $1.6 mill)
Sustainability: Greening Our Urban Core

• The Living Wall
  • Passive solar tool
  • Iconic design element
  • Access to nature
• Rainwater collection for re-use
• Energy efficient, durable envelope & finishes
• Energy efficient appliances
• Indoor air quality
Consolidated Plans
- Prescribed by HUD
- Three to five year time horizon
- Housing market analysis & needs assessment
- Priorities, benchmarks (unit production by type), related actions

Annual Action Plans: Allocation of funds to specific categories or projects (May)

Annual Report: CAPER (September)
Planning by Oregon Housing & Community Services

- State-wide Consolidated Plan
  - “Balance of State” HOME and CDBG funding
  - Five-year plan
- Qualified Allocation Plan
  - Low Income Housing Tax Credits
- Prioritization of Housing Needs for Each County
  - Quantitative analysis of housing needs
  - Updated annually
  - Used in Consolidated Funding Cycle
  - Based on estimate of “unmet need”
Ideas for Better Coordination

- Get involved in state and local Consolidated Planning processes
  - Geographic targeting
  - More points for transit-oriented development
- Seek out housing planners/developers during transportation plan development
- Work with developers on specific projects
  - Housing lead: Transit, street improvements
  - Transportation lead: Surplus land disposition
- Long term planning: joint planning of transportation improvements & subsidized housing
  - Key is control of land by public entity
Place-Making: Transportation & Housing

- Use land use planning & transit access as criteria for affordable housing
- Make land use & housing investments that optimize transit investments
- Design “complete streets” near affordable housing to promote alternative transportation modes (affordable mobility options)
- Development-oriented transit
  - Consider existing and proposed affordable housing in locating transit stops, highway speeds, amenities