

# HOUSING RECOVERY

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The Challenges & Opportunities for Developing Housing



source: New York Times

# POST CRISIS

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- What happens after a major crisis related to shelter/housing?
- What are the basic steps to developing housing?
- What has the City done?
- What else can we do?

# CRISIS RESPONSE

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- During Emergency – evacuation, shelter, incident stabilization
  - Local & county government
- Immediately After – food, clothing, shelter, medical, trauma response
  - Local & county government, OEM (Red Cross)
- Interim (*timeline not defined*) – stability, basic needs, transition to long term housing
  - FEMA trailers, OEM hotels, TURA Gateway Phase I
  - *Where do people go after interim? Who pays to replace temp property to previous condition?*

# BASIC STEPS TO DEVELOPING HOUSING

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- **Land**
- **Infrastructure** – water, sewer, electricity, Internet access, foundation
- **Housing** – structure (*above ground, what you can see*)
- **Management** – multi-unit development
- **Also (~80%)**: development concept, feasibility study, market analysis, site selection, due diligence, negotiations, site planning, environmental issues, **permitting (city's role)**, financing, project design, entitlements, liability, construction, operation or sale

# CHALLENGES & OPPORTUNITIES

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- **Land** – availability, cost, private decision, bidding wars, insurance (*disincentive*), cost to replace
  - Make land available through change to Code, broker convos, advocate, use city land(?)
- **Infrastructure** – cost of the “unseen stuff,” geotechnical issues w/ fills
  - Possible funding from State Legislature (need to make specific ask)
- **Housing** – cost of “seen stuff,” availability (backlog on manufactured homes is 2-3 years)
  - Donated units, 3D Housing, partners (HAJC, CASA, Rogue Retreat...)
- **Management** – responsibility, liability
- **Challenges** – Who pays difference between market rate & inflated costs? Financing for some types of housing. Impact on insurance rates (for use of city land)

# INPUT FROM HOUSING PARTNER

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- **Site acquisition difficult** – even pre-fire, difficult to find developable land (*need access to more land*)
- **Owners not willing to sell / unreasonable price point** – higher than appraised value (financial feasibility)
  - Multiple contracts fell through; owners “not yet ready to get serious” (asking \$19/sq. ft. → appraises at \$7-9/sq. ft.)
  - Owners of burned properties receive insurance (~for 12 months) – lose insurance revenue if sell early
- **Unreasonable owner asks** – sell without due diligence/Phase II (*liability, lending issues*), \$\$ just to negotiate!
- **Need funding** – Oregon Legislature considering allocations (*increases owner expectation*)
- **Regulatory / permitting issues** – while municipal permitting resolved, floodplain permitting still slow
- **Housing stock not available** – manufactured homes have 2-3 year backlog (*result of COVID and demand*)



# STEPS TAKEN BY THE CITY

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- **LAND**

- Updated Municipal Code & consideration of use of City property


- **INFRASTRUCTURE**

- Improved security for construction materials – funding to increase patrols in construction areas

- **HOUSING**

- Identified potential housing sources – offer of Manufactured Housing, 3D homes

- **PERMITTING**

- Increased capacity – hired more staff and consultants, trained volunteers (Rapid Rebuild), increased staff response to calls
  - Overcame barriers in processes – Executive Order for rapid review, improved process, floodway buffer, floodplain reviews
  - Reduced fees – waived 2/3 of standard fees
  - Seeking additional grants & leveraging resources – MWAP, ADU designs (Medford), IGAs, partnerships
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# ANALYSIS FOR DEVELOPMENT STRATEGY

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- Who is in need of affordable housing? (income levels, demographics, etc.)
- What type of housing is needed? (rental, owner-occupied, family, elderly)
- What quantity of housing is needed? What are the current market conditions?
- Are there special needs? (accessibility, bedrooms per unit, amenities)
- What sites are available? Where are the best sites and what restrictions?
- If site publicly owned, will property be sold or leased? Who will be the developer?



# SAMPLE DEVELOPMENT TIMELINE

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- Project Concept: 5 - 30 weeks
- Feasibility & Environmental Studies: 15 - 30 weeks
- Design, Financing & Planning: 20 - 40 weeks
- Construction: 45 - 95 weeks
- Rent/Lease & Operations Start Up: 5 - 20 weeks

TOTAL: 90 - 215 weeks

# NEXT STEPS FOR THE CITY

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- **Land use flexibility** – Code update, allow for multi-family Resident in Commercial Zones
- **Continue staff development & stability** – hire skills, invest in training/licensing (*Notary, CFM*)
- **Continue to problem solve & overcome barriers** – Code updates, floodplain survey
- **Continue to pursue funding opportunities** – secured MWAP, submitting LOIs & others
- **Continue to identify & leveraging resources** – ADU designs, philanthropy
- **Revisit permit fees** – verify staffing & org needs met; document decisions
- **Long term planning** – analysis for development strategy, resiliency building, regional TGM

Questions?

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