



**City of Albany**

**Pathways to Removing Obstacles (PRO) Housing**

**2024 GRANT APPLICATION**

**To Remove Barriers to Affordable Housing Production**





**City of Albany**  
**Pro Housing Grant Application Narrative**  
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## City of Albany, Oregon

### EXHIBIT A: EXECUTIVE SUMMARY

The City of Albany, Oregon, a CDBG Entitlement grantee, is requesting a Pathways to Removing Obstacles to Housing (PRO Housing) grant of \$2,500,000 from the Department of Housing and Urban Development (HUD). The grant will help Albany address a severe shortage of housing affordable to households below 100 percent of the area median income (AMI), by removing land use barriers to housing, identifying and addressing barriers to fair housing choice, and incentivizing the construction of new affordable housing units.

The PRO Housing Project will build on recent efforts taken by the City of Albany to identify and overcome local barriers to increase housing production as identified in the 2023 Housing Implementation Plan (HIP), and address needs identified in the City's 2020 Housing Needs Analysis and 2023-2027 Consolidated Plan.

The PRO Housing grant will:

1. Help the City remove barriers to equitable housing production by implementing strategies in the 2023 HIP and identifying other barriers and solutions to accelerate the City's affordable housing supply and ensure it is diverse, attainable, and equitable.
2. Enhance local capacity to increase affordable housing supply. Establish the Affordable Housing Fund to facilitate the production of affordable rental and homeownership housing by providing pre-development capital, matching grants or revolving loans to incentivize property acquisition, infrastructure improvements, and construction or renovation of affordable housing.

As a HUD Entitlement City, Albany works with affordable housing developers and area agencies to identify and address housing needs through limited CDBG resources. While the City is working to adopt financial and other incentives for affordable housing development, gap funding is needed to develop programs that will address immediate housing needs.

The total activity costs are estimated to be a minimum of \$6,577,400. The entire PRO Housing grant of \$2,500,000 will be put into the new Affordable Housing Fund to allocate to subgrantees for new affordable housing. City staff time, annual CDBG grants, Oregon Senate Bill 5561, and anticipated City contributions to roads will provide a match for PRO Housing funds. Additionally, the PRO Housing fund subawards will require a minimum match of one-to-one by housing developers. The results of this grant will further the following strategic plan goals of the Department of Housing and Urban Development:

- **Support underserved communities and equitable community development** by promoting housing development in all areas of the City including well-resourced areas and "Climate Friendly Areas".
- **Advance housing justice** by supporting agencies that provide housing for vulnerable and underserved communities of Latino/e/x heritage, residents of color, and low- and moderate-income residents.
- **Reduce homelessness** by supporting development of permanent supportive housing.

- The Housing Fund will directly **increase the supply of affordable housing** by incentivizing new units. Staff estimate a minimum of 200 new units would be constructed within the project timeline, **which represents a 33 percent increase** from Albany’s current supply of publicly supported affordable housing units.
- **Advance sustainable communities** by supporting housing in new Climate Friendly Areas near transit, services and employment, and promoting energy efficiency housing, promoting environmental justice, and recognizing housing’s essential role to health.
- **Promote and advance sustainable homeownership** by supporting down payment assistance programs, land trust projects, and property acquisition and development for home ownership projects.

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## City of Albany, Oregon

### EXHIBIT B: THRESHOLD ELIGIBILITY REQUIREMENTS

1. Resolution of Civil Rights Matters. The City of Albany has no outstanding or unresolved civil rights matters as of September 10, 2024.
2. Timely Submission of Applications will occur by the 10/15/24 deadline.
3. Eligible Applicant. As a local government, the City of Albany is eligible to apply for the PRO Housing grant, per Section III.A as 02. The City is a CDBG Entitlement jurisdiction.
4. Number of Applications. Albany is submitting one PRO Housing application.

#### Eligibility Requirements for Applicants of HUD's Financial Assistance Programs

- Universal Identifier and System for Award Management (SAM.gov) Requirements: The City of Albany has an active registration in SAM.gov. The City of Albany UEI is ZBCVCUBFETA2.
- Outstanding Delinquent Federal Debts: None as of the application submittal.
- Debarments or Suspensions, or both: None as of the application submittal.
- Mandatory Disclosure Requirement: Applicant Disclosure Report Form 2880 submitted with the application.
- Pre-Selection Review of Performance: The City of Albany does not have delinquent federal debt of the type described in 31 U.S.C. 3720.
- Sufficiency of Financial Management System: The City of Albany has been a CDBG Entitlement jurisdiction since 2013. The most recent on-site monitoring of the CDBG program in April 2024 had no findings or concerns related to the sufficiency of the City's financial management systems.

#### IV.G. 1. Standard Application, Assurances, Certifications and Disclosures

The following Webforms will be submitted through Grants.gov:

- Application for Federal Assistance (SF-424)
- PRO Housing Assurances and Certifications (HUD 424-B)
- Applicant Disclosure Report Form (HUD 2880)
- Certification Regarding Lobbying (Lobbying Form)
- Disclosure of Lobbying Activities. The City of Albany does not have any lobbying activities to disclose.

#### IV.G. 2. Other Program-Specific Requirements

- a. Limited English Proficiency (LEP). The City of Albany makes documents and meetings available in requested languages and formats in compliance with 72 FR 2732.

b. Accessibility. Albany City Hall and council chambers are accessible to persons with disabilities and additional accommodation is made on request.

c. Environmental Review. The City of Albany will comply with 24 CFR Part 58 and will assume responsibility for Environmental Review Record, certification, and HUD approval of the Request for Release of Funds.

d. Affirmatively Furthering Fair Housing. The City of Albany has an adopted Analysis of Impediments to Fair Housing Choice and Plan and reports on activities annually in the CAPER. The proposed grant activity will remove barriers to low-income housing and housing for Albany's minority residents.

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**City of Albany, Oregon**  
**EXHIBIT C. NEED**

**V.A.1.a. NEED (Maximum 35 points)**

*HUD will prioritize applicants that demonstrate: (1) progress and a commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation, primarily by having enacted improved laws and regulations; and (2) an acute need for housing affordable to households with incomes below 100 percent of the area median income.*

**i. Demonstrate your progress and commitment to overcoming local barriers to facilitate the increase in affordable housing production and preservation.**

**a. Improved laws, regulations, or land use policies (10 points)**

For the last five years, the City of Albany has been identifying regulatory barriers to housing production and evaluating solutions and strategies to remove barriers to affordable housing production and preservation.

In 2020, the City of Albany completed a buildable lands inventory and adopted a Housing and Residential Land Needs Analysis (2020 HNA) that determined the City’s land and housing needs to 2040 and updated land use policies. The City is projected to need between 4,000 and 5,000 new housing units for residents earning less than 100% of the area median income (AMI). The types of housing needed include subsidized, Housing Choice Voucher eligible, manufactured homes, older housing, 2-4 plexes, smaller homes, townhouses, and apartments.

In response to needs identified in the 2020 HNA, the City of Albany launched the [Expanding Housing Options](#) project to diversify its housing stock by allowing more variety of housing types in more locations and to comply with 2019 Oregon House Bill 2001, which requires cities of 25,000 or more to allow “[missing middle housing](#)” types further described below. More than two-thirds of Albany’s housing units are detached single dwelling units and one fourth are apartments, with very small amount of attached middle housing. (2022 American Community Survey, ACS)

Land use and zoning regulatory barriers removed since 2020 to expand housing choices and streamline needed housing production:

- Streamline residential land use permitting process, January 2021. Established clear and objective standards for residential development by making residential developments an outright use – with many housing types needing only a building permit. This reduced the process time by 4 to 8 or more weeks.
- Allow “missing middle housing” types and cottages with no maximum density. In December of 2021 the City updated its code to allow **duplexes, triplexes, quadplexes, townhouses, and cottage clusters outright** (with a building permit) in areas zoned for detached single family housing. *Since a majority of the City’s vacant residential land is for low-density detached units, this activity greatly increased the types of housing allowed throughout the City, including in well-resourced areas.* The City of Albany held numerous focus groups with diverse residents, nonprofit leaders, local developers, builders, realtors and lenders for input on the project and design standards. To date, the City has seen an increase in applications for townhouses, plexes, and small cottages.

- Remove minimum size requirements for manufactured homes in single-dwelling unit zones, January 2023. Manufactured homes can be a more affordable home option.
- Removed parking minimums/requirements for all developments, July 1, 2023. This was done to comply with Oregon’s Climate Friendly and Equitable Community rules and to remove a barrier to affordable housing and provide opportunities for redevelopment of parking lots in high opportunity areas. Former parking requirements effectively reduced the number of units that could be built due to land needed for parking.
- Increased building heights and densities for affordable housing, July 2024.
- Allow Single Room Occupancy (SRO)/Micro-units, July 2024. The City of Albany allows 4 to 6 SRO/micro units in one building that share a kitchen as a single dwelling unit outright with a building permit. These units are also allowed as apartments. Allowing these micro-units implemented a strategy in the City’s Housing Implementation Plan.

Zoning changes to increase the supply of medium, high-density, and mixed-use land, July 1, 2023. The City of Albany adopted the East Albany plan that rezoned/designated a substantial amount of land from low-density to medium and high density residential, and mixed-use to allow for more variety of housing types and densities in areas of opportunity and access to services, amenities, transportation, and jobs.

The City of Albany formed the [Housing Affordability Task Force \(HATF\)](#) in 2021 to build upon the Expanding Housing Options project with the purpose of identifying and evaluating strategies the City can implement to remove barriers to the production of affordable and needed housing. The priority strategies and recommendations were included in Albany’s [Housing Implementation Plan \(2023 HIP\)](#), adopted June 30, 2023. The 2023 HIP adoption included updates to the City’s housing policies in the [Albany Comprehensive Plan](#). The City is working on development code/zoning amendments to remove barriers such as minimum area requirements for multi-family, removing density limits in the City’s medium and high-density zones, and incentivizing smaller houses and townhomes.

**b. Other recent actions taken to overcome barriers to facilitate the increase of affordable housing production and preservation (5 points)**

- Reduced Development/Impact Fees. In 2022, the City of Albany reduced systems development charges (SDCs) for smaller dwelling units by scaling fees to house size to reduce the costs to construct smaller homes.
- Climate Friendly and Equitable Communities Project. In 2023, the City of Albany evaluated mixed use urban areas throughout the City near transit for their potential to be “City Climate Friendly Areas” (CFAs). Climate Friendly Areas (CFAs) are places where people can live, work, and meet many of their daily needs without having to drive. Enabling more affordable housing choices throughout the Albany, including in well-resourced areas near transit, services, and employment, will increase the opportunities for residents to find housing that suits their needs.
- Affordable Housing Rehabilitation. The City invests annual CDBG funds into a housing rehabilitation revolving loan fund to rehabilitate homes owned and occupied by low-and moderate-income residents. Funds have also helped renovate publicly supported affordable multi-family units. This program is helping to preserve some of the City’s older and naturally occurring affordable housing.

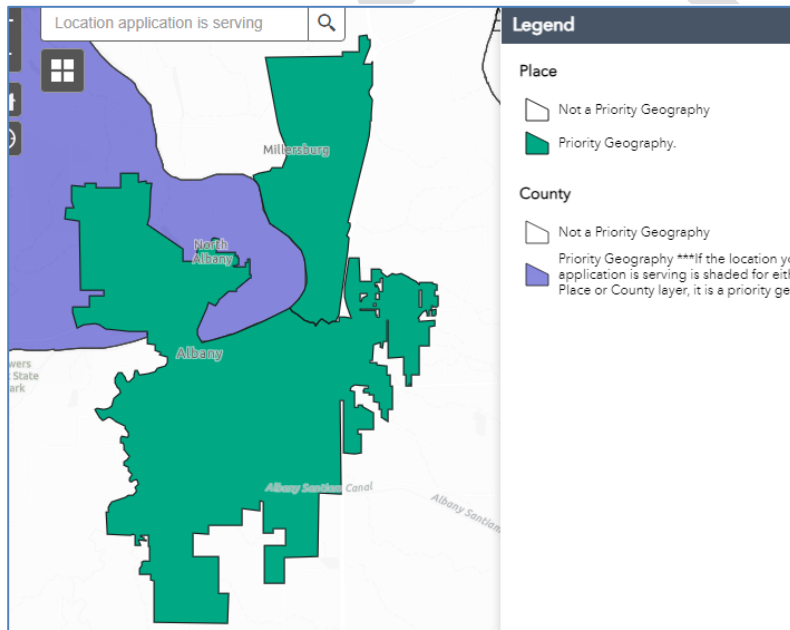


- CDBG and State Funds for Affordable Housing and Homelessness. The City of Albany allocated CDBG and a one-time allocation of \$1,000,000 from Oregon Senate Bill 5561 to support the construction of Albany’s first tiny home village, Habitat for Humanity homes, expansion of a youth shelter, and a future affordable housing development for farmworkers and other low-income residents.

**ii. Acute Demand for Affordable Housing (10 points)**

The City of Albany is a HUD priority geography for affordable housing needs due to its Offpace factor exceeding both the National and State thresholds.

Jurisdiction	or	Geo grap hy	Housing Affordability Factor (HAF)	HAF National Threshold	HAF State Threshold	Housing Problems Factor (HP)	HPF National Threshold	HPF State Threshold	Offpace Factor	Offpace National Threshold	Offpace State Threshold
Albany city		Yes	1.249611	2.069333	5.000000	0.263967	0.428937	0.430235	0.129747	0.107911	0.593304



Albany’s affordable housing developments are not keeping pace with population growth or demand. Albany has an insufficient supply of affordable housing. Albany has less than 600 publicly supported affordable housing units for a 2023 population of 57,997. Albany is projected to need between 3,000 and 4,300 units for households earning 80 percent or less of area median income (AMI) – representing 45% of all new units, and another 1,300 to 1,800 for households earning between 80 and 120% of AMI. See Table 1 on the next page. Albany has about 550 publicly supported affordable housing units and about 950 households are utilizing housing choice vouchers.

Underutilized Housing Choice Vouchers. In June 2024, roughly 1,125 Albany households were on the housing authority’s housing choice voucher waiting list. However, due to high market rents and lack of appropriately sized units, many households are unable to find the housing they qualified

for, and many vouchers go un-utilized, and residents go to the bottom of the wait list to start over.

**Table 1. 2020-2040 Housing Needs by Income and Average Annual Growth Rate (AAGR)**

Household Income	1.3% AAGR	1.7% AAGR	Share of Units	Common Housing Types
< 30% AMI	869	1,223	13%	Subsidized, vouchers
30-50% AMI	833	1,171	12%	Older rentals, subsidized, vouchers
50-80% AMI	1,356	1,899	20%	Apartments, middle housing, older detached, manufactured homes
80-120% AMI	1,310	1,826	19%	Townhouses, small homes, new apartments
Over 120% AMI	2,362	3,278	35%	Single detached
<b>Total</b>	<b>6,730</b>	<b>9,398</b>	<b>100%</b>	

**Widespread housing cost burden or substandard housing.**

Housing cost burden continues to increase as housing prices continue to increase locally. Albany’s central location to numerous cities and the high cost of housing in neighboring cities have caused more valley residents to move to Albany, which has increased Albany’s housing prices and competition for housing.

Twenty-six percent (26%) of Albany’s renters experienced severe housing cost burden, paying more than 50 percent of their income on housing (2022 ACS). An additional 26% of Albany renters experience housing cost burden, paying more than 30 percent of their income on housing costs. One-fourth of Albany’s homeowners experience housing cost burden of 30% or more.

Between 2018 and 2024, Albany’s Fair Market Rents increased 63% for a one-bedroom unit (from \$689 to \$1,121) and 40% for a 3-bedroom unit (from \$1,332 to \$1,869). Raw recent production of about 400 new apartments has increased the average rents. The market rate rent ranges for available Albany units in September 2024 were:

- 1-bedroom: \$1,250 to \$1,890
- 2-bedroom: \$1,295 to \$2,200
- 3-bedroom: \$1,750 to \$2,250
- 4-bedroom: \$2,295 to \$2,750

Albany’s ratio of median home price to median income was 4.6 in 2022 using a median house value of \$321,600 (ACS B25077) and 5-yr ACS 2022 median income of \$69,777. However, according to the local Willamette Valley Multiple Listing Service (WVMLS) sales data for Albany, the median home price was \$399,950 in December 2022, which increases the ratio to 5.7.

Median household incomes vary by race and ethnicity. In 2022, Albany’s median household income was \$69,777, about \$6,000 less than the average in Oregon. The median household income of Albany’s Hispanic and Latino households was \$52,140, which is 26 percent lower than the City average overall. The average income for Black or African American households was \$58,222 and those identifying as “Some Other” race was also lower. See Table 2.

Albany has seen a 6.8% increase in residents of color, from 13.6% in 2015 (8.6% Latino) to 20.4% currently (14% Latino). Twenty percent of residents living in poverty in Linn County are people of color. Communities of color have historically earned lower wages and have linguistic and cultural barriers to accessing housing and other resources. (Sources: 2020 Census, and 2021 ACS data.)

**Table 2. 2022 Median Household Income by Race and Hispanic/Latino Origin**

<b>Race and Hispanic or Latino Origin</b>	<b>Number</b>	<b>% Distribution</b>	<b>Median Income</b>
Total Households	21,484	100%	\$69,777
<b>One race:</b>			
White	18,879	87.9%	\$70,455
Black or African American	164	0.8%	\$58,222
American Indian and Alaska Native	197	0.9%	\$73,093
Asian	247	1.1%	\$111,875
Native Hawaiian, Other Pacific Islander	12	0.1%	\$146,563
Some Other Race	709	3.3%	\$60,840
Two or more races	1,276	5.9%	\$78,304
Hispanic or Latino origin (of any race)	2,119	9.9%	\$52,140
White alone, not Hispanic or Latino	17,860	84.2%	\$71,938

Source: 2017-2022 American Community Survey 5-year estimates, Table S1903

The need for culturally specific housing and housing for farmworkers is as great as it has ever been. With vacancy rates at all-time lows, communities of color and working families are being further marginalized in a part of the state where they have one of the largest workforces. As evidenced by the rapid lease-up this year of 116 units of affordable culturally specific housing built by Farmworkers Housing Development Corporation (FHDC) in Lebanon. As one of the only culturally responsive housing providers in the region, FHDC maintains a long waiting list in nearby communities, suggesting a tremendous need for new culturally responsive housing units in Albany. “The truth is, Linn County is facing a real affordable housing shortage for families that are 60% or more below the median family income,” said Maria Elena Guerra, FHDC’s Executive Director. “While the State has focused on addressing these needs in urban areas, families working in agricultural labor and other labor workforce in rural areas are being left behind.” As of 2022, Linn County was home to 2,138 farms (2022 Census of Agriculture). A market study commissioned by FHDC in 2018 estimated unmet demand for 203 units of affordable housing for agricultural workers in the area, suggesting that the Latine/x/a/o community, and specifically agricultural workers, are underserved by Albany’s housing market, and historically these families are English as Second Language and low-income.

Homelessness. In order to provide housing for Albany’s homeless residents, the City of Albany needs more permanent supportive housing, transitional housing, and housing for residents earning less than 30% of AMI. The "unofficial" 2023 PIT numbers for Linn County are 500 total, including 206 sheltered people, and 294 unsheltered, including 183 unsheltered people in Albany specifically. During the 2022-23 school year, 416 youth enrolled in the Greater Albany Public School District experienced homelessness according to McKinney Vento data, a dramatic increase from 239 in the previous school year. Most of these families are doubled up (71%), 12 percent are in emergency shelters, 9 percent live in hotels or motels, and 8 percent are unsheltered.

Aging Housing Supply. Half of Albany’s housing is more than 40 years old. Seven percent (1,500 houses) were built before 1940 2,634 units were built between 1940 and 1959, and 6,672 units between 1960 and 1979. (2022 ACS) These housing units provide naturally occurring affordable housing, but many dwellings need substantial updates to ensure a healthy and safe living environment, and to increase energy efficiency.

**iii. What key barriers still exist and need to be addressed to produce and preserve more housing? (10 points)**

While the City of Albany has begun to implement many land use and zoning strategies it has local control over, there is more work to do to evaluate how to address the following remaining barriers to housing production, which will be included in PRO Housing Project 2:

- Identification and removal of remaining land use regulatory barriers
- Lack of financing and subsidies for affordable housing
- Development fees & taxes
- Infrastructure constraints
- Wetlands

Identification and removal of remaining land use regulatory barriers

The City of Albany is in the process of implementing the following strategies in the 2023 HIP to removing additional land use and zoning barriers to increase housing production:

- Reducing land requirements for smaller houses (scale lot sizes to homes) to encourage more affordable home ownership opportunities.
- Remove minimum area per multi-dwelling unit requirements and density caps in the medium and high-density residential zoning districts. The area requirements

Public engagement for this process is uncovering additional barriers and solutions to increase affordable housing production.

The City of Albany will evaluate remaining strategies in the 2023 HIP as well as new ideas raised by local developers and will explore approaches suggested in the Housing Supply Accelerator Playbook published by the American Planning Association.

Development fees and taxes

- This fall, the City of Albany will request Council’s approval to allow systems development fees for residential development to be deferred to the occupancy permit.
- The City of Albany is proposing to incentivize transit-oriented development in the City’s mixed-use Climate Friendly Areas with a property tax exemption for multi-unit property tax exemption (MUPTE) up to 10 years for residential developments.
- The City of Albany also intends to adopt an affordable rental housing tax abatement program for affordable rental housing up to 20 years.

Lack of financing and subsidies for affordable housing up to 100% AMI

The City of Albany does not receive federal HOME funding, and Albany's annual CDBG award has been less than \$350,000, which is too small to make a meaningful contribution to affordable housing development after factoring for public service and other needs. In response to Oregon's homeless and affordable housing needs, the state passed Senate Bill 5561 (SB 5561) in 2021 and awarded each of the state's CDBG entitlement jurisdictions a one-time allocation of \$1 million to address housing and homelessness needs. The City issued a request for proposals (RFP) and received more than double in requests than funds available, even with a \$350,000 grant maximum, demonstrating the immediate need for financial support to address affordable housing needs is far greater. Staff estimate local needs exceed \$5,000,000.

As documented in the City's Consolidated Plan and in the applications for the SB 5561 funds, funding is needed to support housing across the housing spectrum: from emergency shelter, transitional housing, permanent supportive housing, affordable rental housing, and affordable homeowner housing.

Competition for state-funding and tax credits is also fierce. Local funds and partnership help developers leverage state funding. Local financial support lowers the funding request and cost per unit, which makes applications more competitive and increases the chances of receiving public funds.

State funding sources are capped at 60% AMI or 80% AMI and there is no source of funding to support households earning between 80 and 100% AMI. This is especially challenging for Albany residents seeking to become homeowners. The HUD Fiscal Year 2024 HUD 100% median family income for the Albany MSA was \$84,900 for a family of 4. With this income, a family could afford to buy a house up to \$350,000. Albany's median sales price in August 2024 was \$463,000.

The PRO Housing grant will help Albany support affordable housing developers leverage other public and private funds and will provide a source of funding for innovative approaches to addressing affordable housing needs.

#### Infrastructure constraints

The cost of roads and infrastructure has been a substantial barrier to development of vacant properties in East Albany and South Albany where the City's largest amount of vacant land exists. Unfortunately, there is no quick and easy solution, but the longer we delay the development of infrastructure, the longer we delay additional housing. The road and infrastructure projects below are vital to accessing lands for residential, industrial, and commercial development.

- Timber Street extension in East Albany - \$8.6 million. This connection will open up land-locked properties, including about 20 acres of residential and mixed-use zoned land and 65 acres of industrial/employment land.
- Goldfish Farm Road extension in East Albany - \$2.1 million. This project is necessary for a planned Farmworker Housing Development Corp (FHDC) project to construct 162 affordable dwellings and will provide a critical alternative north south connection. The road must be constructed in the project's first phase, which will begin in 2025.
- 53<sup>rd</sup> Ave extension in South Albany - \$28 million. This extension involves a railroad crossing and is key to unlocking the largest single block of commercial land along the I-5 corridor in Oregon, as well as significant residential land.
- Cox Creek interceptor extension in East Albany - \$5.2 million. This project is essential to expanding the sewer system for further development in East Albany, of approximately

3,000 new units in residential and mixed-use zoning districts. In March 2024, the City of Albany was allocated \$2.1 million from the state for this project.

### Wetlands

Another significant barrier to development is the cost to mitigate non-significant wetlands on properties. Being in the heart of the Willamette (River) Valley of Oregon, most vacant properties have wetlands, including many that are seasonal and not locally or functionally significant. Yet developers are required to mitigate wetlands on site or purchase costly mitigation credits if developed. A one-acre wetland mitigation bank credit is going for \$95,000 or more.

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## City of Albany, Oregon

### EXHIBIT D. SOUNDNESS OF APPROACH

#### V.a.1.b. SOUNDNESS OF APPROACH (Maximum 35 points)

##### i. What is your project vision (15 points)

The City of Albany's project vision is to remove barriers to affordable and equitable housing development to increase the production of affordable housing. The City's PRO Housing project will consist of 2 separate but related activities.

Activity 1: Identify and remove remaining barriers to equitable and affordable housing production and preservation.

Activity 2: Enhance local capacity to increase affordable housing production.

##### **Activity 1: Identify and remove barriers to equitable and affordable housing production.**

*Activity Description:* As noted in Appendix C, Need, the City of Albany appointed the Housing Affordability Task Force (HATF), consisting of representatives from the development community and financial institutions and residents, to identify barriers to needed housing and evaluate actions and strategies the City could take to increase production of needed housing types, that included evaluating strategies in Oregon's Housing Needs Analysis Legislative Recommendations Report: Leading with Production. These strategies and recommended actions are in the 2023 Housing Implementation Plan (2023 HIP).

While the City of Albany is working on implementing priority strategies in the HIP, there are many remaining strategies to implement, and new ideas and needs continue to surface through public engagement. This project will build on the HATF's efforts and the 2023 HIP by working with local stakeholders to identify other obstacles to equitable and affordable housing development and will develop solutions to increase the City's affordable housing supply. The activity will include implementation of other strategies recommended in the HIP and new ideas that surface through public engagement to remove barriers to housing and streamline the process - such as pre-approved plan sets for middle housing types, accessory dwelling units, and small houses, and reduce building costs. This will also include evaluating ideas in the American Planning Association's Housing Supply Accelerator Playbook and the permitting process for any added efficiencies.

Step 1: Consult and engage the development community to uncover any remaining obstacles to permitting, land use regulations and processes, and housing production.

Step 2: Evaluate solutions to remove these obstacles and streamline the process.

Step 3: Update the HIP to include new strategies to increase affordable and needed housing production.

Step 4: Work with local stakeholders, City staff, and elected officials to implement strategies to increase housing production.

Activity 1 National Objective & Activity Eligibility Compliance: This project connects to key barriers identified in Section C, Need.

- National Objectives: Activity 1 will benefit low-and moderate-income persons

- Eligibility Test (III.F.2.b): Activity 1 seeks to remove numerous barriers to affordable housing production and will further develop, evaluate and implement housing policy plans and improve housing strategies.
- Activity Eligibility, Planning and policy activities (III.F.2.c.i.): A (update plans), B (develop strategies), F (development standards), J (mixed use CFA overlays), I and K (ideas to expedite review process), M (pre-approved plans), Q (fee schedules), T (surplus property), and U (SDCs)
- Identified Need (Exhibit C): Acute demand: Offpace, affordable housing is not keeping pace
- Project Timeframe: 2025-2027; Benefit timeframe: 2026 and beyond.

#### Activity 1 Advances Existing Planning Initiatives, Similar Efforts and Lessons Learned.

As noted above, this project will build upon the City’s efforts to identify and remove barriers to affordable housing production. The City of Albany has been conducting focus groups with developer stakeholders and residents to learn about additional obstacles and ideas that could help to increase housing production. The 2023 HIP includes a snapshot of priority strategies, but this project will benefit from lessons learned with current development applications for missing middle housing types (two to fourplexes, townhouses, and cottages) and other changes made to land use and zoning policies.

Activity 1 will align with the City’s Climate Friendly and Equitable Communities project to identify and adopt Climate Friendly Areas (overlay zones) near transit to encourage a mix of housing and employment opportunities. The activity will also align with the City’s next update to the Analysis of Impediments to Fair Housing Choice (AI), scheduled for 2025.

#### Activity 1 Environmental Risks and Community Resilience

This project will promote denser development and infill development throughout Albany, which helps support transit, biking and walking, as well as mixed-use development.

#### **Activity 2: Enhance local capacity to increase affordable housing supply: establish the Affordable Housing Fund to provide financial incentives and subsidies.**

The lack of funding to support affordable housing and lack of funding for public infrastructure are key barriers to affordable housing development in Albany. Albany’s small CDBG allocation and lack of HOME or other funding limit the City’s ability to provide financial support to incentivize affordable housing production and rehabilitation.

Developing housing that is affordable to households earning less than 100% of AMI is challenging and typically requires multiple funding sources and incentives to be successful.

The City of Albany allocates about half of its available annual CDBG funding – about \$125,000 after factoring for administration and public services, to local affordable housing nonprofit partner DevNW who administers a housing rehabilitation revolving loan fund for homeowners. The program provides preservation of naturally occurring affordable housing.

A funding source is needed to provide the City’s local commitment to help affordable housing developers to access funding through Oregon Housing and Community Services (OHCS), which



administers the LIHTC program and the state's Local Innovative Fast Track (LIFT) program for rental and homeownership housing.

Accelerate affordable housing production with financial incentives: establish the Affordable Housing Fund (AFH) to support the production of affordable rental and homeownership housing through matching grants or revolving loans to incentivize property acquisition, infrastructure improvements, and construction or renovation of affordable housing.

The City of Albany is currently working with policy makers to establish a revenue source and is considering adopting an affordable housing construction tax. The tax should be voted on in early 2025. If adopted, it is estimated it will generate a couple hundred thousand dollars annually, which over time, will raise revenue to provide financial support to affordable housing production.

The City of Albany is requesting a PRO Housing grant of \$2.5 million to seed the Affordable Housing Fund. This seed funding will allow the City to provide the local financial commitment needed to secure LIHTC, LIFT funding from the Oregon Housing and Community Services Department and other sources and offer incentives to developers to increase housing production in the near term, including support to current partner FHDC that needs additional resources to complete all phases of their 162 unit project in East Albany. The City of Albany anticipates this funding will increase the City's supply of affordable housing by about 200 dwellings.

City staff will evaluate existing plans and consult with local partners to determine the conditions of the funding – whether to offer the funds as a grant, and/or loan, loan repayment terms and interest rates, affordability periods, eligible use of funds, and other parameters to ensure the funds leverage accelerate and increase the City's affordable housing supply by as much as feasible. This includes working with the City's finance department and seeking input from the Community Development Commission (CDC) and City Council.

The City of Albany anticipates using the following selection criteria for scoring applications and awarding\* funding from the AFH:

- Applicant experience and capacity
- Number of units and needs addressed
- Affordability period
- Project location
- Anti-displacement factors
- Amount of accessible housing
- Energy efficiency
- Beneficiaries – projects that serve residents in protected classes
- Homeownership opportunities
- New approaches and model projects that could be replicated again
- Applicant match; and
- Project timeline.

\*The City of Albany is committed to providing FHDC's Albany project, Colonia del Valle Prospero, funding from the AFH; however, the amount of funding would be determined by their application score and need.

Step 1: Cultivate partnerships with affordable housing developers and service providers to assess needs and timelines of upcoming projects (February – June 2025 and ongoing)

Step 2: Set initial funding terms and parameters, consulting with City staff, the CDC and City Council. (June-October 2025)

Step 3: Develop and issue a Request for Proposals (RFP) for affordable housing projects annually in coordination with the City's annual RFP for CDBG funding, until funds are expended. (October - December 2025)

Step 4: Evaluate applications and award funds (January-March 2026)

Step 5: Conduct/Oversee Environmental Review Records (March-July 2026)

Step 6: Project Construction (July 2026- February 2029)

#### Activity 2 National Objective & Activity Eligibility Compliance

- National Objectives: Activity 2 will benefit low-and moderate-income persons
- Eligibility Test (III.F.2.b): Activity 2 seeks to facilitate to affordable housing production and preservation.
- Activity Eligibility: Activity 2 includes the following planning and policy activities per Section III.F.2.c.i. – D, G and M (incentive programs), V (incentivize mixed income developments), and Section III.F.2.ii development activities– A (financing), B (property acquisition); Section III.F.2.c.iii infrastructure activities – A, B, D; and Section III.F.2.c.iv preservation activities – A, B, C, G, H, L, M
- Identified Need (Exhibit C): Acute demand and Offpace factor, affordable housing is not keeping pace and widespread housing cost burden

Project Outcomes: The PRO Housing grant will enable the City of Albany to partner with experienced affordable housing developers and service agencies to construct or rehab about 200 units. Anticipated partners and subgrantees are noted below.

#### Activity 2 Similar Efforts and Lessons Learned

The City of Albany anticipates partnering with the following affordable housing development partners who have been awarded CDBG or SB 5561 funding and who have partnered with the City of Albany:

- **Creating Housing Coalition (CHC)** just completed a 27-unit tiny home village, Albany's first, using CDBG, SB 5561, state and federal HUD appropriations. This permanent supportive housing development was built for unhoused Albany residents on fixed or low incomes. As part of the PRO Housing projects, the City of Albany will learn about obstacles CHC faced with this development and will identify solutions to remove these

barriers and streamline the permitting process for future tiny home villages.

- **Farmworker Housing Development Corporation (FHDC)** has successfully constructed eleven affordable and culturally responsive housing developments in Oregon using a variety of public funds. The City of Albany has dedicated \$225,000 in SB 5561 funding and \$449,000 in transportation SDC credits to FHDC to construct a new affordable housing development in Albany, Colonia del Valle Prospero, which will construct 162 new affordable homes over four phases. The first phase of the project has been awarded Oregon LIFT funds, but more funding is needed to complete all phases.
- **DevNW** has extensive experience operating the following programs: homebuyer down payment assistance programs, housing rehabilitation loans, affordable homeownership developments with land trusts, affordable apartment development, and is very successful at leveraging state funding. DevNW is a regular recipient of Albany CDBG funds and oversees the City's housing rehabilitation revolving loan fund program and past downpayment assistance programs. DevNW has been actively looking to acquire land to build a land trust homeownership community in Albany.
- **Albany Area Habitat for Humanity** – the City has provided CDBG and SB 5561 funds to our local Habitat affiliate and has donated surplus property in the past.
- **Communities Helping Addicts Negotiate Change Effectively (CHANCE Recovery and Second CHANCE)** – CHANCE's mission is to assist individuals with mental health and/or substance abuse related issues seek recovery and positive change through support, guidance and necessary resources to facilitate the development of life skills. They operate a homeless shelter, Second CHANCE, and connect residents to permanent housing. CHANCE has received CDBG funds for its services.

#### Activity 2 Advances Existing Planning Initiatives

The Affordable Housing Fund will enable the City to meet goals and needs identified in Albany's 2020 HNA, 2023 HIP, and the 2023-2027 Consolidated Plan.

#### Activity 2 Environmental Risks and Community Resilience

This activity will promote denser development and infill affordable housing development in areas of opportunity close to services, amenities, and transit. Proposals that provide energy efficient housing will be awarded more points than other proposals.

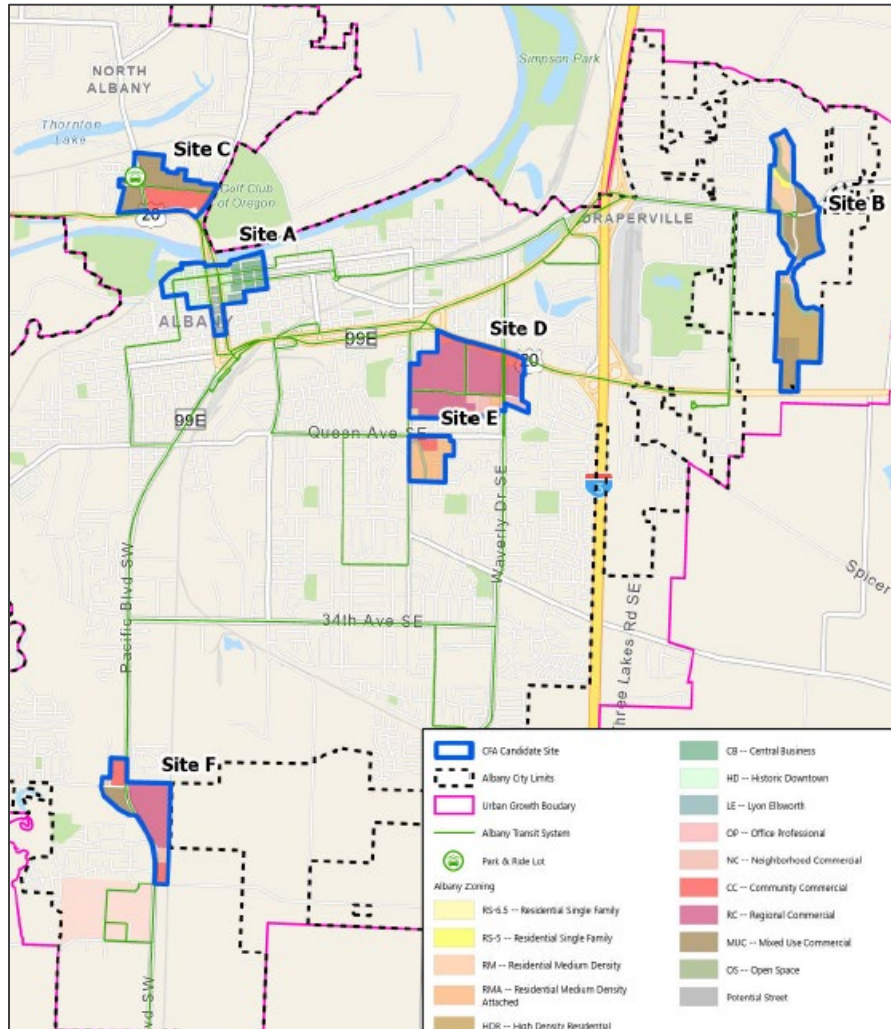
#### **ii. Geographic Scope (5 points):**

The PRO Housing activities will help the City of Albany to continue to remove land use and zoning barriers to housing production. This will help to accelerate the affordable housing supply Citywide by increasing the development capacity of existing land in all areas of the City. Removing barriers to housing production may make land that is not currently feasible to develop due to costs, density limits, or other restrictions, now be feasible to develop.

As part of the Climate Friendly and Equitable Communities project, the City of Albany will be adopting six Climate Friendly Areas in 2025 throughout the City supported by transit and in areas

the City wants to see more housing and employment opportunities. (See Map Figure 1 below.) These areas will be walkable and bikeable, with access to services and public amenities.

**Figure 1: Albany’s Proposed Climate Friendly Areas**



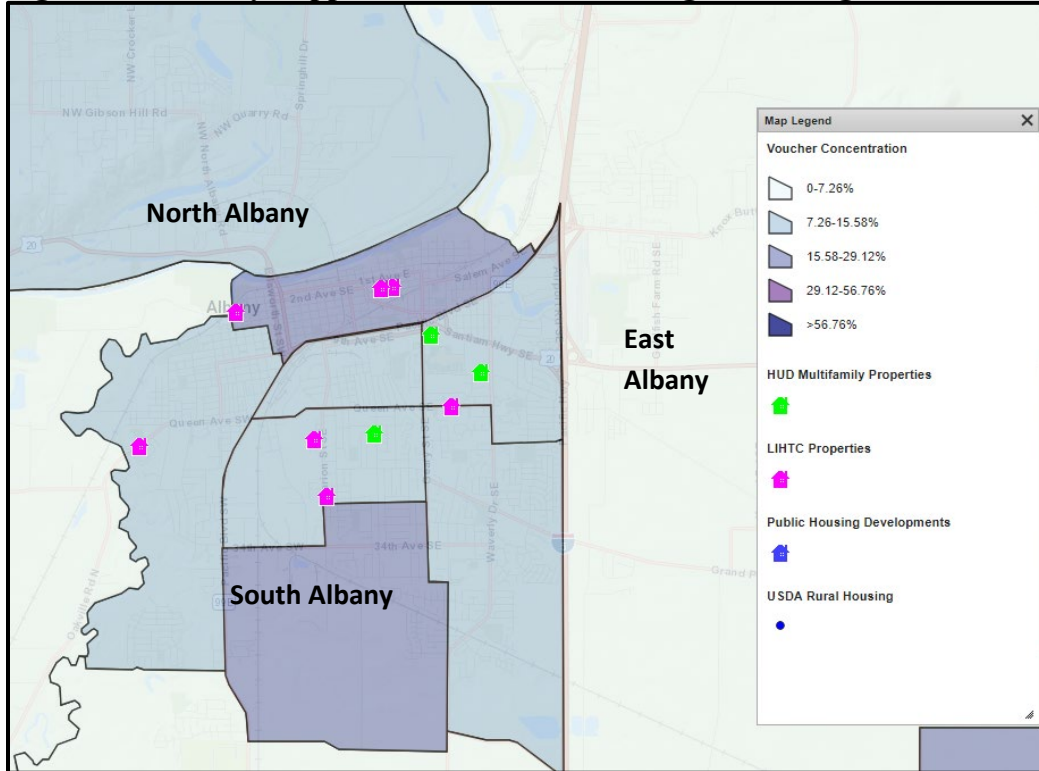
To incentivize residential development in the CFAs, the City of Albany proposes to adopt a tax abatement for residential development in Albany’s proposed Climate Friendly Areas (the MUPTE), will further support the distribution of needed affordable housing. The MUPTE program requires a percentage of units be affordable housing, or an in lieu of fee paid into the Affordable Housing Fund.

East Albany and South Albany (land south of 34<sup>th</sup> Avenue in **Figure 1** above) are identified as a high-opportunity areas that are needed to address the City’s future housing and job growth. Both areas lack critical road access and infrastructure. Funding to support projects that trigger these improvements is essential to these areas developing.

The Affordable Housing Fund will help to incentivize development in all areas of the City and areas where there is none or very little. No affordable housing developments exist east of Interstate 5, East Albany, which constitutes about one third of Albany’s City limits and future growth. (See

Figure 2 that follows.) The recently adopted East Albany Plan took a fresh look at how to provide connectivity, transportation choices, housing variety, and vibrant mixed-use and commercial centers in East Albany, while protecting and enhancing the area’s natural resources.

**Figure 2. Federally Supported Affordable Housing & Housing Voucher Concentration**



“East” Albany, “South” Albany, and “North” Albany are identified as a high-opportunity areas. East and South Albany contain substantial vacant land that is needed to address the City’s future housing and job growth. Both areas have easy access to the interstate and highways, and neighboring communities and employment outside the City of Albany.

**iii. Project Stakeholders (5 points)**

*Who are your key stakeholders? How are you engaging them?*

The City conducted extensive agency consultations with affordable housing providers and developers (DevNW, Creating Housing Coalition, Farmworker’s Development Corporation, Albany Area Habitat for Humanity, C.H.A.N.C.E., etc.), the Linn Benton Housing Authority (LBHA), service providers, the business community, and more as part of the 2023-2027 Consolidated Plan process. Consultation also included organizations that work with or represent people in protected classes and/or low-income residents including Casa Latinos Unidos, LBHA, Fair Housing Council of Oregon, Center Against Rape and Domestic Violence, Oregon Cascades West Council of Governments Senior and Disability Services, Community Services Consortium (the CoC), emergency shelters, the Early Learning Hub, and Linn County Mental Health among many others. In addition to agency consultations, the City of Albany solicited input from residents of Albany through surveys and public hearings.

The City's agency consultation process completed in compliance with the Consolidated Plan requirements indicated a substantial need for affordable housing in Albany. This need was a core theme among the input received, particularly among housing and social service providers. Additionally, the responses to the survey conducted for the 2023-2027 Consolidated Plan identified the need for more affordable housing in Albany and demonstrated support for housing related programs, including construction of affordable housing

#### Local Affordable Housing & Shelter Services Stakeholders:

- **Creating Housing Coalition** was formed to provide basic affordable and attainable housing for unhoused residents. Their mission is *Building safe, community supported, self-governing housing that honors dignity and growth*. CHC just completed their first tiny home village, HUB City Village, a community of 27 homes. Their goal is to create 2 additional small home communities that offer permanent supportive housing for Albany's unhoused residents.
- **Farmworkers Housing Development Corporation.** The founders and partners sowed a long-term commitment to improving housing opportunities for immigrant farmworkers, their families, and other low-income populations in Oregon. For more than three decades, FHDC, as an equity-formed and directed organization has built eleven communities with 480 affordable housing units, social services, education, and economic development opportunities.
- **Albany Area Habitat for Humanity** has been serving Albany since 1993. As a small affiliate, they have built 43 homes for area families earning less than 60 percent of AMI.
- **DevNW** works to develop thriving communities by empowering the region's individuals, families, businesses and neighborhoods through housing and small business programs, services, and development services throughout the Willamette Valley in Oregon.
- **Linn Benton Housing Authority** is the housing authority serving Linn and Benton counties. They provide affordable housing for seniors and residents with disabilities and administer the housing choice voucher program.
- **Communities Helping Addicts Negotiate Change Effectively** – C.H.A.N.C.E. Recovery and Second CHANCE Shelter provide peer support services, emergency shelter, transitional housing, respite beds, rental assistance and more to Albany residents. They operate in Linn, Benton and Lincoln counties.

#### Local Development Community and Public

Public outreach to the community has included focus groups, one-on-one meetings, surveys, and public open houses and has been ongoing since the launch of the Expanding Housing Options project in 2020. In addition to the affordable housing partner agencies listed above, the City consulted with local builders, developers, engineers, chamber of commerce, realtors, financial sector, and residents to assess housing needs, barriers to housing development, and to get feedback on proposed strategies. Outreach to property owners in the proposed Climate Friendly Areas has also included direct mailing.

The City's Community Development Department also holds a monthly Development Services Advisory Committee meeting.

## City Departments, Committees and Commissions

- Public Works department staff were consulted for infrastructure needs.
- Community Development Commission is actively involved in assessing needs for the CDBG program, Consolidated Plan and annual action plans.
- Housing Affordability Task Force was consulted for assessing strategies the City should pursue to remove barriers to housing development.
- Albany Planning Commission
- Albany City Council

*Describe your strategies to encourage public participation, build support, and engage community members, including those most likely to benefit from your proposed activity.*

For the activities and projects proposed in the PRO Housing grant, the City of Albany will host the project website and will use focus groups, stakeholder committees or groups, surveys, and social media to reach stakeholders, residents, and residential developers.

### **iv. Explain how the proposal aligns with requirements to affirmatively further fair housing (5 points)**

As a CDBG entitlement jurisdiction, the City of Albany has been engaged and invested in affirmatively furthering fair housing for many years. The City's current Analysis of Impediments to Fair Housing Choice (AI) was submitted to HUD in 2018. The City of Albany will be undertaking an update to this important policy document and will include identifying additional obstacles to fair housing choice. The City has been conducting outreach with residents in protected classes to assess causes of housing discrimination and will engage residents in protected classes and agencies that support and serve these residents.

- *Describe your plans to remove barriers to the development of affordable housing in well-resourced areas of opportunity.*

As described in sections C and D of the application, The City has amended and streamlined development standards and processes, increased the variety of housing types allowed throughout the City, added new residential and mixed-use zoning to undeveloped areas of the City to encourage vibrant new neighborhoods, and adopted an area plan for East Albany. The City of Albany will continue to identify and remove barriers to the development of affordable housing in well-resourced areas of opportunity throughout Albany. The City of Albany is also taking steps to ensure affordable housing is better dispersed in a variety of well-resourced areas of opportunity within the City through the Climate Friendly Area designation process.

- *How will your proposal increase access for underserved groups to these areas?*

In addition to updating Albany's AI to identify solutions to increase access to housing, the PRO Housing grant will enable the City of Albany to develop strategies to increase accessible housing, more variety of housing choices, sizes and locations. The Affordable Housing Fund will enable the City to support agencies that are providing housing or services to underserved Albany residents

– such as Albany’s non-white racial groups and people of color and the elderly and disabled. Included in this support is an effort to increase homeownership opportunities for people of color and in protected classes. According to the 2022 ACS, the City’s white home ownership rate was 62 percent, while Black or African American homeownership was 14%, Some Other Race was 35%, Two or More Races 45%, and Hispanic Origin was 49%.

The City of Albany will award more points to applicants for proposing housing that is accessible to and/or specifically built for protected class residents.

• *Describe your plans to remove barriers impeding the development of affordable housing that would promote desegregation. What policies or practices perpetuate segregation and how will your proposal address them?*

Single-family zoning has historically perpetuated segregation in cities across the nation, including in Albany. Until recently, Albany’s single-dwelling zones were just that – allowing for very limited housing types. Moreover, these low-density zones constitute much of Albany’s available residential lands. Albany removed policies and practices that perpetuate segregation: 1) Through the Housing Options project, the City expanded the variety of housing types allowed outright in residential zoning districts so the allow for a variety of housing types and not just single detached dwellings. 2) the City of Albany added more residential and mixed-use zoning in East Albany to encourage more housing diversity throughout the City, including housing that is close to services and amenities. 3) The City’s Climate Friendly Areas designation project identified areas throughout the City where with development and redevelopment opportunities where there is little residential development.

Encouraging and enabling development of affordable housing on vacant land and areas that can support higher density mixed use development will promote desegregation and reduce the concentration of affordable housing in the center of the City.

The proposed PRO Housing project will not result in displacement and will encourage desegregation within Albany by removing remaining barriers to housing in all areas of the City, providing tax abatements for residential development in Climate Friendly Areas, and financially supporting projects in well-resourced areas.

• *How does your approach address the unique housing needs of members of protected class groups, including persons with disabilities, families with children, and underserved communities of color?*

Albany’s 2023-2027 Consolidated Plan and 2023 HIP have identified needs of members of protected classes. Activity 1 will continue to find solutions and incentives to encourage housing to serve all residents. Activity 2 will provide funding to support housing that meets the needs of Albany’s protected classes. More points will be awarded to applicants that serve underserved communities.

Accessible Housing. The 2023 HIP identifies the need to encourage accessible housing units with incentives and increasing awareness of accessible standards and universal design standards. The City of Albany is proposing to provide height incentives for accessible housing like those for



affordable housing. In addition, the City will award more points to applicants that provide accessible housing beyond the minimum state and federal requirements.

• *Does your plan address issues identified in your jurisdiction's most recent fair housing plan or plans?*

This project addresses impediments outlined in Albany's Analysis of Impediments to Fair Housing Choice, specifically the lack of affordable housing and housing choice, the concentration of affordable housing stock in the center of the City and overcoming cultural and linguistic barriers. There is a higher concentration of affordable housing and minority residents in older central areas of Albany. This project would improve the distribution of affordable housing in Albany by incentivizing affordable housing in other areas of the City and therefore advancing housing and neighborhood choice for low-income residents.

As a CDBG Entitlement City, the City annually certifies its commitment to affirmatively further fair housing and continues to work towards removing cultural and linguistic barriers to fair housing information and complaints through bilingual staff. The City ensures translation is available for all CDBG materials and anyone seeking to provide comment or testimony upon request and provides press releases and other outreach materials in Spanish and English. The City has worked to establish and maintain existing relationships and partnerships with organizations and advocacy groups serving or representing protected classes to better understand the housing challenges faced by Albany's historically disadvantaged residents. These agencies are consulted in assessing needs and identifying impediments and work with City staff to facilitate gathering input from the residents they represent and serve. This input will be vital to the update to the City's Analysis of Impediments to Fair Housing Choice and informs each Annual Action Plan. The work the City has done to address barriers to needed housing types and the inclusion of middle housing in single family zones affirmatively furthers fair housing by reducing segregation by income. Segregation by income is known to cause de facto racial segregation because racial and ethnic minorities are more likely to be low income. The effects of these efforts take time to come to fruition, but through this project, the City of Albany can expedite a project that advances fair housing in Albany.

• *How will your proposal address the housing needs of people with disabilities and increase their access to accessible and affordable housing?*

Accessibility, FHA, and ADA Compliance. All new development will comply with the FHA and ADA. In new development at least two percent of the units will be accessible and all units with an elevator will be accessible. In addition, all site improvements will be accessible to persons with mobility impairment and all ground floor units will be both visitable and adaptable for ADA.

As noted earlier, the 2023 HIP includes strategies to encourage more accessible units in all developments. In addition, development proposals that provide more accessible and adaptable units than the minimum required will be awarded more points during the application evaluation process.

• *Describe the implementation and/or enforcement plan for your proposal. Describe how you will approach resistance (e.g. litigation, environmental review, design standards) to the elimination of your targeted barrier(s).*

City of Albany project management staff will ensure compliance with all federal regulations including environmental regulations of 24 CFR Part 58, and all CDBG program requirements in 24 CFR 570 including environmental and procurement, Davis Bacon wage rates, Section 3 compliance, and the Fair Housing Act and any other applicable regulations.

All projects that apply for and receive PRO Housing funds from the Affordable Housing Fund will be required to comply with HUD's Environmental Review processes and NEPA requirements.

Oregon's land use laws set urban growth boundaries (UGBs) around cities to protect agricultural and forest lands from development. Lands within cities and urban growth boundaries are expected to be developed to urban standards to reduce the need to expand UGBs.

Approach to Resistance to the Proposal: The City of Albany has been conducting public outreach for several years regarding housing needs and strategies to removing barriers to housing production. There is general support from the community to increase the variety of housing choices and opportunities throughout the City.

The City of Albany has faced resistance to affordable housing and "new" housing types such as townhouses and other missing middle housing types. Mostly, this resistance is to change in general, and to the new standards, not to the intended beneficiaries. The City will conduct outreach and education regarding Albany's affordable housing needs and solutions.

The City of Albany recently modified the City's residential development standards to be clear and objective making the land use process for housing developments a staff-level decision. This has greatly reduced opposition to "different" housing. In addition, middle housing types (duplexes, triplexes, fourplexes, cottage clusters, and townhouses) are allowed outright with a building permit.

*• Describe any equity-related educational resources, tools, or public input that have informed your proposal.*

The City's PRO Housing grant proposal was based on an immediate need for more affordable housing in Albany as evidenced in the City's housing plans and public input from residents and community partners, including members of the Hispanic Advisory Council.

*• Do you plan to engage and support minority-, women-, and veteran-owned businesses during your proposed housing production process?*

The City's proposed PRO Housing activities do not include direct opportunities to support minority-, women-, and veteran-owned businesses. However, subgrantees will be required to provide contracting opportunities to underserved communities and business owners.

*• Do you have a diversity and equity plan in place or plan to create one?*

The City of Albany has an Affirmative Action plan, diversity, equity and inclusion policies, and condemns racism, hatred, bigotry, and intimidation within the City.

*• Describe how you will evaluate the effect of your proposal on promoting desegregation, expanding equitable access to well-resourced areas of opportunity, and furthering the de-concentration of affordable housing.*

The City of Albany will use project selection and evaluation criteria that promote desegregation, housing with access to well-resourced areas of opportunity, and dispersing affordable housing throughout Albany.

Subrecipients of PRO Housing funds will be required to have an Affirmative Fair Housing Marketing Plan (AFHMP) in place.

• *How will you track your progress and evaluate the effectiveness of your efforts to advance racial equity in your grant activities?*

The City will collect demographic data of residents from recipients of Affordable Housing Funds at program intake, lease up or sale. If groups are not being reached, adjustments to applicant selection criteria will be modified and evaluation of marketing tools will be conducted.

**v. What are your budget and timeline proposals? (5 points)**

The PRO Housing grant budget summary is provided below. The detailed budget is in the budget attachment.

**PROJECT BUDGET SUMMARY:**

Personnel Direct Labor/Wages (3 years)	\$421,900
Staff Fringe Benefits (3 years)	\$311,500
City CDBG contributions to projects	\$200,000
City SB 5561 contribution to projects	\$225,000
City transportation SDC contribution to projects	\$449,000
<b>SUBTOTAL City Contributions</b>	<b>\$1,607,400</b>
<b>Pro Housing</b> Subgrantee Awards	\$2,470,000
<b>Pro Housing</b> Administrative and Legal-Environmental Studies	\$30,000
Subgrantee Match	\$2,470,000
<b>Total</b>	<b>\$6,577,400</b>

**PROJECT TIMELINE** Activity 1: February 2025 to June 30, 2029

**PROJECT TIMELINE** Activity 2: February 2025 to June 30, 2029

• *Describe how you would budget for and manage a successful project if HUD awards a different dollar amount than you are requesting. What is the minimum funding amount that would allow you to carry out your proposal in some form, and what would that proposal achieve? If you were to receive only 50% of your request, what would you be able to achieve?*

One million (\$1,000,000) is the minimum necessary to proceed with federal funding.

Reduced funding would result in fewer affordable housing units constructed. City staff estimate reduced funding would result in 100 units of affordable housing, rather than the expected 200 units.

- *Provide a schedule for completing all of the proposed activities in advance of the expenditure deadline at the end of FY 2029.*

**Activity 1:** Identify and remove remaining land use regulatory barriers. This activity will commence soon as funding is awarded and will continue for three years until February 2029.

Activity 1 Schedule:

- Step 1: Engage the development community to identify obstacles to housing production and evaluate solutions. February 2025 to December 2025
- Step 2: Update the HIP. January 2026 to April 2026
- Step 3: Implement HIP strategies to remove barriers to affordable housing production. This work will be ongoing through June 2029.
- Step 4: Construction and inspections

**Activity 2:** The City of Albany will develop an RFP process that be ongoing until funds are awarded, and projects completed. It will align with the City's annual CDBG RFP process. The affordable housing development that will result from the PRO Housing grant activity will be constructed in phases between 2025 and February 2029. The outcomes will be realized by June 30, 2029.

Activity 2 Schedule:

- Step 1: Engage affordable housing development community. February 2025 to December 2028
- Step 2: Determine initial funding terms and parameters. June 2025 to October 2025
- Step 3: Develop and issue RFP. October 2025 to December 2025 (annually)
- Step 4: Evaluate applications and award funds. January 2026 to March 2026 (annually)
- Step 5: Environmental review record compilation. March 2026 to July 2026 (annually)
- Step 6: Project construction. July 2026 to June 2029

**City of Albany, Oregon**  
**EXHIBIT E. CAPACITY**

**V.a.1.c. CAPACITY (10 points)**

**i. What capacity do you and your Partner(s) have? What is your staffing plan?**

The City of Albany staff have a wealth of experience managing federal and state-funded projects including housing, public utility and street infrastructure projects. The City of Albany became a CDBG Entitlement jurisdiction in 2013 and began receiving CDBG funds. The Community Development Department staff have successfully managed a variety of CDBG-funded programs, including property acquisition, construction, and housing rehabilitation.

The City of Albany has ten departments, 401 budgeted full-time employees, and serves a 2023 population of 57,997. The Albany City Council and staff work to achieve the goals and objectives outlined in the City's Strategic Plan and meet the City's vision to be "a vital and diverse community that promotes a high quality of life, great neighborhoods, balanced economic growth, and quality public services. The City of Albany's biennial 2023-2025 budget is \$100,997,500.

• *Which specific agency or entity will lead implementation of the proposed activities? What is its role and management capacity?*

The City's Community Development Department will lead the implementation of the proposed activities and grant expenditures and will monitor compliance. The Department is led by Matthew Ruettgers. Comprehensive Planning Manager Anne Catlin, AICP, will oversee the PRO Housing grant. Catlin currently oversees the City's CDBG programs, implementation of the 2023 HIP strategies, state grants for planning projects, and Albany Development Code and Comprehensive Plan policy updates.

The City has extensive experience developing and managing a competitive application process, managing subrecipient awards and legal documents, drawing and distributing funds, accounting for funds and program income, overseeing and monitoring subrecipients, reporting accomplishments to HUD and local leaders.

• *Describe relevant project management, quality assurance, financial and procurement, and internal control capacity to quickly launch and implement a major **project**.*

The City has received and managed state CDBG funds for several decades. Since Albany became a federal Entitlement grantee in 2013, the City of Albany staff have extensive experience with procurement, internal control capacity and implementation of CDBG and other HUD funded projects. The City also manages and oversees complex public infrastructure projects with a variety of funding sources, including federal and state funding.

The City of Albany has procurement procedures and internal control mechanisms in place.

Agencies applying for funding from the Affordable Housing Fund will be required to provide verification of their team's project management experience, financial and procurement policies,

internal controls and experience successfully managing state, federal, and/or City CDBG-funded projects.

• *Describe your jurisdiction's leadership capacity and legal authority to effectively implement your proposed reforms.*

The City of Albany is a federal Entitlement jurisdiction and receives an annual allocation of Community Development Block Grants from HUD. The City is eligible to apply for the PRO Housing grant fund. As a CDBG grantee, Albany has the leadership capacity and experience to oversee the proposed PRO Housing grant activities. City staff have been successfully leading the update and implementation of the City's housing policies and plans for many years.

The City of Albany will partner with housing developers to increase and accelerate Albany's affordable housing supply. The City will select subgrantees with experience working with and coordinating contractors, stakeholders, funders, the public, and others to successfully develop affordable housing.

Application Author:

- Anne Catlin, Comprehensive Planning Manager

City of Albany Community Development Department PRO Housing Activity Staff

- Anne Catlin, Comprehensive Planning Manager
- Beth Freeland, Planner II
- Liz Olmstead, Planner II
- Matthew Ruettgers, Community Development Director

• *Do you or any partner(s) have experience working with civil rights and fair housing issues including, for example, working with data to analyze racial or economic disparities?*

CITY staff has experience developing and updating the Albany Analysis of Impediments to Fair Housing Choices Plan as well as reviewing and analyzing racial and economic disparities for area plans, long-range housing and economic needs analyses, and other City facility and land use plans, such as the Housing Implementation Plan.

Anticipated housing developer partners have varying levels of experience working with civil rights and fair housing issues. For example, FHDC's executive director Maria Elena Guerra (Meg) is a member of the Oregon Governor's Racial Justice Council, and the Housing and Homelessness Committee. In 2022, Meg is a 2023 recipient of the Gretchen Kafoury Award for her commitment to Equity in Affordable Housing.

• *Provide an organizational chart that identifies names and positions of key management for proposed PRO Housing activities.*

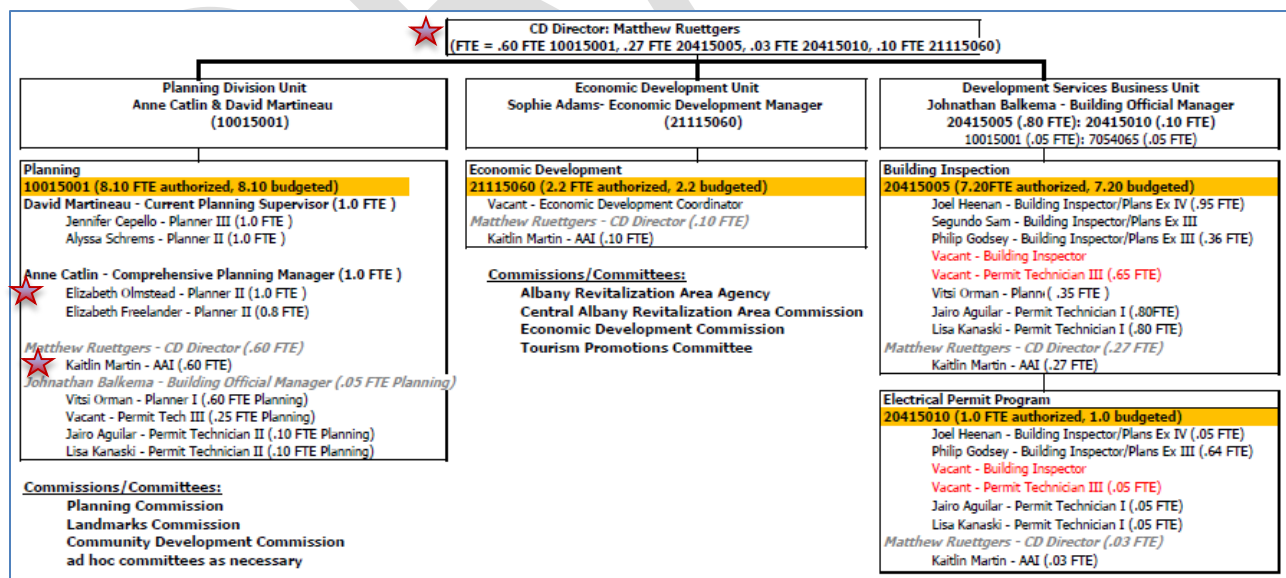
The City of Albany's PRO Housing project staff and their roles on this project are proved below. Note, all staff are full-time employees except where noted. City staff will dedicate a portion of their time to this project as needed. Staff expenses will be documented through project accounting.

- Matthew Ruettgers, Community Development Director: Matthew oversees the Community Development Department. He is a licensed surveyor with more than a decade of experience

in the private and public sectors. Prior to switching to the public sector, he owned and managed a civil engineering firm that orchestrated projects up and down the west coast. Matthew will help enlist community stakeholders and developers in conversations to identify and address barriers to affordable housing.

- Anne Catlin, Comprehensive Planning Manager: Anne has over 25 years of planning experience and a master's in urban planning. She oversees the City's long-range planning and CDBG programs, has extensive federal and state grant management experience, and has successfully managed CDBG-funded public facility projects, and monitored Davis Bacon contracts. Anne will oversee both activities 1 & 2 to ensure compliance with the PRO Housing program requirements.
- Beth Frelander, Planner II (0.8 FTE): Beth oversees the day-to-day management of the CDBG programs and has a master's in urban planning. Beth will help oversee Activity 2 and ensure compliance with all CDBG and PRO Housing program regulations and will participate in Activity 1.
- Liz Olmstead, Planner II, AICP: Liz has a degree in planning and two decades of planning experience reviewing development applications and updating zoning and planning standards. Liz will assist with Activity 1, focusing on land use and policy evaluation and strategy adoption.
- Kaitlin Martin, Administrative Assistant: Kaitlin has many years of experience overseeing departmental expenditures and operations and has contract experience. She will help oversee grant expenditures and subgrantee contracts.

The City of Albany City Community Development Department Organizational Chart is provided below.



**City of Albany, Oregon**  
**EXHIBIT F. LEVERAGE**

**V.a.1.d. LEVERAGE (Maximum 10 points)**

**i. Are you leveraging other funding or non-financial contributions?**

The Total project cost is estimated to be \$6,478,400. The PRO Housing grant of \$2,500,000 is anticipated to leverage approximately \$4,077,000 in City staff time, transportation SDCs, CDBG funds, Oregon SB 5561 funding, and partner agency resources. The City anticipates City financial support from the new Affordable Housing Fund to partner agencies will leverage far more in state grant and loan awards than a one-to-one match.

<b>Match/Leverage Source</b>	<b>Match Amounts</b>	<b>Description</b>
City of Albany/City CDBG	\$733,400	Wages and fringe benefits
City of Albany CDBG	\$200,000	2024-2028 CDBG allocation portion
City of Albany SB 5561	\$225,000	Allocated to affordable housing development partner FHDC
City of Albany transportation SDC	\$449,000	City contribution to major road project (Goldfish Farm Road)
<b>Total City of Albany Commitments</b>	<b>\$1,607,400</b>	<b>64.2% City Leverage</b>
Partner Agency Match	\$2,470,000	Partner minimum of a one-to-one match, <b>98.8% leverage</b>
<b>Total Leveraged Funds</b>	<b>\$4,077,400</b>	<b>163% Total PRO Housing leverage</b>
PRO Housing Grant Request	\$2,500,000	



**City of Albany, Oregon**  
**EXHIBIT G: LONG-TERM EFFECT**

**V.a.1.e. LONG-TERM EFFECT (Maximum 10 points)**

**i. What permanent, long-term effects will your proposal have and what outcomes do you expect?**

Activity 1 will remove obstacles to the development of all housing types, including affordable housing, in all areas of Albany. Implementing land use and policy strategies, such as pre-approved plans and universal/accessible design guides, will make it easier to build a variety of housing types and less processing time for residential development. Creating a revenue source to support affordable housing and adopting tax abatement programs will provide affordable housing developers with a choice of tools to incentivize housing production. Removing land use obstacles to affordable housing will have long-lasting impacts for decades to come.

Future residential land use and policy changes and public incentive programs – such as tax abatements, will have a ripple effect throughout the community as well as beneficiaries of future residents in the newly created housing. Encouraging development in Albany’s CFAs may also enable residents to reduce reliance on vehicles, which add cost to household budgets and may support the expansion of the City’s transit system.

Staff anticipates Activity 2, developing the Affordable Housing Fund and competitive application process for awards to subgrantees over one to three years will result in 200 new rental and homeownership housing units in areas of opportunity throughout the City with long-term affordability periods and deed restrictions to ensure the units stay affordable for many decades. If a portion of the funds are offered as loans, the City will develop a revolving loan fund to continue to cycle the funds out for more affordable housing development.

• *Describe roadblocks your proposal might be facing. What are the likely ways in which the barriers might persist despite your proposed activities, and how does the proposal account for and counteract this?*

Large infrastructure costs such as the extension of primary roads, water, and sewer lines may have adverse effects on the ability of applicants to complete projects in a timely manner if additional resources are needed to address these costs. The City of Albany is pursuing State of Oregon grants for large road and infrastructure projects that are cost prohibitive for a developer to bear alone.

• *Do you anticipate your proposal will result in reducing housing cost burden for residents without increasing other costs, such as transportation costs? Describe how the project will enable the production and preservation of affordable housing while also considering the value of siting affordable housing near amenities, public services, jobs, transit, schools, and other important community assets and locations.*

Future affordable housing development will reduce housing cost burden for households earning less than 100 percent of AMI by providing residents with new, sustainable and healthy housing which will be designed to be energy efficient.

Incentives are being proposed to encourage development in Albany's Climate Friendly Areas which are near transit, retail, services and jobs.

- *Describe the community's most significant environmental risks and how the proposal is aligned with them to efficiently promote community resilience.*

Albany is in the fertile Willamette Valley of Oregon. Oregon's land use system uses urban growth boundaries to protect farm and forest lands from urban sprawl. Regulations also limit development in the floodway.

The City of Albany is taking steps to encourage development in Albany's future Climate Friendly Areas, which are located near transit and away from natural resources.

All multi-dwelling unit (5 or more units) developments are required to provide electrical conduit for EV charging capacity for 40 percent of provided parking spaces.

Solar and energy efficiency proposals will receive higher points in the subgrantee award selection process.

- *What do you consider success to look like at the end of the period of performance or beyond?*

The proposal will enable the production of affordable housing through removing the barrier of costly infrastructure expansions through the site. For this proposal, success is quantified by several metrics that respond to the needs outlined in Section A. The first objective is to better meet the demand for affordable housing units in Albany, particularly for historically disadvantaged populations. The related target outcomes are to increase the total number of subsidized housing units in Albany by 200 units.

Success will result in an increase in affordable, accessible and equitable housing choices in the City of Albany – including homeownership opportunities. Residents experiencing housing cost burden, and Latino/a/x Albany residents who disproportionately face housing cost burden, will have more affordable housing choices. Additionally, these outcomes should improve the ability of people with disabilities to find accessible housing. Finally, these outcomes represent greater housing choices for Albany residents.

- *Describe the long-term effect of your proposal on removing barriers to affordable housing production that have perpetuated segregation, inhibited access to well-resourced neighborhoods of opportunity for protected class groups and vulnerable populations and expanded access to housing opportunities for these populations.*

The long-term effect of this proposal is advancing housing and neighborhood choice for protected class groups by adding affordable housing in areas of the City of Albany that lack affordable housing options.

Supporting the construction of affordable housing in areas of opportunity within Albany will affirmatively further fair housing by ensuring residents of all incomes and backgrounds have housing options in this high opportunity neighborhoods.

The work the City of Albany has done already by allowing more variety of housing types with a building permit (missing middle housing) in single family zones throughout the City of Albany

will affirmatively further fair housing by reducing segregation by income in areas that have been exclusively detached single-doweling units. Segregation by income is known to cause de facto racial segregation because racial and ethnic minorities are more likely to be low income. The effects of these efforts take time to come to fruition, but through these two PRO Housing activities, the City of Albany can expedite a project that advances fair housing in Albany.

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