



# Housing Production Roadmap

City of Lincoln City

May 2025



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# 1. Executive Summary

This document is the Housing Production Roadmap for Lincoln City. This report is designed to help the City to identify and implement housing-related policies and actions in the future. The City received grant funding from the Department of Land Conservation and Development (DLCD) to create the Roadmap with assistance from the consultant, Cascadia Partners. According to State requirements related to planning for needed housing, Lincoln City must produce a Housing Capacity Analysis (HCA) by the end of 2027 and a Housing Production Strategy (HPS) by the end of 2028. The Roadmap will inform this upcoming work.

The Roadmap includes a variety of tools and actions the City will use to help improve the production, availability, and affordability of housing in Lincoln City, both across the income spectrum and for protected classes. The Roadmap was created in partnership with a variety of community and local stakeholders, including City staff, community leaders, and local experts on housing policy and development.

The Roadmap is organized into four sections:

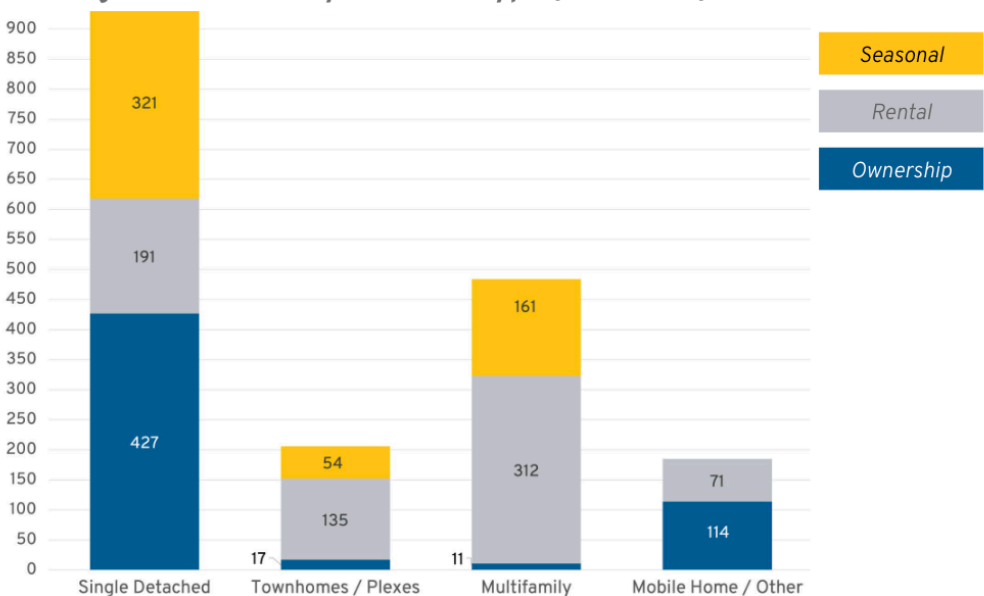
- 1. Executive Summary.**
- 2. Overview of Lincoln City’s Contextualized Housing Needs.** This section summarizes current and future housing needs, demographic trends, market factors affecting housing production, and the housing needs of various groups and protected classes.
- 3. Community Engagement.** This section summarizes stakeholder and community input used to develop the Roadmap’s actions.
- 4. Strategies to Meet Future Housing Need.** This section describes 23 actions the City will undertake to support housing production and fulfill its commitment to meeting its housing needs.
- 5. Measuring Progress.** This section recommends methods and performance metrics for monitoring progress on Roadmap actions.

## Lincoln City’s Housing Need

### Overall Need

The “workforce housing” scenario from Lincoln City’s 2017 Housing Needs Analysis (HNA) showed that the city needs 1,814 new housing units over the next 20 years to meet projected needs. The HNA also showed that the housing Lincoln City needs will take a variety of forms, from single detached houses to multi-unit dwellings (i.e. apartments). More than one-third (38%) of the need, totaling 690 units, is expected to be for multi-unit housing, including townhomes, multi-plexes (3 or more units), cottage clusters, and apartments.

Housing units needed by structure type (2017 HNA)



Lincoln City EOA and Housing Needs Analysis, 2017

## Population-Specific Housing Needs

The diversity of Lincoln City’s population is reflected in the diverse range of housing needs present in the City. The list below offers examples of the housing needs experienced by different groups:

- **Workforce housing.** The amount of attached and multi-unit housing being produced will need to increase to meet the needs of workforce (“middle-income”) households.
- **Cost-burdened renter households** (spending at least one third of their income on rent). More than half of Lincoln City’s 1,874 renter households, of all ages, are cost burdened. Due to their limited budgets, they have an elevated need for housing that is affordable.
- **Communities of Color.** One in five Lincoln City residents is a Person of Color. In the United States Communities of Color have historically had less access to homeownership and tend to be cost burdened more often than other residents, whether paying a mortgage or rent. This means Communities of Color can experience elevated need for affordable housing, particularly for ownership housing.
- **People with disabilities.** About 23% of Lincoln City’s population has a permanent disability. In Oregon, people with disabilities are more than twice as likely to live in poverty, and some people with disabilities experience difficulties with mobility. This elevates their needs for affordable and physically accessible (e.g. built to Americans with Disabilities Act (ADA) standards) housing.
- **Seniors.** Seniors (65 and older) comprise 29% of Lincoln City’s population, which is large compared to the state as a whole. In the United States seniors experience housing problems like cost burden and overcrowding at higher-than-average rates and may experience difficulties with mobility. This elevates their need for affordable and physically accessible housing in general and as support for aging in place.
- **Student homelessness.** As of the 2022-2023 school year, close to 15% of students (Kindergarten through 12<sup>th</sup> Grade) in the Lincoln County School District experienced homelessness. The rate of student homelessness in Lincoln County is more than three times higher than in Oregon as a whole. Families experiencing homelessness have elevated needs for affordable housing, which is sometimes provided with additional supportive services.

The City’s housing need is described in greater depth in *Section 2: Overview of Lincoln City’s Contextualized Housing Needs*.

## Lincoln City’s Roadmap Actions

Throughout 2024, City staff and project consultants gathered input in consultation with local housing experts and developed a list of housing-related actions. These actions are aimed at addressing the overall and population-specific housing needs identified in the City’s 2017 HNA and *Section 2: Overview of Lincoln City’s Contextualized Housing Needs*. The list of actions draws directly from community members’ suggestions, from the team’s policymaking experience, from an assessment of Lincoln City’s Zoning Code and housing policies, from best practices research, and from a list of potential actions published by Oregon’s Department of Land Conservation and Development (DLCD).

The actions are divided into five categories: Regulatory, Incentives, Investments, Land-Based, and Partnership and Communications. Later in the document, *Section 4: Strategies to Meet Future Housing Need* offers a detailed summary of each action, providing the following information:

- Overview, background, and rationale for the action
- Steps to implement the action, considerations for implementation, and an approximate timeline
- An estimate of magnitude of the action’s impact on housing production
- The types of housing need the action addresses (across income, housing type, and tenure)

Actions will impact the production of needed housing over time, with some actions having nearer-term effects and others longer-term effects.

## Regulatory Actions

- Action 1.1: Encourage Middle Housing
- Action 1.2: Reduce Parking Standards
- Action 1.3: Require Minimum Density
- Action 1.4: Update PUD Standards
- Action 1.5: Explore UGB Land Exchange
- Action 1.6: Audit Public Improvement Requirements
- Action 1.7: Expand Residential Uses

## Incentive Actions

- Action 2.1: Tax Exemption Incentive (MUPTE)
- Action 2.2: Scale SDCs
- Action 2.3: Defer SDCs
- Action 2.4: Pursue State Funding for Housing

## Investment Actions

- Action 3.1: Workforce Housing Fund
- Action 3.2: Explore Construction Excise Tax (CET)
- Action 3.3: Expand use of Tax Increment Financing (TIF)
- Action 3.4: Leverage Infrastructure Funding

## Land-Based Actions

- Action 4.1: Inventory and Assess Land
- Action 4.2: Align CIPs with Developable Land
- Action 4.3: Formalize Land Acquisition Agreements
- Action 4.3: Land Banking

## Partnership and Communication Actions

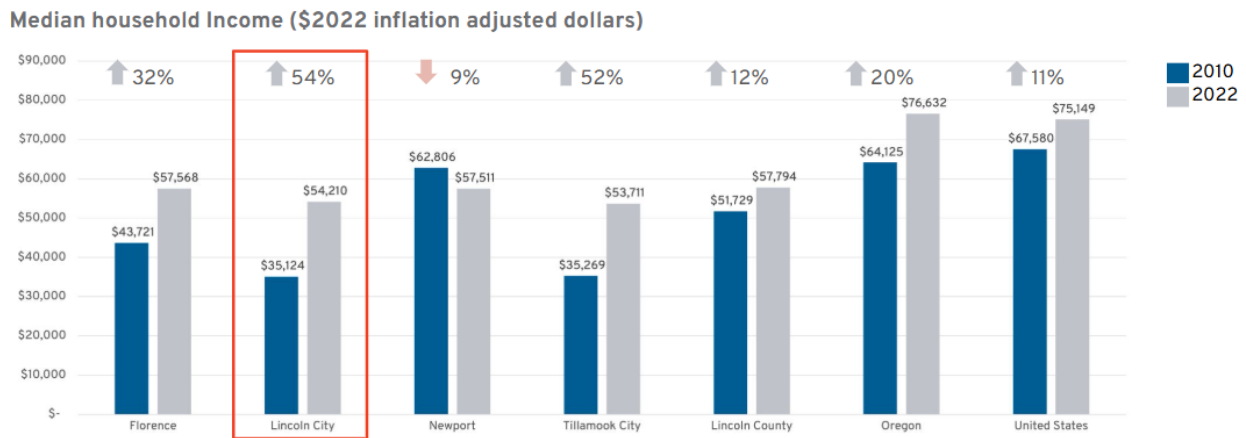
- Action 5.1: Cultivate Regional Partnerships
- Action 5.2: Promote ADU Development
- Action 5.3: Coordinate with Land Owners
- Action 5.4: Provide Technical Assistance to Small Developers

## 2. Lincoln City's Housing Needs

### Understanding the Relationship Between Income & Attainability

**Income determines the housing price point each household can afford. Lincoln City needs a wide variety of housing types to serve households of different incomes.**

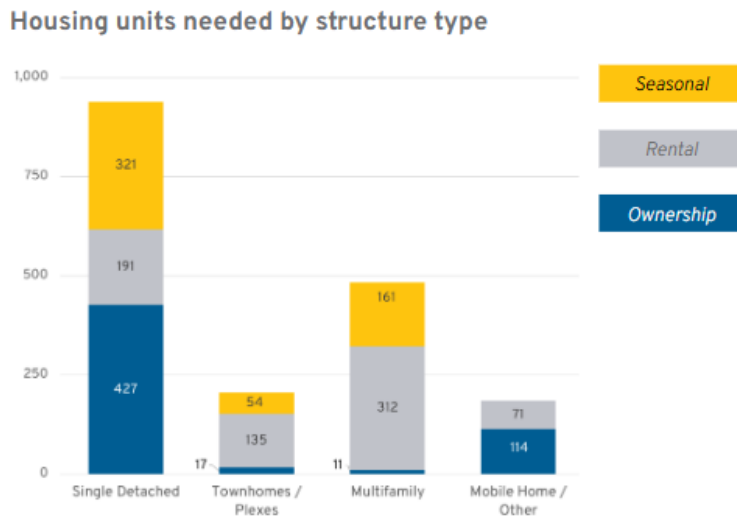
Per the most recent 2022-vintage of the American Community Survey, Lincoln City's median household income is \$54,210, below the statewide and county medians of \$76,632 and \$57,794, respectively. However, the average income has increased more than 50% since 2010, a possible indicator that more affluent people are moving to and buying homes in Lincoln City.



*Inflation-adjusted (2022 dollars) median household income, American Community Survey Table B19013*

**Lincoln City's Housing Needs Analysis (HNA) found that the city will need 1,814 new housing units over 20 years, including 330 units affordable to middle-income households.**

Lincoln City's HNA found that the City will need new housing units serving its full income spectrum and taking a variety of forms, from single detached houses to multi-unit dwellings. The HNA projects that more than one-third (38%) of the need will be for various forms of multi-unit housing, like townhomes, multi-plexes, and apartments.



*Lincoln City Economic Opportunity Assessment and Housing Needs Analysis, 2017. Seasonal housing includes the need for homes that are not occupied full time such as second homes, retirement homes, and short-term rentals.*

## Community Demographic Profile

Lincoln City is a demographically distinct community. The information below is taken from the 2022 American Community Survey (ACS). It is important to note that Census data in Lincoln City paints an incomplete picture of community demographics. This can be attributed to a few factors. ACS data, while comprehensive at a national and state level, has higher margins of error at more granular levels including the census tracts level. In smaller communities like Lincoln City, estimates based on population samples may be less accurate, making the data less reliable for local decision-making. High margins of error make it challenging to rely on for precise decision-making. There are also significant cultural and political realities that can sow mistrust in the government and may contribute to resistance in completing the census survey. This can lead to an undercount of certain groups, including, but not limited to, the Hispanic and Indigenous populations in Lincoln City. Still, census data remains an important starting point for a high-level understanding of Lincoln City. Data used to inform housing strategies should be carefully evaluated and, when needed, supplemented with input from the community to ensure accuracy and relevance to the local context.

### **Lincoln City grew at a faster rate between 2010 and 2022 than the county, state, nation, and peer cities.**

Lincoln City's population growth rate between 2010-2012 was 1.8% which is higher than Lincoln County's (0.8%) and the state of Oregon's (1.0%) during the same period. The COVID-19 Pandemic likely contributed to increased population.

**Lincoln City is less diverse than the state of Oregon.** Roughly 21% of Lincoln City residents are people of color, lower than the statewide rate of 27%. Latino (10%) residents are the largest of Lincoln City's communities of color, with Asian (3.5%), Indigenous (1.3%), Black (<1%), and multiracial (6.3%) populations comprising smaller proportions.

**Lincoln City has a sizeable senior population.** About 16% of Lincoln City's residents are children –below the statewide rate of 18% – and 29% are seniors – well above the statewide rate of 20%. While Oregon has seen its children and working age population decrease on percent terms, and the senior population grow somewhat, Lincoln City has experienced a larger increase in its senior population over the past decade than the state.

**Lincoln City has relatively more renters.** Renters comprise 40% of Lincoln City's households. Renters are around a third (1/3) of households in Lincoln County and statewide. This difference may stem from a combination of factors, including the housing and job types in Lincoln City, its racial and ethnic makeup, and its age profile.

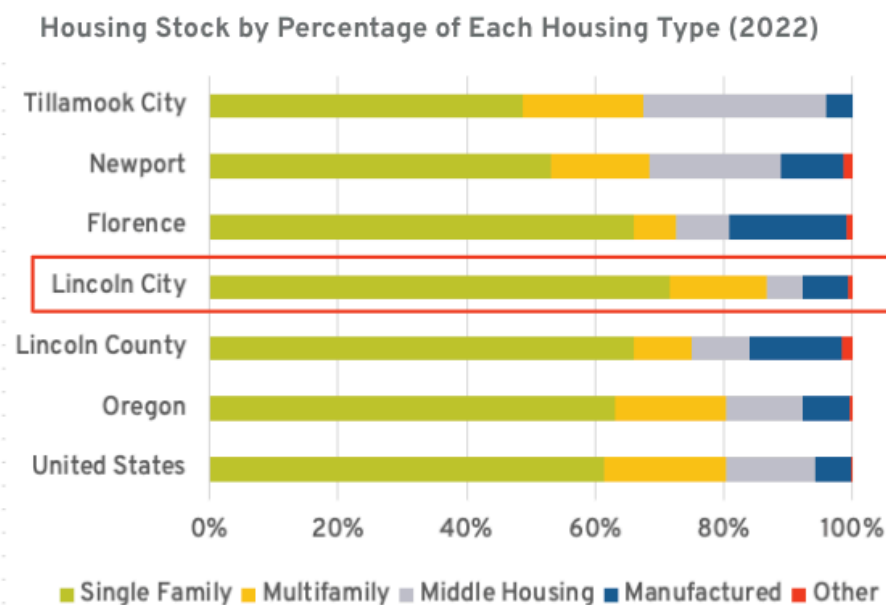
**Lincoln City is relatively low income.** The median household income in Lincoln City is about \$3,600 below the regional median, and \$22,000 below the statewide median. This suggests the city's residents have a smaller budget available to spend on housing.

	Lincoln City	Lincoln County	Oregon
<b>Race and Ethnicity</b>			
American Indian or Alaska Native	1.3%	1.7%	0.7%
Asian	3.5%	1.4%	4.4%
Black	0.2%	0.3%	1.8%
Hispanic or Latino	10.1%	9.8%	13.8%
Native Hawaiian or Pacific Islander	0%	0.1%	0.4%
Other Race	0%	0.5%	0.4%
Two or More Races	6.3%	6.3%	5.2%
White	78.6%	78.6%	73.3%
<b>Age</b>			
Under 18	16.3%	16.0%	18.3%
18 - 64 years	54.6%	53.4%	61.5%
Over 65	29.1%	30.5%	20.2%
<b>Tenure</b>			
Renters	40.1%	29.3%	36.8%
Homeowners	59.9%	70.7%	63.2%
<b>Median Household Income</b>			
	\$54,210	\$57,794	\$76,632

American Community Survey 2022 5-Year Estimates, Tables B03002, B01001, B19013, and B25003

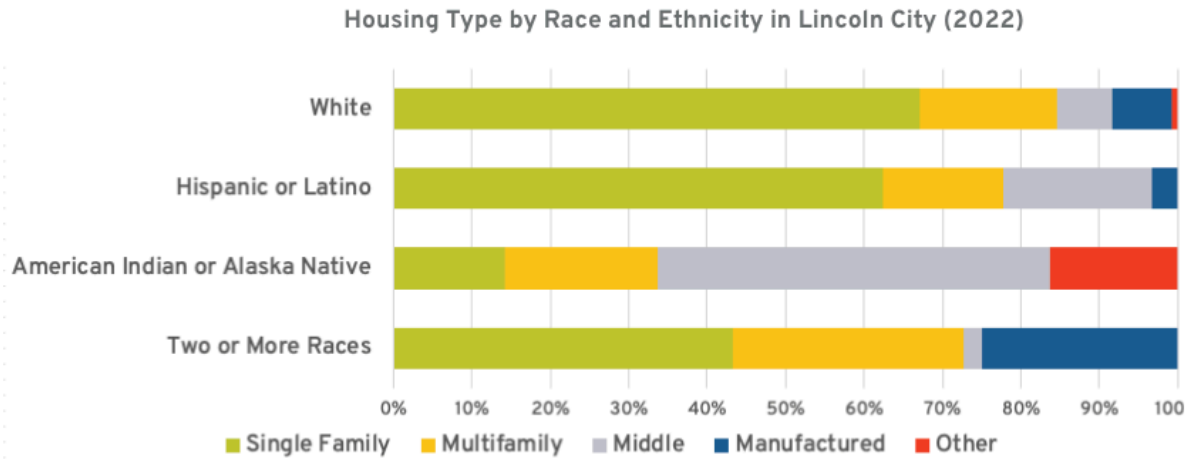
## Existing Housing & Who Lives in Different Kinds of Housing

Per the 2022 ACS, 72% of Lincoln City’s housing stock is detached single-unit, 6% is middle housing—including duplexes, townhouses and quadplexes—and 15% is multi-unit (5+ attached units). Lincoln City has a higher percentage of detached single-unit homes and a lower share of middle housing than peer cities and the state.



American Community Survey 5 Year Estimates, Table B25024

Lincoln City’s households of color are also less likely to live in a detached single-unit home. Whereas 67% of White households live in detached single-unit housing, only 62% of Latino households, only 43% of multiracial households, and only 14% of Indigenous households do. That means White households disproportionately have access to that form of housing and wealth building.



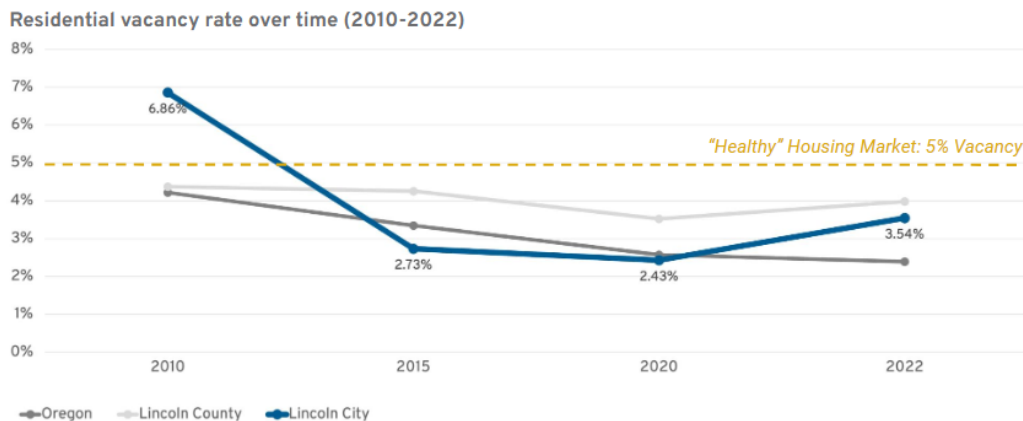
American Community Survey 5 Year Estimates, Table B25032

Middle housing types house 19% of Latino households and 50% of Indigenous households despite that housing type representing only 6% of the housing stock. Middle housing types include duplexes, triplexes, quadplexes, townhouses, and cottage clusters. This housing type is also almost exclusively rental housing but also includes condominiums and hotels in Lincoln City. In fact, the path to property ownership and wealth building in Lincoln City is overwhelmingly through single-unit homes. Creating more ownership opportunities in middle housing stock may serve as a key tool in building homeownership among middle-income households and communities of color.

## Housing Market Dynamics

### Vacancy and Cost

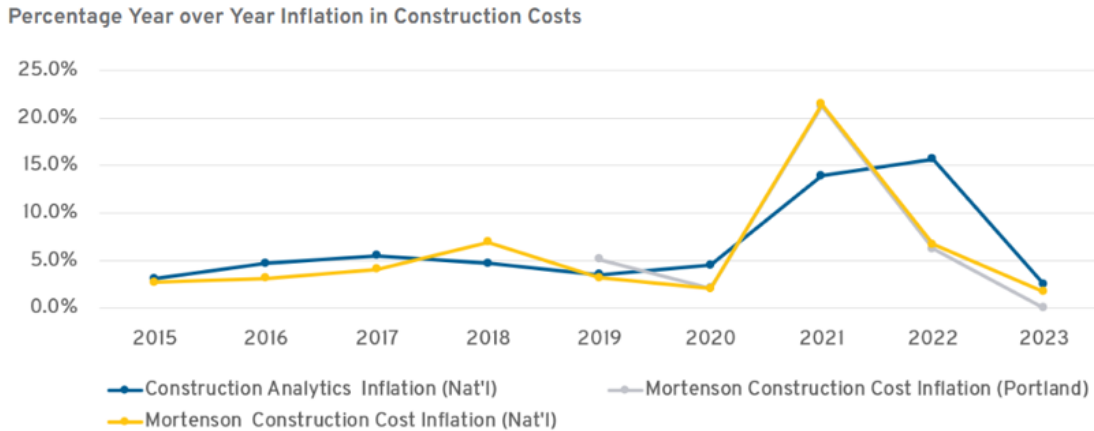
Much of Lincoln City’s 20-year housing need comes from growth; however, underproduction in the city and region is also a contributing factor. Mirroring an underproduction trend seen across Oregon and Lincoln County, Lincoln City’s residential vacancy rate has fallen from a very healthy 6.9% in 2010 to 3.54% in 2022. However, the increase in residential vacancies between 2020-2022 shows that healthy housing production, including a large share of multi-unit housing developed between 2020-2023, may be having a positive impact.



American Community Survey 5-Year Estimates, Table B25004. Includes typical market vacancy (e.g. for sale, for rent), excludes recreational and seasonal housing and “other” vacancy (e.g. abandonment, foreclosure)

## Existing and Expected Barriers to Production

Since 2020, development costs have risen sharply. Mortenson’s Construction Cost Index for Portland indicates the region experienced a 29% increase in construction costs between 2020 and 2024. Though these same data points are not available for smaller coastal markets, evidence suggests that cost increases in Lincoln County are on par. Interest rates have also increased, dramatically raising the cost of borrowing for both buyers and builders. These macroeconomic headwinds cause rents and sales prices to fall out of sync with development costs, reducing the financial feasibility of development and ultimately posing a significant barrier to near-term housing production.



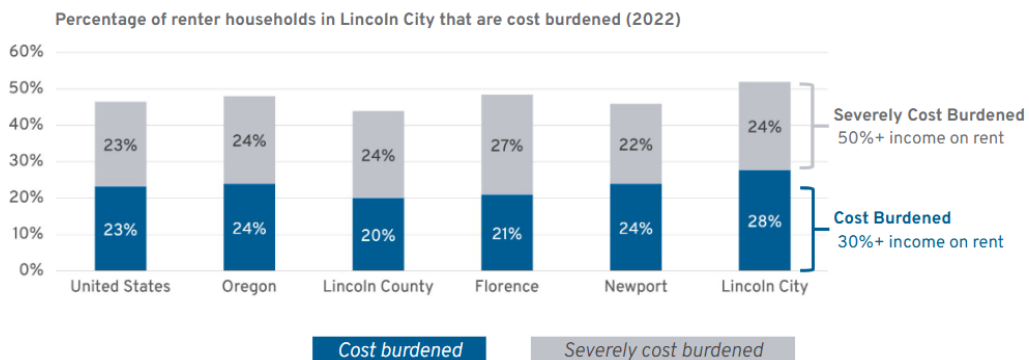
*Mortenson Construction Cost Inflation; Ed Zarenski Construction Inflation*

A statewide survey of government staff and developers by the University of Oregon’s Institute for Policy and Research and Engagement reinforces this perspective that these are major barriers to production. Six of the 12 barriers perceived by respondents as “extreme” had to do with construction costs (both materials and labor) and labor availability. The report also finds the land cost and relatedly, the availability of development-ready, adequately zoned land were also considered major barriers. Infrastructure, systems development charges, and various regulatory details were deemed more moderate barriers to production.

Real estate is cyclical, and eventually cost, price, and rent conditions will reach a new equilibrium in which development is more feasible. In the meantime, adopting policies that support lower development costs, broaden the labor pool, open up land to development, and prepare that land for development will be crucial to counteracting these difficult conditions.

## Cost Burden

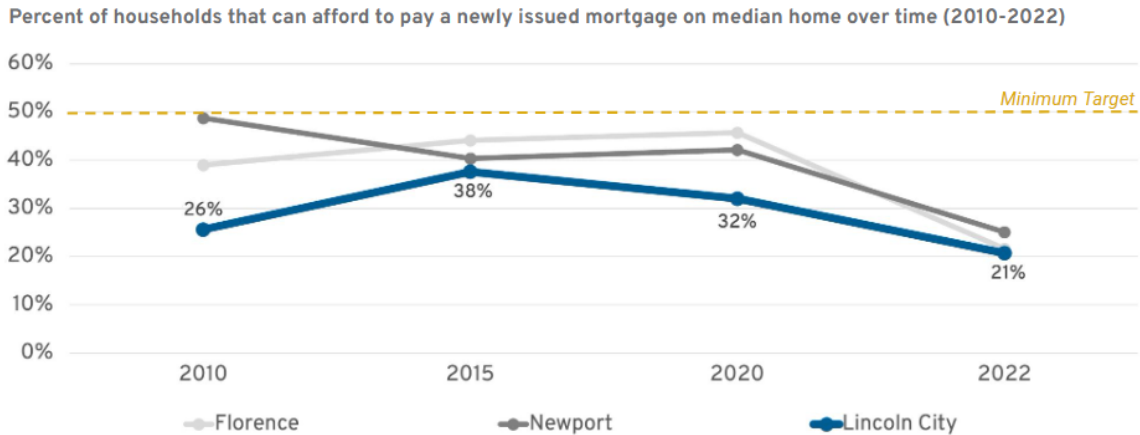
### More than half of Lincoln City’s 1,874 renter households are cost burdened



*American Community Survey 5 Year Estimates, Table B25070*

Per the 2022 ACS, Lincoln City’s overall prevalence of renter cost burden and severe cost burden is higher (52%) than national (46%), statewide (48%), and county (44%) averages.

**After price & interest rate spikes, fewer than 1/4 households in Lincoln City can afford a typical mortgage.**



*Zillow Home Value Index (seasonally adjusted, all for sale homes); Federal Reserve Bank of St. Louis (FRED) average 30-year mortgage rates; SmartAsset & Nerdwallet tax and insurance estimates for Oregon*

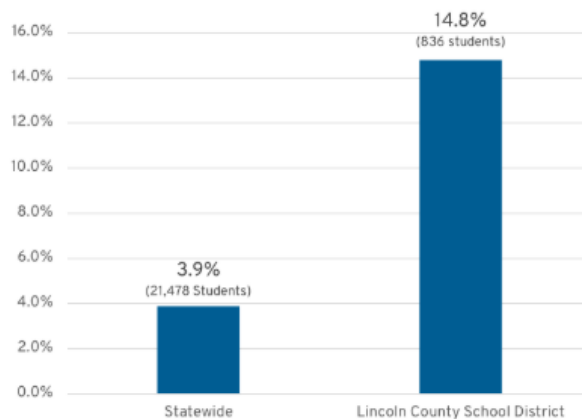
While the ACS tracks cost burden due to owner costs, it falls short of accurately capturing an up-to-date picture of the ownership housing market in 2024. This is because a large share of owners in that data locked in low mortgage rates and housing prices decades ago, resulting in low-cost burden today. The percentage of households that can afford to pay a newly issued mortgage on a median home is a better reflection of the affordability of the ownership market over time. Now, fewer than one quarter of households can afford a newly issued mortgage on the city’s median-priced home.

## Needs of People Experiencing Homelessness

### Homelessness Trends

McKinney Vento data on student homelessness from 2024 shows that many students in the Lincoln County School District (14.8% of students from Kindergarten through 12th Grade) experience severe housing insecurity and homelessness. This is more than three times higher than the statewide rate of 4%. The definition of homelessness includes living in shelters, motels, campgrounds, vehicles, and doubled up with other people.

School district specific homeless counts, 2022-2023



*McKinney Vento Act, 2022-2023 Homeless Student Data. See <https://www.oregon.gov/ode/schools-and-districts/grants/esea/mckinney-vento/pages/default.aspx>*

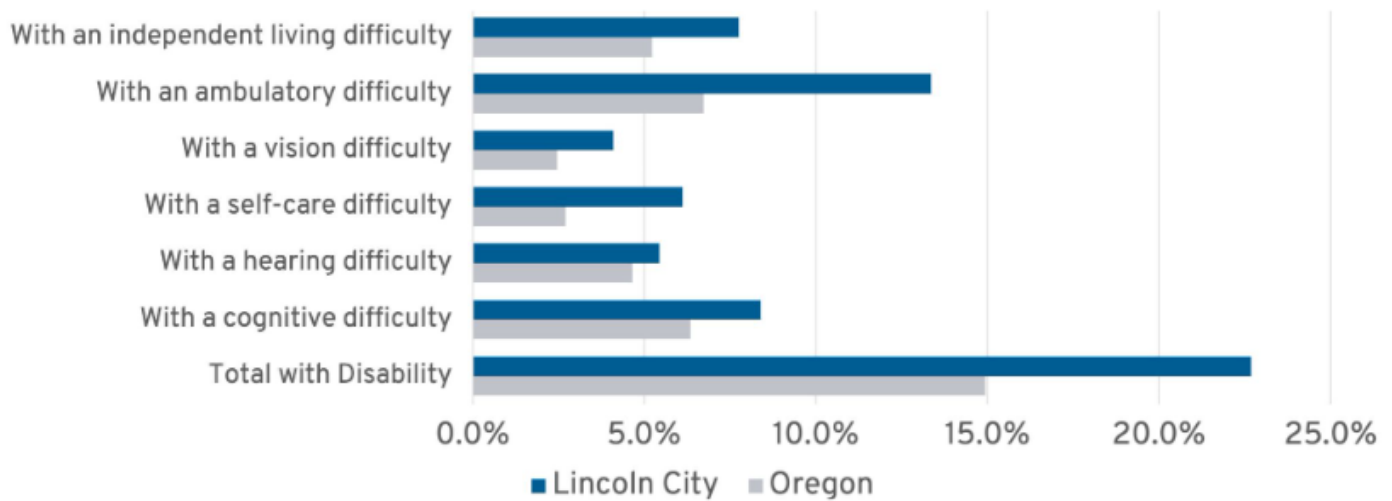
## Needs of Seniors & People with Disabilities

Seniors and People with Disabilities may or may not be a part of the local workforce, as paid or volunteer staff, and are typically living on fixed incomes.

Lincoln City had a significantly higher percentage of seniors than the state as a whole (29% vs. 18%). Per the Department of Housing and Urban Development, about 43% of Lincoln City’s residents ages 62 and above face at least one of the following housing problems: cost burden, overcrowding, or inadequate kitchen or plumbing facilities. This figure is 33% statewide, meaning seniors in Lincoln City tend to have housing problems at a higher rate than the state average. Given the growing number of seniors in Lincoln City and that the population faces known housing challenges, senior needs are key to plan for.

Lincoln City has a higher percentage of individuals with disabilities compared to the state overall (23% vs. 15%), likely influenced by the City’s age distribution.

**Percent of Population with a Disability by Type (2022)**



*American Community Survey 5 Year Estimates, Table S1810*

People with disabilities are more likely than people without them to live in poverty, with 21% of Oregon’s population with a disability below the poverty line compared with 10% for the no-disability population. This data is not available at the city level, but the statewide trend implies that Lincoln City can expect to serve the needs of more households with disabilities if it successfully adds more housing affordable to lower-income households. Lincoln City’s comparatively high share of Seniors may be one reason a larger share of the population is living with a disability. In order to preserve affordability and prevent displacement, affordable and accessible housing is a key to meeting the community’s needs.

### 3. Community Engagement

The implementation of the Housing Production Roadmap (Roadmap) will impact many existing and future residents of Lincoln City. The Roadmap was developed with input from a variety of community members and stakeholders in the housing development process. This engagement process included two work sessions (each) with the Planning Commission and City Council and a presentation to the Sustainability Committee. Stakeholder interviews were held with housing producers to solicit input on barriers to housing.

#### Planning Commission and City Council Meetings

Planning Commission and City Council meetings were held in November and December of 2024 to provide an overview of the Roadmap requirements and process, receive feedback on the Contextualized Housing Need summary, and discuss and receive feedback on draft strategies and actions.

Planning Commission and City Council members agreed that Lincoln City needs more housing options, particularly smaller, more affordable homes for ownership. At the time of this publication, ordinance amendments have been proposed to broaden the definition of “duplex” to allow more options and to allow residential lots as small as 2,500 square feet.

At a meeting on April 1, 2025 Planning Commissioners provided feedback that it is important to establish the policy direction for housing-related actions, to assure that tools such as incentives target housing that is not being provided by the market. An example discussed was designing a tax exemption program to target units that are affordable to middle-income households. Working with land trusts and donating land for income-restricted homeownership projects were raised as examples of valuable partnerships that the City should continue to participate in.

#### Stakeholder Interviews

##### Targeted Engagement with Housing Producers

The consultant team collaborated with the City to identify and interview housing producers for their perspectives and feedback on developing housing in Lincoln City. The team reached out to both private and non-profit housing developers, as well as other stakeholders in the development community, and were able to connect with four local developers of affordable, workforce, and market-rate housing. Below is a summary of the key themes that emerged from this outreach:

##### **Housing Barriers**

Housing producers noted several barriers to housing production in Lincoln City including regulatory challenges, the cost of development, public works requirements, and delays related to the permitting and approval processes.

Specific regulatory challenges noted were high minimum lot sizes that make multi-unit housing development prohibitive due to the cost of land, and overly restrictive lot coverage regulations, particularly for cottage-style housing. Interviewees noted that multi-unit housing is often not allowed outright which therefore introduces opportunity for project delays through discretionary processes and public opposition. Landscaping and tree code barriers also proved to be a challenge. A building permit is required before tree removal can be permitted which often doesn't match project sequencing and can result in schedule delays. In addition, developers noted that landscaping and pervious surface requirements often don't align with the allowed building envelope for various housing projects.

Housing producers identified several financial barriers they faced including burdensome System Development Charges (SDCs) both for smaller homes and multi-unit developments. There also noted a lack of public funding available to incentivize development of middle-income housing, affordable to households with incomes between 80-120% AMI (\$65,000-\$97,000 in Lincoln County). In addition to regulatory and financial barriers, interviewees highlighted that public works requirements such as sidewalk and street improvements can feel onerous and unreasonable, particularly when requiring additional coordination with ODOT and on low-volume streets without connecting infrastructure.

## **Housing Solutions**

In addition to housing barriers, interviewees identified a variety of solutions to housing production in Lincoln City including regulatory changes, incentives, as well as planning and process improvements.

Specific regulatory solutions noted were reduced minimum lot sizes and middle housing allowances including middle housing land divisions. Interviewees expressed a desire for increased lot coverage allowances. They also expressed an interest in being able to provide bioswales to offset impervious surface requirements.

Other infrastructure and planning solutions were identified such as an improved Capital Improvement Planning process that prioritizes housing production in project selection and timing. Several housing producers felt an inventory of land available for larger-scale housing development could support that process. Some developers specifically noted that the Nelscott Urban Renewal Area includes housing opportunities that could be unlocked through targeted infrastructure investments and/or UGB land exchange allowances. Some noted that reduced engineering standards in specific areas with low traffic, and modifications for shared street allowances, could also help move the needle for housing.

A common theme that emerged from discussion was the need for effective incentives to support housing production such as scaled SDCs by unit size, property tax exemptions for middle-income housing, land donations, and partnerships on public improvements.

Lastly, there was a desire shared by many interviewees for the City to explore permitting process improvements. Many housing producers noted the importance of the City offering pre-application meetings especially to get early input on Fire Marshal expectations. Interviewees felt that the City could provide guidance on which questions to ask in pre-app meetings and develop a better mechanism to track feedback from meetings, which could include checklists, notes, or possibly providing recordings of the meetings. They also felt that improvements could be made to offer additional guidance to applicants on fire safety and public improvement requirements in the pre-app process. Another process improvement identified was for the City to begin allowing sequential inspections. Lastly, housing producers felt that the City would benefit from a pro-housing vision and culture that is shared among all departments.

## 4. Draft Actions to Meet Future Housing Needs

The actions included in this document were identified by the project consulting team based on experience with policies in similar jurisdictions, an audit of local zoning codes and policies, best practices research, and a list of potential strategies published by the Department of Land Conservation and Development (DLCD). Working collaboratively with staff, and based on input from stakeholders and the community, the consulting team refined the actions to best fit Lincoln City’s housing needs and capacity for implementation over time.

### Format

The actions in this document to meet permanent housing need fall into five categories:

1. Regulatory Actions
2. Incentive Actions
3. Investment Actions
4. Land Based Actions
5. Partnership and Communications Actions

Within each category there is a one-page summary devoted to each action, which includes a description of the action, implementation steps and considerations, an implementation timeline, a measure of the magnitude of impact, and impact targets. Once adopted, it is assumed that these actions will continue to impact the production of needed housing over time.

### Housing Need Targets

The Roadmap considers the impact of each action on targeted housing needs in three areas:

**Affordability Targets:** This section evaluates the degree to which an action will help to produce housing affordable to various income levels. This evaluation is based on the housing types that are most likely to be produced as a result of the action and the extent to which the City can target the action to meet housing for certain income levels. The following table summarizes the affordability targets used for this report.

Affordability Target	Percent of Median Family Income (MFI)	Monthly Housing Cost Range
Affordable	30% to 80%	\$1,214 or less
Middle Income	80% to 120%	\$1,215 to \$1,822
Market Rate	Over 120%	\$1,823 or more

*Source: Oregon Housing and Community Services 2024, 1 BR Income & Rent Limits for Lincoln County*

- **Affordable:** Affordable housing refers to housing units that are affordable to households earning less than 80% of the area median income. Affordable housing units are typically rental properties that are developed with public subsidies and include mechanisms such as deed restrictions to ensure residents meet income requirements. They might also include homes for sale through a community land trust such as Habitat for Humanity. Many people living in Affordable housing in Lincoln City are members of the workforce.
- **Middle Income:** Middle income housing refers to housing units that are affordable to households earning between 80% and 120% of the area median income. Middle income housing can be rental or ownership units that target middle-income workers, may or may not be developed with public

subsidies, and may include employment-based deed restrictions to ensure residents work in the community where the housing is located.

- **Market Rate:** Market rate housing refers to non-subsidized housing properties that are rented or owned by those who pay market rate rents or market value to purchase the property.
- **Housing Type Targets:** This section evaluates the degree to which an action will help to produce single-unit, middle housing and multi-unit housing. Middle housing includes Accessory Dwelling Units, duplexes, triplexes, quadplexes, townhouses, and cottage clusters.
- **Tenure Targets:** This section evaluates the degree to which an action will help to produce housing that is either for sale or for rent.

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

\*\*\* **Low or no impact:** This indicates that the action is likely to have a minimal or limited effect on housing production. It may support housing production, but on its own it is not likely to spur new housing development.

\*\*\* **Moderate or potential impact:** This indicates that the action is likely to have a more substantial impact on housing production generally or on meeting a specific housing need. It may be impactful enough on its own to spur new housing development.

\*\*\* **High impact:** This indicates that the action is likely to have a significant, wide-reaching impact on housing production or would directly spur housing development that meets a specific housing need.

## Actions by Implementation Timeline and Impact

Action Group	Action Title	Years		Action Impact
		1-2	3+	
<b>Regulatory Actions</b>	<u>Action 1.1</u> : Encourage Middle Housing			High
	<u>Action 1.2</u> : Reduce Parking Standards			Medium
	<u>Action 1.3</u> : Require Minimum Density			Medium
	<u>Action 1.4</u> : Update PUD Standards			Medium
	<u>Action 1.5</u> : Explore UGB Land Exchange			Medium
	<u>Action 1.6</u> : Audit Public Improvement Requirements			Medium
	<u>Action 1.7</u> : Expand Residential Uses			Medium
<b>Incentive Actions</b>	<u>Action 2.1</u> : Tax Exemption Incentive (MUPTTE)			High
	<u>Action 2.2</u> : Scale SDCs			High
	<u>Action 2.3</u> : Defer SDCs			Medium
	<u>Action 2.4</u> : Pursue State Funding for Housing			Medium
<b>Investment Actions</b>	<u>Action 3.1</u> : Workforce Housing Fund			High
	<u>Action 3.2</u> : Explore Construction Excise Tax (CET)			High
	<u>Action 3.3</u> : Expand use of Tax Increment Financing (TIF)			High
	<u>Action 3.4</u> : Leverage Infrastructure Funding			High
<b>Land Based Actions</b>	<u>Action 4.1</u> : Inventory and Assess Land			Low
	<u>Action 4.2</u> : Align CIPs with Developable Land			High
	<u>Action 4.3</u> : Formalize Land Acquisition Agreements			High
	<u>Action 4.4</u> : Land Banking			High

<b>Partnership and Communications Actions</b>	<u>Action 5.1</u> : Cultivate Regional Partnerships			High
	<u>Action 5.2</u> : Promote ADUs (Accessory Dwelling Unit)			Medium
	<u>Action 5.3</u> : Coordinate with Land Owners			Medium
	<u>Action 5.4</u> : Provide Technical Assistance to Small Developers			Low

# 1. REGULATORY ACTIONS

## Encourage middle housing development in residential zones

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
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### ACTION IMPACT

High	Medium	Low
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### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

The city’s residential zones allow some types of middle housing including duplexes, attached single-unit dwellings (townhouses), cottage clusters, and four flats<sup>1</sup>. Under this action, the City will explore expanding permitted housing types in its residential zones to include triplexes and fourplexes. The code would be updated to define triplexes and fourplexes separately from multi-unit dwellings with five or more units. This code update may also include new or revised development and design standards for these housing types to ensure they are designed to be compatible with existing development patterns and intensities in the city’s residential zones. The analysis included in Appendix A contains some specific recommendations for middle housing related code amendments. Alongside these changes the City should consider allowing triplexes and fourplexes with a building permit in all residential zones, rather than requiring development review.

Triplexes and fourplexes may be more feasible to develop than single-unit houses or duplexes due to lower land costs per unit, which enables lower rents and sales prices that can appeal to a broader market.

### Magnitude of Impact

**High** impact. This action will result in new housing types being allowed on a significant portion of the City’s residential land. The action is expected to create opportunities for middle-income or market-rate housing for rent and for sale. The action may not directly result in the production of affordable or deeply affordable units, however.

### Implementation Steps and Considerations

- Consider establishing new design and site development standards to ensure projects meet the desired intent of the housing type. Ensure the standards allow for a clear and objective approval path in compliance with state law and to provide certainty for applicants.
- Design and development standards applying to these housing types should be balanced with the goal of ensuring economically feasible housing development. The DLCDC Model Code for Large Cities includes standards for these types that strike this balance effectively.

<sup>1</sup> Four flat means a structure designed to resemble a single-unit dwelling, but that contains four individual dwelling units.

- Public engagement about these code updates will be necessary to explain the rationale for the updates, assess potential concerns about the impact of the change, and modify regulations appropriately.
- Substantial staff time and/or consultant support may be required to draft the code updates and facilitate the public engagement process.
- Consider allowing triplexes and fourplexes with a building permit in all residential zones, rather than requiring development review.
- Consider code amendments to allow an expedited middle housing land division process, meeting the requirements of ORS 92.031.

## Consider reduced parking standards for multi-unit housing

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

The parking standard for developments with 3+ units is currently one space per unit. Consider reducing to 0.75 spaces/unit, varying by number of bedrooms, allowing shared parking between residential and commercial uses, and exploring parking maximums to create additional opportunities for multi-unit development by eliminating excessive parking requirements.

### Magnitude of Impact

**Medium** impact. The current code requires at least one parking space per unit in all residential zones, which can be difficult to achieve in more dense developments. Reduced parking requirements in strategic locations proximate to alternative transportation options would support the efficient use of land and make multi-unit housing more financially feasible.

Lincoln City’s communities of color disproportionately live in multi-unit housing. Supporting the financial feasibility of multi-unit housing can support the development of housing that serves Lincoln City’s non-White households.

### Implementation Steps and Considerations

- The City last made changes to its parking requirements in 2021, and it may be time to revisit parking standards.
- Consider recalibrating the minimum parking requirement to scale the requirements based on number of bedrooms or size of unit.
- Consider allowing shared parking between residential and commercial uses.
- Consider exploring parking maximums in specific districts that are walkable and/or well served by transit.
- Parking reductions could be limited to projects that include affordable or accessible units.
- Consider packaging this code change with other code changes outlined in the Regulatory Actions section that target barriers to housing in order to maximize overall feasibility of housing production.

## Establish a minimum residential density

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

### IMPACT TARGETS

AFFORDABILITY	
***	Affordable
***	Middle Income
***	Market Rate
HOUSING TYPE	
***	Single-Unit
***	Middle Housing
***	Multi-Unit
TENURE	
***	For Sale
***	For Rent
DEMOGRAPHIC	
***	BIPOC Populations
***	People Experiencing Homelessness
***	People with Disabilities
***	Seniors

### Description

Introduce a minimum density to discourage the development of detached single-unit homes on larger lots, encourage efficient use of remaining buildable land, and promote the development of middle housing.

### Magnitude of Impact

**Medium** impact. Establishing a minimum density could encourage a higher share of townhouse/plex and cottage cluster units, which would help to ensure the city’s remaining buildable land is developed with a mix of housing units. While this action is expected to encourage the development of smaller, more affordable homes, the approach will not likely result in the production of affordable or deeply affordable units without additional targeted action.

### Implementation Steps and Considerations

- Further study of desired housing/building types is recommended to best calibrate the minimum density.
- Calibrate minimum densities with new density standards for triplexes and quadplexes (see **Action 1.1**) to ensure that all allowed housing types are allowed at densities that would encourage their development, especially on smaller infill lots.
- Consider packaging this code change with other code changes outlined in the Regulatory Actions section that target barriers to housing in order to maximize overall feasibility of housing production.

## Consider requiring minimum housing density in PUDs

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

### IMPACT TARGETS

AFFORDABILITY	
***	Affordable
***	Middle Income
***	Market Rate
HOUSING TYPE	
***	Single-Unit
***	Middle Housing
***	Multi-Unit
TENURE	
***	For Sale
***	For Rent
DEMOGRAPHIC	
***	BIPOC Populations
***	People Experiencing Homelessness
***	People with Disabilities
***	Seniors

### Description

Consider implementing PUD requirements such as minimum overall density and/or minimum percentage middle housing. Requiring additional density and housing mix in PUDs is a way to encourage additional development of middle-income housing.

### Magnitude of Impact

**Medium** impact. Establishing a minimum density or required percentage of middle housing would encourage higher density development and a higher share of middle housing in PUDs, which would help to ensure remaining buildable land is developed with a mix of housing types.

### Implementation Steps and Considerations

- Further study of desired housing/building types is recommended to best calibrate the minimum density and/or middle housing requirements.
- Calibrate minimum densities with new density standards for triplexes and quadplexes (see **Action 1.1**) to ensure that all allowed housing types are allowed at densities that would encourage their development.
- Consider packaging this code change with other code changes outlined in the Regulatory Actions section that target barriers to housing in order to maximize overall feasibility of housing production.

## Explore viability of UGB land exchange

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Urban Growth Boundary (UGB) land exchanges allow an equal exchange of land into and out of an existing UGB. It is recommended that Lincoln City pursue this option in cases where land within the UGB is unlikely to develop due to constraints such as steep slopes, geologic hazards, and costs of infrastructure extension. The exchange is for land outside of the UGB, of equal development capacity, that is more suitable for residential development. The Department of Land Conservation and Development is considering some rule amendments as part of the Oregon Housing Needs Analysis (OHNA) rulemaking effort that would streamline the UGB Land Exchange process. Amendments are anticipated to be drafted for review by a technical committee in late 2025.

This action may be undertaken as part of the Nelscott Urban Renewal Plan.

### Magnitude of Impact

**Medium** impact. While swapping undevelopable residential land with lands that may be more suitable for development could certainly result in additional housing opportunities, this action requires evaluation of the potential return on investment of staff time and resources required to pursue it. In addition, it could take several years for any housing to be produced on any new land brought into the UGB.

### Implementation Steps and Considerations

- Cities are able to adjust the UGB at any time to better achieve the purposes of Goal 14, Urbanization, including UGB land exchanges authorized under OAR 660-024-0070 in which a jurisdiction can swap land inside the UGB for land outside the UGB.
- Other Oregon cities have pursued UGB land exchanges, including the City of Roseburg (in 2024) and the City of Tigard (in 2023). Both cities could be contacted by Lincoln City staff to learn more about their process and experience.
- Lincoln City should identify existing lands in the UGB, particularly those that are residentially zoned and still vacant. An evaluation of these lands can be explored to determine development feasibility of those areas. Simultaneously or subsequently, Lincoln City could evaluate other suitable sites for similar land use designations as those

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identified for potential removal. As part of this evaluation of lands outside the UGB, Lincoln City should prioritize sites with strong owner interest in redevelopment, preferably sites with single ownership, to increase development likelihood.

- During a swap, Lincoln City would need to work closely with Lincoln County. As part of this effort, the County and City would need to ensure that appropriate rural zoning designations would be applied to any land that is proposed to be removed from the UGB prior to or at the time of the UGB amendment.

## Audit public improvement requirements to assess barriers to housing

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Lincoln City Municipal Code Section 16.16.010 (Subdivisions: Required Improvements) requires subdividers and partitioners to improve streets and sidewalks to city standards for all developments. In some cases, these improvements add significant costs to development and may go above and beyond what is necessary and compatible with surrounding uses, particularly for infill uses fronting low-volume underdeveloped streets and in subdivisions with low vehicle trips per day.

When the City next updates its Transportation System Plan, it should also consider allowing narrower and/or shared streets in residential neighborhoods, thereby reducing infrastructure costs for new subdivisions and infill projects.

### Magnitude of Impact

**Medium** impact. Infrastructure and public improvement requirements can add significant cost to housing development, often making the projects infeasible.

### Implementation Steps and Considerations

- The City is considering establishing a citywide in lieu fee program to focus public offsite improvement needs in priority locations instead of requiring each individual development to build improvements that may lack connectivity for years.
- Consider doing an audit as part of both future TSP and Standards & Specification updates to evaluate opportunities to reduce barriers to housing development.
- Specific items the audit could consider include minimum development thresholds for on and offsite infrastructure improvements, street standards and right of way widths, and other development standards to ensure compatibility for infill housing development.
- The City could consider removing sidewalk requirements for ADU developments to help spur infill development opportunities on existing single-unit detached properties that exist today without sidewalks.

## Expand residential uses in Oceanlake and Nelscott Districts

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
5-6 Years	7-8 Years

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

The city does not allow standalone multi-unit housing in the Nelscott and Oceanlake Plan Districts. Modifications to these districts could allow for greater flexibility in the location and type of residential units available. They could also include modifications for allowing additional residential uses within commercial developments, such as horizontal mixed use, only requiring a portion of the ground floor to be commercial uses, or only requiring ground floor commercial in select locations within commercial zones that have higher commercial viability. Additionally, to further encourage residential development in these districts, minimum off-street parking standards could be reduced to incentivize multi-unit dwellings in and lessen barriers to higher density and infill development.

### Magnitude of Impact

This action is rated a **Medium** because it may reduce regulatory barriers to housing development in commercial zones; however, other market issues may constrain housing development in these zones.

### Implementation Steps and Considerations

- Evaluate options for providing more flexibility for housing in the Oceanlake and Nelscott districts. This may include allowing multi-unit development outright, allowing for horizontal mixed-use development (residential behind commercial) or only requiring a portion of the ground floor to be commercial uses.
- In some areas, particularly off main streets, commercial uses may not be economically viable but residential uses are in high demand. Another option is to define certain areas or street frontages where commercial uses are most desirable and feasible and only require ground floor commercial in those locations. This can be achieved with a map embedded in the code or through an overlay zone.

## 2. INCENTIVE ACTIONS

# Adopt Multi-Unit Property Tax Exemption (MUPTE) to incentivize needed housing

## IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

## ACTION IMPACT

<b>High</b>	Medium	Low
-------------	--------	-----

## IMPACT TARGETS

### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

## Description

Design and adopt a Multi-Unit Property Tax Exemption (MUPTE) program. Structure the MUPTE program to incentivize development of needed housing types in specific locations, such as middle-income housing, conversions/adaptive reuse of existing structures, and accessible housing.

MUPTE is a state-enabled program that allows cities the opportunity to incentivize the production of needed housing in specific locations and/or with specific features that provide a public benefit. The statute allows jurisdictions the ability to grant multi-unit structures a property tax exemption for up to ten (10) years on the improvement value of the property. The property owner continues to pay taxes on the land value and any commercial portion of the property, if not exempted. The analysis included in Appendix A contains some specific findings related to MUPTE regarding the impact of a property tax exemption on development feasibility.

## Magnitude of Impact

**High** impact because a 10-year property tax exemption can significantly improve development feasibility. This action could target key housing types that are needed but currently undersupplied in the market today, including multi-unit housing, townhouses, and affordable housing.

## Implementation Steps and Considerations

- Determine policy objectives and eligibility criteria for the program, such as targeted locations, minimum unit number, tenure target (for rent or for sale), required green building or design standards, minimum percentage of dedicated affordable or middle-income housing units, allowable commercial property tax exemption, required public benefit, etc.
- Meet with overlapping taxing districts to garner support. The program must be approved by the majority (over 50%) of taxing districts.
- Consider including a third-party pro-forma review step into the application process and fee structure.

- This program allows cities to control which projects are eligible and to cap the total amount of tax abatement annually. The City can determine if a developer must show that the project would not otherwise be feasible, but for the tax abatement, at the time of application.
- This program is designed to incentivize housing that would not be feasible without the tax incentive, so it can have a net positive impact on the tax base over time.
- MUPTE can offer incentives for different kinds of projects, such as accessible units or affordability targets, but it is important to identify the highest priority when designing the program because availability of incentive for other kinds of features in a project may detract from the higher priority criteria.
- The following cities have MUPTE programs and can provide examples for program structure and applications materials: Bend, Coos Bay, Cottage Grove, Fairview, Florence, Medford, Newport, Springfield, and Tualatin.

## Evaluate the feasibility of scaling SDCs

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
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### ACTION IMPACT

High	<b>Medium</b>	Low
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### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Evaluate the fiscal impacts and feasibility of revising the System Development Charge (SDC) methodology to scale rates to unit size.

SDCs are a substantial upfront cost of housing development. Data consistently show that the square footage of a dwelling unit is a reliable indicator for how much a housing unit will impact infrastructure systems. Scaling the SDCs by the size of the unit could more fairly and equitably distribute the cost of SDCs across housing developments. Furthermore, a sliding scale could provide an incentive to build smaller units, which tend to be more affordable.

### Magnitude of Impact

**Medium** impact. Scaling fees would reduce the cost of developing smaller units of all kinds, but the sum of fees may still be a barrier to development.

The analysis included in Appendix A contains some findings related to SDC scaling.

### Implementation Steps and Considerations

- Conduct an SDC rate and feasibility study to evaluate the feasibility of scaling rates by unit size.
- The permitting system may need adjustments to collect information related to SDC tiers.
- SDC fees can be scaled to establish a “Single Family Equivalent” standard that allows for smaller units, such as compact houses, cottage cluster units, and ADUs to pay a lower fee than larger homes. The City could also scale the connection fees by the square footage of the unit or the number of bedrooms.
- Reducing fees may result in lower overall fee revenue; however, this can be mitigated by increasing the base fee rate or scaling fees higher for larger units to offset reductions in fees for smaller units.
- While SDC fees represent only a fraction of overall project costs (often less than 6%), reducing costs by even a few percentage points can represent the difference between a project being feasible or infeasible.

## Continue allowing System Development Charges (SDCs) to be deferred until occupancy

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

The City currently allows payment of SDCs at time of occupancy for 3+ unit projects and should maintain this policy. SDCs for these projects are not required to be paid until after a housing development is constructed and prior to issuing a final certificate of occupancy (CO).

SDCs are a significant upfront cost of development. Allowing the payment to be deferred until occupancy can reduce the cost of SDCs to developers (particularly small developers with limited access to capital). Developers rely on cash (equity) or higher interest rate construction loans to pay SDCs. By delaying payment, those developers can reduce the carrying costs (interest payments) and make SDC payments closer to the point where revenue is coming into a project through rent or sales.

### Magnitude of Impact

This action is rated a **Low** because is unlikely to directly stimulate development of new housing projects on its own but can help defer upfront costs of development.

### Implementation Steps and Considerations

- SDCs represent some of the largest upfront costs of development (prior to construction). Small cities like Lincoln City rely on smaller, local builders and developers, and strategies designed to support these smaller builders can have a significant impact on their ability to deliver needed housing.
- Compared to SDC financing options, an SDC deferral does not require a property lien and may require less staff time for administration and compliance.
- Refer to the [Oregon SDC Study](#) prepared for Oregon Housing and Community Services (OHCS) (pg. 208-210) for more information on collecting deferred fees.

# Proactively pursue the State’s new Revolving Loan and find candidate projects

## IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

## ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

## IMPACT TARGETS

### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

### DEMOGRAPHIC

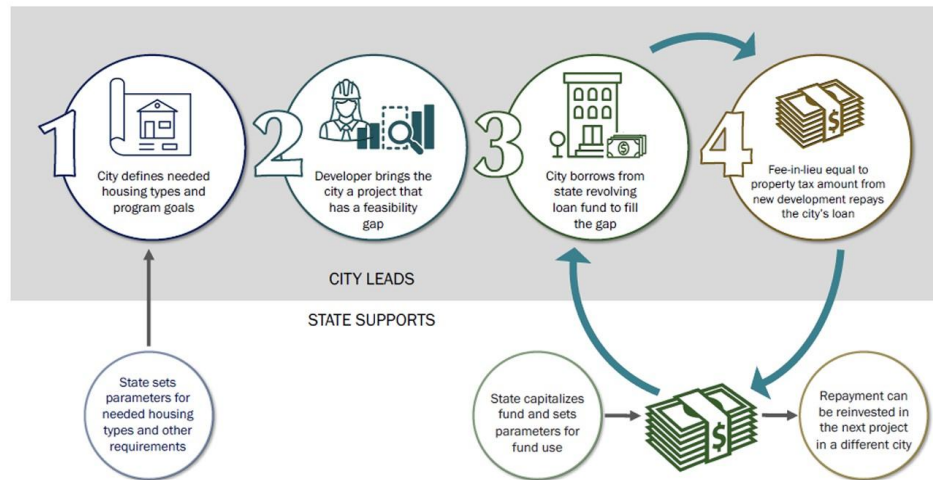
- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

## Description

Continue to work with regional partners to identify candidate projects and proactively pursue applying Oregon Housing and Community Services’ new SB 1537 \$75M State Revolving Loan to fill housing financing gaps. It is recommended this Action work in tandem with **Action 5.1: Cultivate Regional Partnerships**.

The State Loan Fund provides interest-free loans of \$15,000-\$35,000 per unit with a 10-year payback target to be repaid through the growth in property taxes derived from the new developments. Eligible costs include SDCs, predevelopment costs, construction costs, and land write-downs. The housing provided can include single-unit, middle housing, multi-unit, and ADUs for-sale or for rent below 120% AMI. Additionally, the housing developments must be taxable. The loan program will be operational by June 30, 2025. To see how this process will work, see diagram below.

**Diagram of Revolving Loan Fund Process**



## Magnitude of Impact

**Medium** impact. This action could be a significant catalyst for affordable or workforce housing development, especially if pursued with partners. However, funding allocations will be competitive, and the city is not guaranteed to receive this funding.

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## Implementation Steps and Considerations

- The City should work to identify eligible projects and partners that will compete well at a state level.
- The grants to housing developments can be \$15,000-\$35,000 per unit for single-unit, middle housing, multi-unit, and ADUs for sale or for rent below 120% Area Median Income for at least 10 years.
- The State Loan Fund has \$75 Million total available statewide and is a first-come, first-serve grant so being prepared in advance to pursue this action is recommended.
- Local jurisdictions control project selection and borrow from the loan fund to make grants to local developments, with a 10-year payback target to be repaid through the growth in property taxes derived from the new development.

# 3. INVESTMENT ACTIONS

## Maintain Workforce Housing Fund

### IMPLEMENTATION TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

<b>High</b>	Medium	Low
-------------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-family

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

The City should continue to maintain a Workforce Housing Fund dedicated to providing funding for land acquisition and pre-development assistance to developers of workforce housing. Funding is drawn from the General Fund and from sales of surplus property currently. If the City were to adopt a Construction Excise Tax (CET) in the future, a portion of CET revenues could potentially be an additional source of funding.

### Magnitude of Impact

**High** impact. Having a local source of funding can help Lincoln City (and their regional affordable housing partners) tap into state and federal funding sources that require local matching funds. Without local funding, Lincoln City may be excluded from key funding sources that could result in needed affordable and workforce housing developments.

### Implementation Steps and Considerations

- This funding source will be dependent on General Fund and surplus property sales and therefore may not be consistent from year to year unless combined with adoption of a Construction Excise Tax as recommended in **Action 3.2**.
- Most state and federal housing resources require a local match; this funding source could be instrumental in securing funding opportunities for Lincoln City by providing local match funds for housing projects.
- Workforce Housing Funds can be used flexibly with parameters set by the local jurisdiction about the types of projects to invest funds into.

## Explore implementing a Construction Excise Tax for an additional affordable housing revenue source

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Explore establishing a Construction Excise Tax (CET) applied to both residential and commercial construction to create an additional revenue source for affordable and workforce housing.

A CET is a tax on construction projects that can be used to fund affordable housing. Local funding sources for affordable housing have emerged as a key component in the feasibility of affordable projects. While the funds often fill a small portion (a “gap”) of overall costs, some level of local funding is often a required agreement as leverage to secure larger sources for affordable housing. Communities without the ability to contribute some level of local funding can be locked out of the opportunity to secure larger state and federal funding sources for affordable housing.

According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure. CET can only tax up to 1% of the permit valuation for residential construction permits. The City may also tax the permit value of commercial and industrial taxes, and there is no cap on the rate for commercial and industrial tax. This can provide the option to create a linkage between new commercial or industrial development and investment in housing.

### Magnitude of Impact

**High** impact. Having a local source of funding can help Lincoln City (and their regional affordable housing partners) tap into state and federal funding sources that require local matching funds. Without local funding, Lincoln City may be locked out entirely of certain key funding sources that would result in needed affordable housing developments.

### Implementation Steps and Considerations

- Study the potential revenue that could be generated by the CET at different rates and approaches. Determine if grant funding or consultant support is needed to implement.
- Consider the costs that a CET would impose on new development and identify ways to offset these costs by taking other actions to improve financial feasibility, such as regulatory changes. This can be assessed in part through stakeholder engagement with developers.

- Determine how CET funds would be used. Per state statute, of the revenue collected from residential CET, the City can reserve 4% for administrative costs. Of the remainder, 50% must be used on developer incentives, 35% on affordable housing programs, and 15% must go to Oregon Housing and Community Services to fund down payment assistance programs. For commercial or industrial CET, 50% of revenues must be dedicated to housing programs, and the other half is unrestricted in its allocation.
- Consider allocating a percentage of CET funds towards the rehabilitation and conversion of commercial buildings into housing.
- Funds generated from CET could be used to encourage the preservation of manufactured home parks through the purchase of the land by a nonprofit or affordable housing developer, or through a co-op of residents.
- Affordable homeownership was identified as a high need from community engagement activities. Consider allocating a portion of funds generated from CET for affordable homeownership opportunities.

## Expand the use of Tax Increment Financing (TIF / Urban Renewal) for housing production and infrastructure upgrades

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Tax Increment Finance (TIF) districts are an effective and flexible tool to fund public capital improvements that support housing development in specific locations. TIF districts finance housing development in a “self-financing” fashion by leveraging future increased tax revenues generated by rising property values rather than raising taxes on existing residents. Since its inception in 1988 the City’s Urban Renewal Agency has played a key role in funding infrastructure and other improvements that have been instrumental in the development of 107 units at the Lincoln 25 Apartments, and workforce housing was included in the now expired “Year 2000 Development Plan” as an eligible project.

Lincoln City recently adopted two new Tax Increment Finance Plans, including the Roads End / Villages at Cascade Head Plan (2020) and the Nelscott Plan (2023). Under these actions, a major emphasis of those Plans can include supporting housing development. TIF funding can be applied to infrastructure projects, land acquisition or assembly, or direct financial incentives or subsidies, including low-interest loans, for specific development projects. Given that a TIF area is one of a very limited set of statewide tools available to the City to fund housing-related investments and incentives, it is recommended that the TIF areas prioritize supporting projects that are the most difficult to construct without financial support, primarily income-restricted housing that is not tax-exempt. The TIF funds can support affordable rental housing, including income-restricted units in mixed-income housing developments, workforce housing, and homeownership housing.

The City should ensure existing Urban Renewal Areas include housing assistance as eligible projects within Urban Renewal Plans and could also explore further uses of Tax Increment Financing (TIF) to support housing development such as Site Specific Tax Increment Financing, a program that was recently adopted in Bend, Oregon and has also been used to support housing development in Salem, Oregon.

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## Magnitude of Impact

**High** impact. TIF is one of the most significant and flexible sources of funding for housing production at the local level. When properly implemented, it can generate meaningful funds that can be used flexibly enough to address the many facets of a housing project that could be impacting feasibility, including infrastructure, soft costs, or direct financial support.

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## Implementation Steps and Considerations

- Funds can be invested in housing development in the form of low-interest loans and/or grants for a variety of capital projects, including redevelopment projects, such as mixed-use or infill housing developments, streetscape improvements, land assembly, and transportation enhancements.
- Urban Renewal funding could be allocated towards the rehabilitation or conversion of existing buildings for housing. This could include roof replacements, seismic upgrades, and fire suppression systems. Urban Renewal investment is critical since parts of the 101 corridor are characterized by older buildings with concomitant structural and code challenges.
- TIF can be used to fund infrastructure investments, allowing for the efficient upgrade of infrastructure systems in tandem with new housing development. It can also be used to fund financial incentives for housing developments such as system development charge waivers.
- Affordable homeownership was identified as a high need from community engagement activities. Consider allocating a portion of TIF funds generated for affordable homeownership opportunities.

## Continue pursuing State and Federal infrastructure funding

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

AFFORDABILITY	
***	Affordable
***	Middle Income
***	Market Rate
HOUSING TYPE	
***	Single-Unit
***	Middle Housing
***	Multi-Unit
TENURE	
***	For Sale
***	For Rent
DEMOGRAPHIC	
***	BIPOC Populations
***	People Experiencing Homelessness
***	People with Disabilities
***	Seniors

### Description

Proactively identify and pursue state and federal grants and earmarks to fund capital improvement projects. Infrastructure grants would provide an alternative source of funding for capital improvement projects beyond SDC revenue, the current primary funding source for capital projects. Securing grant funding for high-priority infrastructure projects could allow for the City to reevaluate the SDC fee methodologies by removing the cost of the projects from the SDC fee calculation.

### Magnitude of Impact

**High** Impact. While securing infrastructure grants will not directly spur housing development, identifying alternative funding for capital improvement projects would give the City the flexibility to reduce off-site infrastructure improvements and/or SDCs that may be required for an individual development project. In addition, public infrastructure investments could attract and catalyze additional development.

### Implementation Steps and Considerations

- Pursue new funds. Recent state legislation has provided additional funding to support housing development. One example is Oregon Housing and Community Services’ new SB 1537 Revolving Loan Fund discussed in [Action 2.4](#) (Pursue state funding for housing). Additional programs include Safe Routes to School grants through Oregon Department of Transportation as well as federal funding opportunities such as the Infrastructure Investment and Jobs Act (IIJA) programs, including the Community Pathways and Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grant.
- Work with staff, Public Works, and partners to explore additional grant opportunities, potential funding partners, and priority capital improvement projects, and strive to secure funding for the most strategic investments. Align any prioritization of capital improvement projects identified in [Action 4.2](#) (Align CIPs with developable land) with this effort.
- Identify high priority projects that align with grant funding program goals and utilize partners to demonstrate support and pursue funding.

## 4. LAND ACTIONS

## Maintain an inventory of public, underutilized, and foreclosed properties and assess the development readiness of inventoried properties

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Formalize and continue to maintain an inventory of sites for housing development that are publicly owned, underutilized, brownfields, or foreclosed properties. The inventory can also include distressed commercial or multi-unit properties that may be targeted for rehabilitation or adaptive reuse by an affordable housing developer.

Then, determine and document which of the inventoried properties are suitable for housing development. Consider alignment with local land use and comprehensive plans; physical attributes like site access, infrastructure and utilities available, and topography; property title and ownership; and overall suitability to support housing development.

### Magnitude of Impact

**Medium** impact. This action can help to identify opportunities for housing development but will need to be combined with other actions to have a higher impact.

### Implementation Steps and Considerations

- The first step can be to adopt a policy at the City level that prioritizes selling or dedicating any surplus publicly owned land to meet housing needs when feasible and appropriate.
- This inventory should also be shared with the Urban Renewal Agency (URA) to inform strategic site acquisition related to needed housing in the Urban Renewal Districts.
- This action can be incorporated into citywide, long-term master planning efforts (such as a wastewater master plan or a transportation system plan) as well as CIP planning.
- If a high priority housing project is proposed, the City may consider accelerating implementation of previously planned improvements that would benefit the project. The City may choose to limit this option to new affordable or workforce housing projects.

## Align Capital Improvement Plans with Inventory of Developable Sites

### IMPLEMENTATION

#### TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

#### ACTION IMPACT

<b>High</b>	Medium	Low
-------------	--------	-----

#### IMPACT TARGETS

##### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market-Rate

##### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\* Multi-Family

##### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

##### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Continue to evaluate the Capital Improvement Program (CIP) to ensure sufficient prioritization of infrastructure projects that support new housing development. Infrastructure spending decisions by a city can significantly influence the feasibility of development in one location or another by lowering the upgrade costs that private developers need to pay in order to build housing.

Infrastructure improvements can reduce costs of housing development and enable development on sites that would otherwise not be viable. By continually monitoring the projects included in the CIP based on how they would impact the feasibility of housing development, the City can ensure that infrastructure improvements that are most likely to create new housing development opportunities will be prioritized for implementation.

### Magnitude of Impact

**High** impact. Prioritizing infrastructure spending (water and sewer lines, street improvements, parks, etc.) can significantly reduce costs and improve feasibility of housing construction in upgraded areas, even if it doesn't directly result in housing production.

### Implementation Steps and Considerations

- Using the inventory developed in [Action 4.1](#), conduct additional analyses to identify properties most suitable for development in the short-term based on infrastructure conditions, location, and other factors. Prioritize infrastructure improvements in the Capital Improvement Plan that would enhance infrastructure for these sites.
- This action can be incorporated into citywide, long-term master planning efforts (such as a wastewater master plan or a transportation system plan) as well as the Capital Improvement Program (CIP) planning.
- Consider hiring a consultant to conduct an infrastructure ROI analysis to evaluate the potential impact of infrastructure extensions or improvements on the economic feasibility of housing development (the “return on investment” of infrastructure spending in terms of housing production) to inform future CIP investments and priorities

## Formalize agreements to acquire land

### IMPLEMENTATION

#### TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

#### ACTION IMPACT

<b>High</b>	Medium	Low
-------------	--------	-----

#### IMPACT TARGETS

##### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market-Rate

##### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Family

##### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

##### DEMOGRAPHIC

- \*\*\* People of Color
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Formalize a land disposition process by adopting a set of Intergovernmental Agreements (IGAs) between the City and other public agencies to grant the City (or its designees) the right-of-first-refusal for surplus or foreclosed properties. Agreements or potential agreements could occur with the County, school board, or other public, civic, and/or faith-based institutions.

OAR 271.330 enables local governments to relinquish title to another governmental body if the property is used not less than 20 years for a public purpose or to a qualifying nonprofit if the property is used for low-income housing. Transferring foreclosed land from one agency to the City involves a series of legal and administrative steps to ensure proper ownership transfer and alignment with public goals. Under this action, the City would work with the City Attorney and/or County Counsel to establish a right-of-first-refusal option and develop IGAs that outline the terms and conditions of the property transfer, including details on the transfer process, property use, and designees (such as land banks, land trusts, or nonprofit affordable housing developers).

### Magnitude of Impact

**High** impact. Formalizing this process improves the likelihood that the City can acquire properties. Obtaining control of land is an effective strategy for the City to facilitate housing development, particularly affordable housing. If the City owns or has effective control over a potential development site, the City can influence the type of housing that is built on the site. The magnitude of impact depends on the amount of surplus or foreclosed land that can be offered for first right-of-refusal to partners for housing development.

### Implementation Steps and Considerations

- Adopt a policy that prioritizes selling or dedicating any surplus publicly owned land to meet housing needs when feasible and appropriate.
- Work with institutional, civic, and other partners to implement a similar policy that prioritizes selling or dedicating any surplus land.
- For land that the City or other partners are not ready to sell, the land could be offered as a long-term lease at a very minimal cost to developers. Long-term leases offer a way for property owners to maintain the ownership of property but allow it to be used for housing.
- The inventory developed in **Action 4.1** (Inventory and assess land) could be used to identify opportunities to work with public agencies or other organizations that own surplus land to create formalized surplus land priority/disposition.

## Engage in land banking with partner organizations

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Acquire and hold key sites for future use for housing development (otherwise known as “land banking”). The specific approach to executing land banking can vary. Land banking can be executed by the City, an Urban Renewal agency, a newly created land bank authority (as enabled by ORS 465.600 to 465.621), or in partnership with a non-profit community land trust. The ideal approach to land banking depends on the nature of the potential sites to be acquired, the availability of local partner organizations, and other legal and administrative issues.

In general, the following conditions must be met in order for the City to engage in land banking:

- **Funding:** Funding is necessary to acquire the land and to pay for the costs of transferring ownership, maintenance, and any site preparation that will be completed by the City. The level of funding required will depend on the number and value of sites to be acquired.
- **Administrative Capacity:** City staff or staff from partner organizations must have the time to negotiate land purchase agreements, oversee transfer of ownership, and manage the properties while they are under the control of the City or the partner organization.
- **Partnerships:** The City will need to partner with other organizations to execute land banking and to ensure the land is developed in a manner that meets key housing needs. These partnerships are described in [Action 5.1](#) (Regional partnerships) and [Action 4.3](#) (Formalize land acquisition agreements). In some cases, the City may partner with a private, for-profit developer that is willing to include affordable units in a project if the City can provide a site at a reduced or no cost.

### Magnitude of Impact

**High** impact. Obtaining control of land is an effective strategy for the City to facilitate housing development, particularly income-restricted housing. If the City owns or has effective control over a potential development site, it can influence the type of housing that is built on the site. Further, land costs account for a substantial portion of development costs (approximately 15-30%). If the City provides the land to a developer at low or no costs, it can dramatically improve the feasibility of building housing that can be made affordable to households with lower incomes.

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## Implementation Steps and Considerations

- The City should continue connecting with community land trusts who participate in regional housing meetings, to help build and further relationships, as well as connect the organizations with land holders.
- Create steps to help community land trusts by providing elevated technical assistance. This can include streamlining processes such as lot splits, zoning changes, and other pre-development steps for land trusts to ensure the land is development ready.
- The City can help to facilitate the transfer of ownership from public, underutilized, brownfields, and foreclosed properties to organizations that can land bank, such as a Land Trust or affordable housing developer, as detailed in **Action 4.3**.
- Affordable homeownership was identified as a high need from community engagement activities. Consider prioritizing opportunities for affordable homeownership.

## 5. PARTNERSHIP ACTIONS

## Cultivate regional partnerships

### IMPLEMENTATION

#### TIMELINE

1-2 Years	3+ Years
-----------	----------

#### ACTION IMPACT

High	Medium	Low
------	--------	-----

#### IMPACT TARGETS

##### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\* Market-Rate

##### HOUSING TYPE

- \*\*\* Single-Unit
- \*\* Middle Housing
- \*\* Multi-Family

##### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

##### DEMOGRAPHIC

- \*\*\* People of Color
- \*\* People Experiencing Homelessness
- \*\* People with Disabilities
- \*\* Seniors

### Description

Continue leveraging positive relationships with regional partners for the purpose of collaborating on funding and development of affordable and workforce housing.

Lincoln City has partnered with Lincoln County, Newport, and CTSI (Confederated Tribes of Siletz Indians) on affordable housing grants and funding. The City has also partnered with developers including HALC (Housing Authority of Lincoln County), Habitat for Humanity of Lincoln County (HFHLC), Proud Ground, Innovative Housing, Inc., Project Turnkey, and Helping Hands on development of workforce, affordable and transitional housing locally.

Continuing to coordinate with regional partners and to take a collaborative approach to pursuing funding and development opportunities. This is a way to be efficient and strategic in the use of limited resources.

### Magnitude of Impact

**High** impact. Facilitating collaboration among partners can lead to housing developments that would otherwise not have occurred.

### Implementation Steps and Considerations

- City staff should continue to attend Affordable Housing Partners meetings, as availability allows. Participation in AHP can provide support for a pro-housing culture in Lincoln City by:
  - Offering technical assistance to help stakeholders understand housing-related zoning and infrastructure needs, as well as opportunities to collaborate on funding opportunities.
  - Facilitating connections with local developers who may be interested in partnering to build on civic, institutional, faith-based, and employer-owned sites.
- Partners could include the County, School District, or other public agencies. In some cases, the City may partner with a private, for-profit developer that is willing to include affordable units in a project if the City can provide incentives such as a site at a reduced cost.

## Promote the development of accessory dwelling units (ADUs)

### IMPLEMENTATION

#### TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

#### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

#### IMPACT TARGETS

##### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market-Rate

##### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Family

##### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

##### DEMOGRAPHIC

- \*\*\* People of Color
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Make Accessory Dwelling Units (ADUs) easier and quicker for homeowners to build by providing resources to support and expedite the permit and development process. An important way to promote ADUs is by reducing infrastructure requirements (such as sidewalks) for ADUs and establishing pre-approved ADU building plans. Pre-approved plan sets are building designs that have been reviewed for compliance with the building code and any development standards regulating form and design. An applicant that proposes to use the plans would be eligible for a streamlined permit review.

The plans could be designed for constrained lots and to minimize the cost of construction to ensure they can be used widely. The plans could also feature accessibility and energy efficiency improvements to support other city goals and housing needs. Pre-approved plans would streamline permitting procedures thereby reducing development timelines, uncertainty, architectural costs, and other barriers to entry especially for less seasoned builders, such as homeowners. Additional resources could include simplified guides for zoning and building code standards, webinars or education sessions, and/or a City webpage with links to these and other ADU resources.

### Magnitude of Impact

**Medium** impact. Providing these resources will broaden the opportunity and lower the cost for homeowners to add additional units to their sites. In smaller markets with fewer developers, strategies that empower homeowners to add ADUs to their lots can result in meaningful additional housing. ADUs can be particularly suitable housing types for multigenerational households.

### Implementation Steps and Considerations

- Remove on site sidewalk requirements for ADUs.
- Determine if plan sets developed by DLCD can be adapted for the City.
- Engage with local developers, contractors, and homeowners who have built ADUs in Lincoln City to understand common barriers and challenges to ADU development. Use feedback to position pre-approved plans and other information resources for success.
- Consider a creative solution to developing pre-approved plan sets, such as partnering with a college or university to create a student competition to develop the best plans.
- Advertise the pre-approved plans and information resources to property owners, contractors, and builders.

## Coordinate with landowners

### IMPLEMENTATION

#### TIMELINE

1-2 Years	<b>3+ Years</b>
-----------	-----------------

### ACTION IMPACT

High	<b>Medium</b>	Low
------	---------------	-----

#### IMPACT TARGETS

##### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market-Rate

##### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Family

##### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

##### DEMOGRAPHIC

- \*\*\* People of Color
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities
- \*\*\* Seniors

### Description

Connect mission-driven landowners, including civic, cultural, and religious organizations, with housing developers to develop housing on their land (see **Land Actions**).

Some landowners may have property that exceeds their long-term needs. Certain landowners may view income-restricted housing development and work benefiting homeless and very low-income populations as consistent with their interests and may therefore be interested in partnerships to support housing development. Parcels owned by institutions often have additional advantages, ranging from property tax exemptions to supportive legal provisions (ORS 227.500, SB 8 (2021)), to eligibility for specialized funding sources or fundraising mechanisms.

### Magnitude of Impact

**Medium** impact. The magnitude of impact depends on how many landowners have surplus land that they are willing to dedicate to housing development. However, even if the action resulted in one new housing development that served a very low-income population, the action could have a significant positive impact on the housing need.

### Implementation Steps and Considerations

- Engage with landowners to understand long-term plans for their sites and assess their willingness or ability to participate in a public-private partnership or other development project.
- Engage with civic, cultural, and religious organizations and other institutional landowners to understand long-term plans similarly.
- Offer technical support to help landowners understand housing-related zoning and infrastructure issues and pursue applicable state and federal grants.
- Facilitate connections with local developers who may be interested in partnering to build on institution-owned sites.
- Given this action could provide the opportunity to reduce the cost of land for a housing project, focus these efforts on partnerships that will result in income-restricted housing, which is difficult to build without a range of subsidies, cost offsets, and funding sources.

## Provide technical assistance to developers and improve pre-application process

### IMPLEMENTATION TIMELINE

1-2 Years	3+ Years
-----------	----------

### ACTION IMPACT

High	Medium	Low
------	--------	-----

### IMPACT TARGETS

#### AFFORDABILITY

- \*\*\* Affordable
- \*\*\* Middle Income
- \*\*\* Market Rate

#### HOUSING TYPE

- \*\*\* Single-Unit
- \*\*\* Middle Housing
- \*\*\* Multi-Unit

#### TENURE

- \*\*\* For Sale
- \*\*\* For Rent

#### DEMOGRAPHIC

- \*\*\* BIPOC Populations
- \*\*\* People Experiencing Homelessness
- \*\*\* People with Disabilities

### Description

Provide information and technical assistance to developers to assist with housing development, including helping to find suitable sites for housing development, helping to understand the land use permitting processes and incentive opportunities, and offering a sense of clarity and certainty about the requirements for housing development.

Small developers may not have the resources or expertise to navigate complex permitting and review processes and/or may be unaware of the potential resources available. However, they are a valuable part of the local developer pool, often taking on projects, such as smaller infill developments, that larger developers do not.

Housing producers interviewed as part of creating the Roadmap noted the importance of the City offering pre-application meetings especially to get early input on fire marshal expectations. Interviewees felt that the City could provide more guidance on which questions to ask in pre-app meetings as well as develop a better mechanism to track feedback provided in pre-app meetings. They also felt that improvements could be made to offer additional guidance to applicants on fire safety and public improvement requirements in the pre-app process. Another potential process improvement identified was for the City to begin allowing sequential inspections.

### Magnitude of Impact

**Low** impact. While this action would help reduce uncertainty about city regulations and permitting processes, which would remove barriers to the development of certain housing types, the approach alone is unlikely to spur significant new housing development.

---

## Implementation Steps and Considerations

- Produce clear, easy-to-use information that would be distributed on the City website or at City Hall. Gather common housing developer questions and prepare answers. Compile and provide the information as a fact sheet or FAQ on the City website and print for distribution at City Hall.
- Poll local small developers about specific workshops or information that would be helpful and work to present and provide the information when feasible.
- Offer webinars, YouTube videos, or training sessions to help small builders become familiar with the permitting process and available city resources.
- Develop pre-application meeting materials that provide guidance on standard questions to ask and that will be answered in pre-app meetings.
- Consider refinements to the pre-application process that include written feedback, checklists, notes and/or recordings of the meetings. Consider offering additional guidance to applicants on fire safety and public improvement requirements.
- Consider allowing sequential inspections.

## 5. Measuring Progress

The following methods and performance metrics for monitoring progress on Roadmap actions are recommended. The quantity of housing permitted and produced, both City-wide and in areas targeted by actions, should be tracked on an annual basis. These data should be compared to data from before actions were implemented to monitor the effects of the changes on total production, type of production, and location of production. More specific metrics for measuring progress are included below for each action group.

Action Group	Methods	Metrics
<b>Regulatory Actions</b>	<p>Progress on implementation of regulatory actions can be indicated by the following:</p> <ul style="list-style-type: none"> <li>• Adopting a package of changes to encourage middle housing development</li> <li>• Pursuing steps related to exploring viability of UGB swap</li> <li>• Performing an audit of public improvement requirements</li> </ul>	<ul style="list-style-type: none"> <li>• # of total housing units permitted and produced</li> <li>• # of middle housing units permitted and produced</li> </ul>
<b>Incentive Actions</b>	<p>Progress on implementation of incentive actions can be indicated by the following:</p> <ul style="list-style-type: none"> <li>• Evaluation and adoption (if approved) of a Multi-Unit Property Tax Exemption (MUPTE)</li> <li>• Conducting an SDC rate study</li> <li>• Making any adjustments to fee structures as the result of a fee and rate study</li> <li>• Securing state funding to support housing development</li> </ul>	<ul style="list-style-type: none"> <li>• # of housing units permitted and produced, by housing type, tenure and unit size</li> <li>• # of projects that went through the SDC deferral process</li> <li>• # of units permitted and produced that are income-restricted</li> <li>• # of units developed with the aid of state funding</li> <li>• % of units permitted and produced that are accessible</li> </ul>
<b>Investment Actions</b>	<p>Progress on implementation of investment actions can be indicated by the following:</p> <ul style="list-style-type: none"> <li>• A study has been conducted on the potential revenue that could be generated by the CET at different rates and approaches</li> <li>• Identifying specific infrastructure investments with high housing development potential</li> <li>• State and Federal Infrastructure funding secured to support housing development</li> </ul>	<ul style="list-style-type: none"> <li>• If CET is adopted, track:             <ul style="list-style-type: none"> <li>○ \$ raised through CET for income-restricted housing</li> <li>○ # of income-restricted units (0-120% AMI) produced with support from CET</li> </ul> </li> <li>• # of housing units produced using TIF and workforce housing funding</li> <li>• \$ TIF and workforce housing allocated to housing development projects and/or investments</li> <li>• \$ State and Federal Funding secured for housing-supportive infrastructure</li> </ul>

<p><b>Land Actions</b></p>	<p>Progress on implementation of land actions can be indicated by the following:</p> <ul style="list-style-type: none"> <li>• Creating an inventory of surplus properties and formalizing a process to update the inventory annually</li> <li>• Developing site suitability metrics for the surplus properties inventory</li> <li>• Adopting Intergovernmental Agreements between the City and other public agencies that grant first right of refusal for surplus properties</li> <li>• Identifying and earmarking funding for the City to acquire and bank land</li> <li>• Identifying ways the City can support community land trusts and designating staff capacity to provide this support</li> <li>• Engaging in partnerships to execute land banking and develop housing on banked land</li> <li>• Reporting on alignment between CIPs and Developable Land with high housing production capacity</li> </ul>	<ul style="list-style-type: none"> <li>• # of inventoried parcels suitable for housing development</li> <li>• # of land acquisition agreements adopted between the City and other public agencies</li> <li>• # of surplus or foreclosed properties offered for first right of refusal to partners for housing development</li> <li>• # of affordable or middle-income units produced on underutilized land the City may possess, track, or have facilitated the transfer of to a development partner</li> <li>• # of sites/acres banked for housing development</li> <li>• # of affordable or middle-income units produced on banked land</li> </ul>
<p><b>Partnership Actions</b></p>	<p>Progress on implementation of partnership actions can be indicated by the following:</p> <ul style="list-style-type: none"> <li>• Reports from regional housing meetings</li> <li>• Reports from engagement with land owners</li> <li>• Availability of pre-approved plans for ADUs</li> <li>• Engaging small developers and generating a set of technical assistance materials, including any new documentation related to the pre-application process</li> </ul>	<ul style="list-style-type: none"> <li>• # of ADUs permitted and produced</li> <li>• # of technical assistance materials produced and available to developers</li> </ul>

# Appendix A – Impact Modeling

## Recommendations for code amendments to encourage middle housing development in residential zones

Use allowances, minimum lot sizes, density minimums, and maximum lot coverage standards were evaluated in Lincoln City’s residential zones. The following changes are recommended to allow and encourage middle housing development in more residential zones. Specific recommendations for modifications to use allowances are provided in Figures 1 and 2.

**Figure 1. Recommended Use Allowances**

Housing Types	R1-10 Single Unit Residential				R1-7.5 Single Unit Residential				R1-5 Single Unit Residential				R1-RE Roads End Residential			
Single-Unit detached																
Single-Unit attached / Townhouse																
Accessory Dwelling Unit																
Four Flat																
Triplex																
Quadplex																
Multifamily (5+ Units)																
Cottage Cluster																

**Figure 2. Recommended Use Allowances (cont.)**

Housing Types	VR Vacation Rental				RR Recreation Residential				RM Multiple Unit Residential			
Single-Unit detached												
Single-Unit attached / Townhouse												
Accessory dwelling unit												
Four Flat												
Triplex												
Quadplex												
Multifamily (5+ Units)												
Cottage Cluster												

Specific recommendations for modifications to lot sizes and minimum density are provided in Figures 3 through 5. As an additional means of encouraging middle housing development, it is not recommended that any changes be made to existing development standards applying to middle housing.

**Figure 3. Recommended Lot Size and Density Standards**

	R1-10		R1-7.5		R1-5	
	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)
Single Family or Manufactured Dwelling	10,000	10,000	7,500	7,500	5,000	5,000
Cottage cluster	10,000	10,000	7,500	7,500	5,000	5,000
Duplex	10,000	10,000	7,500	7,500	5,000	5,000
Triplex	–	10,000	–	7,500	–	5,000
Four Flat	10,000	10,000	7,500	7,500	5,000	5,000
Quadplex	–	10,000	–	7,500	–	5,000
Townhouse	2,500/unit	2,500/unit	2,500/unit	1,875/unit (max 4 units)	2,500/unit	1,250/unit (max 4 units)
Minimum Net Density	None	3 units/acre	None	None	None	None

**Figure 4. Recommended Lot Size and Density Standards (cont.)**

	VR		RR		RM	
	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)	Existing (sf)	Recommended (sf)
Single Family or Manufactured Dwelling	5,000	5,000	2,400	2,400	5,000	5,000
Cottage cluster	5,000	5,000	2,400	2,400	5,000	5,000
Duplex	5,000	5,000	2,400	2,400	5,000	5,000
Triplex	–	5,000	–	2,400	–	5,000
Four Flat	5,000	5,000	2,400	2,400	5,000	5,000
Quadplex	–	5,000	–	2,400	–	5,000
Townhouses	2,500/unit	1,250/unit (max 4 units)	2,500/unit	1,200/unit (max 4 units)	2,500/unit	1,250/unit
Multifamily (5+ Units)	–	–	–	–	2,500/unit	1,000/unit
Minimum Density	None	None	None	None	15 units/acre	15 units/acre

Specific recommendations for modifications to lot coverage are provided in Figure 5.

**Figure 5. Recommended Lot Coverage Standards**

	R1-10		R1-7.5		R1-5/VR		RM	
	Existing	Recomm.	Existing	Recomm.	Existing	Recomm.	Existing	Recomm.
Front/Street Setback	5'	5'	5'	5'	5'	5'	5'	5'
Side Setback	5'	5'	5'	5'	5'	5'	5'	5'
Rear Setback	5'	5'	5'	5'	5'	5'	5'	5'
Lot coverage <sup>1</sup>	35%	35%	35%	35%	35%	SF: 35% 2+ units: 50% TH: 70%	1-2 units: 45% 3+ units: 65%	2+ units: 50% 3+ units: 65% TH: 70%
Height	35'	35'	35'	35'	35'	35'	35'	35'

<sup>1</sup>Townhouses will require higher lot coverage because of the small lots and attached units

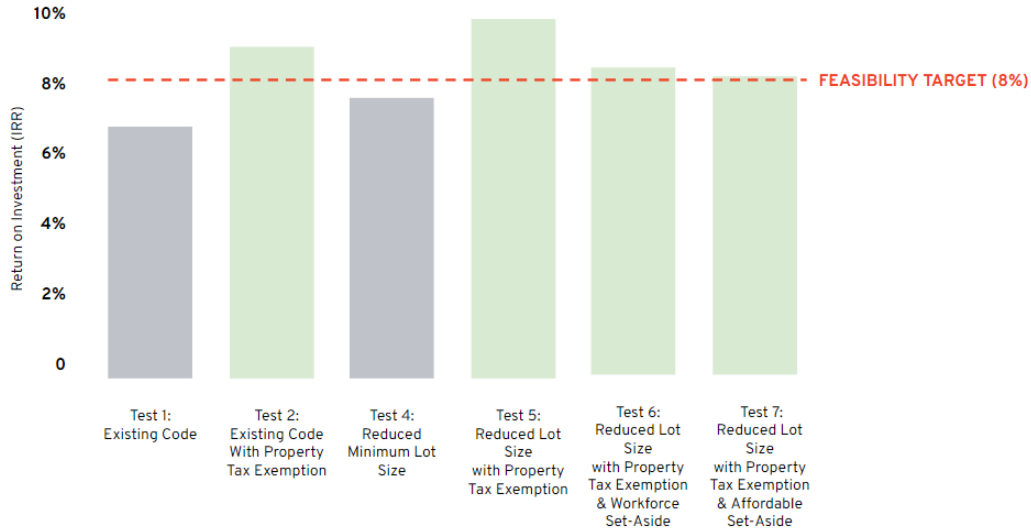
## Multiple Unit Property Tax Exemption

A series of tests were performed to model a prototypical multi-unit development in Lincoln City. Variations in minimum lot size, property tax exemption, and affordability requirements were introduced to show development feasibility in the form of internal rate of return (IRR). An Internal Rate of Return (IRR) of 8% was chosen as a minimum feasibility target. Developments with lower feasibility will not be built. A summary of MUPTE testing is provided in Figures 6-8.

**Figure 6. MUPTE Testing**

	IRR	2 BRs Affordable to				Market- Rate Unit Mix			Property Tax Exemption	# Units	Density	Min Lot Size
		60% MFI	80% MFI	100% MFI	120% MFI	Studio	1BR	2BR				
Test 1	6.7					30%	40%	30%		43	17.3	2500
Test 2	8.8					30%	40%	30%	x	43	17.3	2500
Test 3	7.8		20%			30%	40%	10%	x	43	17.3	2500
Test 4	7.4					30%	40%	30%		108	43.6	1000
Test 5	9.5					30%	40%	30%	x	108	43.6	1000
Test 6	8.6		20%			30%	40%	10%	x	108	43.6	1000
Test 7	8.8	10%				30%	40%	20%	x	108	43.6	1000
Test 8	6.8			30%		30%	30%	10%		108	43.6	1000
Test 9	8.9			30%		30%	30%	10%	x	108	43.6	1000
Test 10	8.5			50%		30%	20%	0%	x	108	43.6	1000
Test 11	7.7				50%	30%	20%	0%		108	43.6	1000
Test 12	9.7				50%	30%	20%	0%	x	108	43.6	1000

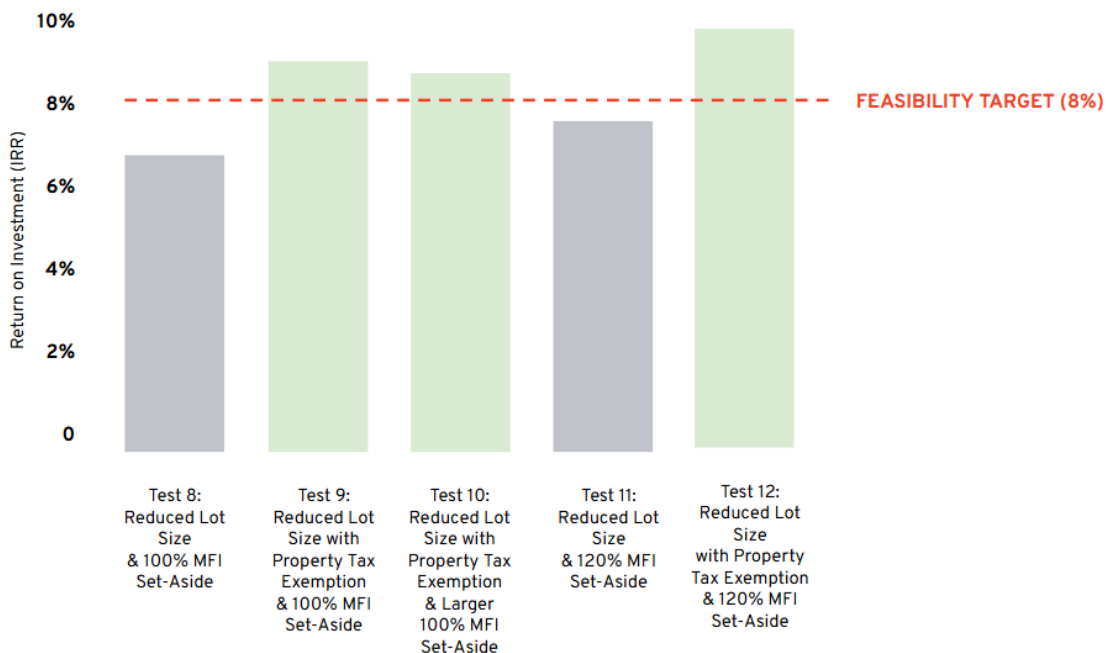
**Figure 7. MUPTE Testing (Set-Asides at 60% and 80% MFI)**



The testing indicates that market rate apartment projects in Lincoln City face feasibility challenges under existing code and given existing development costs. Code changes alone will not move the needle on development feasibility, but a property tax exemption would be an effective development incentive. Pairing a reduction in minimum lot size along with a property tax exemption yields the most feasible development scenarios, even with affordability requirements. In other words, projects receiving MUPTE are still feasible if they are required to set aside a certain percentage of units as affordable to 60% or 80% Area Median Income (AMI) and lower.

An additional series of tests was performed using affordability requirements targeting the 100-120% MFI range, which is at the upper end of “workforce” housing. This testing, detailed in Figures 6 and 8, indicates that projects delivering units affordable to the upper end of the workforce spectrum (100-120% MFI) still need abatements to be feasible even when paired with a reduction in minimum lot size.

**Figure 8. MUPTE Testing (Set-Asides at 60% and 80% MFI)**



# System Development Charges (SDCs)

A proof of concept was created to show the potential impacts of SDCs that are scaled according to 3 tiers of unit size: small home (<1,701 square feet), standard home (1,701 to 2,900 square feet), and large home (>2,900 square feet). This analysis is summarized in Figures 9 and 10. The analysis shows that SDC scaling could allow SDC costs and collections to remain the same on average but to be more equitably scaled according to unit size. It should be noted that the proof of concept does not factor in housing mix or any assumptions about increased production of middle housing. An SDC study should arrive at a methodology that prioritizes revenue neutrality between the existing and new rates.

**Figure 9. SDC Scaling Proof of Concept (per square foot costs)**

	Current				New Scaling Concept*			Average New Home
	3+ Units (per unit)	3+ Units (per sqft)	Single Fam/Duplex (per unit)	Single Fam/Duplex (per sqft)	Small home (<1,701 SF)	Standard home (1,701-2,900 SF)	Large home (>2,900 SF)	
Water	\$1,889	\$1.89	\$3,987	\$1.59	\$1.90/sf.	\$1.30	\$1.20	
Sewer	\$3,487	\$3.49	\$7,367	\$2.95	\$2.80	\$2.60	\$2.50	
Parks	\$2,685	\$2.69	\$2,685	\$1.07	\$1.20	\$0.90	\$0.80	
Transportation	\$933	\$0.93	\$933	\$0.37	\$0.60	\$0.40	\$0.30	
<b>Total</b>	<b>\$8,994</b>	<b>\$8,994</b>	<b>\$14,972</b>	<b>\$5.99</b>	<b>\$9,750</b>	<b>\$15,210</b>	<b>\$20,170</b>	<b>\$15,043</b>
<b>Total Per Sqft.</b>	<b>\$8.99</b>	<b>\$8.99</b>	<b>\$5.99</b>	<b>\$0.00</b>	<b>\$6.50</b>	<b>\$6.08</b>	<b>\$5.76</b>	
Home Size (sqft.)	1,000	1,000	2,500	2,500	1,500	2,500	3,500	

\*Proof of concept does not factor in housing mix or increased production of middle housing. SDC study should prioritize revenue neutrality.

On average SDCs remain the same but are more equitably scaled

**Figure 10. SDC Scaling Proof of Concept (total costs)**

	Current		New Scaling Concept*			Average New Home
	3+ Units (per unit)	Single Fam/Duplex (per unit)	Small home (<1,701 SF)	Standard home (1,701-2,900 SF)	Large home (>2,900 SF)	
Water	\$1,889	\$3,987.0	\$2,850	\$4,270	\$5,510	\$4,210
Sewer	\$3,487	\$7,367.0	\$4,200	\$6,840	\$9,380	\$6,807
Parks	\$2,685	\$2,685.0	\$1,800	\$2,760	\$3,600	\$2,720
Transportation	\$933	\$933.0	\$900	\$1,340	\$1,680	\$1,307
<b>Total</b>	<b>\$8,994</b>	<b>\$14,972</b>	<b>\$9,750</b>	<b>\$15,210</b>	<b>\$20,170</b>	<b>\$15,043</b>

\*Proof of concept does not factor in housing mix or increased production of middle housing. SDC study should prioritize revenue neutrality.

On average SDCs remain the same but are more equitably scaled