

November 4, 2024, City Council Work Session

# Housing Implementation Plan Policy Proposals Review



# Construction Excise Tax (CET)

## Recommendation:

- CET of 1% on residential development, and 1.5% on commercial & industrial
- Improvements valued at over \$50,000
- Community Development Commission will make program recommendations to Council
- Community Development Commission will allocate funding
- 60 years of affordability for most projects
- Affordable to residents with 80% or less of the area median income for most projects

## Implementation Steps:

- Amend the Municipal Code by ordinance
- Set tax rate by resolution



# Low Income Rental Housing Tax Abatement

## Recommendation:

- Adopt Low Income Rental Housing Tax Exemption
- Housing developments meeting the affordability requirements are eligible regardless of whether the developer is a non-profit or for-profit entity.
- Require annual reporting demonstrating compliance with affordability requirements

## Constraints:

- State regulation stipulates a 20-year exemption period.

## Implementation:

- Resolution adoption





# Surplus Land for Affordable/Needed Housing

## Recommendation:

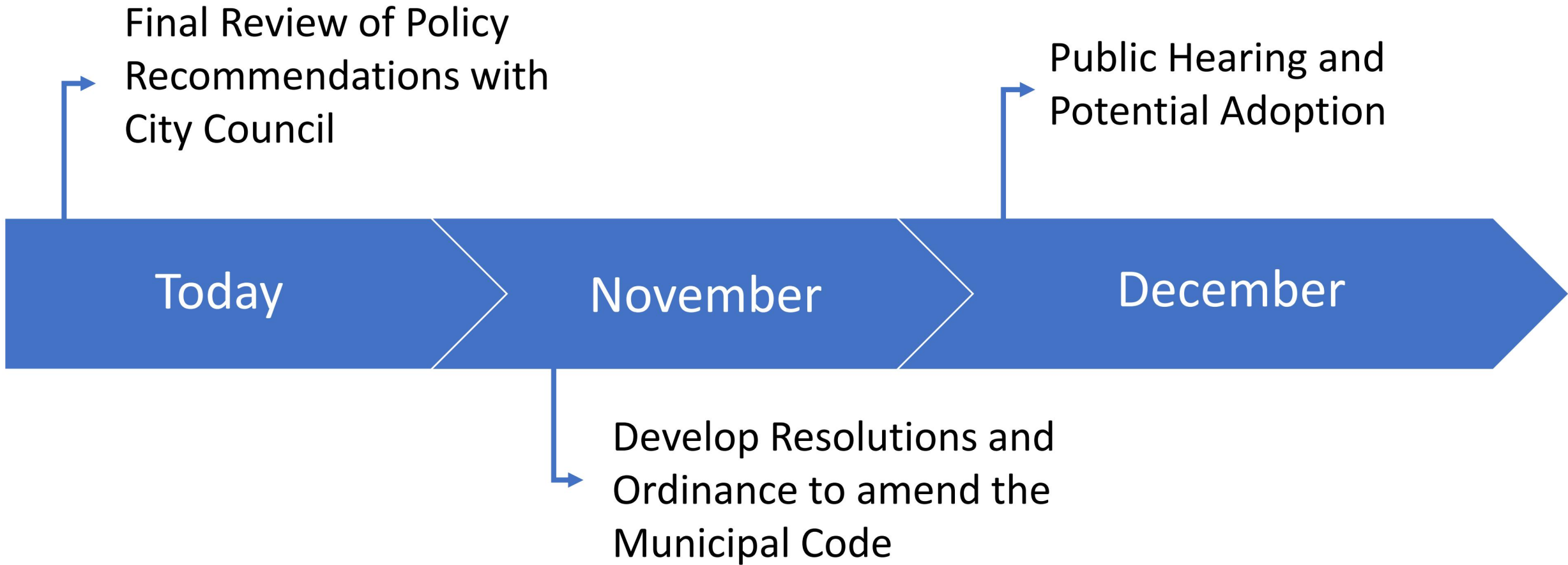
- Adopt a policy to screen City-owned surplus land for housing suitability prior to sale, lease, or reuse.
- When land is suitable for housing, City will solicit housing proposals and make good faith effort to negotiate with housing providers.
- Council may make exceptions when a higher priority need for the property has already been identified.

## Implementation

- Resolution adoption



# Policy Timeline



# City of Albany

## Transportation Priorities



**POPULATION:**  
57,997 (July 2023)

**SQUARE MILES:**  
17.75

### INFRASTRUCTURE:

Lane Miles: 403.79

% Arterial: 11%  
% Collector: 13%  
% Local: 76%

Bridges/Structures: 40

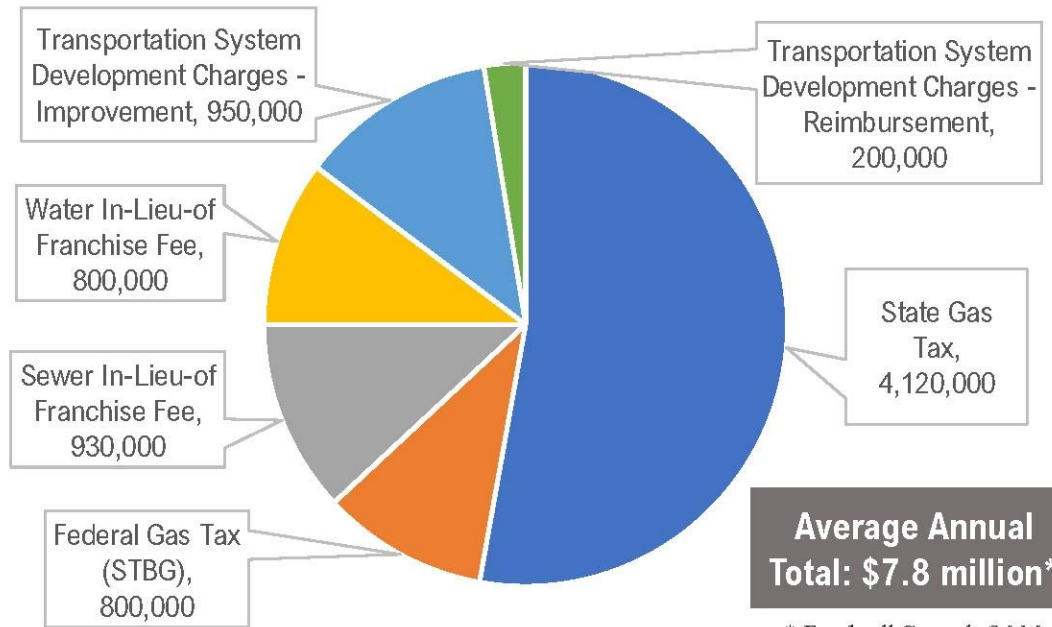
Traffic Signal: 21

Street Lights: 3,100+

Stormwater  
System Miles: 215

## CITY BACKGROUND

### AVERAGE ANNUAL TRANSPORTATION REVENUE (FY 2018-2023)



**Average Annual Total: \$7.8 million\***

*\* Funds all Capital, O&M, and Planning costs. Average O&M budget is \$3.1 mil/yr.*

## SUMMARY OF UNMET NEEDS:

- Albany cannot fully fund capital street projects each fiscal year. Funds are saved in the Street Reserve with major street capital projects completed approximately 3 of every 5 years. Albany would need an additional \$1.5 million per year of dedicated funding to complete major capital projects on arterial and collector streets identified every year.
- In order to bring all city streets in Albany to a condition of fair or better and keep them at that level over time, an additional \$12.8 million per year would be required each year for 40 years.
- In the last 5 years, the city's street operations and maintenance program has seen items such as striping materials increased up to 30%. Capital costs for road reconstruction have increased from \$7.1 million to \$12.6 million per mile in that time, an increase of 80%.



Queen Avenue shown after reconstruction, restriped to create a bicycle lane buffer on this heavily traveled street that fronts a large middle school and a large high school.

## QUEEN AVENUE:

### City Limits to Pacific Boulevard

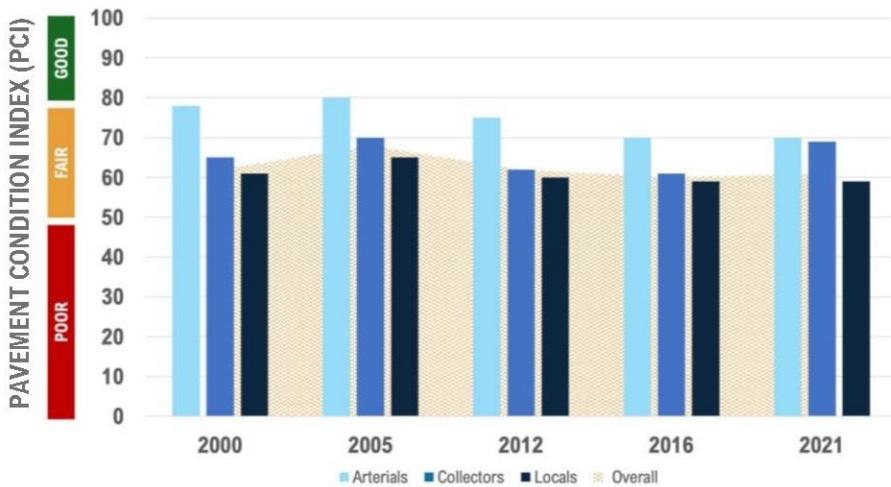
This project included approximately 5,600 linear feet of asphalt pavement rehabilitation on Queen Avenue SW in Albany between the city limits and Pacific Boulevard, and on Elm Street between 16th and 18th Avenues. In addition to reconstructing the travel lanes, the project replaced 60 curb ramps with ADA-accessible ramps and repaired some sidewalks. The project did not replace all curbs, gutters, or sidewalks which would have significantly increased costs. Street improvements cost \$3.8 million. 1,500 linear feet of 8-inch to 18-inch stormwater pipes were replaced at an additional cost of \$361,000.



## ROAD CONDITIONS TREND

Albany's focus has been maintaining arterial and collector streets. Local street condition as a whole is fair; however that is skewed by a large volume of new local streets built with recent residential development. There are as many local streets in failed condition as in excellent.

STREET CONDITION BY CLASSIFICATION OVER TIME



## REVENUE BEYOND THE STATE HIGHWAY FUND

**Federal Gas Tax (STBG):** competitive funding available through the Albany Area Metropolitan Planning Organization for arterial & collector streets only

**Water and Sewer In-Lieu-Of Franchise Fees:** funding from city water and sewer funds for use of the city's right-of-way for these utilities; modeled after franchise utility fees; currently 7% of revenues

**Transportation System Development Charges – Improvement:** funding from development projects based on the current Transportation System Plan; funding varies with the level of development; can be used only on growth-related projects in the city TSP

**Transportation System Development Charges – Reimbursement:** funding from development projects based on the current Transportation System Plan; funding varies with the level of development; can be used on any transportation system project

## ALBANY'S PRIORITIES

### SAFETY.

Adequate operational funding to maintain and repair aging traffic signals, install additional signaled pedestrian crossings, perform emergency repairs of streets, and repair curb ramps to meet ADA requirements.

### IMPROVE PAVEMENT CONDITIONS TO FAIR OR BETTER.

Historically, only arterial and collector streets were prioritized for overlay and reconstruction. Albany is attempting to establish a sustainable local source of funding to improve street condition on local streets.

### SECURE FUNDING TO ADDRESS UNFUNDED NEEDS.

Significant gaps in the transportation network limit the development of available residential and industrial lands. Albany is pursuing funds to construct these critical road segments. Other needs include sidewalk infill, bridge repairs, bike/ped improvements, and more.

### UPDATE TRANSPORTATION PLANS.

Changes to land use patterns requires updates to the Transportation System Plan to reflect current and future demand. Targeted studies such as corridor analyses are also critical to address pain points in the transportation system.

## Critical Street Project Would Support Increased Housing & Economic Development



The 53<sup>rd</sup> Avenue Extension is a \$28 million project that would connect Highway 99E to Ellingson Road, including construction of an at-grade rail crossing. This critical project would open 242 acres of vacant industrial land and over 685 acres of residential land to development, with the potential to create upwards of 3,000 housing units and 2,000 family-wage jobs. Additionally, vacant commercial land could support needed food, medical, and other services in South Albany.

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