

HPAC Work Group Recommendation Template

Last Update: July 7, 2023

Work Group

Availability of land

- Land development permit applications
- Codes and design
- Workforce shortages
- Financing

Recommendation #1: Leverage State Owned and Leased Land for Housing Production

Declare State of Emergency For Housing Production:

- Expand and extend Executive Order 23-02 (merge with EO 23-04) to include production of 36,000 housing units annually as an emergency order.
- Authorize Oregon Emergency Management (OEM) to expand land inventory process in EO 23-02 1.a.vi to include property suitable for housing development an accessible as a public facing available tool.
- Authorize the Department of Administrative Services (DAS) to expand the Enterprise Asset Management process to include analysis for potential housing production and an equitable disposition process for divesting properties suitable for housing production.
- Expand and extend EO-23-03 (merge with 23-04) to include directing state agencies to prioritize production of 36,000 units annually as an emergency, including expediting processes.
- Authorize State of Emergency Siting Procedures to expedite housing production on State Owned property.

Related Work Plan Topics

Production Increase Inside Urban Growth Boundaries (UGB): Leverage State Owned and Leased Lands

Adoption Date:

July 5, 2023

Method of Adoption

This recommendation was on the initial list of topics assigned to the Land Availability work group from the Full HPAC Council. Upon the work group creation, a survey was sent to the work group members asking to prioritize the recommendation based on speed of implementation, production of housing units, AMI levels of affordability and cost. The work group prioritized the State-Owned Lands as the first recommendation to be considered.

At the July 5th, Land Availability Work Group meeting the attending work group members voted to adopt “Leverage State Owned and Leased Land for Housing Production” recommendation as outlined in this standard of analysis form. The four members present at the time of vote were Karen Rockwell, Deb Flagan, Joel Madsen (1st motion), and Elissa Gertler (2nd motion) voting unanimously to adopt and advancing this recommendation to the Full HPAC scheduled for July 14, 2023.

Co-chairs Guidance: Standards for Analysis

1. Clearly describe the housing production issue that the recommended action(s) will address.

a. Describe the barrier(s) or solution(s) the recommendation seeks to address, and how the existence of the barriers hinders production or how the solution supports production.

In Oregon, our statewide land use system emphasizes efficient use of land in order to preserve farm and forest land. Land is only added to Urban Growth Boundaries when the 20-year land supply needs to be replenished, which emphasizes the need to use land inside UGB’s as efficiently as possible. When land is added to UGB’s, it often takes years to plan, fund, and build the infrastructure needed to serve new housing development, and permitting processes also take years to complete before homes can be occupied.

For these reasons, land that is suitable for housing development is in high demand and can be expensive for developers to assemble. Yet state agencies own and lease land and buildings that may be suitable for housing development which may already be served by infrastructure and subject to state, rather than local permitting rules. These properties may be able to produce housing more quickly than sites outside UGBs.

Directing DAS to evaluate state owned and leased properties and identify which may be suitable for housing development could create a pipeline of housing development opportunities across the state. Creating an equitable, low barrier disposition process that prioritizes culturally specific, culturally responsive, not for profit, public housing authority developers to achieve rapid housing production on these properties. Entering into low-cost or long-term leases would reduce land costs for affordable housing developers and create a mechanism to keep public properties affordable for the long term.

Elevating housing production to the same emergency level as the state’s homeless response recognizes that the same level of enterprise-wide focus on this topic is necessary. It also recognizes that much of the work that is underway as a result of empowering state agencies to focus on homelessness as an emergency can be leveraged and expanded, allowing for more efficient and rapid scaling up of efforts focused on identifying state land for housing production.

2. Provide a quantitative, if possible, and qualitative overview of the housing production issue.

a. Summarize the quantitative and qualitative information available, and reviewed by the work group, that informed the analysis of the barrier or solution and led to the recommendation included in this form.

Executive Order 23-04 clearly defines the housing production issue across the State and establishes a statewide housing production goal establishing a target of 36,000 homes annually for the next 10 years at all levels of affordability.

In addition, the Oregon Housing Needs Analysis report developed in partnership by the Department of Land Conservation and Development (DLCD) and Oregon Housing and Community Services (OHCS), which informed the Governor's executive order 23-4, included the following two recommendations and supportive information. This data helped reinforce the proposed recommendation.

Recommendation 2.1 – Commit sustained, coordinated investment.

- Oregon needs 554,691 new housing units to accommodate 20 years of population growth and to account for current underproduction and the lack of units for people experiencing homelessness. About 176,300 of these units, or 32 percent, will need to be affordable for households earning less than 60 percent of statewide area median income (AMI).
- On its own, the market will not meet the housing needs of all Oregonians. Housing for the lowest income Oregonians will always require public support, and the funding gap for meeting that need is daunting.
- Overall, approximately 49% of Oregon's needed housing over the next 20 years will require some public subsidy.
- Investments should be targeted to the development types that the market would not otherwise produce on its own, such as housing for the lowest income Oregonians that requires public support.
- The most challenging unmet need to address is at the lower end of the income spectrum of households earning less than 60 percent of area median income (AMI). While public support is needed for many types of development, it is most acute to produce about 9,000 units per year that are affordable to low-income households. Lower-income Oregonians are affected most severely by the housing shortage and live with the greatest housing instability. This intervention point has the most urgent need for additional direct subsidies and support.

Recommendation 3 – Commit to working together with urgency.

- Currently, there is no specific agency of state government responsible for overall housing production, and many of the available regulatory tools are better suited to preventing unwanted developments than to encouraging those that are needed. As a result, the policy response to the current housing shortage has been disjointed, with siloed policy discussion and action occurring at several agencies without meaningful, systemic coordination between them or with local and regional partners.
- A comprehensive, production-focused system needs leadership and coordination across the many entities engaged in some aspect of housing production.
- Coordinated statewide action would require sufficient authority to (a) convene agency leadership, (b) develop and refine policies to achieve desired housing production outcomes, (c) administer programs with accountability in housing production as well as fiscal and budget, contracting, HR, and IT services, (d) provide specialized housing production expertise to local partners, (e) direct funding for housing and public infrastructure, and (f) provide regular reporting to the Legislature and Governor's office.

Lastly, DAS staff provided a report that is used for public record requests that has data on current state property leases the agency administers. Per the report, the state of Oregon expends \$8,605,960 per month or \$103,271,520 a year on 14,196,468 square feet on state property leases. A large majority of these leases are secured for office space for state

employees and activities. With a shift to remote work, leases that are not being fully utilized or are vacant should be accessed for housing opportunities with possible prioritization of motels/hotels, mobile home parks and parking lots.

3. To assess the issue and potential action(s), include subject matter experts representing all sides of the issue in work group meetings, including major government, industry, and stakeholder associations.

a. List the observers and participating SMEs at the work group meetings as the recommendation was developed. Identify which participating SMEs provided information to the work group and how. Summarize the information and perspective provided by the participating SMEs. If the participating SMEs expressed disagreement or concern with the work group recommendation, describe the reason.

- Availability of Land Work Group members engaged with staff at state agencies that own lands to better understand the state landscape as it relates to the state property transaction process, requirements, and the emergency order requirement for EO-23-02 and EO-23-03. Meeting summaries attached.
 - **On 6/8/2023**, Joel Madsen (Land Availability Work Group member) and Mari Valencia Aguilar (DLCD staff) met with Robert Underwood, Real Estate Services, Dept. of Administrative Services (DAS).
 - **On 6/9/2023**, Mari Valencia Aguilar (DLCD staff) met with Amber Mckernan, Eastern Region Manager, Real Property, Dept. of State Lands (DSL).
 - **On 6/13/2023**, Joel Madsen (Land Availability Work Group member) and Mari Valencia Aguilar (DLCD staff) met with Stan Thomas, Deputy Director, Oregon Emergency Management (OEM).
 - **On 6/22/2023**, Joel Madsen (Land Availability Work Group member) and Deb Flagan (Chair) met with Stan Thomas, Deputy Director, Oregon Emergency Management (OEM), Jeremy Miller, Business Operations Administrator, DAS, and Paul Platosh, GIS Analyst DAS.
 - **On 7/3/2023**, Joel Madsen and Deb Flagan met with Shannon Ryan, Business Operations Administrator 2, DAS.

- **At the Land Availability meeting held on 5/25/2023**, Sean Edging, Housing Planner with the DLCD, provided an overview of the Oregon Housing Needs Analysis Recommendation Report and the OHNA implementation work that the department will be working on over the 23-25 biennium. The OHNA policy implementation work ahead focuses on housing production, affordability, and choice. Sean's ppt presentation is attached.

- **At the Land Availability meeting held on 6/21/2023**, David Brandt, Executive Director of Housing Works, a nonprofit affordable housing developer, provided a presentation. He described his experience working with state and public entities for land acquisition for the development of affordable housing.

- **On 6/28/2023**, work group member, Elissa Gertler, spoke with Jason Kenney, California Department of General Services, to learn more about California's implementation of their Public Lands for Affordable Housing Program established under EO N-06-19. Meeting summary attached.

● **At the Land Availability meeting held on 7/5/2023**, Lynne McConnell, City of Bend Housing Manager, provided a presentation. Discussion included what items are required for emergency citing for homeless shelters under HB2004 and HB 3395-6&7.

● **Land Availability Meeting 1 (4/25/2023) Observers included:** n/a

● **Land Availability Meeting 2 (5/8/2023) Observers included:** n/a

● **Land Availability Meeting 3 (5/25/2023) Observers included:** Mary Kyle McCurdy (1000 Friends), Ted Red (Metro), Anneliese Koehler (Metro), Laura Combs (Metro) and Michael Burdick (AOC), Brian Hoop (Housing Oregon), Ariel Nelson (League of Oregon Cities), Michael Burdick (Association of Oregon Counties)

● **Land Availability Meeting 4 (6/7/2023) Observers included:** Mary Kyle McCurdy (1000 Friends), Ted Reid (Metro), Anneliese Koehler (Metro), Laura Combs (Metro), Brock Nation (Oregon Realtors), and Michael Burdick (AOC), Brian Hoop (Housing Oregon), Ariel Nelson (LOC)

● **Land Availability Meeting 5 (6/21/2023) Observers included:** Mary Kyle McCurdy (1000 Friends), Ted Reid (Metro), Anneliese Koehler (Metro), Laura Combs (Metro), Brock Nation (Oregon Realtors), Jeremy Rogers (Oregon Realtors) and Ariel Nelson (LOC).

● **Land Availability Meeting 6 (7/6/2023) Observers included:** Mary Kyle McCurdy (1000 Friends), Brian Hoop (Housing Oregon), Brock Nation (Oregon Realtors), Trell Anderson (Housing Oregon), Ramsay Weit (Housing Oregon)

4. Provide an overview of the expected outcome of the recommended action(s), including quantitative/qualitative context if available.

a. Outline the desired result or outcome of the recommendation for both housing production and different individuals and communities.

Identify and enter into development agreements on 5 – 100 state owned properties per year for ten years that can be developed for housing

Department of Administrative Services will establish an ongoing program similar to California's.

5. Estimate of the time frame (*immediate, short, medium, long-term*), feasibility (*low, medium, high*), and cost (*low, medium, high*) for implementation of the recommended action(s).

Time Frame

Long-term
 Medium-term
 Short-term
 Immediate

Feasibility

High
 Medium
 Low

Cost

High
 Medium
 Low

Add additional context here:

Leveraging the work that has already been created based on EO 23-02 and EO 23-03 directive, the time frame can be completed in the short term, feasibility is easily executed by expanding current directive to include statewide mapping for land inside the UGB's and the cost is relatively low due to utilizing the existing state agency structure. DAS may require an additional staff member for GIS system management as well as a housing production planner.

6. Provide a general overview of implementation, the who and how for the recommended action(s).

a. To the extent the work group knows, is this implemented in state statute or rule, by the state or local government, by a particular agency, etc.

Governor's Office: Update Executive Orders 23-02, 23-03, and 23-04 with the consideration of HB3395 6-7.

Office of Emergency Management: expand property evaluation and inventory mapping to include suitability assessment for statewide housing production within urban growth boundaries.

Department of Administrative Services: expand Enterprise Asset Management real property process to create and implement an expedited disposition and development process for affordable housing properties. Emphasize creation of housing on state property that addresses income levels and populations identified in the Oregon Housing Needs Analysis and supports capacity and growth of community-serving and/or culturally specific affordable housing developers. A cost basis recovery model or alternative to be considered resulting in a reduced land price. Enable DAS Director to exercise authority to dispose of property at less than fair market value in order to facilitate and prioritize affordable housing production.

State Agencies: prioritize processes and decisions to facilitate housing production as described in EO-23-03. Recommend that the following criteria is used to evaluate the sale/leased or land swap of State property; to include total number of housing units, AMI thresholds as outlined by OAS, secured funding resources to be used, and time frame of when units would be completed for occupancy with the consideration of ORS 456.270 to 456.295.

7. Outline the data and information needed for reporting to track the impact and implementation of the recommended action(s).

a. Identify the data the Governor's Office would need to track to determine if the recommendation is increasing housing production. Flag any areas where data does not exist leaving a gap in understanding outcomes or impacts.

Pursuant to EO 23-02 and 23-03, OEM is developing a mapping tool to identify state owned properties that could be utilized to support people experiencing homelessness. This mapping tool would be further developed to support this recommendation.

DAS to report annually on all state lands (real property and land leases). The report would identify all sold properties that changed ownership and/or leased properties that were repurposed within the last fiscal year. The report would include the name of the entity that purchased/leased the property, the sale/lease amount, lease term, the number of housing units

scheduled to be constructed, the AMI targets for the housing units and the date the units are available for occupancy.

8. Identify any major externalities, unknowns, tradeoffs, or potential unintended consequences.

a. Based on the work group's analysis and information provided by participating SMEs, outline what is unknown, the tradeoffs exist by implementing the recommendations, and any known potential unintended consequences. Identify if there are any potential unintended impacts on different individuals or communities.

Lessons learned from California's implementation of a similar program highlight the tradeoffs faced by state agencies who want to be good stewards of the property in their purview that may be in service to their department mission. Prioritizing state property for housing production may lead to tradeoffs in how state departments utilize land or buildings to deliver their missions. In some cases, there may be costs to relocate or consolidate state functions to free property for housing development. Agencies may require additional resources to make their land available.

California has been able to pilot innovative co-location models, such as adding housing atop redeveloped Department of Motor Vehicles property, that both allow for the agency to deliver its mission, while also finding opportunities to increase housing production in suitable areas.

Oregon has a crisis in both unsheltered homelessness and in production of housing, and by recognizing that both issues have risen to the level of statewide emergencies, it is critical to also recognize their interconnection. Producing more subsidized, permanent affordable housing is one key element of addressing the homelessness crisis in Oregon, but it must be coupled with the resources to ensure that those who are housed are able to remain housed with the supportive services they need.

With scarce state resources, an inadvertent trade-off could occur between prioritizing resources, processes, and decisions for addressing homelessness and prioritizing resources, processes, and decisions for producing housing. While this recommendation intentionally elevates housing production to the same emergency response level as addressing homelessness, the work group sees these issues as linked and does not intend to set up a competition for resources between the two issues that both fundamentally seek to ensure more people can access and afford places to live. By empowering state agencies to prioritize both key issues, there is more opportunity to leverage resources, rather than compete for them.

Please include any relevant reports, data analyses, presentations, or other documents that would be informative and useful for the full HPAC as the recommendation is discussed and considered.

Links to relevant resources:

- [OHNA Recommendations Report](#)
- [Oregon EO 23-02](#)
- [Oregon EO 23-03](#)
- [Oregon EO 23-04](#)
- [California EO N-06-19](#)

- Public Lands for Affordable Housing Development | California Department of Housing and Community Development
- Presentation Summary of California's EO N-06-19
- Housing and Local Land Development Opportunities
- Statewide Housing Plan (arcgis.com)
- HB 3395-6&7
- House Bill 2984
- OAR456.270 to 456.295
- <https://www.oregon.gov/das/Facilities/Pages/ResServ.aspx>
- <https://www.oregon.gov/odot/row/pages/property-sales.aspx>
- <https://www.oregon.gov/dsl/Land/Pages/SLI.aspx>

Attachments:

- Matrix summarizing Land Availability engagement with state land owning agencies.
- Meeting summary from engagement with California staff.
- Summary document describing state land owning agency assessment.
- Power Point presentation developed by Sean Edging, Housing Planner with the Department of Land Conservation and Development.
- Presentation notes developed by Lynn McConnell, City of Bend.
- DAS Lease Public Records Report 2023.