

Cover page

Inside cover page – report detail

Executive Order 23-04 .....	4
Council Members and Staff.....	8
Context.....	9
Plan Framework Process.....	9
Council Objectives and Timelines .....	9
Shared Agreements and Principles .....	11
Topics of Focus.....	13
Existing Recommendations for HPAC .....	13
Oregon Housing Needs Analysis .....	13
Oregon Talent Assessment .....	14
Building Codes Division Recommendations.....	14
Oregon Housing and Community Services Recommendations .....	15
New Topics for HPAC .....	16
Work Groups and Work Group Topic Assignments .....	16
Availability of Land.....	16
Entitlement Process .....	17
Codes and Design.....	18
Workforce Shortages .....	19
Financing .....	20
Financing: Regulated Affordable Housing Focus .....	22
Financing: Middle Housing Focus.....	23
Factors for Prioritizing Topics .....	23
Impact potential.....	24
Equity and racial justice .....	24
Feasibility .....	24
Work Group Assignments and Chairs .....	24
Appendix A: Existing Recommendations Survey Results .....	25
Appendix B: New Topics Survey Results .....	30
Appendix C: HPAC March Meeting Agendas and Materials .....	35



**EXECUTIVE ORDER NO. 23-04**

**ESTABLISHING A STATEWIDE HOUSING PRODUCTION GOAL AND  
HOUSING PRODUCTION ADVISORY COUNCIL**

**WHEREAS**, Oregon is experiencing a severe housing shortage, which increases housing costs and reduces housing affordability, is the primary cause of the homelessness crisis in the state of Oregon, hinders the State's economic prosperity, and prevents too many Oregonians from maintaining housing stability, which is the foundation to every family's health, well-being, and economic stability;

**WHEREAS**, the greatest shortage of housing is housing that is affordable to households earning below the median income;

**WHEREAS**, the Oregon Housing Needs Analysis (OHNA) estimated that there is a current shortage of almost 140,000 homes across the state;

**WHEREAS**, the OHNA also estimated that, in addition to addressing the current shortage of housing, the state needs to produce 443,566 homes over the next twenty years to keep pace with demand;

**WHEREAS**, addressing the current shortage and keeping pace with current need over the next ten years would require the production of 361,781 homes over the next ten years, or approximately 36,000 homes each year for the next ten years;

**WHEREAS**, over the past five years, the State has produced an average of 20,000 units per year;

**WHEREAS**, the state would need to approximately double its annual housing production each year to address the current shortage and keep pace with demand;

**WHEREAS**, more than fifty percent of the annual statewide production target of 36,000 homes must be affordable to households making less than 80 percent of Area Median Income (AMI) to meet the need;

**WHEREAS**, experts have determined that the production of housing affordable to people making less than 80 percent of AMI requires public subsidy;

**WHEREAS**, insufficient investment in affordable housing at all levels of government, and especially the federal level, has resulted in the severe shortage of affordable housing in the State of Oregon;

**WHEREAS**, all levels of government, especially the federal government, must significantly increase investment in affordable housing to meet the need;





**EXECUTIVE ORDER NO. 23-04  
PAGE TWO**

**WHEREAS**, workforce challenges may slow the development of all needed housing;

**WHEREAS**, the shortage of housing across Oregon is a matter of vital statewide importance;

**WHEREAS**, expanding housing opportunities and solving the affordable housing crisis will require a new level of innovation and cooperation between the public, private, and non-profit sectors; and

**WHEREAS**, addressing the housing shortage and building enough housing to meet future demand will improve housing affordability in the State of Oregon and decrease the risk of and actual homelessness in the State of Oregon;

**NOW, THEREFORE, I, TINA KOTEK**, Governor of the State of Oregon, by virtue of the power and authority vested in me by the Constitution and statutes of the State of Oregon, do hereby issue this order to become effective immediately:

**IT IS HEREBY ORDERED THAT:**

1. The State of Oregon establishes an annual housing production target of 36,000 homes;
2. The Governor's Housing Production Advisory Council (the "Council") is established. The Council shall recommend an action plan to meet the State's annual housing production target of 36,000 homes per year for the next ten years. The recommended action plan shall include concrete executive actions, policies, and investments needed to meet this production target.
3. The Council shall consist of no more than twenty-five (25) members. All members of the Council must have a commitment to meeting the state's housing production targets at all levels of affordability. The members shall be selected as follows:
  - a. The Governor or her designee shall be a member;
  - b. The President of the Senate shall appoint two members of the Oregon State Senate, one from the majority party and one from the minority party, in consultation with each party's leadership;





**EXECUTIVE ORDER NO. 23-04**  
**PAGE THREE**

- c. The Speaker of the House shall appoint two members of the Oregon Housing of Representatives, one from the majority party and one from the minority party, in consultation with each party's leadership;
  - d. The Director of Oregon Housing and Community Services or their designee shall be a member;
  - e. The Director of the Department of Land Conservation and Development or their designee shall be a member;
  - f. An Oregon tribal member shall be a member, appointed by the Governor;
  - g. The Governor shall appoint up to 17 additional members. These members may, at the discretion of the Governor, include representatives with expertise in the development and operations of housing, including affordable housing, permanent supportive housing, and market rate housing; representatives of rural and coastal communities, communities of color, and local governments; and representatives with expertise in land use, fair housing, permitting, workforce development, and construction.
4. The Governor shall designate two members of the Council as Co-Chairs. One co-chair must reside or work in an urban area. One co-chair must reside or work in a rural or coastal area.
  5. A quorum for the Council meetings shall consist of a majority of the appointed members. The Council shall strive to operate by consensus; however the Council may approve measures and recommendations based on an affirmative vote of a majority of the quorum.
  6. The Council shall provide a recommended plan framework to the Governor's Office no later than April 1, 2023, and a final recommended action plan no later than December 31, 2023. The report shall include the findings and recommendations of the Council.
  7. The Council shall be staffed by the Governor's Office. In addition, the following state offices and agencies shall provide necessary support to the Council:



EXECUTIVE ORDER NO. 23-04  
PAGE FOUR

- a. Oregon Housing and Community Services
  - b. Department of Land Conservation and Development
  - c. Higher Education Coordinating Committee
  - d. Building Codes Division of the Department of Consumer and Business Services
8. The Directors of these agencies and divisions shall cooperate by providing information as needed and available, and by meeting with and reporting to the Council as needed.
9. The Council shall make specific recommendations for policy changes and investments for consideration by the Governor, in order that:
- a. The State meets its annual housing production target to meet the housing needs of Oregonians;
  - b. Housing affordability levels are prioritized by the scale of the deficit of each type; and;
  - c. Housing is produced spatially in a way that is equitable and affirmatively furthers fair housing.

Done at Salem, Oregon, this 10<sup>th</sup> day of January, 2023.

Tina Kotek  
GOVERNOR

ATTEST:

Shemia Fagan  
SECRETARY OF STATE



## Council Members and Staff

### **Housing Production Advisory Council Members**

Governor Tina Kotek	Erica Mills
Senator Kayse Jama	Ernesto Fonseca
Senator Dick Anderson	Gauri Rajbaidya
Representative Maxine Dexter	Ivory Mathews
Representative Jeff Helfrich	Joel Madsen
Director Andrea Bell	Justin Wood
Director Brenda Ortigoza Bateman	Karen Rockwell
Co-chair Damien Hall	Margaret Van Vliet
Co-chair J.D. Tovey	Natalie Janney
Daniel Bunn	Riley Hill
Deborah Flagan	Robert Justus
Elissa Gertler	Thomas Cody
Eric Olsen	

### **Housing Production Advisory Council Multiagency Staff**

Alana Cox	<i>Department of Consumer Business Services Building Codes Division</i>
Ingrid Caudel	<i>Oregon Department of Land Conservation and Development</i>
Mari Valencia-Aguilar	<i>Oregon Department of Land Conservation and Development</i>
Thea Chroman	<i>Oregon Department of Land Conservation and Development</i>
Elise Cordle Kennedy	<i>Oregon Housing and Community Services</i>
Megan Bolton	<i>Oregon Housing and Community Services</i>
Mitchell Hannoosh	<i>Oregon Housing and Community Services</i>
Natasha Detweiler	<i>Oregon Housing and Community Services</i>
Samuel Thomas	<i>Higher Education Coordinating Commission</i>
Dagny George	<i>Office of Governor Tina Kotek</i>
Matthew Tschabold	<i>Office of Governor Tina Kotek</i>
Taylor Smiley Wolfe	<i>Office of Governor Tina Kotek</i>



## Context

Oregon is experiencing a housing crisis. Decades of underproduction have driven up home prices and rents and left too many Oregonians without adequate housing choices. Too often, Oregonians can't afford housing at all. Further, the people suffering most acutely from the housing shortage are disproportionately lower income households and communities of color. The state's economic prosperity, and individual and family housing stability, health, and collective growth is at stake. Addressing this issue will require substantial increase in housing supply.

The pilot Oregon Housing Needs Analysis (OHNA) estimated Oregon's housing shortage at 140,000 homes across the state. OHNA also estimates a need to add more than 550,000 units over the next 20 years to keep pace with housing needs. Of those units, 30 percent will need to house Oregon's lowest income community members and will most likely require public funding or subsidy.

Currently, the state produces an average of 20,000 units per year. Addressing the current shortage and keeping pace with annual housing needs will require the state to double its annual housing production. In response, on her first day in office, Governor Tina Kotek signed [Executive Order 23-04](#) (EO 23-04). This order sets an ambitious housing production goal of 36,000 homes per year and establishes the Housing Production Advisory Council (the Council). The annual housing production goal represents an 80 percent increase over current annual trends and sets Oregon on a path to build 360,000 additional homes over the next decade. The executive order requires that fifty percent of the annual statewide production target of 36,000 homes must be affordable to households making less than 80 percent of Area Median Income (AMI) to meet the need.

## Plan Framework Process

Governor Kotek appointed members to the Housing Production Advisory Council on March 6, 2023. Following appointments, the Council met 4 times in March to develop the plan framework. For the plan framework to be successful, the Co-chairs and the Governor's Office identified 8 components that needed to be incorporated.

1. Council objectives
2. Objective timelines
3. Shared agreements and principles
4. Topics of focus
5. Work groups
6. Assignment of topics to work groups
7. Factors for work group prioritization of topics
8. Work group chairs and member assignments

Each of these components were either identified by Executive Order 23-04, developed during the March meeting series of the Council, or identified by the Governor and the Co-chairs. The plan framework was designed to provide guidance on topics, prioritization, and process to the Council, its work groups, its members, and the public.

## Council Objectives and Timelines

The Housing Production Advisory Council, as outlined by Executive Order 23-04, is composed of 25 members charged with identifying and recommending changes to state policies to reduce barriers to housing production, thereby helping the state meet its annual housing production target for the next

ten years. To do so, the Council is required to develop an Action Plan that outlines concrete and implementable executive actions, policies, and investments needed to meet this production target.

The specific recommendations for policy changes and investments outlined in the Action Plan must meet the following minimum requirements:

- A. Support the state's annual housing production target.
- B. Prioritize housing affordability levels by the scale of the deficit of each housing type.
- C. Plan for production that is equitable and affirmatively furthers fair housing.

This action plan is due to the Governor's Office no later than December 31, 2023.

In advance of the final action plan, the Council must develop a Recommended Plan Framework by April 1, 2023. This framework will serve as a roadmap delineating the steps the Council will take to meet their Action Plan responsibility. This document responds to this requirement, serving as the Council's Recommended Plan Framework.

The Executive Order outlines specific criteria for the Council's composition. Membership must include the Governor or her designee, two bipartisan members of the Oregon House appointed by the Speaker of the House, two bipartisan members of the Senate appointed by the President of the Senate, agency directors from Oregon and Housing and Community Services (OHCS) and Department of Land Conservation and Development (DLCD), and an Oregon tribal member appointed by the Governor. The remaining 17 members are appointed by the Governor. Two members residing or working in urban and rural or coastal areas have been designated as Co-Chairs by the Governor.

Those Council Members represent a broad range of expertise from housing developers with experience in permanent supportive, affordable, and market rate housing to experts in land use, fair housing, permitting, workforce development, and construction. The Council membership must also include representatives from rural and coastal areas, communities of color, and local governments.

The following outlines the Council's membership:

Gubernatorial Appointments:

- A. Co-chair J.D. Tovey - rural Oregon and an enrolled member of the Confederated Tribes of the Umatilla Indian Reservation - land use, building codes and housing development
- B. Co-chair Damien Hall - Metro- land use, and affordable and market housing development
- C. Daniel Bunn - Southern Oregon - land use and financing market housing
- D. Thomas Cody - Metro area - affordable and market housing development
- E. Deborah Flagan - Central Oregon - market housing development and construction
- F. Ernesto Fonseca - Metro area - affordable and market housing development and financing affordable housing
- G. Elissa Gertler - Oregon Coast - land use and financing affordable housing
- H. Riley Hill - rural Oregon - land use and market housing development
- I. Natalie Janney - Willamette Valley area - land use, market housing development
- J. Robert Justus - Metro area - affordable and market housing development
- K. Joel Madsen - Columbia Gorge - affordable housing development and financing
- L. Ivory Mathews - Metro area - affordable housing development and financing
- M. Erica Mills - Southern Oregon - financing affordable and market housing
- N. Eric Olsen - Willamette Valley area - construction, market housing development
- O. Gauri Rajbaidya - Metro area - affordable and market housing development

- P. Karen Rockwell - Oregon Coast - affordable and market housing development
- Q. Margaret Van Vliet - Metro area - financing market and affordable housing, and affordable housing development
- R. Justin Wood - Metro - construction and market housing development

Legislative and Agency Members:

- A. Senator Dick Anderson (R - Lincoln City)
- B. Senator Kayse Jama (D - Portland)
- C. Representative Jeff Helfrich (R - Hood River)
- D. Representative Maxine Dexter (D - Portland)
- E. Director Andrea Bell, Oregon Housing and Community Services
- F. Director Brenda Ortigoza Bateman, Oregon Department of Land Conservation and Development

The Governor's Office staff and staff from DLCD, OHCS, Higher Education Coordinating Commission (HECC), and Building Codes Division of the Department of Consumer and Business Services will provide the Council support to ensure they meet their charge.

## Shared Agreements and Principles

In Meeting 1 of the Housing Production Advisory Council on March 10, 2023, members established a set of principles to guide the council's work, navigate participation and communication style, and elevate equity as both inherent to the process and the top priority.

### Equity lens

An equity lens is a tool designed to analyze the impact of policies on communities of color and other under-served populations. As the Council approaches the work of accelerating housing production for Oregonians, it acknowledges that it is critical to recognize and address the power dynamics and policies that systemically and disproportionately affect marginalized groups. The equity lens illuminates the ways in which even well-intended policies may have harmful impacts. It introduces a critical framework and a set of questions that help Council members center equity in both their process and goals. The questions below, originally developed by OHCS, provide a lens for Council members to focus on the dimensions of their values, process, assumptions, and priorities that can shift outcomes from harm to equity.

#### *Set Outcomes*

- What is the outcome/s we are hoping to create?
- What assumptions are we bringing into the issue?

#### *Engage Multiple Perspectives*

- Are you engaging multiple perspectives?
- Are you engaging key stakeholders who are impacted by this policy, decision, or practice?
- How will this increase or decrease racial equity?

#### *Attend to Unintended Outcomes*

- What are the potential unintended outcomes or barriers to more equitable outcomes?
- How will you address impacts or unintended outcomes?

#### *Communicate*

- How will this decision be communicated?

How do you ensure communication takes place in an inclusive, culturally sensitive, and responsible manner?

*Evaluate. Raise Racial Awareness*

How will you evaluate your decision and who will you share your evaluation with?

How will you use evaluation to raise racial awareness and increase competence?

### Shared agreements

Shared agreements allow councilmembers to engage in discussion respectfully and productively by defining standards of conduct and emphasizing intended outcomes. These agreements, which were also developed by OHCS, guide members in navigating complex and uncomfortable conversation to reach a constructive conclusion.

- A. Stay Engaged
- B. Speak your truth responsibly
- C. Listen to understand
- D. Be willing to do things differently and experience discomfort
- E. Expect and accept non-closure
- F. Center the humanity of the people we serve

### Affirmatively Further Fair Housing Mandate

For more than 300 years, racialized housing and land exclusion policies like redlining, segregation, blockbusting, racial steering practices, and much more, have restricted and denied communities of color, especially Black individuals, the opportunity to build generational wealth and have access to affordable and quality housing near high-performing schools, grocery stores, jobs, transportation, and clean air and water. Remnants of these racially motivated, discriminatory, and exclusionary policies from the past and from the present are still deeply felt in communities today.

In 1968, Congress passed the Fair Housing Act as an effort to end housing discrimination. Included in the Fair Housing Act was a provision called the Affirmatively Furthering Fair Housing (AFFH) mandate. This provision seeks to challenge the status quo of past and current harmful housing policies, redress inequities, and build a future where everyone can have a safe, stable place to call home.

Specifically, the U.S. Department of Housing and Urban Development (HUD) requires federal fund recipients to take “meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected class (race, color, national origin, religion, sex (including gender identity and sexual orientation), familial status, and disability).”

In 2020, by way of House Bill 2003, DLCD updated Oregon Administrative Rules to incorporate AFFH into Oregon’s land use planning system. Cities with populations with at least 10,000 must develop Housing Production Strategies that outline specific actions and policies they will undertake to address housing needs as identified by their Housing Capacity Analysis. The collective actions and policies must achieve fair and equitable housing outcomes regarding six factors including affirmatively further fair housing.

Additionally, Governor Kotek’s Executive Order 23-04 charges the Council with ensuring the policy changes and investments included in the Final Action Plan affirmatively further fair housing. The Council takes this directive as a core value and guiding principle.

## Topics of Focus

To appropriately scope out the work of the HPAC, an objective of the March meeting series was to identify topics for the Council's focus between April 1 and December 31. The topics include barriers to housing development and concepts to increase housing production. Acknowledging recent efforts to identify barriers and propose solutions to housing production in Oregon, the Council approached topic identification in two ways: first, reviewing existing recommendations to identify and prioritize those to further develop; and second, to subsequently identify new barriers and proposed solutions not yet included.

### Existing Recommendations for HPAC

In recent years several bodies of work have been completed that have identified barriers or solutions to increased housing production, each with sets of recommended actions. Many of the stakeholders involved in today's discussions on housing production have contributed significant amounts of time to these previous work products. The Council has acknowledged the importance of building off recommendations already adopted and in some stage of implementation. The Council was provided an overview of these bodies of work, and existing recommendations, from which topics for further consideration were identified. Each of these bodies of work are described in more detail in this plan framework, with links to the full documents found in the appendices.

Following the presentations and discussions on existing bodies of work and recommendations, the Council selected and prioritized the topics for continued work during the HPAC process. This occurred with a survey between the 2<sup>nd</sup> and 3<sup>rd</sup> meetings of the Council, as well as in discussions at full meetings.

### Oregon Housing Needs Analysis

In 2019, the Oregon Legislature directed OHCS and DLCD to pilot and evaluate a methodology that estimates and allocates housing need for all communities in Oregon (House Bill 2003). In the 2021 Legislative Session, DLCD and OHCS were directed to develop policy recommendations on the incorporation of the Oregon Housing Needs Analysis (OHNA) methodology into state and local planning processes. In advance of the 2023 Legislative Session, DLCD and OHCS submitted the OHNA Legislative Recommendations Report: Leading with Production, outlining a series of recommendations, both for the implementation of the OHNA and for the re-orientation of the statewide approach to housing planning to work towards better housing outcomes. This work paved the way for the OHNA implementation portion of House Bill 2001 of the 2023 Legislative Session. This legislation includes a suite of policy reforms and funding that will change the way Oregon's cities accommodate and plan for housing needs and codifies the OHNA aimed to shift Oregon's land use program in a way that empowers cities to take actions that meaningfully increase housing production, affordability, and choice.

While House Bill 2001 includes most of the policy changes recommended in the OHNA report, two important recommendations related to funding and governance remain high priorities for both the Legislature and the Governor's Office.

First, sustained and coordinated state investment for OHNA implementation and to meet the state's housing production target of 36,000 units per year is necessary. This includes funding to support affordable housing to meet the needs of Oregon's lowest income households those earning 60 percent of area median income (AMI) or less, and funding to support infrastructure and development readiness, system development charges, gap financing, implementing housing production strategies, and technical assistance and capacity building for local governments.

Second, 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. As such, OHNA recommends a statewide administrative structure charged to work towards and facilitate equitable housing production statewide, and to periodically complete a coordinated state Housing Production Strategy, like the strategies completed by cities.

Additionally, because there is no statewide administrative structure, stakeholders engaged in the OHNA project process raised many policy issues outside DLCD and OHCS' project scope and authority but that are nonetheless critical for achieving housing production, affordability, and choice. DLCD outlined these areas of follow-up policy work in [Appendix B](#) of the *OHNA Legislative Report: Leading with Production*.

### Oregon Talent Assessment

The 2022 Oregon Talent Assessment (OTA) assesses the current market for skills using quantitative and qualitative approaches that highlight business and industry's input on in-demand occupations, skills, talent, gaps, and trends. The report also provides an analysis of current conditions, employer's perspectives in 11 key industries.

A key part of the report is the list of recommended reforms to the workforce development system, by actor and source, found in Figure 6. This section provides several key actions state government could take to steer the workforce toward a positive direction and help to address labor supply issues.

The OTA contains a specific section related to the state of the construction workforce. Interviews and survey questions were sent to construction employers to help identify barriers to participation in the industry. An aging workforce, low apprenticeship-to-journeyman ratios, and a shortage of qualified candidates has been noted as a key driver of challenges in the construction trades.

### Building Codes Division Recommendations

The Building Codes Division reviewed all existing programs to evaluate what areas could be further leveraged to support housing production and affordability to address the affordable housing and homelessness crises in Oregon. They considered input from staff, board members, building officials, and members of the public who had identified areas of opportunity.

Recommendations to improve building department administration include identifying and scaling best practices, leveraging technology to create efficiencies, and supporting the dedication of building department funds to keep fees low and support building department administrative improvements. Building department workforce recommendations include expanding the pool of building officials, inspectors, and plans examiners, increasing efficiency with cross training, technology, and mutual aid, and leveraging state workforce resources in support of affordable housing.

To remove barriers to building smaller and denser, the division recommendations include consideration of different energy efficiency requirements for small homes and exploring improved processes and handoffs for adaptive reuse of buildings and infill. To maximize the federal funding opportunities that impact housing, the council or another entity could coordinate agency alignment and establish a proactive communication strategy.

Finally, in recognition of the fact that Oregon will need skilled electricians and plumbers to build needed housing, the division recommends growing the pool of licensed electricians and plumbers and

identifying opportunities to minimize administrative burdens for workers who can better use that time on their craft.

### Oregon Housing and Community Services Recommendations

The bulk of the recommendations offered by Oregon Housing and Community Services were borne from discussions with the Governor's Transition Team and a corresponding memo that was drafted by OHCS staff to provide alternatives to current funding processes, as well as ongoing programs or concepts that OHCS is already working towards with similar goals in mind. The NOFA Processes & Alternatives memo suggested several options, but the final recommendation from the memo is that contingent on receiving sufficient funding to make viable, OHCS could overhaul its current Notices of Funding Availability process by consolidating the various funding sources into a single-entry point and streamline applications and financing through the pipeline. Currently, each primary resource OHCS distributes has its own distinct NOFA cycle, which allow for more variability in priorities and policy objectives across each funding source. This recommendation would instead consolidate the NOFA process into one application for all funding sources, simplifying and streamlining access to resources while also limiting programmatic and policy distinctions across them.

To effectively transition to this more streamlined application process, OHCS included two additional recommendations necessary to successfully accomplish this transition:

1. Launch and implement a pre-development program to build a pipeline of projects in the early stages of developing ideas and building plans, and to help projects move quickly once they come back to OHCS to receive capital financing.
2. Increase agency standards on readiness to proceed by only funding projects that can commit to moving to financial close and beginning construction quickly.

With these two components in place, OHCS anticipates it can implement the consolidated, streamlined NOFA process. Agency staff assess this change would mean timelines can be shortened and funding can be awarded more efficiently, allowing developments to avoid being held up by the State in building their funding stack or in the scoring process, as can sometimes happen with current funding processes.

In addition to these process recommendations, OHCS added several initiatives that are either underway or in early idea stages that will help properties receive funding and build more efficiently. These include exploring a State Low Income Housing Tax Credit program as a supplement to the federal LIHTC program, which would more fully fund these projects. Another recommendation is assessing a state program that would lower interest rates on permanent debt which would allow more developers to access and afford payments on mortgages that could be used to fill out their budgets. Other concepts include:

1. A more development focused advisory and approval body that could quickly and knowledgeably review and approve awards as necessary.
2. A resource and navigation guide to assist in predevelopment efforts and communicate funding options to developers in a more accessible manner.
3. Assessing efficiencies in the legal review process to ensure projects are not kept on hold due to capacity constraints at DOJ.

Two final recommendations from OHCS are to ensure current agency goals around equity and racial justice are not lost due to the potential new processes. First, targeting resources to allow development on tribal trust. Currently, funding from State Article XI-Q Bond resources cannot be used on tribal trust land, and OHCS is committed to continuing to work with the Tribes to provide access to available

resources, capital and otherwise, to support development in these historically under resourced parts of the state. Second, the expansion of Minority-owned, Women-owned, Emerging Small Business, and Service-Disabled Veteran Business Enterprises (MWESB-SDVBE) certification and business incubation, to understand and incentivize which firms are receiving financial benefits of contracting work to build units. OHCS currently has minimum expectations around development contracting with MWESB-SDVBE firms and anticipates this becoming a challenge if the labor supply is even further constrained by an increase in development, maxing out capacity of existing firms. Expanding workforce opportunities and increasing labor supply within MWESB-SDVBE firms are critical components of those efforts.

### New Topics for HPAC

Following the identification of existing recommendations that would be included in the HPAC process, the Council also identified new topics for the work plan. During the 2<sup>nd</sup> and 3<sup>rd</sup> meetings in March, the Council discussed their assessment of barriers to production and potential solutions to increase housing. These discussions were supplemented by a survey, and new topics were consolidated by the multiagency staff. Consolidated and full results of the survey can be found in the appendices to this plan framework.

Similar to each existing recommendation, new topics have been assigned to work groups as either a barrier to production or a solution to production. These will be further assessed and developed during the April 1 to December 31 work group process.

### Work Groups and Work Group Topic Assignments

The Council's recommendation on work groups was driven by the results of the survey and discussion on existing recommendations and new barriers or solutions. As topics were consolidated and refined, the Council determined that the original categories utilized in the survey did not fit what was being raised up as areas of focus. Over the course of the 3<sup>rd</sup> meeting, the Council identified work groups that more closely aligned with the housing production process – availability of land, entitlement process, codes and designs, workforce shortages, and financing (*for regulated affordable and middle housing*).

As a follow-up to this decision, existing recommendations, new topics that are barriers, and new topics that are proposed to solutions, were reassigned from their early categories (*as found in the survey and appendices documents*) to the work groups identified by the Council. These work groups and topics are included in this framework document and will provide the starting point and guidance for work group members and chairs in structuring work plans.

### Availability of Land

#### **New Topics: Solutions to Production**

- Leverage State owned lands, within urban growth boundaries, toward the highest and best use of affordable housing production. (i.e., fund relocation of current State services on underutilized property, fund below market acquisition when it may be required)
- Map all publicly owned and under-utilized parcels of land, including those owned by school districts, other local special districts, for each municipality. Maps can overlay zoning, flood plains, known contamination. Develop a process to make it easy for public entity owners to transfer through sale, long-term leases, etc.; and for municipalities to expedite changes to comp plans for zone changes.
- Create a mechanism for assembling parcels of tax-delinquent or abandoned properties for redevelopment (or preservation).



- Review the buildable land inventory process to address inclusion of lands not available due to property ownership or site impediments or the lack of infrastructure to accommodate development.
- Make easier to rezone land and promote ADUs, manufactured home parks, missing middle housing, and infill development.
- Mandate and fund Urban Reserves in every city in the State for 50-year land supply, to encourage predictable growth for city and early evaluation of Goal 5.
- Utilize HB4079 as a pilot model add concentrated market rate and affordable housing to a city outside UGB area.
- Consider Transfer of Development Rights land banks in areas with land constraints, e.g., wetlands, tsunامي, landslide zones. Allow and assist cities to consolidate denser development in appropriate areas and preserve sensitive lands while protecting people.
- Review allocating funds to DSL to create more mitigation banks, allow builders to pay a "fee in lieu" to eliminate the exorbitant times for mitigation review applications to be reviewed.

## Entitlement Process

### Existing Recommendations

- Remove barriers and make it less complex to build smaller, more affordable homes.
- Find opportunities to improve and streamline the permitting process and provide an opportunity for local building departments to share what is working and what isn't in their local jurisdictions through best practices and guidelines.
- Develop policy recommendations in response to a Department of State Lands (DSL) report on wetlands permitting streamlining and the partial 404 assumption (HB 2436 2019 Legislative Session)
- Create the ability for contractors to ask that BCD perform plan reviews or inspections to assist in moving specified housing projects (see ORS 455.466, may require designation of certain affordable housing projects as essential to the economic well-being of the state to qualify).

### New Topics: Barriers to Production

- Many impediments to development of housing comes from public works departments – this also extends to DSL and DEQ (as far as making land easier and quicker to develop without generally compromising the values which are implicit in what those agencies do).
- Need to review the impacts of various land use regulations on housing production, including bike and vehicle parking, tree and open space requirements, affordability requirements, transportation management, design standards, and others.
- The current land use and building permit process is too complex, at times not predictable, expensive, and time intensive. In addition, the process varies in every community creating additional challenges. The process needs to be changed to address the barriers to housing production that this creates.
- Need for improved coordination between levels of government and department to reduce barriers to development. Reassessing department roles and responsibilities may be valuable.
- It needs to be easier to get variances/adjustments to some land use criteria that affect density such as tree removal, tree plans, street connectivity, and block length requirements.

### New Topics: Solutions to Production

- Survey building departments for average permit time (by permit type) and plans review staff / population. Adopt practices from highest performing jurisdictions. Limit review comments to

major safety deficiencies; comments not impacting constructability or having a substantial nexus to life/safety are barred.

- Provide some oversight to power companies to ensure they are working quickly with development to provide power and designs. It isn't uncommon to request a design from a power company and not hear for months from them.
- Assess potential changes to the current public participation and land use appeals process to address barriers to housing development. Issues to assess include standing, evidence, time, expense, and fees.
- Review state level standards for permit timing, with tracking and reporting on timeliness for various permits and inspections.
- Provide planning department support to digitize in small areas, make the planning and building process less high touch for small planning departments so they can be more efficient, this will speed things up, this could include virtual meetings and inspections as well.
- Authorize and publicize contract code review program (developers can pay building permit fee to private code review company in lieu of using local building jurisdiction).
- Assess possible action to identify expansion areas as "essential" under ORS 455.466 to allow BCD to review plans and inspections in areas that cities are unable/unwilling to get housing built.
- Create teams of skilled professionals at the local level to aid developers, community groups, and jurisdictions navigate new development process.

## Codes and Design

### Existing Recommendations

- In a future building code amendment process conducted by the Building Codes Division, incorporate provisions that reduce barriers for housing production, including barriers to housing affordability, diversity, accessibility, and alternative construction methods that reduce cost and delay. The resultant changes must balance the following goals:
  - Increase affordability and housing choice, including middle housing, through the refinement of overly restrictive standards
  - Increase and incentivize the provision of accessibility features suitable for people living with different types of disabilities
  - Increase and incentivize the use of alternative construction techniques that reduce cost and delay, such as modular housing
  - Maintain standards necessary for the protection of life and property
- Provide additional clarification and protections for local building department funds to keep construction permit fees paying for building inspection services, keeping regulatory costs down.
- In a future building code amendment process conducted by the Building Codes Division, incorporate provisions that increase and incentivize accessibility features of new housing construction at different levels of accessibility (e.g., Type A, Type B, or Accessible units).
- Evaluate policy changes to support the production of condominiums, especially for smaller-scale projects and middle housing.
- Conduct a study of short-term rentals (STRs) in recreation cities and counties and develop policy recommendations that provide more local tools to regulate and leverage STRs.
- Provide housing-related analysis and data through the Oregon Housing Needs Analysis to the Tribes.
- Direct the Land Conservation and Development Commission to adopt administrative rules that enable the development of housing on tribal lands that are not held in tribal trust.

- Adopt provisions to state law that would make existing Covenants, Conditions, and Restrictions (CC&Rs) for Homeowner Associations (HOA) on real property unenforceable if they restrict size of homes, prohibit ADUs, middle housing types, or conflict with land use regulations implementing state housing laws.
- Expand state agency participation in the next update of the State of Oregon's Analysis of Impediments to Fair Housing done by OHCS, Business Oregon, and Oregon Health Authority to also include DLCDC as a commitment to AFFH.
- Direct a multi-agency effort to develop statewide policy recommendations that establish Affirmatively Furthering Fair Housing (AFFH) policy. The intent is to ensure all state agencies with touchpoints connected indirectly or directly to housing have a responsibility to ensure their actions, programming and practices achieve fair and equitable outcomes.
- DLCDC to join OHCS, Business Oregon, and OHA partnership on the implementation of relevant actions identified in the current (and future) State AI with direct connection/implication to DLCDCs housing program (goal 10) and as part of the agency's commitment to AFFH.
- Create a new disparate impact provision in Oregon fair housing law that would make it a violation of state fair housing law (adjudicated by BOLI or LCDC) for a government entity to have laws, regulations, or practices that have a substantial and negative disparate impact on Oregon and federal protected classes. The remedy to said practice would include changes to the law, regulation, or practice.
- Develop permit-ready plans for smaller-scale, fee-simple "starter homes" and partner with local jurisdictions to adopt and incentivize.

#### **New Topics: Barriers to Production**

- Review the potential for state level land use and building model codes for different housing densities, permit ready plans for different housing types, and other production tools for utilization at the local level. These tools could be optional or mandatory.
- Latent defect liability laws disincentivize the construction of more condos.
- With the increase in natural disasters, ensure that land use and zoning policies and programs are in place to respond efficiently and effectively when needed.

#### **New Topics: Solutions to Production**

- Require a "Housing Impact Statement," similar to an EIS or a racial justice assessment, when enacting laws or rules to provide full transparency around unintended consequences.
- Explore additional by right zoning options.
- Preclude use of FAR as a standard for residential development.
- Support industry development to increase the state's utilization of factory build homes, mass timber and cross laminate timber construction, and wildfire damaged timber reuse.
- Support industry development to increase the state's utilization of off-site modular construction and off-site housing component construction.
- Incentivization for accessibility, drought resistant landscaping, wildfire retardant – encourage but do not require.

### [Workforce Shortages](#)

#### **Existing Recommendations**

- Revive CTE in secondary schools and expose students to careers
- Grow the pool of licensed tradespeople that will be necessary to build needed housing.
- Create and connect students with youth apprenticeships
- Expand earn and learn models

- Build connections between employers and educators
- Grow the available workforce of inspectors and plans examiners, and leverage training, technology, and mutual aid agreements to make the existing workforce more efficient.
- Develop skills certification programs through various associations
- Expand MWESB certification and business incubation
- Audit and develop recommendations for training programs and licensing requirements for housing and construction-related contractors to increase the capacity to produce housing.

#### **New Topics: Barriers to Production**

- Workforce shortages are a barrier to housing production. Specifically, actions are needed to increase the number of engineers and surveyors and reduce the barriers to certification.
- Workforce shortages are a barrier to housing production. Specifically, actions are needed to increase the number of pre-apprentice, apprentice, and journey trades professionals in the construction industry. These actions included alignment of education system with trades, financial support to enter trades with new resources or changes to existing state programs, review of exiting training and certification process and requirements, and reduction of barriers to certification.

#### **New Topics: Solutions to Production**

- Explore opportunities to provide technical assistance and cost abatement for MWESB entities.
- Support workforce development to increase the state's utilization of factory build homes, mass timber and cross laminate timber construction, and wildfire damaged timber reuse.
- Support workforce development to increase the state's utilization of off-site modular construction and off-site housing component construction.

## Financing

#### **Existing Recommendations**

- Explore targeted resources for development on tribal trust land
- Develop Resource and Navigation Guide
- Evaluate policy options to increase homeownership opportunities in market-rate and subsidized affordable contexts.
- Use the Council to bring together all the available federal funding opportunities, coordinate state agency alignment with those opportunities, and use the Council as a communication opportunity to get the word out about opportunities that impact housing production.
- Study and develop recommendations on policies related to taxation that affect housing production and affordability, including property and income taxation, with an emphasis on the following outcomes: increase the supply and affordability of housing; increase opportunities for homeownership, especially in historically underserved communities and communities of color; incentivize the development of vacant and partially vacant lands; and disincentivize speculative ownership of land and housing.
- Develop policy recommendations in response to Oregon Housing and Community Services report on System Development Charges (SDCs) and infrastructure planning (HB 3040)
- Consider legislation enabling the Business Oregon Infrastructure Finance Authority (IFA) to fund infrastructure for housing.
- Audit and develop recommendations on state-authorized local policy and financial incentive tools to increase their flexibility and use.
- Prioritize grant funds for large and small cities with the highest production needs

- Audit and develop recommendations for supporting developer capacity to increase housing production in coastal communities.
- Audit existing funding sources that support housing for members of the Tribes and develop recommendations to consolidate and increase flexibility of funding sources to increase their accessibility.
- Focus resources to reduce barriers for expanding BIPOC Developers working in Oregon
- Coordinate and partner with the Legislative Commission on Indian Services and Commission Members on housing production and affordability.
- Support Oregon of Bureau of Labor and Industries (BOLI) efforts to increase enforcement of fair housing laws as a HUD-funded Fair Housing Advocacy Program (FHAP) grant recipient.

**New Topics: Barriers to Production**

- With the increase in natural disasters and natural disaster response programs, ensure the policies and programs are in place to respond efficiently and effectively when needed.
- Infrastructure needs and SDCs to support local infrastructure development create land readiness and cost barriers for local governments and housing developers. These two issues should be assessed to identify reforms or solutions. These reforms or solutions could include direct state investment in local infrastructure, SDC offsets, SDC proportionality limits, differential SDC structure based on housing type, and other changes state infrastructure or SDC policy and programming.

**New Topics: Solutions to Production**

- Establish, re-establish, or expand programs that provide funding for infrastructure, utility infrastructure, capacity development, land acquisition and banking, pre-development, and loan guarantees.
- Engage in conversation with the FHLB to discuss its short and term plans for funding affordable housing in the state of Oregon.
- Identify opportunities to utilize property tax reform to support market rate and affordable housing production. These could include a statewide affordable housing property tax exemption, property tax exemption programs for workforce housing, middle-income housing property tax exemptions, property taxes for senior housing, or property tax off-set programs for under-resourced local jurisdictions.
- Suggest that Fair Housing is considered and integrating in each of the categories/work groups to ensure that unintended consequences do not occur. As it relates to HPAC, set metrics and reporting requirements for the implementation of state housing actions derived from HPAC process. The objective would be ensuring investment in housing is consistent with AFFH principles. Identify a set of practical AFFH best practices that can be required for housing projects receiving state investment.
- Set metrics and reporting requirements for the implementation of state housing actions (any department) flowing from the HPAC process, with the objective of ensuring that the states investment in housing is consistent w/ AFFH principles. Identify a set of practical AFFH best practices (including legal reps & warranties) that can be required for housing projects receiving state investment.
- Ensure language to acknowledge obligations around AFFH do not end with Racial Justice. Racial justice is paramount, of course. But so is disability justice.

- Create a Housing Innovation Center of Excellence, similar to the CIEs sponsored by the Oregon Innovation Council, to research and help scale up modular and other innovations like mass timber.

#### Financing: Regulated Affordable Housing Focus

##### **Existing Recommendations**

- Assess state program for lower interest rate permanent debt for financing affordable rental housing
- Assess Building a Pipeline of Affordable Rental Housing Projects by Creating a Pre-development Program
- Streamline affordable housing funds; Review State Resource Access Improvement / Consolidate Offerings Options
- Explore State Low Income Housing Tax Credit
- Prioritize expedient delivery of Affordable Rental Housing; Review Timing of Fund Reservation / Readiness Standard
- Consider Development Focused Housing Stability Council Advisory and Approval Body
- Assess Implications and Benefits of Internal Legal Counsel for OHCS developments
- Audit and develop recommendations on Loan Guarantee Programs to preserve existing naturally occurring affordable housing and to increase accessibility and maneuverability as people age in their existing housing situation.
- Direct the Oregon Health Authority to add a module to the Adult Behavioral Risk Survey (BRFSS) assessing housing-related metrics for people with disabilities, including affordability, availability, quality, and accessibility features. Specify that they must provide notice to the Oregon Office on Disability and Health, DLCD, and OHCS once reports are published.
- Services and funding for people with IDD are fragmented and not sufficient. Assessment and change at OHCS and ODHS for IDD housing services are needed.
- Local governments need to have state indemnification in cases where the local government contracts with the State to provide services. If the local government turns people away because they are unable to afford insurance due to the indemnification policies at the State then we are taking a huge step backwards.

##### **New Topics: Barriers to Production**

- Competitive fundings is a barrier for communities with limited capacity. Funds should be provided on a grant or entitlement basis, or support should be provided for the application process.
- LIHTC structure and process is complicated and time intensive, assessment of the program for potential changes would address a current barrier.
- Current number of housing finance programs with varying requirements, application processes, supplemental policy goals, terms of affordability, rating and review standards, fees, and legal processes and documents may be inefficient for the agency and recipients. These should be assessed to make adjustments that would improve efficiencies and unit production.

##### **New Topics: Solutions to Production**

- Modify LIFT program so that it is not entirely linked to 4% credits. Original design in 2015 was for a shallow subsidy that could fast track innovative projects. Original design also called for it to support projects for people up to 80% AMI. Change statute to remove 60% limitation and change OHCS rule and program administration so that it can be used more broadly.

- Expand duration of restrictive covenants for state funded affordable housing as well as prioritize affordable housing development resources to mission based non-profits and public housing authorities.
- Map OHCS inventory of multifamily rental properties that are “at risk” of transitioning from affordable to market rate housing and implement a simple statewide tracking system on deed restricted housing units tracking the years of affordability and expiration of deed restriction to accurately capture the affordable housing stock in the State.
- State of Oregon master lease for residential projects; OHCS to sublease to meet program goals (unlocks credit tenant financing; provides housing for OHCS to allocate based on policy priorities).
- Disaggregate disparate impacts on people with disabilities to understand barriers faced by people with intellectual and developmental disabilities very specifically. This is a poorly understood population, and their needs are very different from those with mobility, vision, or hearing disabilities. Recognize that just as Fair Housing Act failed to adequately address housing discrimination based on race, the ADA fails to address needs of the IDD population, which faces severe - and disproportionate - housing insecurity.
- Consider and Study if preference could be given for affordable housing while meeting fair housing, i.e. teachers, health care providers, service workers, required employment documentation within County, etc.
- Consider reorganization of OHCS functions, and alignment with other state agencies (align human-service investments [homelessness, community services, ODHS, OHA, Corrections re-entry, Early Learning, etc.], align built-environment and real estate finance functions [Business Oregon, ODOT, DEQ, HECC, OFA, OST, etc.]).

#### Financing: Middle Housing Focus

##### **New Topics: Solutions to Production**

- Expand the portfolio of direct programming to support middle-income housing development (60-120% AMI). These programs could include the MIHTC program, state income tax credits/deductions for investment financing, loan interest loans for middle-income housing development, interest rate and inflation impact offset loan programs, among others.
- Support industry development to increase the state’s utilization of factory build homes, mass timber and cross laminate timber construction, and wildfire damaged timber reuse.
- Support industry development to increase the state’s utilization of off-site modular construction and off-site housing component construction.
- Identify incentives for market builders to build affordable units in their communities to create integrated mixed income neighborhoods.
- Provide funding for the acquisition and conversion of office buildings to residential buildings.
- Establish an institution like a West Coast Infrastructure Bank for pension funds, social impact bonds and financing, a state bank for housing production, etc.

#### Factors for Prioritizing Topics

In anticipation of the volume of existing topics that would be identified by the Council, a planned component of the framework had been the prioritization of topics for work group work plans. After the survey and discussion on topics was complete, over 100 items had been identified. As a result, the Council determined that the best course of action was to identify the factors for prioritization, rather

than prioritize all the topics as a full Council. Following the adoption of the plan framework, work groups would then apply factors for prioritization to their assigned topics.

The Council settled on 3 factors for prioritization that best matched the intent, context, and mandate of the Executive Order – impact potential on unit production, equity and racial justice, and feasibility of implementation. Each are described in more detail below.

#### Impact potential

Impact potential refers to the number of housing units that would result from the recommended policy change and/or investment. In addition to raw number of units, this should also consider number of people who will be served by the units. As such, unit mix and type of housing are factors to consider as well (i.e., will the recommendation lead to many SRO units, or slightly less family sized units; entirely single family or a mix of different housing types).

#### Equity and racial justice

Equity and racial justice refer to improved housing outcomes for communities of color and other marginalized populations from the recommended policy change and/or investment. Specifically, improved housing outcomes means increased housing access, choice, and opportunity for these populations. This also incorporates business opportunities and investment that could be equitably provided to these same populations through the recommendation.

#### Feasibility

Feasibility refers to how feasible the recommended policy change and/or investment would be to implement and maintain in terms of cost, time, political support, and complexity. What are the easy wins versus the large structural changes that need to occur.

#### Work Group Assignments and Chairs

TBD



## Appendix A: Existing Recommendations Survey Results

### **Affirmatively Furthering Fair Housing**

*7 original recommendations, all of which received at least one selection to prioritize.*

<b>Recommendation</b>	<b>Votes</b>
Adopt provisions to state law that would make existing Covenants, Conditions, and Restrictions (CC&Rs) for Homeowner Associations (HOA) on real property unenforceable if they restrict size of homes, prohibit ADUs, middle housing types, or conflict with land use regulations implementing state housing laws.	7
Direct the Oregon Health Authority to add a module to the Adult Behavioral Risk Survey (BRFSS) assessing housing-related metrics for people with disabilities, including affordability, availability, quality, and accessibility features. Specify that they must provide notice to the Oregon Office on Disability and Health, DLCD, and OHCS once reports are published.	6
Support Oregon of Bureau of Labor and Industries (BOLI) efforts to increase enforcement of fair housing laws as a HUD-funded Fair Housing Advocacy Program (FHAP) grant recipient.	5
Expand state agency participation in the next update of the State of Oregon's Analysis of Impediments to Fair Housing done by OHCS, Business Oregon, and Oregon Health Authority to also include DLCD as a commitment to AFFH.	5
Direct a multi-agency effort to develop statewide policy recommendations that establish Affirmatively Furthering Fair Housing (AFFH) policy. The intent is to ensure all state agencies with touchpoints connected indirectly or directly to housing have a responsibility to ensure their actions, programming and practices achieve fair and equitable outcomes.	5
DLCD to join OHCS, Business Oregon, and OHA partnership on the implementation of relevant actions identified in the current (and future) State AI with direct connection/implication to DLCDs housing program (goal 10) and as part of the agency's commitment to AFFH.	4
Create a new disparate impact provision in Oregon fair housing law that would make it a violation of state fair housing law (adjudicated by BOLI or LCDC) for a government entity to have laws, regulations, or practices that have a substantial and negative disparate impact on Oregon and federal protected classes. The remedy to said practice would include changes to the law, regulation, or practice.	4

## Affordable and Market Rate Housing Development

*14 original recommendations, all of which received at least one selection to prioritize.*

<b>Recommendation</b>	<b>Votes</b>
Evaluate policy changes to support the production of condominiums, especially for smaller-scale projects and middle housing.	15
Evaluate policy options to increase homeownership opportunities in market-rate and subsidized affordable contexts.	14
Use the Council to bring together all the available federal funding opportunities, coordinate state agency alignment with those opportunities, and use the Council as a communication opportunity to get the word out about opportunities that impact housing production.	13
Study and develop recommendations on policies related to taxation that affect housing production and affordability, including property and income taxation, with an emphasis on the following outcomes: increase the supply and affordability of housing; increase opportunities for homeownership, especially in historically underserved communities and communities of color; incentivize the development of vacant and partially vacant lands; and disincentivize speculative ownership of land and housing.	12
Develop policy recommendations in response to Oregon Housing and Community Services report on System Development Charges (SDCs) and infrastructure planning (HB 3040)	12
Consider legislation enabling the Business Oregon Infrastructure Finance Authority (IFA) to fund infrastructure for housing.	11
Audit and develop recommendations on state-authorized local policy and financial incentive tools to increase their flexibility and use.	9
Audit and develop recommendations on Loan Guarantee Programs to preserve existing naturally occurring affordable housing and to increase accessibility and maneuverability as people age in their existing housing situation.	9
Prioritize grant funds for large and small cities with the highest production needs	8
Audit and develop recommendations for supporting developer capacity to increase housing production in coastal communities.	8
Audit and develop recommendations for training programs and licensing requirements for housing and construction-related contractors to increase the capacity to produce housing.	8

Audit existing funding sources that support housing for members of the Tribes and develop recommendations to consolidate and increase flexibility of funding sources to increase their accessibility.	5
Focus resources to reduce barriers for expanding BIPOC Developers working in Oregon	6
Coordinate and partner with the Legislative Commission on Indian Services and Commission Members on housing production and affordability.	5

### **Affordable Housing Development**

*9 original recommendations, all of which received at least one selection to prioritize.*

<b>Recommendation</b>	<b>Votes</b>
Assess state program for lower interest rate permanent debt for financing affordable rental housing	12
Assess Building a Pipeline of Affordable Rental Housing Projects by Creating a Pre-development Program	12
Streamline affordable housing funds; Review State Resource Access Improvement / Consolidate Offerings Options	11
Explore State Low Income Housing Tax Credit	10
Prioritize expedient delivery of Affordable Rental Housing; Review Timing of Fund Reservation / Readiness Standard	8
Explore targeted resources for development on tribal trust land	8
Consider Development Focused Housing Stability Council Advisory and Approval Body	6
Assess Implications and Benefits of Internal Legal Counsel for OHCS developments	6
Develop Resource and Navigation Guide	1

### **Building Codes and Inspections**

*6 original recommendations, all of which received at least one selection to prioritize.*

<b>Recommendation</b>	<b>Votes</b>
Remove barriers and make it less complex to build smaller, more affordable homes.	11

Find opportunities to improve and streamline the permitting process and provide an opportunity for local building departments to share what is working and what isn't in their local jurisdictions through best practices and guidelines.	9
In a future building code amendment process conducted by the Building Codes Division, incorporate provisions that reduce barriers for housing production, including barriers to housing affordability, diversity, accessibility, and alternative construction methods that reduce cost and delay. The resultant changes must balance the following goals:  1) Increase affordability and housing choice, including middle housing, through the refinement of overly restrictive standards  2) Increase and incentivize the provision of accessibility features suitable for people living with different types of disabilities  3) Increase and incentivize the use of alternative construction techniques that reduce cost and delay, such as modular housing  4) Maintain standards necessary for the protection of life and property	8
Create the ability for contractors to ask that BCD perform plan reviews or inspections to assist in moving specified housing projects (see ORS 455.466, may require designation of certain affordable housing projects as essential to the economic well being of the state to qualify).	5
Provide additional clarification and protections for local building department funds to keep construction permit fees paying for building inspection services, keeping regulatory costs down.	3
In a future building code amendment process conducted by the Building Codes Division, incorporate provisions that increase and incentivize accessibility features of new housing construction at different levels of accessibility (e.g., Type A, Type B, or Accessible units).	2

### **Labor Supply and Workforce**

*16 original recommendations, duplicative recommendations were consolidated and are mentioned together below.*

<b>Recommendation</b>	<b>Votes</b>
Revive CTE in secondary schools and expose students to careers	10
Grow the pool of licensed tradespeople that will be necessary to build needed housing.	9
Create and connect students with youth apprenticeships	9

Expand earn and learn models	9
Build connections between employers and educators	7
Grow the available workforce of inspectors and plans examiners, and leverage training, technology, and mutual aid agreements to make the existing workforce more efficient.	7
Develop skills certification programs through various associations	6
Expand MWESB certification and business incubation	5

### **Land Use and Zoning**

*5 original recommendations, all of which received at least one selection to prioritize.*

<b>Recommendations</b>	<b>Votes</b>
Develop permit-ready plans for smaller-scale, fee-simple “starter homes” and partner with local jurisdictions to adopt and incentivize.	16
Develop policy recommendations in response to a Department of State Lands (DSL) report on wetlands permitting streamlining and the partial 404 assumption (HB 2436 2019 Legislative Session)	11
Provide housing-related analysis and data through the Oregon Housing Needs Analysis to the Tribes.	10
Conduct a study of short-term rentals (STRs) in recreation cities and counties and develop policy recommendations that provide more local tools to regulate and leverage STRs.	6
Direct the Land Conservation and Development Commission to adopt administrative rules that enable the development of housing on tribal lands that are not held in tribal trust.	6

## Appendix B: New Topics Survey Results

### **Affirmatively Furthering Fair Housing Additional Topics**

#### **Barriers to Production**

1. Services and funding for people with IDD are fragmented and not sufficient. Assessment and change at OHCS and ODHS for IDD housing services are needed.
2. Local governments need to have state indemnification in cases where the local government contracts with the State to provide services. If the local government turns people away because they are unable to afford insurance due to the indemnification policies at the State then we are taking a huge step backwards.

#### **Solutions to Production**

1. Suggest that Fair Housing is considered and integrating in each of the categories/work groups to ensure that unintended consequences do not occur. As it relates to HPAC, set metrics and reporting requirements for the implementation of state housing actions derived from HPAC process. The objective would be ensuring investment in housing is consistent with AFFH principles. Identify a set of practical AFFH best practices that can be required for housing projects receiving state investment.
2. Disaggregate disparate impacts on people with disabilities to understand barriers faced by people with intellectual and developmental disabilities very specifically. This is a poorly-understood population, and their needs are very different from those with mobility, vision, or hearing disabilities. Recognize that just as Fair Housing Act failed to adequately address housing discrimination based on race, the ADA fails to address needs of the IDD population, which faces severe - and disproportionate - housing insecurity.
3. Consider and Study if preference could be given for affordable housing while meeting fair housing, i.e. teachers, health care providers, service workers, required employment documentation within County, etc.
4. Set metrics and reporting requirements for the implementation of state housing actions (any department) flowing from the HPAC process, with the objective of ensuring that the states investment in housing is consistent w/ AFFH principles. Identify a set of practical AFFH best practices (including legal reps & warranties) that can be required for housing projects receiving state investment.
5. Ensure language to acknowledge obligations around AFFH do not end with Racial Justice. Racial justice is paramount, of course. But so is disability justice.

### **Affordable and Market Rate Housing Development Additional Topics**

#### **Barriers to Production**

1. Infrastructure needs and SDCs to support local infrastructure development create land readiness and cost barriers for local governments and housing developers. These two issues should be assessed to identify reforms or solutions. These reforms or solutions could include direct state investment in local infrastructure, SDC offsets, SDC proportionality limits, differential SDC structure based on housing type, and other changes state infrastructure or SDC policy and programming.
2. Latent defect liability laws disincentivize the construction of more condos.

### **Solutions to Production**

- Identify opportunities to utilize property tax reform to support market rate and affordable housing production. These could include a statewide affordable housing property tax exemption, property tax exemption programs for workforce housing, middle-income housing property tax exemptions, property taxes for senior housing, or property tax off-set programs for under-resourced local jurisdictions.
- Support industry and workforce development to increase the state's utilization of factory build homes, mass timber and cross laminate timber construction, wildfire damaged timber reuse, off-site modular construction, and off-site housing component construction.
- Expand the portfolio of direct programming to support middle-income housing development (60-120% AMI). These programs could include the MIHTC program, state income tax credits/deductions for investment financing, loan interest loans for middle-income housing development, revolving loan fund, interest rate and inflation impact offset loan programs, among others.
- Identify incentives for market builders to build affordable units in their communities to create integrated mixed income neighborhoods.
- Provide funding for the acquisition and conversion of office buildings to residential buildings.
- Establish an institution like a West Coast Infrastructure Bank for pension funds, social impact bonds and financing, a state bank for housing production, etc.

### **Affordable Housing Development Additional Topics**

#### **Barriers to Production**

- LIHTC structure and process is complicated and time intensive, assessment of the program for potential changes would address a current barrier.
- Current number of housing finance programs with varying requirements, application processes, supplemental policy goals, terms of affordability, rating and review standards, fees, and legal processes and documents may be inefficient for the agency and recipients. These should be assessed to make adjustments that would improve efficiencies and unit production.

- With the increase in natural disasters and natural disaster response programs, ensure the policies and programs are in place to respond efficiently and effectively when needed.
- Competitive fundings is a barrier for communities with limited capacity. Funds should be provided on a grant or entitlement basis, or support should be provided for the application process.

### **Solutions to Production**

- Expand the portfolio of direct programming to support middle-income housing development (60-120% AMI). These programs could include the MIHTC program, state income tax credits/deductions for investment financing, loan interest loans for middle-income housing development, interest rate and inflation impact offset loan programs, among others.
- Establish, re-establish, or expand programs that provide funding for infrastructure, utility infrastructure, capacity development, land acquisition and banking, pre-development, and loan guarantees.
- Modify LIFT program so that it is not entirely linked to 4% credits. Original design in 2015 was for a shallow subsidy that could fast track innovative projects. Original design also called for it to support projects for people up to 80% AMI. Change statute to remove 60% limitation and change OHCS rule and program administration so that it can be used more broadly.
- Expand duration of restrictive covenants for state funded affordable housing as well as prioritize affordable housing development resources to mission based non-profits and public housing authorities.
- Map OHCS inventory of multifamily rental properties that are “at risk” of transitioning from affordable to market rate housing, and implement a simple statewide tracking system on deed restricted housing units tracking the years of affordability and expiration of deed restriction to accurately capture the affordable housing stock in the State.
- Map all publicly-owned and under-utilized parcels of land, including those owned by school districts, other local special districts, for each municipality. Maps can overlay zoning, flood plains, known contamination. Develop a process to make it easy for public entity owners to transfer through sale, long-term leases, etc.; and for municipalities to expedite changes to comp plans for zone changes.
- Leverage State owned lands, within urban growth boundaries, toward the highest and best use of affordable housing production. (i.e. fund relocation of current State services on underutilized property, fund below market acquisition when it may be required)
- Create a mechanism for assembling parcels of tax-delinquent or abandoned properties for redevelopment (or preservation).



- State of Oregon master lease for residential projects; OHCS to sublease to meet program goals (unlocks credit tenant financing; provides housing for OHCS to allocate based on policy priorities).
- Engage in conversation with the FHLB to discuss its short and term plans for funding affordable housing in the state of Oregon.

### **Building Codes and Inspections Additional Topics**

#### **Barriers to Production**

- Many impediments to development of housing comes from public works departments – this also extends to DSL and DEQ (*as far as making land easier and quicker to develop without generally compromising the values which are implicit in what those agencies do*).

#### **Solutions to Production**

- Review the potential for state level land use and building model codes for different housing densities, permit ready plans for different housing types, and other production tools for utilization at the local level. These tools could be optional or mandatory.
- Provide planning department support to digitize in small areas, make the planning and building process less high touch for small planning departments so they can be more efficient, this will speed things up, this could include virtual meetings and inspections as well.
- Authorize and publicize contract code review program (developers can pay building permit fee to private code review company in lieu of using local building jurisdiction).
- Assess possible action to identify expansion areas as "essential" under ORS 455.466 to allow BCD to review plans and inspections in areas that cities are unable/unwilling to get housing built.
- Survey building departments for average permit time (by permit type) and plans review staff / population. Adopt practices from highest performing jurisdictions. Limit review comments to major safety deficiencies; comments not impacting constructability or having a substantial nexus to life/safety are barred.
- Incentivization for accessibility, drought resistant landscaping, wildfire retardant – encourage but do not require.

### **Land Use and Zoning Additional Topics**

#### **Barriers to Production**

- Workforce shortages are a barrier to housing production. Specifically, actions are needed to increase the number of engineers and surveyors and reduce the barriers to certification.

- Workforce shortages are a barrier to housing production. Specifically, actions are needed to increase the number of pre-apprentice, apprentice, and journey trades professionals in the construction industry. These actions included alignment of education system with trades, financial support to enter trades with new resources or changes to existing state programs, review of exiting training and certification process and requirements, and reduction of barriers to certification.

#### **Solutions to Production**

- Explore opportunities to provide technical assistance and cost abatement for MWESB entities.

Support industry and workforce development to increase the state's utilization of factory build homes, mass timber and cross laminate timber construction, wildfire damaged timber reuse, off-site modular construction, and off-site housing component construction.

## Appendix C: HPAC March Meeting Agendas and Materials

### March 10, 2023 Agenda

- [Executive Order 23-04](#)
- [Draft Staff Recommendations for HPAC Shared Agreements](#)
- [Draft Staff Recommendations for Components of HPAC Plan Framework](#)
- [Oregon Office of Economic Analysis Presentation](#)
- [Oregon Housing Needs Analysis Legislative Recommendations Report](#)
- [Oregon Housing Needs Analysis](#)

### March 17, 2023 Agenda

- [HPAC Existing Housing Production Recommendations](#)
- [Draft HPAC Existing Recommendations Assessment](#)
- [Building Codes Division \(BCD\) 1-pager](#)
- [Depart. Land Conservation & Development \(DLCD\) 1-pager](#)
- [Higher Education Coordinating Commission \(HECC\) 1-pager](#)
- [Appx B Statewide Housing Production Strategy Basis](#)
- [Appendix F UO IPRE Barriers Survey & Summary Report](#)
- [Oregon Housing & Community Services HPAC Background Materials](#)
- [2022 Oregon Talent Assessment](#)

### March 24, 2023 Agenda

- [HPAC Survey Recommendations Document](#)
- [HPAC Survey Results](#)
- [HPAC Survey Condensed](#)
- [HPAC Survey Full](#)