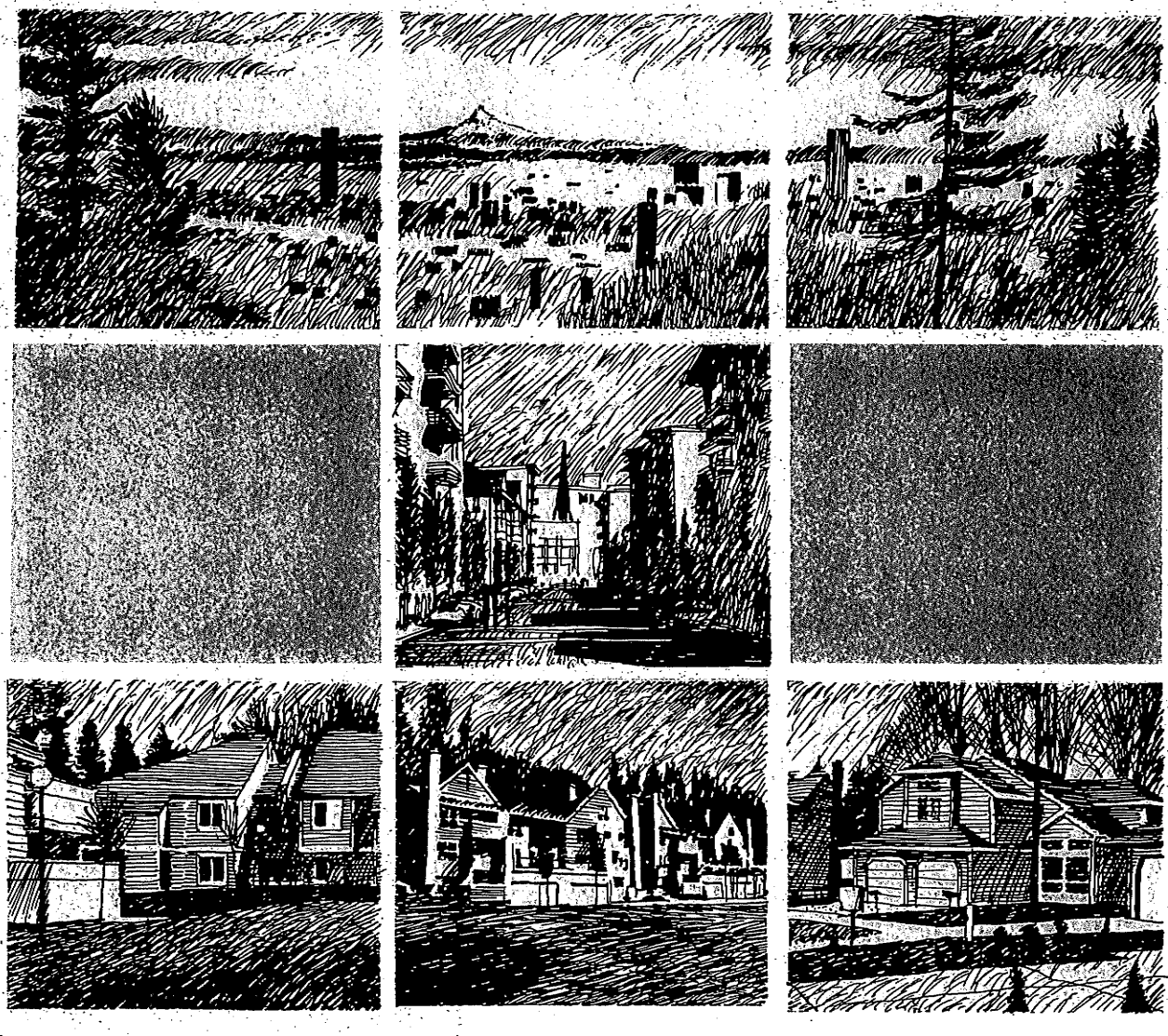
MANAGING GROWTH TO PROMOTE AFFORDABLE HOUSING: REVISITING OREGON'S GOAL 10



EXECUTIVE SUMMARY

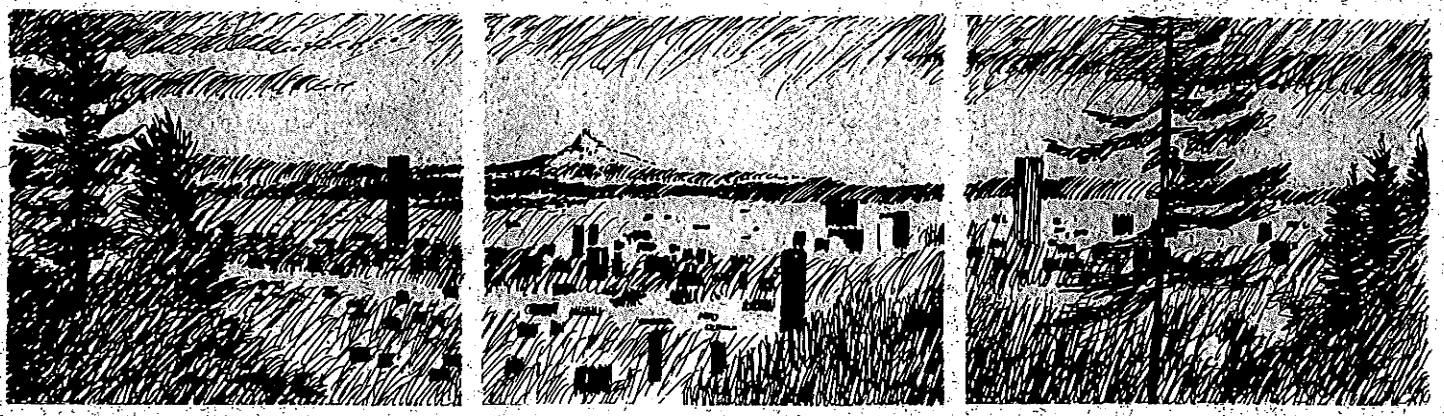
SEPTEMBER 1991

1000 Friends of Oregon
&
The Home Builders Association of Metropolitan Portland

Managing Growth to Promote Affordable Housing: Revisiting Oregon's Goal 10

Executive Summary

September 1991



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About 1000 Friends Of Oregon

1000 Friends of Oregon is a non-profit public service organization formed in 1975 to protect Oregon's quality of life through the conservation of farm and forest lands, protection of natural and historic resources, and promotion of more livable cities.

The organization combines no-cost legal assistance to citizens with planning research and public education to support the state's nationally recognized planning program. 1000 Friends is supported by its membership and tax-deductible contributions.

1000 Friends also provides staff support for the National Growth Management Leadership Project (NGMLP), a coalition of 17 state-level conservation organizations working on growth management and land use policy.

About the Home Builders Association of Metro Portland

The Home Builders Association of Metropolitan Portland is a service organization that exists for the benefit of its members. The mission of the Association is to provide its members the business advantages they need to be competitive and successful within the building industry.

The Association achieves its mission through the following key functions and services: business support services, professional development (continuing education), industry development and political representation, and marketing of member products and services.

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A major quality of life issue for any city is meeting the housing needs of its citizens. When an urban area is characterized by exorbitant housing costs or blighted and crime-ridden neighborhoods, livability suffers.

Nationally, housing affordability is declining. A 1990 study of housing costs by the Harvard Joint Center for Housing Studies shows home ownership rates falling since 1980, especially among young households. The report states nearly 2 million more households would own homes today if ownership rates had remained at 1980 levels. At the same time, rent levels remain at record highs. The report concludes: "persistent declines in home prices and rents are unlikely on a national scale."

The study finds that the region's land use policies have benefited housing consumers in the Portland area, and should be extended to other parts of Oregon. The report also points out shortcomings of the state's housing policies and recommends ways to remedy them.

In response to this concern, and in response to the request from the National Growth Management Leadership Project (NGMLP) for an evaluation of Oregon's affordable housing land use policies, 1000 Friends of Oregon and the Home Builders Association of Metropolitan Portland (HBAMP) undertook a joint housing study in May 1990. In the context of a recent boom in Portland area construction and rising home prices, the two organizations wanted to find out how well the region's "pro-housing" land use policies have promoted development of affordable housing.

In summary, the study finds these policies are helping to mitigate the effects of rising housing costs, while furthering the region's goals for orderly and efficient urban growth. To help ensure proper implementation of these policies in the future, this report recommends that local comprehensive plans in Portland and other urban areas utilize development standards. With such standards, Oregon's urban areas may develop with greater certainty, and housing responsibilities may be more fairly allocated among cooperating jurisdictions.

Research for *Managing Growth to Promote Affordable Housing* was coordinated with land use planners from 17 Portland area governments (one region, three counties, 13 cities) and Oregon's Department of Land Conservation and Development. The project was funded by private foundations and businesses.

* * *

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Without the assistance of the following local government planners, this project would not have been possible. Planning directors and staff from 17 Portland area governments gathered and verified data used in the analysis, reviewed report drafts, and advised project staff on data interpretation and policy formulation. We thank the following for their valuable participation in the study.

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INTRODUCTION

The Land Use Planning/Housing Affordability Connection

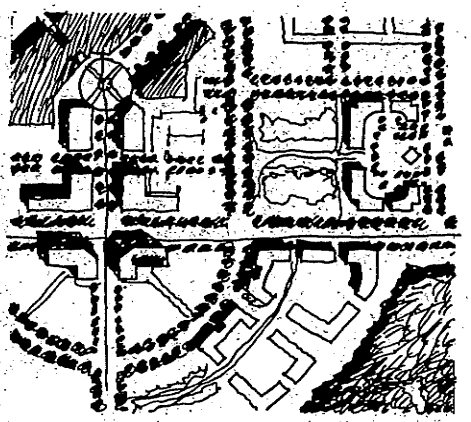
Despite clear need for more affordable housing, local governments are often reluctant to zone land for lower-cost housing types — such as apartments and townhouses, and single family homes on small lots. Typically such housing is discouraged because it contributes less tax revenue than do commercial and upscale residential developments. Exclusionary zoning of this kind hurts low and moderate income households by distancing them from employment centers, safe environments and good schools; alienating them from community affairs; and, ultimately, adding to their cost of living.

Such zoning practices are difficult to change without strong action by state legislatures. First, Congress and federal administrative agencies have limited power to regulate the use of real property, whether to conserve land or to specify residential development standards. Congress may prohibit granting federal housing money to localities which fail to meet land use and housing affordability targets, as recommended by Housing and Urban Development (HUD) Secretary Kemp to President Bush in July 1991. However, the amount of federal housing money is small, constituting little leverage, and that money is not generally given to suburban jurisdictions where the problem exists. Second, the volume, variety and local texture of most land use decisions make a direct national role unfeasible, in any event. Third, federal courts have ruled that the failure of states or localities to provide affordable housing does not violate the U.S. Constitution.[1] Fourth, attempts to overturn *exclusionary zoning* laws through litigation in state courts have largely been ineffective.[2] Finally, there is little incentive at the local level to adopt "fair housing" laws and forego economic development.

"Only states can effectively mandate local governments to fairly allocate planned housing types."

Only states can effectively mandate local governments to fairly allocate planned housing types.

The first state legislative effort to attack the problem directly was included in Oregon's pioneering comprehensive land use planning program. *Managing Growth to Promote Affordable Housing* assesses the effectiveness of Oregon's land use policies for housing, focusing on the Portland Metropolitan Region.



Land Use Planning In Oregon

Since 1973, Oregon's Comprehensive Land Use Planning Program has served as a model for land use planning and growth management in other parts of the U.S. During the past 16 years, similar statewide comprehensive planning laws have been enacted in Florida, Georgia, Rhode Island, New Jersey, Maine and Vermont.

The Oregon legislature ordered local governments to draft and implement comprehensive land use plans. Local plans are evaluated by the state's Land Conservation and Development Commission (LCDC) for conformance with statewide goals.

Metropolitan Portland: A Model for Regional Land Use Planning

Recently, *Fortune* rated the City of Portland as one of the top 10 in the nation for business. *USA Today* selected the city as one of the "six best places to be in the '90s." *Newsweek*, in an article on the nation's "hot cities," called the area innovative — one of the best places to live and work. *The New Yorker* magazine said Portland "combines the intimacy of a town with the destiny and richness of a city."

Metropolitan Portland lies between the Coast Range and Cascade mountains of northwestern Oregon, at the head of the fertile Willamette Valley. Bordered to the north by the Columbia River, and divided geographically by the south-north running Willamette River, the three-county metro area covers 3,026 square miles. As home to nearly 1.2 million people, metropolitan Portland contains 43% of the state's total population. This area puts to the test the state's innovative land use policies, which range from natural resource conservation and historic preservation to economic development and urban design.

The Portland region is well known for its urban growth boundary policy, which helps to contain urban sprawl. Less known, however, are the region's innovative pro-housing policies — without which the urban growth boundary would quickly be pushed to the breaking point by low-density housing. Among other things, housing policies that encourage development *inside* the urban growth boundary help ease pressures to develop *beyond* the line, or expand it outward.

Critics of *growth management* argue that urban growth boundaries (UGBs) artificially inflate land costs, thus reducing housing affordability and inhibiting economic development. However, in the Portland area, housing costs (relative to per capita income) have remained well below those of many comparable — and unregulated — U.S. cities. In addition, over the last decade the region has prospered. A 35% increase in population is expected in the region over the next 20 years.

The Portland area's renowned livability and the urban growth boundary's success in promoting cost-effective urban growth have contributed to the region's economic vitality. But without state-mandated housing policies, zoning would exclude low and moderate income households from some communities, and the Portland area would likely be suffering the same "affordability crisis" other fast-growing areas are now experiencing.

Oregon Statewide Goal 10 (Housing)

In 1974, during a period of record growth, Oregon's Goal 10 was adopted to address housing concerns. The Goal — one of 19 under the umbrella of the state's land use program — requires local governments to provide, through plan policies and zoning, reasonable opportunity for persons of all income levels to obtain adequate and affordable housing. Goal 10 states:

To provide for the housing needs of citizens of the state. *Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.*

LCDC has interpreted the

Goal to encompass the legal principles of "fair share" and "least cost" housing. This means that each community within a region must consider the broader housing needs of the region in arriving at a fair allocation of housing types (i.e., single family versus multiple family housing). For that community, "needed housing" is defined by Oregon law to include multiple family and attached single family dwellings (i.e., townhomes and duplexes) and manufactured housing.[3]

Goal 10 also mandates that local standards and procedures for reviewing applications to build "needed housing types" (housing types determined by local governments to be within the financial capabilities of present and future area residents) must be "clear and objective." For example, a local government could not deny an apartment project proposed on a site zoned multiple family simply on the ground that neighbors do not want it on their block. There must be legal reasoning supported by local and state planning regulations to deny the project. This requirement is codified in Oregon planning law.[4]

The Metropolitan Housing Rule: A Growth Management Tool For Affordable Housing

In metropolitan Portland (areas of Clackamas, Multnomah and Washington counties within the regional urban growth boundary) the **Metropolitan Housing Rule** requires local plans to:

1. provide adequate land zoned for needed housing types;
2. ensure that land within the the Metropolitan Portland (Metro) urban growth boundary may accommodate the region's projected population growth;
3. provide greater certainty to the development process; and
4. reduce housing costs.

Local governments are responsible for developing comprehensive plans that comply with the Metropolitan Housing Rule. These plans are then reviewed and approved by the Land Conservation and Development Commission (LCDC). The Housing Rule (OAR 660-07-000) requires that:

- each of the region's three counties and its 24 cities develop comprehensive plans which allow for a new construction mix that includes at least 50% multi-family or attached single family units; and

- plans allow development to occur at certain *minimum* target housing densities. In the City of Portland, for example, the target is 10 units/buildable acre; most suburban areas are to aim for either 6 or 8 units/buildable acre. Clear numeric targets provide a yardstick by which community efforts to promote more compact and affordable housing can be measured. The rule is premised on the idea that development at higher densities (or on smaller lots) will result in more affordable housing.

Managing Growth to Promote Affordable Housing: Revisiting Oregon's Goal 10

Purpose of Study

In its 1982 study, *Responding to the Marketplace: How Oregon's Land Use Planning Program Has Benefited Housing Consumers in the Portland Metropolitan Region,* 1000 Friends of Oregon concludes that "implementation of the Metropolitan Housing Rule significantly increased housing opportunities in the Portland region for households of all income levels." The report explains that implementation of the Housing Rule resulted in a 400% increase in land zoned for multiple family use (includes townhouses and other "attached" dwellings); and it cites that the average (minimum) sized lot allowed by local zoning dropped from 13,000 sq. ft. in 1978 (pre-Housing Rule) to 8,300 sq. ft. in 1982 (post-implementation).

But the earlier study only looked at vacant land, or potential development as allowed by zoning. Oregon's Goal 10 was revisited in this study, *Managing Growth to Promote Affordable Housing*, to reassess the Metropolitan Housing Rule's effectiveness in terms of actual development patterns.

Study Objectives & Methods

Objectives of the study:

1. measure the link, if any, between housing costs and implementation of the region's housing policy; and
2. recommend land use policy changes to better promote affordable housing within the region and the state.

Methods used:

1. compare *actual* housing development patterns with *planned* patterns;
2. evaluate, by housing type and density, *affordability* of post-Housing Rule development;
3. determine the reasons why *actual* development densities may depart from *planned* densities.

The study area *(Metropolitan Portland)* is defined as areas of Clackamas, Multnomah and Washington counties within the Portland Metropolitan Urban Growth Boundary. Jurisdictions within this area must comply with the Metropolitan Housing Rule.

The period 1985-89 was studied because it affords an opportunity to examine the Metropolitan Housing Rule under a healthy economic regime. Prior to 1985, Oregon and much of the country were in an economic recession.

Building permit and planning approval data were used to compare actual development patterns with the housing policies in local plans. Planners, developers and project engineers completed surveys used to assess the reasons why development occurred as it did. Regional and national data on income, home sales, rents and demographics were collected from several agencies and private data sources to assess housing affordability. The *Technical Report* may be referred to for complete "methodology" and "limitation" sections.

An important part of this study was the participation of local government planners and the Project Advisory Committee. Planners

and advisory committee members reviewed study methods, verified data accuracy, and provided insight on technical and policy related issues.

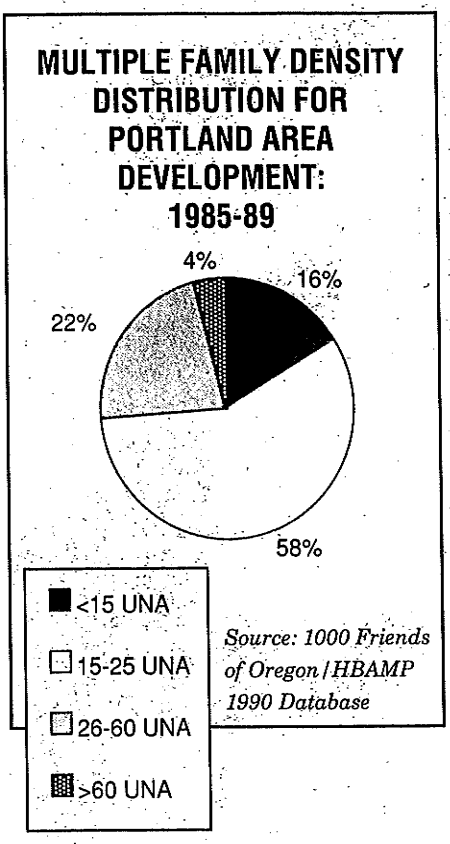
Summary of Findings

Implementation of the Metropolitan Housing Rule in the early 1980s removed zoning constraints to development of lower-cost housing. During 1985-89, builders, home buyers and renters realized the benefits made possible by earlier policy implementation.

- **The *volume* of multiple family and attached single family development increased dramatically.** During the 5-year study period, some communities developed more multiple family and attached single family units than were originally planned to be built over a 20-year period. For example, in 1978 (pre-Housing Rule), only 371 of one jurisdiction's planned housing units were multiple family. During the 5-year study period, the same jurisdiction developed 1,575 multiple family units, or 425% of its original 20-year supply. In other words, the demand for multiple family housing during 1985-89 could not have been met by some Portland communities under pre-Housing Rule zoning. This finding is significant because it confirms that the regional fair share principle, called for by Goal 10, is at least partially being realized.

  Of all multiple family and attached single family units developed, 74% were in projects of moderate to low density (less than 25 units per net buildable acre (una)); and fewer than 5% represented densities higher than 60 una (see chart). These findings allay concerns that minimum density rules would create huge housing "megaliths." High-rise apartment buildings, typically associated with downtown centers, often exceed 150 una.

  Low apartment vacancy rates through the study period (indicating strong demand, or

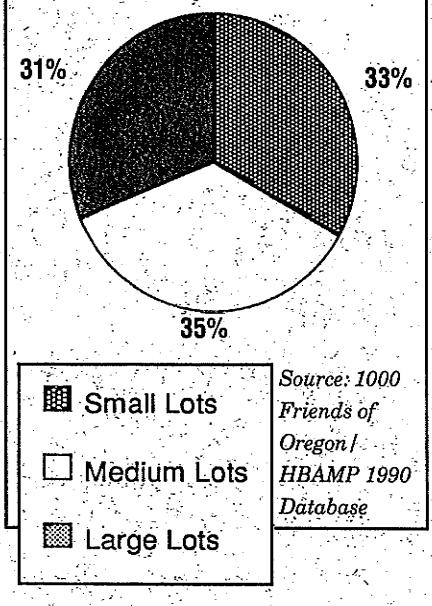


The apartments pictured are typical of the style, density (20 una), and price ($400-$450/month) for two bedroom apartments developed during 1985-89.

consumer "need") attest to the performance of the housing type "mix" rule. In July 1991, the multiple family housing market remained firm in most Portland communities with average vacancy rates at 5% — rates in excess of 7% generally indicate an oversupply of units.

An analysis of income and rent data showed 77% of the region's households could afford to rent the region's median-priced apartment in 1989 (Housing is assumed *affordable to households spending 30% or* less of their gross income on housing). By contrast, only 67% could afford mortgage payments on the median-priced two-bedroom home; the figure drops to 43% for a three-bedroom home. Yet, *housing affordability* (as a percentage of a region's households able to purchase the region's median-priced house) is 2-3 times greater in the Portland region than in comparable West Coast metropolitan areas (i.e., San Diego, Los Angeles, Sacramento, San Jose, San Francisco, Seattle).

SINGLE FAMILY LOT SIZE DISTRIBUTION FOR PORTLAND AREA DEVELOPMENT: 1985-89



Source: 1000 Friends of Oregon / HBAMP 1990 Database

- **The *proportion* of multiple family and attached single family housing increased dramatically.** During the study period, multiple family and attached single family housing accounted for over half (54%) of all residential development. Prior to the Housing Rule, these more affordable types represented only 30% of the region's planned, 20-year supply of housing. New units were primarily in apartments, rowhouses, duplexes, four-plexes and mixed residential-commercial buildings.

- **The *proportion* of smaller and more affordable developed single family lots increased.** Historically, "exclusionary zoning" favors larger, more expensive home sites by prohibiting development on smaller lots, regardless of market demand. By mandating that certain *minimum* densities be allowed, the Metropolitan Housing Rule *removed* a regulatory barrier to development and encouraged the creation of smaller (higher-density) less

The rowhouses pictured, (density of 12 una) are typical of attached single family housing built during 1985-89.

costly lots. Throughout the region, the density of new development increased by 13%-32% over pre-Housing Rule levels, with the most significant gains in single family development.

Yet single family development on large lots (or at lower densities) continued to play an important role in Portland area housing markets. The study found development was nearly evenly distributed among three lot size categories (see chart on page 6): small (smaller than 7,000 square feet (sq. ft.), medium (7,001 sq. ft. -9,000 sq. ft.), and large (larger than 9,000 sq. ft.).

New single family homes on large lots sold for twice as much as small-lot homes. An analysis of new home sales during 1988-90 shows that 25% of the region's households could afford the median-priced house in a small lot subdivision (5,000 sq. ft. - 7,000 sq. ft.); however, the figure drops to 16% for medium lot developments (7,001 sq. ft. - 9,000 sq. ft.), and 2% for large lot subdivisions 9,001 sq. ft. - 15,000 sq. ft.).

• **Jurisdictions where building activity was *greatest* generally came *closest* to achieving development mix and density targets.** This finding suggests a tendency to develop at higher densities when growth is contained and land is in high demand. That is, given rapid development of a finite supply of buildable land, economics tend to favor: 1) dividing suitable land into smaller, less costly single family lots; and 2) building a greater proportion of multiple family housing where zoning allows — important facts to policy-makers relying on the UGB to control urban sprawl while promoting lower-cost housing development.

Importantly, the decrease in single family lot sizes and the increase in the proportion of multiple family development helped to further other regional urban growth objectives — such as cost-effective expansion of public transit and basic infrastructure.

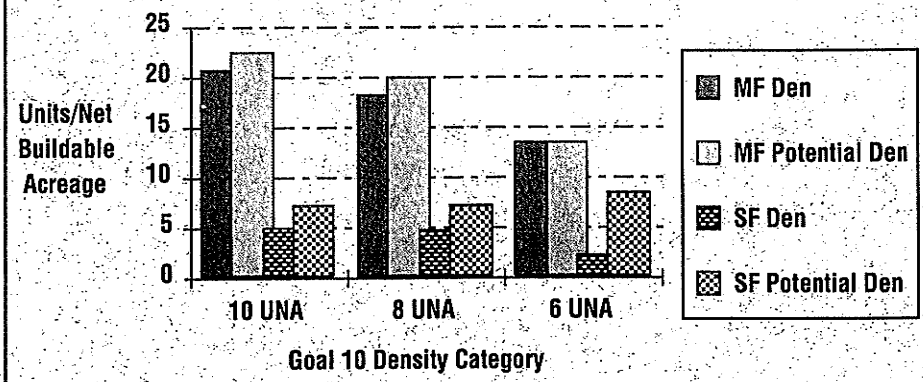
These houses priced at approximately $90,000 - $100,000 each are typical of those built on small lots in metropolitan Portland during 1985-89.

• **Research into the causes of reduced project densities showed very little citizen opposition to development at higher densities.** Of five density-limiting "factors" ranked by project engineers and local government planners, *citizen opposition* to higher densities was one of the two least influential — the other being *inadequate public facilities or services*. This finding is significant because it refutes a common argument that "NIMBY" (not-in-my-backyard) attitudes are a major deterrent to lower-cost housing developments. Although *citizen opposition* may reduce housing density in isolated cases, the analysis shows the leading causes of underbuilding are, in order of significance: *development economics (or profit-motive), site constraints,* and *regulatory constraints.*

• **Land developed during the study period was underutilized to the extent that remaining lands cannot absorb the region's projected housing needs under current zoning.** While nationally unprecedented gains have been made in the past fifteen years, the Portland model of managing growth to promote affordable housing is not flawless. Gains made over the past decade will erode through the planning horizon (2000), without adjustments to the Metropolitan Housing Rule. "Downzoning" or a reduction of planned densities does not appear to be warranted in any part of the region.

Although housing development in metropolitan Portland during 1985-89 exceeded density and mix targets for a 20-year planning period, single family development consumed land planned for development at densities higher than were built. While multiple family projects region-wide were built at 90% of unit capacity or planned density during the study period, single family subdivisions were built at only 66% of capacity (see chart).

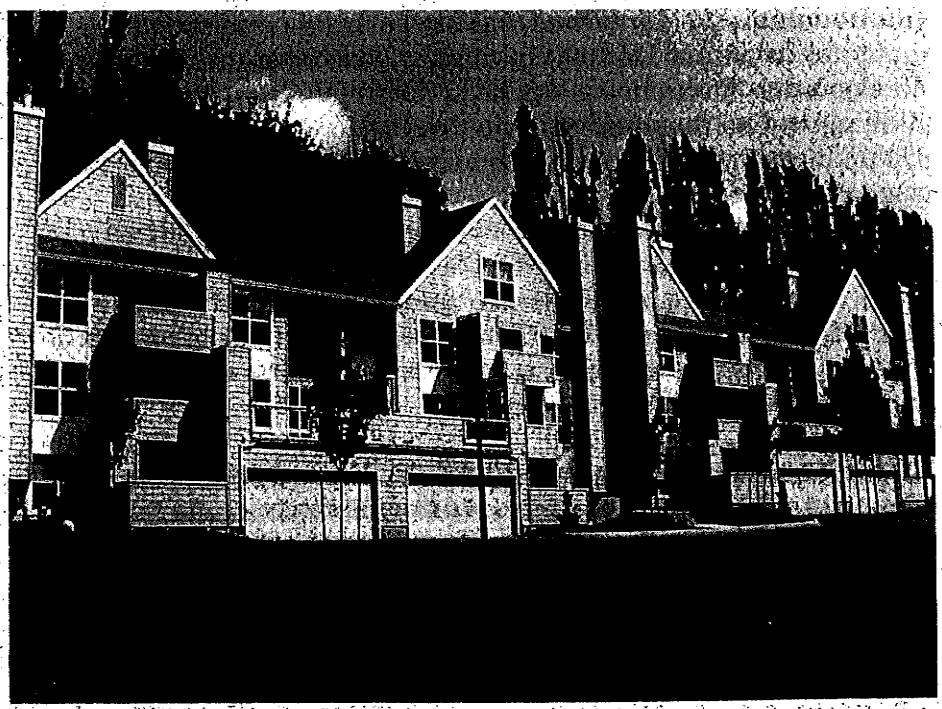
APPROVED DENSITY VERSUS POTENTIAL DENSITY BASED ON COMPREHENSIVE PLAN DESIGNATIONS: FOR LAND DEVELOPED 1985-89



"Density Categories" refer to density levels for which jurisdictions are required to plan (i.e., the City of Portland and most larger suburban jurisdictions plan for an average of 10 units per net buildable acre (una); smaller suburban jurisdictions must plan for 6 or 8 una). Note: The total number of acres developed in the 10 una grouping was 2,758.18, compared to 2,507.36 acres in the 8 una grouping. Only one "6 una" jurisdiction had sufficient development (approx. 50 acres) for the analysis.

Source: 1000 Friends of Oregon / HBAMP Database, 1990.

Since most jurisdictions predicated compliance with the Metropolitan Housing Rule on the assumption that development could occur at maximum allowable densities, the 34% density shortfall on these subdivisions is significant. Importantly, 12% of all single family subdivisions developed were on lands zoned for *multiple family* housing. This improper implementation of zoning accounts for 2,485 (26%) of 9,570 units foregone due to underbuilding of planned densities. As a result of underbuilding, insufficient residentially zoned land remains to meet the region's projected housing needs over the remainder of the planning period.



This upscale apartment development utilized on-site density transfers to achieve the maximum density permitted by the comprehensive plan (9 una), while protecting an upland forest and wetland.

CONCLUSIONS

This report shows the importance of land use planning in providing for the housing needs of a metropolitan region. It shows that zoning, under a state-mandated *housing rule*, can be used as a tool to: 1) increase the availability of more affordable housing types; and 2) make home ownership more attainable by diversifying the stock of single family housing sites to include smaller lots.

It is difficult to measure precisely how much more affordable Portland area housing is as a result of the region's land use policies. Clearly, though, the policies have helped to mitigate shortages of affordable housing in the region:

1) Implementation of the Portland Metropolitan Housing Rule removed a regulatory constraint to development of multiple family housing. Requirements that local plans zone sufficient quantities of vacant land for multiple family housing opened the way for development. For example, the 11,110 multifamily units approved in Washington County jurisdictions in five years nearly equaled the 13,893 units that were planned to be built over 20 years under the pre-Housing Rule plans.

Overall, multiple family development comprised 54% of all new housing in the region during 1985-89. Significantly, the study found that 77% of the region's households can afford to rent the median-priced two-bedroom apartment — while 67% can afford mortgage payments on the median-priced two-bedroom home, and only 43% can afford the median-priced three-bedroom home.

2) Implementation of the Housing Rule removed a regulatory constraint to development of more affordable single family housing on smaller lots. Single family housing developed on a wide range of lot sizes, with about two-thirds of the homes built on lots smaller than 9,000 sq. ft.; this compares to an average lot size of 13,000 sq. ft. allowed under pre-Housing Rule plans. The study found that homes on large lots (larger than 9,000 sq. ft.), on the average, cost twice as much as homes on small lots (smaller than 7,000 sq. ft.).

3) The Portland region's pro-housing policies have helped to manage regional growth while promoting affordable housing. If the same amount of development realized during the study period had occurred at the lower, pre-Housing Rule densities, it would have consumed an additional 1,500 acres of planned residential land within the UGB — an area over two square miles in size. Due to this savings in land area, an additional 14,000 housing units can be built within the UGB. In short, combining Portland's urban growth boundary and "pro-housing" policies helps to manage growth and promote affordable housing development.

An important note: Although the study finds that land use planning is a *necessary*, and in Oregon's case a successful, tool for promoting affordable housing, the study does not mean to imply that planning alone is a *sufficient* means for achieving that end. An important study recommendation is that Portland area governments strategically plan for areas where shortages of affordable housing are most critical, focussing land use policy *and* public and private investment toward the production and rehabilitation of low-cost housing.

RECOMMENDATIONS

In order to recover lost housing opportunities and to better implement comprehensive plans throughout the region, this study recommends that local governments, Metro and LCDC adopt a new interpretation of the Metropolitan Housing Rule. Since the Housing Rule presently only speaks to planned development, a new interpretation should recognize that Goal 10, through the Housing Rule, mandates **development standards**.

In brief, this report recommends stronger housing density and mix standards for promoting affordable housing and efficient urban growth through the planning horizon, and beyond. The recommendations focus on amending the Metropolitan Housing Rule, and extending its principles to other parts of Oregon. The following recommendations spell out how such standards should be applied.

1. Mandating Minimum Density Requirements. Development codes normally specify a maximum allowable density for each zoning district. Housing may be built at density levels up to the maximum or "ceiling" density allowed by a particular zone. This study found that such zoning often leads to unplanned development patterns — for example, by allowing encroachment of single family (lower-density) development onto lands designated for multiple family (higher-density) use. This report recommends minimum density standards or density "floors" to help retain buildable land for multiple family and lower-cost single family housing.

Single family housing should not be allowed to develop on lands zoned for multiple family use. The report also recommends a planned unit development (P.U.D.) approach to all single family subdivisions in higher density zones. This would require, for instance, that no more than 25% of vacant developable land, per project, be divided into large single family lots (i.e., greater than 9,000 sq. ft.). LCDC should enact minimum density standards by amending the Portland Metropolitan Housing Rule. In short, minimum density requirements should help to ensure that the region's projected housing needs are met by: 1) retaining lands that are needed for multiple family developments; and 2) promoting site and building designs which utilize smaller, less costly lots for single family housing.

2. Reforming Local Planning Procedures and Regulations. Local planning procedures and regulations (such as site design standards) played a less significant, though important, role in reducing housing opportunities in the Portland area. The study recommends LCDC apply the *clear-and-objective* policy during its periodic review of local comprehensive plans and development codes to address this problem. For example, LCDC should review parking space standards, and determine whether codes are unnecessarily reducing the number of units which can be built on a given site.

3. Demonstrating Compliance with Regional Housing Objectives. In drafting comprehensive plans, Portland area governments were required to accommodate their fair share of the region's population growth. In demonstrating compliance with the Housing Rule, they made assumptions about future housing development within their respective jurisdictions. Local governments assumed density, redevelopment and infill potential and the amount of land needed for streets and other services would be at certain levels. LCDC approved these plans in the early 1980s, aware that each jurisdiction's ability to accommodate projected growth was predicated on the development assumptions.

Upon testing those key assumptions, we found that the region is meeting its general urbanization (density) objectives under Goal 14, but, in the long term, several jurisdictions will likely fail to meet the more demanding housing targets under Goal 10 and the Metropolitan Housing Rule. The study therefore recommends amending the Housing Rule to provide a better check on the procedures jurisdictions use to show compliance with Goal 10. A "justification of assumptions" by local governments during periodic review is one way to provide such a safeguard.

4. Monitoring Regional Growth Patterns. This study shows the critical importance of comprehensive data collection in evaluating regional development. The report recommends that local governments monitor urban development and transmit standardized data to Metro (the region's planning agency), and that Metro use this information to assess the adequacy of the region's land supply for meeting Housing Rule objectives. Assuming that Metro's Regional Land Information System (RLIS) operates as planned (operational by 1992), the agency should be able to deal with this task.

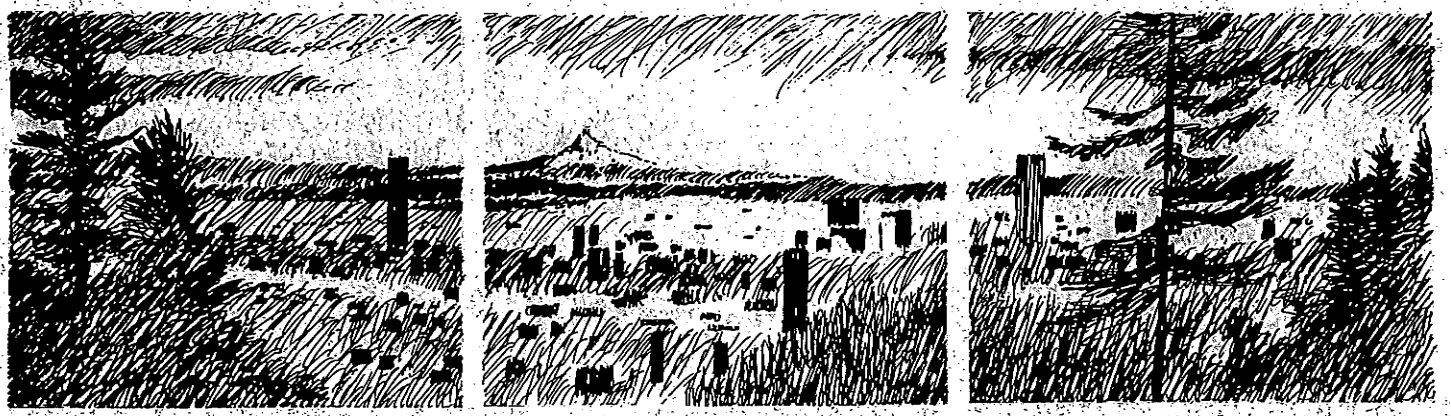
5. Evaluating Regional Growth Patterns. Metro should recommend to LCDC that it mandate rezoning, or other policy measures, to offset identified local shortages of *needed housing types.* To carry out this process, Metro and local governments should identify where upzoning would best support infrastructure investments such as the regional transportation system. For example, zoning should encourage higher-density housing near major existing or planned employment centers and transit stations. Finally, Metro should initiate a study to evaluate whether currently prescribed Metropolitan Housing Rule mix and density levels are adequate for meeting housing, transportation and other urban goals.

6. Developing Regional Strategies for Affordable Housing. Metro should develop strategies to preserve and rehabilitate the region's supply of special needs and low and moderate income housing. In addition, unmet housing needs should be identified, and a regional strategy should be developed to focus land use policy and public and private investment toward meeting unmet needs. Regional strategies for affordable housing

should address the "fair-share" distribution of housing responsibilities among the jurisdictions of the region, including the provision of supporting social services.

7. Mandating a Statewide "Urban Housing Rule." The issues which drove the adoption of the Metropolitan Housing Rule for the Portland area are now challenging other urban areas in Oregon. In its 1990 *Urban Growth Management Study*, LCDC found in four case study areas housing costs rising faster than personal income by as much as 300%. In addition, affordable multiple family housing is increasingly in short supply outside the Portland metro area. This report recommends LCDC adopt a statewide "Urban Housing Rule," similar to the Metropolitan Housing Rule, to address these concerns in appropriate jurisdictions.

8. Public Education on Growth Management and Housing. Finally, there is a great need to provide information to the public about the benefits of Oregon's land use planning program — within and outside of the state. While this study contributes to a growing base of information, more work needs to be done. Many communities elsewhere are struggling to implement innovative housing policy. Citizens and policymakers, locally and nationally, do not understand the connection between land use policy, housing affordability, and cost-effective urbanization. The report therefore recommends LCDC, Metro and local governments in the Portland area publicize the benefits of regional housing planning, using Portland as a national model.



[1] In James v. Village of Valtierra (1971) the U.S. Supreme Court held that the U.S. Constitution does not guarantee a "right" to affordable housing; and in Construction Industry Assoc. of Sonoma Co. v. City of Petaluma (9th Circuit,1975), the U.S. Court of Appeals upheld large-lot zoning used to "cap" the city's population.

[2] The famous Mt. Laurel cases in New Jersey in 1975 and 1983 resulted in little exclusionary zoning actually being changed. The court ruled against exclusionary zoning provisions in Wayne Britton v. Town of Chester (New Hampshire Supreme Court, 1991), but the long-term effects of this case are yet to be determined.

[3] See ORS Ch. 197.303; OAR 660-07-035.

[4] See: ORS Ch. 183 & 197; OAR 660-07-015.

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drawing by Rick Potestio, AIA

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