



**Department of Land  
Conservation and Development  
Affordable Housing Work Group**

**MINUTES**

Meeting 8

January 26, 2009

9:00 AM – 11:30 PM

Agriculture Building (DLCD)

635 Capitol St NE, Salem

Basement Hearing Room

**Work Group Members Present**

John VanLandingham, LCDC (Work Group Chair)  
Janet Byrd, Neighborhood Partnership Fund (by telephone)  
Jon Chandler, Oregon Building Industry Association  
Bob Gillespie, Oregon Housing and Community Services  
Ann Glaze, Citizen Involvement Advisory Committee  
Jana Jarvis, Oregon Association of Realtors  
Allen Johnson, Johnson & Sherton PC  
Mary Kyle McCurdy, 1000 Friends of Oregon  
Larry Medinger, Oregon Housing Council (by telephone)  
Gregory Winterowd, Winterbrook Planning (by telephone)

**DLCD Staff Present**

Gloria Gardiner, Urban Planning Specialist  
Bob Rindy, Senior Policy Analyst/Legislative Coordinator

**Interested Persons Present**

Debbie Aiona, League of Women Voters of Oregon  
John Fletcher, Oregon Housing and Community Services  
Mike Foote, Foote Development Company  
Bill Kloos, Law Office of Bill Kloos PC  
Doug Parker, Oregon Department of State Lands

**Meeting Materials**

[Agenda](#)

[Work Group Ideas](#)

[Summary of House Bill 2225](#)

[House Bill 2225](#)

[Additional Staff Ideas](#)

[Clear and Objective Standards](#)

[Work Group Goals](#)

[Annotated House Bill 2225](#)  
[Housing Ideas](#)  
[Portland Legislative Package Excerpt](#)

Chair John opened the meeting with introductions and read statement from Larry Medinger. Bob Rindy stated that SB187's definition of affordable housing will be more defined in HB 2225 to use different ones with different pilot cities.

Al was going to bring a summary of what he discussed at the last workgroup meeting but he did not. He just summarized his idea that if a potential pilot city can get expedited process in the appeals stage and of course show findings that they qualify. Bob Rindy responded that this would require legislation and it's listed in the "Work Group Ideas" handout.

Chair John continued that DLCD & LCDC will do rulemaking for Goal 10 and that he and Mary Kyle met to discuss the legislative concept this morning. He stated that Mary Kyle prefers rulemaking first, then he went in Mary Kyle and John Chandler's list of qualifiers:

1. Preference that selected site (need) is located on Public land outside the UGB
2. LCDC requires Code reviews for cities interested in the Pilot;
3. Responsibility should be on the locals to show need for affordable housing first within their existing UGB following the land use program parameters.
4. Protect land and make sure if saved for Affordable Housing and not converted to something else later.

Chair John stated that Goal 10 does not consider the cost of land and he asked the work group if there is enough savings for a landowner to try this. Will it provide a market incentive? This is an experiment that may or may not work but it might help with land cost for any type of affordable housing. It would not only look at workforce housing but at land-cost deep subsidies and other options.

Larry Medinger responded by saying that Ed McNamara's ideas were all based on subsidies and there was no needs assessment. A needs assessment should be done determining the number of affordable housing units needed to give you an idea where to start.

Bob Rindy reminded the group that we can't determine in advance if this will work or not, 50 acres was just a number he selected and regardless of what the number of acres is, HB 2225 prevents conversion. Bob doesn't support Mary Kyle's first two "qualifiers" because they are expensive and time consuming. His concerns are that we will make this too technical that no one will use it; Cities will have legal jeopardy regarding Goal 10. Bob stated we can do all the strengthening of Goal 10 and infill but we also need to give this bill a chance.

Mary Kyle McCurdy and 1,000 Friends do not support this bill. She stated that the department does not have enough resources to see this through and she doesn't believe this will happen even if a bill is adopted. She mentioned that publicly owned land is an

idea for a pilot project (DSL – Bend Site) but she’s skeptical. This project also would not exempt farmland and when agriculture is the 2<sup>nd</sup> highest sector in the state that is important to her. She is ok with DLCDC committing to rulemaking before pilot program but nothing has changed since discussions about bill in 2007 session. She thinks that we would get affordable housing sooner with Goal 10 requirements than with a pilot project.

Bob Rindy responded that the department is committed to this pilot and is ok with Mary Kyle’s #3 & 4 qualifiers but not the first two and if we don’t take a chance on this we will miss an opportunity.

Al Johnson said this group’s pilot project will be a success even if we don’t actually implement any of the pilot projects. There are cities out there that would do what we want if it doesn’t put them legally or politically on the spot.

John Chandler stated that homebuilders don’t like mandatory inclusionary zoning but we need to put cities feet to the fire about getting affordable housing built locally in some way. He doesn’t know where land acquisition would be, it’s a local political issue that can’t be solved by one person. Sequencing rulemaking that comes out of session may be a way to make it work. Everywhere in Oregon it’s easier to build large/lot detached SF housing.

Chair John agrees that Goal 10 improvements are a great idea but again they don’t address the big issue of land cost. He thinks that the bill can include Mary Kyle’s conditions as well as Rindy’s concerns.

Mike Foote stated that timing is everything and right now you can build anything but by adding in additional conditions you’re adding risk to the process. He also stated that populations under 25,000 cannot absorb 100 units, maybe only 30-40. To encourage developers they should allow pilots in larger cities as well.

Chair John talked about some of the department’s commitments (Measure 49, Big Look, and Goal Amendments) and the time/resources it takes up of the department to answer John Fletchers question regarding how likely Goal 10 rulemaking could be done in 2009.

Doug Parker stated that the DSL site has infrastructure in place but 50 acres would be too small for private sector to engage in a more balanced mix of development. We should be thinking about the jobs-housing blend and not restricting it to a certain population, as smaller cities may not be able to support it. He recommends considering only sites with infrastructure in place otherwise too expensive.

Bob Gillespie continued that there are physical constraints in cities around the state that this project could address. He would like to see pilots in areas with extreme hardships.

Bob Rindy proposed limiting city size and excluding Metro in order to limit controversy; Al Johnson agrees but large cities outside of Metro should be considered to get a sample size of where this really could work.

Mike Foote stated that employment needs to be close by for economies of scale they also need to be large enough to have a non-homogenous neighborhood, he doesn't recommend limiting site size and mix and density of housing types should be allowed.

John Chandler said the bill is worth trying and will start the needed conversation in the legislature on community design, infrastructure, funding etc.

Chair John wants to proceed as do other people and he suggests going forward despite Mary Kyle's conditions and concerns. Bob Rindy reminded everyone that bill is in 1<sup>st</sup> draft- encourages input for amendments before House Sustainability Committee hearing.

Gloria Gardiner discussed more than one way to accomplish SFD build-out of MF zone- allow small lot densities in MF zones. Chair John said now was not the time to get into details. He went on about SDC deferrals but this might require a statutory change

John Chandler – SDCs are one of the sources of land cost, move it to another fund to make housing more affordable. Jana Jarvis stated that some cities already use this and a deferral doesn't require legislation.

Mary Kyle also suggested making Manufacturing Home Closures protected as a recommendation from Metro's task force. She also said to make inclusionary zoning incentives elaborated in Chandler's additions. Parking area can be fertile ground for reducing costs. Chair John responded that street standards were LCDC's most contentious issue.

Doug Parker suggested using TDR program that generates density bonuses for affordable housing. Chandler responded that developers like it but neighbors don't.

Gloria also mentioned that cities must allow housing units above and behind commercial in downtown and neighborhood commercial zones. Al Johnson said LCDC should include in the rulemaking examples of what is clear and objective and what isn't based on LUBA decisions (see his memo to the group)

Bob Rindy suggested that all UGB expansions more than X-acres must include an affordable housing component that is at least X-acres. This would encourage property owners to get their land in the UGB now. Mary Kyle said Metro does something like this for their Urban Reserves. But Greg Winterowd thinks this is not reasonable to depend on approaching individual land owners. Only if a group of equally qualified parcels. Al Johnson warned that Urban Reserves automatically increases land value. Mary Kyle suggested making it a requirement to keep value down. Rindy – would this violate ORS 197.309? Al said no, since this was an incentive. Winterowd said this would violate the land priorities and Johnson recommended amending ORS 197.309 to apply only to land brought into the UGB by 2009.

Chair John and Bob Rindy will determine whether to propose HB 2225 amendments to House Committee Chair based on ideas today.

Next Meeting: February 11, 2009 1:00 – 3:30 PM