



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

MINUTES

Meeting 1

May 27, 2008

2:00 PM – 4:00 PM

Agriculture Building (DLCD)

635 Capitol St NE, Salem

Basement Room D

Work Group Members Present

John VanLandingham, LCDC (Work Group Chair)
Janet Byrd, Neighborhood Partnership Fund
Bob Gillespie, Oregon Housing and Community Services
Ann Glaze, Citizen Involvement Advisory Committee
Jana Jarvis, Oregon Association of Realtors
Allen Johnson, Johnson & Sherton PC
Nick Lelack, City of Redmond
Mary Kyle McCurdy, 1000 Friends of Oregon
Martha McLennan, Northwest Housing Alternatives
Larry Medinger, Oregon Housing Council
John Miller, HOST Development
Don Miner, Oregon Manufactured Housing Association
Greg Mott, City of Springfield
Don Schellenberg, Oregon Farm Bureau
Gregory Winterowd, Winterbrook Planning

DLCD Staff Present

Gloria Gardiner, Urban Planning Specialist
Bryan González, Rules, Records and Policy Coordinator
Bob Rindy, Senior Policy Analyst/Legislative Coordinator

Interested Persons Present

John Brenneman, Manufactured Housing Communities of Oregon
Shawn Cleave, Oregon Farm Bureau
Charlie Swan, citizen

Meeting Materials

[Agenda](#)

[DLCD Staff Report dated March 12, 2008](#)

Agenda Item 1 – Introductions

Chair VanLandingham convened the meeting just after 2:00 p.m. welcomed the work group. Members and interested persons introduced themselves.

Agenda Item 2 – Kick off Discussion

Chair VanLandingham began the discussion by recognizing that there seems to be a shortage of affordable land for housing (as partly evidenced by the continuing conversion of manufactured housing parks) and that neither Goal 10 (Housing) nor UGB expansions address the cost of land. He reminded the work group that mandatory inclusionary zoning is currently prohibited by statute and that a goal of the work group will be to identify ways to encourage voluntary inclusionary zoning, preferably by administrative rule. He further reminded the work group that this will be a trial concept in conjunction with Oregon Housing and Community Services (OHCS), and that it will be available for 3–5 cities (cities that have expressed interested so far include Redmond, The Dalles, Sisters, Hood River, Maupin, Ashland, Ontario, La Grande, Springfield and Nehalem).

Larry Medinger stated that OHCS is eager to provide staff and expertise in developing any concept and that the key issue is land and its cost. He suggested that the work group explore creative solutions that do not impact rural land, such as the selling of air rights over city-owned parking lots or the conversion of under-utilized school property

Agenda Item 3 – Work Group Business

Bob Rindy explained the need for the work group to conclude its work by mid-October in order to allow LCDC time to hold hearings on any proposed rulemaking before the start of the 2009 legislative session. Based on that time frame, the work group agreed to meet monthly in Salem for approximately 2½ hours.

The work group further agreed to a summary style of meeting minutes; to allow members unable to attend to send substitutes; to submit information to DLCDC staff for distribution to the work group; to receive meeting materials approximately 1 week prior to meetings; and to present a consensus recommendation to LCDC with the allowance for the expression of minority opinions.

Finally, the work group discussed possible additional members, though Chair VanLandingham indicated he felt the work group membership represents a broad and balanced spectrum of interests:

- Ed McNamara (for-profit housing developer)
- Jim Winkler (for-profit housing developer)
- David Glennie (President, Telos Development)

Agenda Item 4 – Preliminary Discussion of Issues

Larry Medinger suggested that local jurisdictions base housing needs assessments on the actual workforce employed within the jurisdiction instead of residents, as many workers may live outside of the jurisdiction.

Don Miner expressed concern for the continual conversion of manufactured housing parks, partly due to manufactured housing no longer being viewed as high-density. He suggested that more affordable land needs to be made available for manufactured housing parks (2007 legislative bill would have required land outside of UGBs to be designated for manufactured housing parks)

Jana Jarvis pointed out that Oregon's home ownership rate has been declining contrary to the national trend. She expressed concern that first time home buyers need more affordable options.

Janet Byrd mentioned efforts in the 2007 legislative session to remove the prohibition of inclusionary zoning.

Gregory Winterowd expressed his opposition to Senate Bill 187.

Nick Lelack reported on Redmond's reception adoption of an incentive-based affordable housing plan. He reiterated Redmond's interest in participating in any trial concept and welcomed all options to encourage development of affordable housing, including inclusionary zoning and real estate transfer taxes.

Don Schellenberg voiced support for incentive-based inclusionary zoning. He further voiced concern over the conversion of agricultural land to other uses, including affordable housing, and the subsequent impacts to agricultural infrastructure. He cautioned that the use of non-UGB-adjacent rural land for non-rural uses creates both transportation problems and conflicts with agriculture.

Greg Mott reported that Springfield does not actively incentivize development of affordable housing, though is interested in participating in any trial concept. He cautioned that redevelopment can negatively impact affordable housing and that UGB expansion and density standards be evaluated as tools to encourage development of affordable housing.

Allen Johnson asserted that Oregon's land use system does not lend itself to incentives that work elsewhere. He suggested that more needs to be done to designate permanent affordable housing.

Mary Kyle McCurdy suggested that the Metropolitan Housing Rule (OAR 660, division 7) be expanded statewide to require minimum densities. She further supported the use of inclusionary zoning and expressed the need to aim for affordable communities, factoring in location, transportation, employment and permanence of affordability designation.

Agenda Item 5 – Suggestions for Discussion at Future Meetings

The work group identified several topics/ideas for discussion at future meetings:

- Real estate transfer tax (currently prohibited)
- Expand Metropolitan Housing Rule (OAR 660, division 7)
- Expedited UGB expansion for inclusions of affordable housing sites
- Require cities to match quality of housing land with quality of employment land during periodic review and other updates
- Mandatory inclusionary zoning (currently prohibited)
- Voluntary inclusionary zoning
- Strengthening DLCDC enforcement of Goal 10 (*see* CLE by Bill Kloos and Metro toolkit)
- ORS 197.296 (identify clear and object standards, distinguish between high-quality and affordable housing, designate land for affordable housing in needs analysis; identify affordable housing as a measure for accommodation)
- ORS 197.298 and OAR 660, division 24 (recognize affordable housing as a special need with site need characteristics)
- ORS 197.309 (identify ways for cities to require affordability of housing in the future)
- Locking in affordable housing designations (perhaps via trusts or CC&Rs)
- Condition UGB expansions on the designation of affordable housing sites
- Expedited permitting process for affordable housing projects
- Address impact of infrastructure costs in addition to land costs
- Transfer of development rights to affordable housing sites

Agenda Item 6 – Wrap up

Chair VanLandingham adjourned the meeting just after 4:00 p.m.

Public Comment

Charlie Swan addressed the work group regarding the loss of affordable housing due to the conversion of manufactured housing parks. He proffered that manufactured housing represents a low-cost alternative to often costly affordable housing projects. He submitted a written proposal for a manufactured housing pilot project for land outside of UGBs.

Member Tasks (not necessarily due at next meeting)

Gloria Gardiner

- Provide information on what other states are doing

Allen Johnson

- Provide information on ways to lock-in affordable housing designation

Nick Lelack

- Provide information on what other states are doing

Mary Kyle McCurdy

- Summarize Metropolitan Housing Rule

Bob Rindy

- Provide information on ways to condition UGB expansions on the designation of affordable housing sites
- Provide information on ways to tie transfer of development rights to affordable housing sites

John VanLandingham

- Summarize voluntary inclusionary zoning

Gregory Winterowd

- Provide information on ways to improve ORS 197.296