



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

MINUTES

Meeting 4

August 18, 2008

9:00 AM – 11:30 AM

State Lands Building

775 Summer St NE, Salem

Land Board Room

Work Group Members Present

John VanLandingham, LCDC (Work Group Chair)
Janet Byrd, Neighborhood Partnership Fund
Jon Chandler, Oregon Building Industry Association (by telephone)
Shawn Cleave, Oregon Farm Bureau
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
Larry Medinger, Oregon Housing Council
Don Miner, Oregon Manufactured Housing Association
Greg Mott, City of Springfield
Jim Tierney, Community Action Team
Ken Yates, Oregon Bankers Association

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 Fletcher, Oregon Housing and Community Services
Doug Parker, Department of State Lands

Meeting Materials

[Agenda](#)
[OAR 660, Division 8 Proposed Amendments](#)
[Springfield Multi-Unit Design Standards](#)
[DLCD Goal 10 Comments to Brookings](#)

[DLCD Goal 10 Comments to Madras](#)
[DLCD Goal 10 Comments to Medford](#)
[DLCD Goal 10 Comments to Molalla](#)
[Planning for Housing – Bill Kloos](#)
[Housing Policy Brief – Furman Center for Real Estate and Urban Policy](#)
[Urban Reserves](#)
[Public Comment – Stein](#)

Agenda Item 1 – Opening Remarks from the Chair

Chair VanLandingham convened the meeting at 9:10 a.m. and welcomed the work group.

Agenda Item 2 – Work Group Comments

Mary Kyle McCurdy again recommended that the work group consider expanding the Metropolitan Housing Rule (OAR chapter 660, Division 7) and the Metro Functional Plan's minimum density requirements in order to make affordable housing more competitive with other housing types. She further reminded the work group of a 1991 DLCD study that showed significant underbuilding around the state which led to Metro's minimum density requirements.

Larry Medinger concurred that land zoned for multi-family housing is being used for single-family housing in Ashland. Greg Mott questioned how the minimum density requirements apply to phased development; Al Johnson responded that in a Eugene project, the density was met in the last phase. Mary Kyle McCurdy replied that while she does not know how, it works in Metro.

Gloria Gardiner stated that a minority of non-Metro cities have minimum density requirements. Bob Rindy advised that a previous UGB work group considered establishing a safe harbor modeled on Metro's requirement. Nick Lelack stated that Redmond has a minimum density requirement for new UGB areas.

Agenda Item 3 –Minutes from Previous Meeting

The work group agreed to review the minutes after the meeting and send any additions or clarifications to staff.

Agenda Item 4 – Urban Reserves

Gloria Gardiner summarized OAR chapter 660, Division 21 (Urban Reserves), stating that urban reserves can contain an additional 10- to 30-year supply of urbanizable land which has first priority for inclusion in a city's UGB. Urban

reserves must be agreed to by both a city and county or Metro. Land within an urban reserve is zoned for rural use until it is added to the UGB.

Bob Rindy stated that Eugene, Springfield, Salem and Bend all had urban reserves prior to the adoption of Division 21 that had to meet the new requirements and could not. Greg Mott responded that Springfield could not reach its reserve areas without taking high-value farmland.

Nick Lelack recounted Redmond's experience. In 2005, the city determined that it would reach a population of 80,000 in the next 50 years, requiring an additional 5,600 acres of land. The following year, the city expanded its UGB by 300 acres after establishing urban reserves, which made the expansion easier and less contentious. The city plans to review its UGB every five to seven years and add land from the urban reserves as needed. He stated that utilizing urban reserves reduces land speculation in the reserve areas, and the resulting lower land prices assist the development of affordable housing. He admitted that Redmond's urban reserves are unique in that a majority of the land is owned by the county.

Bob Rindy advised the work group that few cities have established urban reserves because cities consider the process as complex as UGB amendments. He stated that he knows of three or four cities that are exploring establishing urban reserves, and that urban reserves are being considered in Jackson County's regional problem solving project. He further stated that the Task Force on Land Use Planning is discussing how to make the process more attractive to cities.

Al Johnson recommended against tying any proposed affordable housing pilot project to urban reserves as reserves still lead to speculation. Mary Kyle McCurdy responded that speculation occurs regardless of urban reserves and recommended that a proposed pilot project be linked to reserves to prevent land costs from impeding affordable housing development, such as in Bethany. Chair VanLandingham replied that he did not know how to control speculation and was concerned about attempting to do so. Bob Rindy concurred that he did not know how to do so without inclusionary zoning.

Al Johnson suggested that the work group could establish affordable housing as a reason to bring land within UGBs if a portion of such land was dedicated to affordable housing. Larry Medinger responded that the work group should work to provide cities the ability to negotiate simplified, faster, or cheaper UGB expansions with owners in exchange for a portion of the property dedicated to affordable housing. He suggested that the work group not lose focus by exploring urban reserves.

Jana Jarvis cautioned that any increase in regulations will lead to a more expensive and costly UGB amendment process.

Nick Lelack stated that utilizing land from urban reserves should be acceptable to farming interests. Shawn Cleave advised that the farm bureau's support would

depend on particular parameters. Jon Chandler agreed that urban reserves are a good idea but need more work in their implementation.

Agenda Item 5 – Discussion of Proposed Criteria for Determining Nature of Pilot Project

Chair VanLandingham reviewed the proposed criteria. Janet Byrd stated that she considered the list good. Mary Kyle McCurdy questioned how the work group could make cities make pilot projects work. John Fletcher confirmed that affordable housing includes manufactured housing. Doug Parker proposed adding a criterion that pilot projects be acceptable and engaging to the marketplace. Chair VanLandingham responded that he will be contacting private developers.

Shawn Cleave questioned how to lessen the risk of investor purchasing of affordable housing. Chair VanLandingham responded by adding a criterion that pilot projects ensure long-term protection of affordable housing. Jon Chandler replied that any such measure be voluntary. Jana Jarvis advised that tax policy could be used as an incentive to protect affordable housing. She further cautioned that future affordable housing needs are unknown. John Fletcher agreed that financial tools could be utilized to protect affordable housing. Bob Gillespie explained how Housing and Community Services verifies ongoing compliance of projects and stressed that monitoring is an onerous task. Al Johnson responded that covenants may be more reliable than regulations and could be enforced by various stakeholders.

Gloria Gardiner recommended adding a criterion that pilot projects reduce carbon output and vehicle miles traveled. Mary Kyle McCurdy advised that focusing development in existing urban areas leads to compact growth and reduced carbon output, vehicle miles traveled and energy costs. Chair VanLandingham agreed to add a criterion regarding impacts on transportation.

Agenda Item 6 – Discussion and Narrowing of Pilot Project Options

Gloria Gardiner reviewed several handouts, including various comments from the department to cities regarding Goal 10 (Housing) issues. Bob Rindy recounted that, in the 1980s, several outside organizations worked to enforce Goal 10 in addition to the department. He stated that such outside enforcement is no longer happening. Al Johnson responded that rules relating to Goal 10 have become muddled and cannot be enforced well by outside organizations. Mary Kyle McCurdy concurred and further stated that outside organizations do not receive as much deference on the interpretation of rules from the courts as does the department.

Bob Rindy referred the work group to the handout of proposed amendments to OAR chapter 660, Divisions 7 and 8 (Interpretation of Goal 10 Housing), which would clarify and strengthen the requirements of Goal 10. Chair VanLandingham

questioned whether the proposed amendments would lead to cheaper land for affordable housing. He advised the work group of the backlash on infill development currently occurring in Eugene, which has led to the adoption of higher design standards (which increase costs). Janet Byrd stated that she supported amending the Goal 10 rules. Mary Kyle McCurdy also supported amending the existing rules rather than adopting new rules. She further stressed the need to hold local jurisdictions accountable for meeting the requirements of Goal 10 and its rules. Nick Lelack recommended that the work group explore both the proposed amendments and addressing the cost of land. Chair VanLandingham and Jim Tierney both agreed.

Larry Medinger stated that manufactured housing parks are low density and require too much land. The work group agreed not to pursue the Swan alternative (10 25-acre manufactured housing parks in any zone and with no planning fees) because we are unlikely to get consensus on it, especially from farm interests.

Regarding Rindy #1 and #3, Chair VanLandingham suggested allowing developers a pay alternative to developing affordable housing.

Larry Medinger suggested involving the Department of Transportation because of the link between affordable housing and transportation costs. He further stated the impact of integrating housing and transportation on reducing carbon output, vehicle miles traveled, and energy costs.

John Fletcher confirmed that the Rindy concepts include swaps and land banks.

Larry Medinger suggested requiring large commercial and industrial developments to include affordable housing as a way to provide workforce housing.

Nick Lelack suggested easing requirements of the Transportation Planning rule (OAR chapter 660, Division 12) when providing land for affordable housing.

Jim Tierney and Bob Gillespie suggested removing “permanently dedicated” from the language of the Rindy options. Chair VanLandingham and Bob Rindy agreed that “long-term dedication” would allow greater flexibility. Doug Parker recommended exploring financial incentives as a way to achieve long-term dedication.

Mary Kyle McCurdy stressed the need to create affordable communities (accounting for transportation and livability), not just affordable housing.

Concluding the discussion, Chair VanLandingham recommended pursuing the three Rindy options and consolidating the remaining four options into one focused on strengthening, clarifying, and expanding existing rules.

Agenda Item – Next Meeting

Chair VanLandingham reminded the work group of its next meeting on September 15 and suggested applying the agreed to criteria to the now four remaining options at that meeting. He adjourned the meeting at 11:05 a.m.

Public Comment

Eileen Stein, the City Manager for the City of Sisters, submitted electronic comments on July 24, 2008.

Member Tasks (not necessarily due at next meeting)

Gloria Gardiner

- Get information on Denver's mandatory inclusionary housing program

Bob Rindy

- Explore how Metro applies minimum density requirements to phased development