

# HB 2003 Anti-Displacement Toolkit

## September 9, 2021

Webinar Notes  
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**\*\*The Anti-Displacement Toolkit Webinar that took place on September 9, 2021 was recorded. Unfortunately, the recording is too large to be warehoused on the DLCD website. However, a copy of the recording can be sent, via email, to any interested party upon request. Please contact the Housing Team at [housing.dlcd@dlcd.oregon.gov](mailto:housing.dlcd@dlcd.oregon.gov) to get a copy of the recording.\*\***

### **Introduction**

#### **House Bill 2003 Context – Housing Production Strategy Program**

The intent of the program is to work towards more fair, affordable, and equitable housing outcomes. The first major component of HB 2003 is a regular schedule by which cities (above 10,000 population) inventory lands based on projected growth over twenty years. The second major component is a new requirement for these cities to conduct a housing production strategy. Rulemaking for this requirement resulted in a non-exhaustive list of tools, actions, and policies cities can implement to address housing need. It also resulted in requirements to demonstrate how selected policies work towards more fair and equitable outcomes, including:

- Location/Transportation
- Fair Housing
- Housing Choice
- Housing for People Experiencing Homelessness
- Opportunities for Affordable Rental Housing and Homeownership
- Addressing Gentrification, Housing Stability, and Displacement

#### **Anti-Displacement and Gentrification Toolkit**

DLCD partnered with PSU to develop an anti-displacement toolkit which approaches displacement through a spatial equity lens. The toolkit is designed that a local jurisdiction can apply the components when they conduct an HPS to identify and refine strategies that increase housing stability and mitigate risk of displacement. The toolkit consists of three major components:

1. Housing Needs Equity Analysis
  - What are the housing needs of BIPOC, low income, and renters?
  - What is the current, permitted, and planned housing supply?
  - What housing mismatches or shortages exist and are projected?
2. Spatial Analysis
  - How different is the spatial mismatch of people and housing by neighborhood type?
  - How different are the pressures/risks of unintended consequences from housing production by neighborhood type? This includes a typology of neighborhoods based on the following data:

1. Income Profile
  2. People Vulnerable to Displacement
  3. Precarious Housing
  4. Housing Market Activity
  5. Housing Demographic Change
- Are we meeting housing needs by neighborhood type while discerning unintended negative consequences (i.e. displacement)?
3. Planning Analysis
    - What would we do to address the problems of key populations?
    - How would we mitigate negative side effects of the strategies we are pursuing for key populations?

This analysis requires ground truthing through community engagement, understanding of local planning capacity, and understanding of regional housing dynamics.

### **Question and Answer**

**Q:** When I looked at previous Portland State population forecasting it seemed to be very euro-centric in modelling. Different cultures utilize housing in different ways, for example multigenerational housing. Has the methodology changed at all to look at climate migration, and culturally different housing uses?

*A: While DLCD staff are not the best equipped to comprehensively respond to this question, we would like to note that there are some promising things on the horizon for adjusting how we estimate population and forecast growth. For example, we received additional resources from the Legislature this biennium to incorporate, race, ethnicity, disability, and American Indian/Alaska Native areas into the population forecast/estimate program. We defer to PRC staff for a more in-depth answer.*

*Follow-up answer from PRC staff:*

*“The PSU Population Research Center has not historically forecast housing units or living arrangements-- only population by age per county and city. Local jurisdictions have then planned for how to accommodate expected growth by ensuring a suitable buildable land inventory and an appropriate mix of housing types, and it may be in that housing needs analysis step-- converting persons into the implied number of households-- that some of the problematic normative assumptions about living arrangements come into play.*

*Local planners however have been constrained because we have only projected totals by age, with no further detail. DLCD has been a consistent voice advocating for more detailed projections by race/ethnicity that could be used to refine the assumptions that planners make for housing, and we are very excited to be partnering to produce population projections that are more responsive to the state's changing demographics and community planning needs.”*

**Q:** How big are the margins of error in this kind of analysis. This looks like Census Tract Level analysis. That data seems more prone to high margin of error.

**A:** *Data availability is unfortunately a major limitation of this work. Census tract level data was the best possible geography to do this analysis. This limitation is described in more detail in the toolkit.*

**Q:** I am interested in the format of the tool, and if it will live as a PDF, or if there are plans to make it interactive?

**A:** *The toolkit was intended to create and solidify a process that cities can use directly. In the future, as it's utilized by jurisdictions, we can learn from those processes and follow-up with other types of formats to make the tool more useful.*

**Q:** Is there access to the raw data file for population distribution (either census or PSU)?

**A:** *The data used in this toolkit are publicly available, either through the U.S. Census or PSU Population Forecasts/Estimates or data that local governments collect (such as HB 4006 permitted/produced housing data).*

**Q:** Regarding the RHNA, can you provide an update on next steps? I understand DLCD received some funding to further develop a legislative proposal(s) for a RHNA program.

**A:** *DLCD was allocated funding during the 2021 Legislative Session to continue work on the RHNA and provide legislative recommendations in advance of the 2023 Session. This will include convening a small working group and launching a statewide engagement process to work through a series of implementation issues identified in the DLCD [Regional Housing Needs Analysis Assessment Report](#).*

*Currently, DLCD staff are working to send invitations to potential working group candidates and procuring support to facilitate discussion and conduct statewide engagement. We will be in touch as conversations on the RHNA begin in earnest.*

**Q:** Are there plans to share the underlying code for the tool?

**A:** *There's no "code" that is used to come to the outcomes of the tool. The kit includes step-by-step instructions for repeating this analysis and process in other jurisdictions.*

**Q:** Will there be coordination with OHCS for affordable housing funding purposes, especially for the vulnerable and/or affordable areas?

**A:** *[OHCS Staff] We are using the tool right now to change up our scoring - we should connect!*

*[DLCD Staff] DLCD is very interested in continuing to work with OHCS on locational and scoring criteria for affordable housing projects. This is important not only in the housing production strategy program work but also to the work that the department is doing related to climate-friendly and equitable communities.*

**Q:** I'm wondering if you all have any thoughts about the recommendations offered in a recent Vox article: 1) housing production reduces rents and we need to build a lot more, 2) tenant protection policies can help forestall evictions, and 3) rezoning wealthy white segregated neighborhoods can slow speed of gentrification and reduce segregation. Video:

<https://www.vox.com/videos/2021/8/17/22628750/how-the-us-made-affordable-homes-illegal>

**A:** *On the first point, it's clear that we are underproducing housing statewide. To meet the identified need in the RHNA (approximately 580,000 units over 20 years), it would require nearly doubling market rate production and tripling subsidized affordable production in the next five years. Production will continue to be an important component towards achieving housing affordability.*

*We also agree that other policies aimed at increasing renter protections and desegregating historically exclusionary communities will be important in comprehensively addressing housing affordability. The housing production strategy program is the first step in thinking more broadly than land use and zoning when approaching increasing housing supply, affordability, and stability.*

*With regard to the anti-displacement toolkit, the typologies adjust applied strategies based on the underlying characteristics of neighborhoods. It allows practitioners to hone-in on policies as we understand neighborhoods, and part 3 of the toolkit them do this.*

**Follow-up Q:** On the third question, emphasis of AFFH rule and Goal 10 are on improving access to public and private goods throughout communities. Does the toolbox address this?

**A:** *The purpose of the Housing Production Strategy Program in general is to ask cities to think through how they are facilitating housing development to meet need identified in their Housing Needs Analysis, which includes Housing Choice and addressing fair housing. The toolkit adds to that conversation but does not do that work directly. Additionally, the RHNA is intended to address fair housing and patterns of racial and economic segregation at a regional scale (i.e. between cities, rather than within cities).*

**Follow-up Q:** To the second question -- (2) tenant protection policies can help forestall evictions -- I'm not sure I heard much discussion. Does Oregon have good tenant protection policies?

**A:** *It is becoming increasingly clear that the housing crisis will require addressing more policies than those related to land use and zoning, including tenant protections and stabilization measures. There are new policies at the state level intended to increase stability for tenants, but*

*these types of policies are just the beginning in more comprehensively addressing the housing crisis.*

**Follow-up Q:** Maximum rent increase is covered under ORS 90.323, correct?

**A:** *Correct.*

**Q:** Is DLCD considering additional grant resources for local jurisdictions who implement this Toolkit?

**A:** *We are in the midst of reviewing applications for Housing Planning Assistance. Part of the prioritization scheme is an emphasis on the extent a project achieves more fair, affordable, and equitable housing outcomes. In short, it's a priority, but it's not a required element for funding.*

**Q:** We are getting questions about how Eugene's implementation of HB 2001 will affect gentrification and displacement. Part of the answer is we are working toward comprehensive housing solutions, and implementing HB 2003 will take time, but I wondered if other cities are getting this question.

**A:** *It's important to emphasize that House Bill 2001 addresses a small portion of housing choice. House Bill 2003 requires cities to take a more comprehensive look at the full spectrum of tools a city employs to facilitate housing production and choice. This will include significant work to ensure that policies aimed at facilitating production do not exacerbate gentrification and displacement. We also think it's important to address the relationship between middle housing and mitigating displacement risk directly. We will follow-up to develop further guidance for cities that are working through these issues.*

**Audience Response:** *City of Gresham is hearing more from existing neighborhood associations who don't want major change. We are hearing rumblings in our most vulnerable neighborhoods, but they aren't as well organized.*

**Audience Response:** *We hear pretty much only from the existing neighborhood associations too, and they are using an affordability/anti-displacement argument to discourage middle housing development. Some guidance from the state about the relationship between the House Bills would be very helpful for our City Council.*

**Q:** Is there a timeframe for DLCD to indicate who has been awarded the technical assistance grants to work on HPS and HB 2001 work?

**A:** *For HB 2001, all applications received some level of funding and are moving forward. These must be complete by June 30, 2022. For HB 2003, applications are currently under review. These projects will likely begin around November and must be complete by June 30, 2023.*

**Q:** Given limited resources, how do practitioners balance the desire for building affordable housing in opportunity-rich neighborhoods vs. focusing subsidy in areas that may have more immediate land availability?

**A:** *We interpret this question to be how cities prioritize the allocation of limited resources to promote subsidized affordable housing – do they focus on facilitating as much production as practicable or locating affordable housing in areas of opportunity?*

*With regard to urban growth in general, there are statutes and administrative rules in place and in development that emphasize the importance of building in existing neighborhoods and facilitating infill to ensure the efficient use of land and infrastructure and to mitigate climate pollution. However, the question of how cities prioritize funding intended to facilitate subsidized affordable housing development is currently one that will require focused policy discussions at the local level. These conversations will require discussion about the trade-offs associated with various priorities in funding affordable housing development, in recognition that the resources available to address housing affordability are limited.*

**Follow-up comment:** I think the discussion about where to locate affordable housing - in areas of opportunity v areas where land might be less expensive and therefore more units could be built - was not fully addressed. It is not a matter of just local decision; Goal 10 and the climate rules being developed both recognize that locating affordable housing near good transit and in walkable neighborhoods is critical to both reduce GHG emissions and to provide more affordable living (housing + transportation costs) for the residents.

**A:** *We agree that how cities grow is subject to applicable statutes and administrative rules that promote housing near transit and in walkable neighborhoods. We interpret this question to really be one about how to prioritize spending limited public dollars on affordable housing development – in other words, should they focus on building as many units as they can or focus on building in areas of opportunity even if the total number of units are fewer. We think that requires deliberation on the trade-offs associated with how we use these limited resources.*

**Audience Response:** To the location question - I think the answer is more affordable housing in more diverse forms, and everywhere. Transit-oriented affordable housing is one goal, but economically diverse neighborhoods and avoidance of concentration of low-income housing is another goal.

**Q:** I'm curious about the need to address affordable rental options within the HPS, with the advent of SB458 (which allows middle housing to be divided for fee simple homeownership). What options do cities have to increase rentals in more exclusive areas, beyond multi-family zoning (which seems to continue the segregation of households based on incomes)

**A:** *Part of the HPS rulemaking was to provide a menu of tools, actions, and policies, and there are various options outlined within that document (recognizing it's not comprehensive) that address the availability of rental housing opportunities. Additionally, we think it's important to emphasize HB 2001 is a small portion of middle housing spectrum – there are many other housing types that can help facilitate the availability of affordable rental housing. HB 2001 should not be the only tool used for that end.*

**Q:** Do transit stops lead or follow? Existing stops? Planned stops? Should stops be dispersed throughout communities to make them accessible to all income groups? Should the Toolkit key certain actions to stops?

**A:** *The toolkit takes location of transit stops into consideration when recommending specific housing production tools, actions, or policies. Recognizing that some strategies work well near transit, this adds another layer of nuance to respond to the question of access and opportunity that transit provides. That said, the toolkit is intended to create a framework for how city can conduct anti-displacement and gentrification analysis. Cities can, and should, adapt and tweak the analysis to consider other real-world factors that might impact displacement and gentrification, such as planned transit lines or stops in a particular neighborhood.*