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Sent via e-mail*



RE: Review of City of Grants Pass Housing Production Strategy

On August 3, 2023, the Department of Land Conservation and Development (DLCD or Department) received a submittal from the City of Grants Pass notifying the department of the adoption of the City's Housing Production Strategy (HPS). Per Oregon Administrative Rules (OAR) 660-008-0055(3), the Department posted the City's HPS for a 45-day public comment period on August 4, 2023. Upon the close of the public comment period on September 18, the department received one comment letter on the City's HPS. The public comments received by the department are attached to this letter as Attachment A.

Per OAR 660-008-0055(7) and ORS 197.291(6), the Department must review the City's submittal to determine whether to:

1. Approve the Housing Production Strategy Report;
2. Approve the Housing Production Strategy, subject to further City review and actions as recommended by the Department; or
3. Remand the Housing Production Strategy for further modification as identified by the Department.

The Department is required to complete this review and issue a decision within 120 days of the City submittal. In the case of the City of Grant Pass Housing Production Strategy, the department must make a final decision by December 2, 2023. Per ORS 197.291 (7), the Department's decision is final and may not be appealed.

*Based on the department's review of the City of Grants Pass' Housing Production Strategy against the applicable review criteria established in OAR 660-008, the department **approves the City's Housing Production Strategy Report with one condition described below.***

Department Findings based on OAR 660-008-0050

(1) Contextualized Housing Need – A contextualization and incorporation of information from the most recent Housing Capacity Analysis that describes current and future housing needs in the context of population and market trends.

The City of Grant Pass Housing Production Strategy Report includes both Appendix A: "Contextualizing Grants Pass Housing Needs" and a summary of the City's unmet housing need in Chapter 2: "Unmet Housing Need in Grants Pass". Appendix A includes all elements necessary to be compliant with OAR 660-008-0050(1) including demographic and socio-

economic characteristics of the City, housing market conditions, affordability metrics, and description of how qualitative data informed the basis of the analysis. Chapter 2 of the HPS further grounds the City's existing conditions by contextualizing where need is most acute and which groups are disproportionately impacted by inadequate or unaffordable housing.

In particular, the key groups with acute unmet housing need in Grants Pass include households with low-, very low-, and extremely low-incomes, cost burdened households (especially renter households), communities of color, people with disabilities, seniors, and people experiencing homelessness. The report identifies a specific challenge in Grants Pass: a lower wage rate as compared to Oregon as a whole, paired with housing production costs which are commensurate with the rest of the state. This dynamic increases the occurrence of cost burden among households. Housing inventory in the most affordable end of the price spectrum is very restricted, making it difficult for low-income families and individuals to find and afford housing.

Chapter 3 includes a summary of how the adopted actions are intended to address the particular housing needs of the city and how the strategies collectively work together to meet the entirety of the City's identified housing needs.

(2) Engagement – A Housing Production Strategy Report must include a narrative summary of the process by which the City engaged Consumers of Needed Housing and Producers of Needed Housing, especially with regard to state and federal protected classes. A City may conduct engagement for a Housing Production Strategy concurrent with other housing planning efforts within the City including, but not limited to, a Housing Capacity Analysis, Consolidated Plans for Community Development Block Grant Entitlement Communities, and public engagement for Severely Rent Burdened Households as described in OAR 813-112-0010.

The City of Grants Pass referred to a range of engagement work completed in past housing-related planning projects (outlined in Chapter 2) as well as completing a de novo engagement process (described in Chapter 1).

Chapter 1 provides an overview of the stakeholder participation process conducted for the HPS project and includes a description of the participants' affiliations. Chapter 2 outlines previous relevant engagement work around housing in Grants Pass and provides summaries of key findings. This engagement resulted in a series of takeaways from both consumers and producers of needed housing about the major barriers associated with housing production, affordability, and choice, including both cost and housing availability challenges identified by community members.

However, DLCD finds that the report does not fully illustrate or account for the feedback of stakeholders, particularly those who are the consumers of housing, especially with regard to state and federally protected classes (OAR 660-008-0050(2)). OAR 660-008-0050(2)(b) requires "a summary of feedback received from **each** stakeholder group" (emphasis added). The responses within the bullet lists found in Chapter 1 are generalized to the full group of

respondents from a particular outreach effort, making it difficult to isolate input from historically marginalized community groups and state and federally protected classes, which is key to OAR 660-008-0050(2).

Further, OAR 660-008-0050 (2)(c) requires “A description of how the information from stakeholders influenced implementation of Housing Production Strategies adopted by the City...”. The engagement summary identifies themes and tangible barriers. DLCD found that the themes from engagement are reflected in the selected strategies, but this required inference by DLCD staff to connect themes identified in engagement to the individual strategies themselves. Neither the strategy descriptions nor engagement summary articulated specifically how the themes from engagement informed the selected strategies.

However, it is apparent that many of the selected strategies are responsive to broad themes of increasing affordability and opportunities for affordable homeownership, preserving existing affordable housing, supporting the development of income-restricted housing, reducing development barriers, and providing supportive and housing stabilization programs to address homelessness, all of which address the issues identified via engagement. For the purpose of this decision, DLCD finds that (c) is met, but would recommend future HPSs make a clearer nexus between community engagement and selected strategies without necessitating DLCD staff interpretation.

Finally, OAR 660-008-0050(2)(d) requires “an evaluation of how to improve engagement practices for future housing engagement efforts conducted by the City.” This section, which compels the City to reflect on its engagement process, is not only a required element of the report, but also a key step and metric in Grants Pass’ ongoing housing work. This section appears to be missing from the document.

OAR 660-008-0050(2)(d) is intended to ensure that community engagement is ongoing and that the analyses and actions taken are responsive to the real needs of community members. DLCD recommends the city conduct this missing evaluation of engagement practices and expects this requirement to be fulfilled in future HPS updates. The Department may review and evaluate this element in the four-year mid-point report required under OAR 660-008-0060.

(3) Strategies to Meet Future Housing Need – A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the most recent Housing Capacity Analysis. The strategies proposed by a City must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in section (1). A Housing Production Strategy Report may identify strategies including, but not limited to, those listed in the Housing Production Strategy Guidance for Cities published by the Commission under Exhibit B.

In total, the city proposes to implement 11 strategies to meet the City’s identified housing needs. The city has developed these strategies to address elements of five central initiatives:

1. Remove barriers to development of low and moderate-income affordable rental housing
2. Increase opportunities for affordable homeownership
3. Encourage development of income-restricted affordable housing units
4. Preserve existing supply of low and moderate-income affordable housing
5. Address homelessness

These strategies are summarized in Exhibit 12 and detailed in Chapter 3: “Action to Meet Future Housing Need” of the report. As identified in the contextualized housing needs section of the report, nearly two-thirds of households in Grants Pass are cost-burdened. Accordingly, the majority of the City’s proposed strategies are targeted at preserving and facilitating the development of housing affordable to low and very low-income households (both for rental and homeownership opportunities), but with many strategies also benefiting moderate (80-120%) and high (120+%) income production as well by reducing barriers to both market rate and subsidized affordable housing. The city provides reasonable and detailed descriptions of how they determined how each strategy may meaningfully address each of the housing needs of the City of Grants Pass in the summary of the proposed actions.

The city clearly identifies the actions necessary and a proposed timeline for implementation of each proposed strategy. DLCD finds that the proposed schedule in Exhibit 16 to be reasonable and expeditious given the refinements, need for Council direction, and implementation steps the city has identified for each strategy.

One comment letter was submitted. The commenter objects strongly to Action A, asserting that the barrier to development “is not a land shortage but rather a shortage of efficient land use.” The commenter’s point regarding efficient use of land is valid. It is worth mentioning that several of the subsequent strategies listed in the report are crafted to target increased density and efficient use of land. The commenter also suggests a number of other strategies that might reduce barriers to development, including reducing setbacks, lot coverage, and parking requirements that the city should consider in future updates to the development code.

(4) Achieving Fair and Equitable Housing Outcomes – A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other City actions, will achieve equitable outcomes with regard to the following factors:

Based on DLCD’s review, it is clear that Grants Pass is taking on an ambitious policy agenda to plan for housing affordability, production, and choice. In doing so, the city is taking critical steps to correct decades of underinvestment, which has disproportionately impacted People of Color and other marginalized members of the Grants Pass Community.

It is important to emphasize that the HPS program is intended for local government to articulate a series of strategies within their control and ability to implement that work towards production, affordability, and choice. The City describes its approach to building equity into the HPS in Chapter 1 and 4, making it clear that there was intent for the selected Housing Production Strategies, in combination with other City actions, will achieve equitable outcomes as specified in OAR 660-008-0050 (4).

(a) Location of Housing.

Chapter 4 outlines how elements of several strategies support and incentivize the development of walkable, mixed-use neighborhoods in Grants Pass that do not require community members to own or drive a car to participate in daily social and economic life, including increased densities to support affordable housing and targeted System Development Charges waivers for high density development.

(b) Fair Housing

Efforts to affirmatively further fair housing are integrated into some of Grants Pass' strategies. Chapter 4 addresses three strategies specifically (Action B; Action H; and Action I), and the ways in which they will support fair housing outcomes. DLCD commends the city for developing an Analysis of Impediments to Fair Housing Choice Plan ("AI") in 2016 which outlines several impediments and actions the city could take to address impediments to fair housing choice. DLCD encourages the City to continue to consider and adopt policies outlined in the City's AI and HPS that aggressively address impediments to fair housing choice including patterns of segregation and poverty within their community.

(c) Housing Choice

Chapter 4 identifies four strategies which facilitate and increase housing choices for community members. These include educational strategies, regulatory changes to facilitate greater densities and mixed-use neighborhoods, and financial tools to incentivize their development, which substantially increases choice in housing types, price, and location.

Building an abundance and variety of housing, especially affordable housing, in walkable, mixed-use neighborhoods supports the provision of accessible housing. This is true both for the structures themselves, which generally need to meet higher building code standards of accessibility than detached single-family dwellings, as well as the urban environment, which supports building an abundance of housing in walkable, mixed-use neighborhoods containing safe transportation options for individuals whether or not they can afford or operate a motor vehicle. This is critical, because in the U.S., many people with disabilities cannot drive or

afford a car and experience transportation barriers or altogether forego trips in comparison to the general population¹.

In addition to this, many of the strategies, such as regulatory or financial strategies aimed at reducing barriers, can also be leveraged to encourage and incentivize accessibility, both in structures as well as through the urban environment. Therefore, DLCD recommends strategies focused on production also include an emphasis on encouraging the provision of accessible housing options.

(d) Housing Options for People Experience Homelessness

The analysis identifies an estimated 1,245 individuals experiencing unsheltered homelessness in Grants Pass (PIT 2021) and 903 students who had experienced homelessness in the Grants Pass School District (McKinney Vento, 2019-20). The HPS includes a wide variety of strategies intended to increase the provision of both market-rate and affordable housing options, which will play a substantial role in reducing housing costs, which are both a primary driver of homelessness and barrier to addressing homelessness². In addition to this, Grants Pass includes the development of a resource center to support people experiencing homelessness finding housing, as well as accessing other services (Action J).

An underpinning of the Housing Production Strategy is that **the solution to homelessness is housing**. Virtually all of the strategies included in the HPS help address homelessness through the provision of both market rate and affordable housing, both of which either indirectly or directly prevent homelessness or help someone experiencing homelessness find housing. Action J will complement this work by providing a bridge for people experiencing or at risk of homelessness to find housing. DLCD recommends considering these strategies in coordination with each other, rather than as independent efforts and include relevant staff and service providers in the implementation of production and affordability-focused strategies.

(e) Affordable Homeownership and Affordable Rental Housing

Chapter 4 evaluates the proposed actions according to a set of required criteria, including affordable homeownership. DLCD agrees that several of the strategies support the development and preservation of housing that is affordable at under 120% of MFI. This chapter also includes an evaluation of how individual HPS actions affect affordable rental and opportunities. DLCD agrees that the strategies discussed provide commensurate incentives that increase the likelihood of production supporting these outcomes. Many of the strategies directly align with goals of affordable rental and homeownership opportunities. Consistent policy focus on providing more opportunities for historically marginalized

¹ Transportation Patterns of American Adults with Disabilities. Stephen Brumbaugh. U.S. Dept of Transportation. Accessed via: <https://www.bts.gov/sites/bts.dot.gov/files/2022-01/travel-patterns-american-adults-disabilities-updated-01-03-22.pdf>

² California Statewide Study of People Experiencing Homelessness. University of California, Accessed via: https://homelessness.ucsf.edu/sites/default/files/2023-06/CASPEH_Executive_Summary_62023.pdf

communities, including considering adoption of action within the “Recommendations for Future Actions” section, will be necessary to meet Grants Pass’ housing need.

(f) Gentrification, Displacement, and Housing Stability

Appendix C includes an optional evaluation of gentrification and displacement risk in the City of Grants Pass, which was conducted according to a methodology developed by Dr. Lisa Bates. The analysis finds that most communities in Grants Pass are at risk of gentrification, and that a substantial number of households in the community are vulnerable to displacement. The analysis identifies six demographic groups who will be most disproportionately burdened, with the most susceptible including protected classes and historically marginalized groups.

Chapter 4 addresses housing stability as an outcome of the proposed strategies. DLCD agrees that Action G: Implementing a Multiple Unit Property Tax Exemption and Action I: Funding for rehabilitation of existing low-cost housing may mitigate against displacement, depending on how the policies are structured. DLCD would go further to state that other strategies *also may* reduce the risk of gentrification and displacement, but it depends on how the policy is implemented.

The success of a housing strategy in supporting housing stability depends on the priorities, guiding principles, and execution of strategies through implementation. Grants Pass’ HPS provides some guardrails within the recommended strategies to ensure that they are targeted to providing housing where and how it is most needed. DLCD recommends emphasizing careful implementation of policies focused on housing stability to any strategy seeking to incentivize or catalyze development in Grants Pass.

(5) A Housing Production Strategy Report must include the following additional elements:

(a) A description of any opportunities, constraints, or negative externalities associated with adoption of the elements of proposed Housing Production Strategies;

DLCD found that Grants Pass’ HPS was weak in its consideration of possible negative externalities. It is a gap that should be considered for future HPS reporting. OAR 660-008-0050(3)(C) requires the City to analyze each strategy according to its benefit or burden to a range of vulnerable populations. While the HPS clearly outlines the benefits to each population that it may serve, greater discussion of potential burdens may be warranted. The city includes a section outlining potential risks in each strategy; however, those are largely focused on the economic impact to the city.

For future HPS reports, the report should set aside space to discuss potential risks or consequences to vulnerable populations. If none are identified, that is also important information to include in the report. The assessment will be informative as the city moves towards implementation of the strategies in the coming years. DLCD recommends that staff consider the risks, benefits, and burdens carefully to ensure implementation aligns with its stated goals DLCD will expect the city to reflect on and evaluate the burdens, externalities, or

unintended consequences to Grants Pass' community, with particular attention to marginalized, underserved, or vulnerable populations.

(b) A description of actions that the City and other stakeholders must take to implement the proposed Housing Production Strategies;

Exhibit 3 includes identification of the roles, responsibilities, and partnerships associated with each strategy, as well as the necessary actions required for the implementation of each strategy. As the City proceeds with implementation, the city should share this exhibit with each of the identified stakeholders and work to develop a more detailed implementation plan.

(c) If the Housing Production Strategy Report is the first produced under this division, a description of how the City will measure strategy implementation and progress;

The subject HPS is the first produced under this division. Exhibit 17 in the report describing the manner in which the City will track and monitor progress of each strategy including annual monitoring and information provided to the City Council.

Condition of Approval 1: DLCD is particularly interested in how the City will monitor the implementation of the proposed strategies on an annual basis as described in Exhibit 17. DLCD requests that, at the time the city submits its four-year, mid-cycle Housing Production Strategy report to the department under OAR 660-008-0060, the City provides all annual monitoring summaries to the department. These annual summaries are not required as part of the submittal under OAR 660-008-0060 and therefore will not be used to make any final approval decisions. Rather, DLCD is interested in these summaries for informational and educational purposes.

(d) If the Housing Production Strategy Report is not the first produced under this section, a summary of strategies that the City has previously adopted and implemented, and a reflection on the efficacy of each implemented strategy; and

Not applicable

(e) A copy of the City's most recently completed survey to meet the requirements of ORS 456.586.

The City of Grants Pass submitted a survey to meet the requirements of ORS 456.586 to DLCD.

We truly appreciate the dedication and hard work the city has invested in the development of the HPS. Our commendations go out to the city for their ongoing commitment to ensuring fair and equitable housing options and outcomes. We are eager to continue our partnership with the city in the future as we work together toward this shared goal.

Please feel free to contact Housing Planner, Thea Chroman, at 503-798-3621, or at thea.chroman@dlcd.oregon.gov if you have any questions or need further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ethan Stuckmayer".

Ethan Stuckmayer
Housing Division Manager, Department of Land Conservation and Development

Cc: Brenda Bateman, DLCD
Kirstin Greene, DLCD
Ethan Stuckmayer, DLCD
Josh LeBombard, DLCD
Thea Chroman, DLCD
Mari Valencia-Aguilar, DLCD
Ingrid Caudel, DLCD

Attachments

Attachment A: Public Comments Received on City of Grants Pass' Housing Production Strategy

Attachment A: Public Comments Received on City of Grants Pass' Housing Production Strategy

From: [Michael De Blasi](#)
To: [DLCD Housing * DLCD](#)
Subject: Grants Pass Housing Production Strategy
Date: Saturday, August 5, 2023 9:14:07 AM
Attachments: [DLCD comment Grants Pass.docx](#)

Some people who received this message don't often get email from michaeldeblasi@yahoo.com. [Learn why this is important](#)

Please accept my comments for the Grants Pass Housing Strategy.

Grants Pass Housing Production Strategy.

To begin with, I think that this is a very cookie-cutter report by ECONorthwest. I've seen a lot of similar discussion and recommendations in reports for other cities. And their recommendations are very generic.

The first Strategy in the Exhibit 1. *Summary of HPS Strategies* (pg 10) shows exactly what is wrong with so many cities and their "housing strategies". Expanding the UGB when so much land is occupied by parking, low-density, single-story buildings and wide roads is exactly why there is a land shortage. It is not a land shortage but rather a shortage of efficient land use. What was level of investigation taken to determine the barriers to utilizing this land much less rezoning? What thought was given to how this would reduce redevelopment pressure on underutilized infill lots? What type of connections would result, and would that induce more driving?

It's not the city's fault entirely. In fact, I knew some of the staff that were very forward-thinking in land use. Many of the mistakes were made decades ago by city leaders who may not even be around anymore. However, I remember when the city tried to increase density in the core almost 20 years ago, a group of loud, obnoxious and unruly residents shouted over the meeting hosts because they did not want to "make Grants Pass like Portland". This ignores the fact that until the 1970's, Grants Pass was a city with a development pattern much like Portland's. There is also the anti-government, conservative county population that has elected County Commissioners who are opposed to traditional (i.e., pre-automobile) urban development.

Some responses to surveys demonstrate a lack of knowledge about financially resilient and community building development. In the Middle Housing Survey (2021): "City limits need to be expanded and more land opened to development" and "Older housing is being gentrified through flipping, rentals, and/or short-term rentals". In the Housing Needs Analysis and Code Update Stakeholder Interviews (2020): "Many interviewees noted environmental constraints, specifically slopes and wetlands, as the leading reason for a limited land supply".

Aside from allowing more types of housing that can be built anywhere in the city, one of the major limitations to building enough housing is the amount of parking required at residential AND commercial/industrial development. The Housing strategy mentions parking but only in how it is a "contentious issue". The missing element is the amount of parking allowed in multifamily and commercial/industrial development.

Associated with this parking issue is how buildings are located within a lot. Because each building has its own parking requirement and the developer/tenant wants each business to have the closest parking possible, buildings that could be placed adjacent to each other are separated by a large expanse of asphalt. Finally, instead of the

buildings being placed close to and facing the street they are set back a large distance from the street and sidewalk. All of these induce driving demand by making it easier to park and more hostile to walking and biking.

Associated too with parking is the design of streets and roads. The hierarchical classification system (arterials, collectors, residential) all create barriers to non-driving transport, putting pressure on staff to provide “adequate” parking and breaks up connectivity between neighborhoods. The state (and cities) needs to reframe the system to mixed-use/commercial and residential streets that focuses on the uses alongside the street rather than moving cars.

New development of any kind needs to be built facing the street. For too long, new housing developments construct the row of houses along the main street so that the backs of the properties face the street rather than the front of the houses. This, along with a long fence or wall line, breaks up neighbor connectivity, creates an inhospitable walking/biking environment, encourages higher speeds and induces driving, which leads to more pressure to provide “adequate” parking leading to less space for housing.

Finally, large three-story apartment buildings surrounded by parking must be banned. They are either built on the edge of town, inducing driving demand, or overwhelm an existing neighborhood, creating a backlash, while not integrating with the neighborhood.