



Oregon

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November 29, 2023

Suzanne Dufner
151 Main Street W
Monmouth, OR 97361
Sent via e-mail



RE: Review of City of Monmouth Housing Production Strategy

Dear Ms. Dufner,

On July 31, 2023, the Department of Land Conservation and Development (DLCD or Department) received a submittal from the City of Monmouth 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 1, 2023. Upon the close of the public comment period on September 15, 2023, 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), 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 Monmouth's Housing Production Strategy, the department must make a final decision by November 29, 2023. The Department's decision is final and may not be appealed.

*Based on the department's review of the City of Monmouth's Housing Production Strategy against the applicable review criteria established in OAR 660-008, the department **approves the City's Housing Production Strategy Report with 2 conditions of approval 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 Monmouth's Housing Production Strategy Report includes Appendix A: "Contextualized Housing Needs Memorandum" and a summary of Monmouth's unmet

housing need in the “Monmouth Housing Needs” chapter. These sections include 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. The “Monmouth Housing Needs” chapter 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 Monmouth include households with low- and extremely low-incomes, people experiencing homelessness, seniors, veterans, people with disabilities, people of color, and students. Furthermore, the “Strategies and Actions” Chapter 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 Monmouth conducted an engagement process to inform the development of the city’s HPS. The engagement methods are outlined in the executive summary and results from the engagement are outlined in appendices E – H. 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 fair housing challenges identified by community members.

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 summaries found in the appendices identified 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 the engagement to the individual strategies themselves. Neither the strategy descriptions nor engagement summary in the executive summary section 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, leveraging financial incentives to support production, reducing development barriers, and developing and providing supportive housing-related programs, 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.

OAR 660-008-00050 (2)(d) requires “An evaluation of how to improve engagement practices for future housing engagement efforts conducted by the city.” This requirement serves as a crucial step in enabling the city to evaluate and refine its engagement processes, thereby providing valuable insights for ongoing housing planning endeavors. Regrettably, this requirement seems to be missing from the city’s HPS report. DLCD recommends the city consider this important reflection on engagement practices as it works to implement its HPS. DLCD may follow up with the city on this component when it submits its four-year, mid-cycle HPS report to the department under OAR 660-008-0060. In future HPS reports, DLCD will anticipate the inclusion of an evaluation of engagement practices as a standard component. This emphasis reinforces the significance of meaningful engagement improvement and drawing lessons from previous engagement efforts to enhance the effectiveness of housing planning.

(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 23 strategies to meet the city’s identified housing needs. The strategies are organized into four general categories:

1. Land Supply and Regulatory Strategies,
2. Financial and Regulatory Incentives;
3. Funding Sources; and
4. Programs and Partnerships and Other Strategies.

These strategies are summarized in the Executive Summary (see graphics on the following pages) and further detailed in the “Strategies and Actions” chapter of the HPS and in Appendix C: Final Evaluation, Refinement, and Summary of Selected Strategies Memorandum. As identified in the contextualized housing needs section of the report, the majority of the City’s unmet housing needs are for low-income households (0-80% AMI) and underrepresented communities with special housing needs. The majority of the city’s proposed strategies are targeted at facilitating the development of housing affordable to most households, encompassing those earning 0-120% of the Area Median Income (AMI). These strategies include efforts to reduce barriers for both market rate and subsidized affordable housing. Additionally, there are some focused strategies targeting low-income households (0-80% AMI).

The City provides reasonable descriptions of how they determined how each strategy may meaningfully address each of the housing needs of the City of Monmouth in the summary of the proposed actions. Additionally, this section also identifies the actions and partners necessary for implementation, including important considerations of note (i.e., opportunities or constraints).

Regarding the timeline of implementation for each proposed strategy, the City applies a “near”, “short”, “medium”, and “long” term categories to each proposed strategy with no specific description as to what each category means. However, OAR 660-008-0050 (3)(b) requires “A timeline for adoption of the Housing Production Strategy” and OAR 660-008-0050 (3)(c) requires “A timeline for implementation of the Housing Production Strategy”. Regrettably, these requirements seem to be missing from the city’s HPS report and therefore DLCD finds these requirements not satisfactorily met.

Condition of Approval #1: To ensure the feasibility of implementing the strategies within the required eight-year period, it is crucial to develop a more precise timeline beyond the “near”, “short”, “medium” or “long-term” categories. This is critical to aid in timely implementation locally but also to ensure that DLCD can monitor the city’s progress in implementation as described in OAR 660-008-0070. The city must submit a refined schedule that identifies when within the eight-year cycle it will implement each proposed strategy outlined in the HPS report. The articulation of a more detailed plan would be most beneficial in the short term as a means to guide city implementation actions. At a minimum, a full timeline of strategy implementation must be included when the city submits its four-year, mid-cycle HPS report to the department under OAR 660-008-0060. Alternatively, the Monmouth City Council may choose to include any of the identified strategies in an upcoming regular work planning process. Approved work plans that define implementation timelines for housing production strategies should be forwarded to the department for the purposes of monitoring under OAR 660-008-0070.

Note, the description associated with “Strategy 2.3 Tax Abatements” in the “Strategies and Actions” chapter is not correct. The narrative is describing CETs which is already described under category 3 “Funding sources 3.1 CET”. The city describes “Strategy 2.3 Tax Abatements” on pages 28-30 of “Appendix C: Final Evaluation, Refinement, and Summary of Selected Strategies Memorandum”. For purposes of this review, DLCD used the description in that section to evaluate “Strategy 2.3 Tax Abatements” but recommends the city update the description for “Strategy 2.3 Tax Abatements” in the “Strategies and Actions” chapter to ensure accuracy and feasibility of implementing this strategy.



Land Supply and Regulatory Strategies

Land supply and regulatory strategies include potential changes to the Monmouth Development Code/Development review processes and strategies that could be considered to address Monmouth's existing land capacity and its ability to accommodate needed housing and support affordable

housing development.

STRATEGY		PRIORITY
1.1	Rezone Land Rezone Land from Low or Medium Density to High Density	High
1.2	Increase the Allowed Density or Range of Housing Types	High
1.3	Evaluated Mixed Use in Commercial Areas for Housing Capacity	High
1.4	Long-Term Supply of Buildable Land	High
1.5	Zoning Incentives for Affordable/Needed Housing	Low
1.6	Code Amendments to Allow for Small Housing Types	High
1.7	Provisions for Single Room Occupancy (SRO) Housing or Group Housing	Low
1.8	Land Acquisition and Banking	Low
1.9	Incentivize and Promote Accessible Design	Medium
1.10	Require Accessible Design for Publicly Supported Units	Medium



Financial and Regulatory Incentives

The following incentive strategies are intended to make development of housing—particularly affordable housing—more feasible or financially viable by reducing fees or other costs and by reducing process barriers.

STRATEGY		PRIORITY
2.1	Inclusionary Zoning	LOW
2.2	Pre-Approved Plan Sets for Middle Housing Types and ADUs	MEDIUM
2.3	Tax Abatements	HIGH
2.4	System Development Charge (SDC) Deferrals, Exemptions or Reductions	HIGH
2.5	Expedite Permitting for Affordable/Needed Housing	LOW



Funding Sources

Funding sources and programs are programmatic strategies that could help increase housing supply (particularly affordable housing), support existing affordable housing, and/or leverage partnerships to catalyze housing development.

STRATEGY		PRIORITY
3.1	Construction Excise Tax (CET)	LOW
3.2	Community Land Trust	HIGH
3.3	Financial Assistance Programs	MEDIUM



Programs and Partnerships and Other Strategies

The programmatic strategies would typically depend on partnerships with other organizations to implement or rely on additional funding sources identified in the previous set of strategies. Strong partnerships can promote a variety of affordable housing.

STRATEGY		PRIORITY
4.1	Public-Private Partnerships (PPPs)	HIGH
4.2	Tenant Protection Programs and Policies	MEDIUM
4.3	Support Expanded Transit Service in Monmouth and key destinations	MEDIUM
4.4	Coordination Between Affordable Housing Developers and Property Owners and Service Providers	HIGH
4.5	Community Education on Needed Housing and the Community Benefits to a Full Range of Housing Options	HIGH

(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:

- (a) Location of Housing**
- (b) Fair Housing**
- (c) Housing Choice**
- (d) Housing Options for People Experience Homelessness**
- (e) Affordable Homeownership and Affordable Rental Housing**
- (f) Gentrification, Displacement, and Housing Stability**

The city's HPS Report includes a "Fair and Equitable Housing Outcomes" chapter which assesses all existing city actions and programs and partnerships as well as the proposed strategies outlined in the HPS report. This evaluation is conducted in the context of the six fair and equitable housing outcomes described in OAR 660-008-0050(4). The City appropriately acknowledges that these strategies have both direct and indirect impacts on individuals.

DLCD acknowledges that this section generally aligns with the criteria set forth in OAR 660-008-0050(4). However, DLCD had expected to see a more comprehensive examination of this aspect. Specifically, the city would have benefited from a more detailed exploration of the direct and indirect impacts of each strategy on the various vulnerable populations, relative to the six factors that contribute to achieving fair and equitable outcomes.

While the response meets the minimum expectations, DLCD had anticipated a deeper analysis and consideration of these impacts in the context of promoting fair and equitable housing outcomes.

(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;

The “Fair and Equitable Outcomes” section of the city’s HPS includes a table that summarizes the potential impacts, both positive and negative, that may result from the implementation of each proposed strategy, particularly on vulnerable populations in the housing market.

While the analysis offers valuable insights into the potential effects of the proposed strategies, there is room for improvement in providing a more critical and in-depth examination of the potential negative impacts or burdens that may be associated with these strategies. A deeper analysis of the potential challenges and drawbacks would enhance the comprehensiveness of the assessment and further inform and support strategy selection.

Nevertheless, the overall assessment is expected to be informative and valuable as the city proceeds with the implementation of these strategies in the years ahead. It offers a foundation for understanding the potential consequences and outcomes, allowing for better-informed decision-making as the HPS is put into action.

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

The “Strategies and Actions” chapter of the report includes identification of the roles, responsibilities, and partnerships associated with each strategy. However, the specific responsibilities of both the lead and partner agencies are not clearly defined within this section. As the city progresses into the implementation phase, it is advisable that the City take proactive steps to address this gap. To enhance the effectiveness of the HPS, the City of Monmouth should distribute the HPS Report to the lead and partner agencies identified for each strategy. This will serve as a foundation for developing more detailed implementation plans in collaboration with these partners. By engaging in this collaborative approach, the city can ensure that roles and responsibilities are clearly defined, leading to a more coordinated and successful execution of the strategies outlined in the HPS.

(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 city includes a “Monitoring Progress and Outcomes” chapter in the report that proposes several measures to monitor the process and impact of the HPS implementation. The city acknowledges that the effectiveness of this monitoring effort will hinge on its capacity to collect and evaluate housing production data accurately. Additionally, the city's staff expresses their intention to provide periodic briefings to the City Council regarding the ongoing progress of the HPS implementation.

Condition of Approval #2: DLCD is particularly interested in how the City will monitor the implementation of the proposed strategies on an annual basis. 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 Monmouth submitted a survey to meet the requirements of ORS 456.586 to DLCD on 1/10/2022.

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 Senior Housing Planner, Mari Valencia Aguilar, at 503-930-9739, or at mari.valencia-aguilar@dlcd.oregon.gov if you have any questions or need further assistance.

Sincerely,



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

Cc: Brenda Bateman, DLCD
Kirstin Greene, DLCD
Melissa Ahrens, DLCD
Mari Valencia-Aguilar, DLCD
Ingrid Caudel, DLCD

Attachments

Attachment A: Public Comments Received on City of Monmouth's Housing Production Strategy

Attachment A: Public Comments Received on City of Monmouth's Housing Production Strategy

From: [michaeldeblasi](#)
To: [DLCD Housing * DLCD](#)
Subject: FW:
Date: Tuesday, August 1, 2023 11:22:35 AM
Attachments: [DLCD comment.docx](#)

Attached is my comment for the City of Monmouth's Housing Production Strategy.

Mike

Monmouth's Housing Production Strategy.

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 focuses most of the discussion on affordable housing. The missing element is the amount of parking allowed in commercial/industrial development. For example, the development on the east side of town along the Monmouth-Independence highway at the “S curve” required an excessive number of parking spaces even though this eliminated development on a large portion of the area and helped prevent construction of apartments.

Associated with parking 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 to the front door, buildings that could be placed adjacent to each other are separated by a large expanse of asphalt. Instead of buildings being placed close to and facing the street, they are set back from the street and sidewalk. All of which induces 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) breaks up connectivity between neighborhoods and create barriers to non-driving transportation, putting pressure on city staff to provide “adequate” parking. 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 build 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 demand, which leads to more pressure to provide “adequate” parking and less space for housing.

Finally, large three-story apartment buildings surrounded by parking lots 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.