



Housing Needs and Production Technical Advisory Committee (NAPTAC)

May 10, 2024

Meeting #9 Discussion Memo – *The Process: Translating OHNA Housing Needs Allocations into Types, Characteristics, and Locations for use in the Housing Capacity Analysis and Housing Production Strategy Report*

Overview

During NAPTAC meeting 7 on May 1, 2024, the committee reviewed a preliminary draft of Fair Housing Issue Areas for Oregon's housing planning work in Goal 10 including:

- Fair access to housing across the tenure and wealth building spectrum,
- Fair access to housing for people with disabilities,
- Geographic patterns of integration and segregation and their relationship to patterns of affluence and poverty
- Fair access to community assets and exposure to harms,
- Anti-displacement and housing stability
- Housing options for residents experiencing houselessness

Please note, the feedback from that meeting are in the process of being incorporated and a revised set of fair housing issue areas is not yet available.

These fair housing issue areas guide the housing needs analysis that ultimately helps inform the development of the Housing Capacity Analysis (HCA) Housing Production Strategy (HPS) report. From last week's discussion memo, you'll remember this is step 1 of a three-step process for local government's housing planning obligations under Goal 10.

During the NAPTAC meeting #8 on May 8, 2024, the group engaged in discussion on the potential paths for how local governments can define the translation of their Oregon Housing Needs Analysis (OHNA) regional allocation of housing need and housing production targets into housing types, characteristics, and locations for their housing planning requirements, including the Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS) reports. The table on the next page outlines the potential paths discussed.

Committee members expressed differing opinions regarding the inclusion of a safe harbor option in the rules governing the translation process and housing production strategy selection. Similarly, there were varying viewpoints on whether a safe harbor option should be incorporated into the rules for housing production strategy selection.

In our upcoming NAPTAC meeting #9, scheduled for Wednesday, May 15, 2024, we will delve deeper into this topic, focusing specifically on the format and potential inclusion of safe harbors for both the translation and strategy selection processes, while also considering the fair housing issue areas. To provide more clarity on the steps involved in the HPS translation process and the tools that could be utilized, whether to incorporate a safe harbor or to simply evaluate the Housing Production Strategy reports outside of a safe harbor framework, we have included a mock scenario of a target allocation for a jurisdiction. We will also dive into how the HPS translation shows up in the HCA. You will find discussion questions embedded within this discussion memo.



	POTENTIAL PATH A Cities define translation: Less Direction / More flexibility		POTENTIAL PATH B DLCD provides translation process direction in rule: More direction / Less Flexibility	
Translation <i>Rules with safe harbors?</i>	A Cities lead translation of 6 or 8 year targets to needed housing, show their work DLCD evaluates for compliance with HPS (and HCA) framework		B 1 Rules define factors that must be considered in the city-led translation Rules provide safe harbors for how cities can make the translation	B 2 Rules define factors that must be considered in the city-led translation Rules provide guardrails to translation by defining what is not acceptable for the translation and/or what policies or situations must be addressed for the translation to be valid
Translation Guidance	Will include recommendations, best practices, and lessons learned about how the translation should occur; guidance is not formal safe harbor			
Strategy Selection <i>Rules with safe harbors?</i>	A 1 No specific direction	A 2 Rules could provide safe harbor if certain set of minimum policies are adopted	B 1(a) No specific direction	B 2(a) No specific direction
			B 1(b) Rules could provide safe harbor, for example certain set of minimum policies are adopted	B 2(b) Rules could provide safe harbor, for example certain set of minimum policies are adopted
Strategy Selection Guidance	Guidance includes various considerations or graphs/menus/tags/best practices for selecting strategies that are responsive to typological, characteristic, and locational needs DLCD will be producing an initial suite of adoption-ready strategies for local jurisdictions to use in developing and implementing their Housing Production Strategy reports			

Mock Scenario: Large city (over 25,000 population), 8-year cycle

Housing Production Targets					
Affordability	# of units	%	Types	Characteristics	Locations
0-30% AMI	949	25%	Which, and how many?	Which, and how much?	Which, and how many?
30-60% AMI	771	20%	Which, and how many?	Which, and how much?	Which, and how many?
60-80% AMI	400	10%	Which, and how many?	Which, and how much?	Which, and how many?
80-120% AMI	680	18%	Which, and how many?	Which, and how much?	Which, and how many?
120+% AMI	1,043	27%	Which, and how many?	Which, and how much?	Which, and how many?
Total	3,843 units				



PART 1: The HPS Translation – Results / Conclusions

HOUSING TYPES

The housing production targets consist solely of the number of housing units for production segmented by affordability bracket. We know that types have some connections to some characteristics, including affordability, but the connection to affordability is predominantly related to funding and tenure structures rather than housing type. While those housing characteristics are also critical to housing choice and to the “affirmative” part of “affirmatively furthering fair housing,” just as housing locations are, those considerations will be addressed next in this planning framework and for now will be temporarily set down in consideration of planning for housing types in particular. Local jurisdictions can affirmatively further fair housing by ensuring their community offers a wide range of housing types so that fair housing can be operationalized through housing choice. This translation of the 6- and 8-year housing production targets into a mix of housing types could be quantified for the HPS and must be quantified for the 20-year allocations in the HCA.

There are challenges in quantifying housing type mix. Knowing a jurisdiction’s current housing type mix would be most informative in identifying the gap of what is truly needed, which most jurisdictions are not able to accurately ascertain without a change in data availability and collection. Second to that is coming up with a more generalized goal mix and accepting general development trends to largely represent the current housing mix. Recent translations along these lines often result in significantly limited housing types for lower income brackets, and the supporting market analyses often perpetuate past production trends and are slow to incorporate emerging development types and various development and operational funding sources.

Additionally, what is planned for does not preclude housing types from being developed to serve affordability brackets different than what was planned – for example, simply because a local jurisdiction is not focusing energy on the pathway for a single-unit detached home to serve a household in the 0-30% AMI bracket doesn’t mean that an affordable housing developer couldn’t determine a way to offer that, nor does it mean that no current 0-30% AMI households live in single-unit detached homes. It would only mean that a local jurisdiction is not banking on that being the case and therefore is not planning for not directing limited resources to that scenario.

DISCUSSION QUESTIONS

- In **what format** should the housing production targets be translated into housing types?
 - Number of units of each type, at each affordability bracket?
 - Percentage of units of each type, at each affordability bracket (which could then easily result in number of units)?
- In lieu of comprehensive or universally available data about existing housing type mix in a jurisdiction, how should jurisdictions determine which housing types they need most, i.e. **where the gaps are**, without great data?
- Are there any ways to create a **safe harbor** around which housing types can serve which affordability brackets? Can single-unit detached homes be planned to serve 0-30% AMI?
- **How would DLCD evaluate** the following translation from housing production target to housing types?



Mock Translation into Housing Types – quantified

0-30% AMI	949 units	380 SRO, 380 multi-unit attached, 189 cottage cluster
<i>Example Type Mix: 40% SRO, 40% multi-unit attached, 20% cottage cluster</i>		
30-60% AMI	771 units	193 SRO, 193 multi-unit attached, 193 cottage cluster, 192 townhouses
<i>Example Type Mix: 25% SRO, 25% multi-unit attached, 25% cottage cluster, 25% townhouses</i>		
60-80% AMI	400 units	20 SRO, 100 multi-unit attached, 100 cottage cluster, 100 townhouses, 40 quadplexes & triplexes, 40 single-unit detached & duplexes
<i>Example Type Mix: 5% SRO, 25% multi-unit attached, 25% cottage cluster, 25% townhouses, 10% quadplexes & triplexes, 10% single unit detached & duplexes</i>		
80-120% AMI	680 units	136 multi-unit attached, 170 cottage cluster, 170 townhouses, 102 quadplexes & triplexes, 102 single-unit detached & duplexes
<i>Example Type Mix: 20% multi-unit attached, 25% cottage cluster, 25% townhouses, 15% quadplexes & triplexes, 15% single unit detached & duplexes</i>		
120+% AMI	1,043 units	156 multi-unit attached, 260 cottage cluster, 313 townhouses, 156 quadplexes & triplexes, 156 single-unit detached & duplexes
<i>Example Type Mix: 15% multi-unit attached, 25% cottage cluster, 30% townhouses, 15% quadplexes & triplexes, 15% single unit detached & duplexes</i>		

Path A , No DLCD Direction <i>Show Your Work</i>	Path B1 , DLCD Direction <i>Could do</i>	Path B2 , DLCD Direction <i>Can't do</i>
Local jurisdictions may translate the housing production targets into any mix of housing types so long as reasoning and analysis is provided.	DLCD provides a safe harbor, which could come in a number of forms: <ul style="list-style-type: none"> • Ranges of housing types that can be developed to be available at each income bracket • Housing type mixes (percentages of each housing type) that respond to various archetypes of city contexts or fair housing issues 	DLCD defines a number of unacceptable translations, for example: <ul style="list-style-type: none"> • Single unit detached homes cannot be planned to serve the 0-30% AMI bracket • No jurisdiction can conclude that SROs are not needed



HOUSING CHARACTERISTICS

While housing types are essential, it's equally crucial to address housing characteristics, which encompass various attributes beyond just the physical structure of housing units. These characteristics play a pivotal role in ensuring equitable housing options that meet the diverse needs of communities. This Committee came up with the following key characteristics that local jurisdictions should consider in housing planning in NAPTAC meeting 5 on April 10, 2024: accessibility, affordability features, cultural sensitivity, and suitability for different household sizes and needs, and more.

Local jurisdictions can promote fair housing objectives by offering a broad spectrum of housing characteristics tailored to the demographics and preferences of their community members. These characteristics not only enhance housing choice but also contribute to creating inclusive and accessible neighborhoods.

Translating housing production targets into a mix of housing characteristics is vital for effective planning. While quantifying this mix presents challenges, understanding the current distribution of housing characteristics within a jurisdiction is crucial for identifying gaps and determining genuine housing needs. Unfortunately, many jurisdictions lack precise data in this regard and often rely on generalized goals and existing development trends.

DISCUSSION QUESTIONS

- In **what format** should the housing production targets be translated into housing characteristics?
 - Quantified numbers of units? How would a local government determine this?
 - Categorical levels of each unit: high/medium/low need of housing characteristics of units? How would a local government determine that?
 - Narrative of the characteristics needed in a community?
- Are there characteristics that should be planned for and strategized toward specific affordability brackets? If so, how could a local government determine that?
- Are there any ways to create **safe harbors** around the fair housing issue areas with direct nexus with housing characteristics?
- **How would DLCD evaluate** the following translation from housing production target to housing characteristics?

Mock Translation into Housing Characteristics - *quantified*

- 350 homes built for people with physical disabilities including mobility, auditory, and visual disabilities
- 270 homes for people with mental/psychological disabilities with co-located wraparound services (Permanently Supportive Housing)
- 1,600 homes with wealth-building opportunities across all affordability brackets
- 1,600 homes with long-term or permanent rental affordability across all affordability brackets with little or no wealth-building opportunities or maintenance requirements
- 180 homes with 4 or more bedrooms

Mock Translation into Housing Characteristics – *magnitude of need: high, medium, or low*

- High: Physically accessible, mentally accessible, and psychologically supportive housing units
- Medium: Housing units with communal spaces
- Low: Housing units with 4 bedrooms or more



Mock Translation into Housing Characteristics – narrative

City X needs housing with characteristics suitable for high concentrations of people with disabilities, aging population, low-income people of color and large families, including accessible homes, homes affordable for households of low incomes with wealth-building opportunities that are affirmatively made available to people of color, and homes with four or more bedrooms.

Path A , No DLCD Direction <i>Show Your Work</i>	Path B1 , DLCD Direction <i>Could do</i>	Path B2 , DLCD Direction <i>Can't do</i>
<ul style="list-style-type: none">Local jurisdictions may translate the housing production targets into any set of housing characteristics so long as reasoning and analysis is provided.	<ul style="list-style-type: none">DLCD provides a safe harbor, which could come in a number of forms:<ul style="list-style-type: none">A list of characteristics that should be planned for based on common needs that many jurisdictions may find in their housing needs and fair housing issues analysisData sources and concentration thresholds at which point a jurisdiction can determine they have a magnitude of need for any given housing characteristic	<ul style="list-style-type: none">DLCD defines a number of unacceptable translations, for example:<ul style="list-style-type: none">Homes without the ability for at least some household members to live on a single level cannot be planned to serve people with physical disabilitiesAll housing that serves extremely low, very low-, and low-income households cannot be exclusively rental tenure



HOUSING LOCATIONS

The translation of housing production targets into specific locations presents both challenges and opportunities requiring a nuanced approach. Central to this process is the identification of sites that not only meet numerical goals but also align with broader community objectives, including equitable access to amenities, transportation, and services. It's about creating vibrant, inclusive neighborhoods that cater to the diverse needs of residents.

With the integration of affirmatively furthering fair housing principles, addressing issues of integration, segregation, and equity in housing distribution is a consideration now in housing planning. It means ensuring that every corner of the community offers fair access to housing options, regardless of income, race, ability, and other protected class forms. Ultimately, the translation of housing production targets into locations is not just a technical exercise; it's a reflection of our commitment to building communities where everyone could thrive.

DISCUSSION QUESTIONS

- In **what format** should the housing production targets be translated into housing locations?
 - Quantified numbers of units? How would a local government determine this?
 - Categorical levels of each unit: high/medium/low need of housing in certain locations? How would a local government determine that?
 - Narrative of where housing should be planned for?
- Are there any ways to create **safe harbors** around the fair housing issue areas with direct nexus with housing locations?
- **How would DLCD evaluate** the following translation from housing production target to housing locations?

Mock Translation into Housing Locations - quantified

- 350 homes (built for people with physical disabilities) that are walkable and rollable to transit and other community assets
- 1,070 homes (affordable to extremely low, very low-, and low-income households and affirmatively available to households of a diverse set of races) in Racially & Ethnically Concentrated Areas of Affluence
- 890 homes (affordable at all affordability brackets with wealth-building opportunities) in Racially & Ethnically Concentrated Areas of Poverty
- 1,640 homes (affordable at all affordability brackets) in mixed-use areas
- 720 homes (with four or more bedrooms) within 15 minutes walking distance of K-12 schools

Mock Translation into Housing Locations – magnitude of need: high, medium, or low

- High: Affordable homes affirmatively available to households of a diverse set of races in racially and ethnically concentrated areas of affluence; affordable homes with wealth building opportunities in racially and ethnically concentrated areas of poverty
- Medium: Homes in mixed used areas
- Low: Homes in suburban areas with proximity to schools and educational resources

**Mock Translation into Housing Locations– narrative**

City X's housing needs call for a diverse array of locations tailored to meet the demands of various demographics. High-need areas include urban centers, where accessible amenities and services are essential for residents with disabilities. Medium-need locations focus on neighborhoods with recreational opportunities to support mental well-being. Low-need areas prioritize suburban settings with family-friendly amenities and educational resources to accommodate larger households.

Path A , No DLCD Direction <i>Show Your Work</i>	Path B1 , DLCD Direction <i>Could do</i>	Path B2 , DLCD Direction <i>Can't do</i>
<ul style="list-style-type: none">Local jurisdictions may translate the housing production targets into any set of housing locations so long as reasoning and analysis is provided.	<ul style="list-style-type: none">DLCD provides a safe harbor, which could come in a number of forms:<ul style="list-style-type: none">A list of preferred housing locations based on common needs leaning on the fair housing issue areasData sources and concentration thresholds to help jurisdictions identify areas with a magnitude of need for housing locations	<ul style="list-style-type: none">DLCD defines a number of unacceptable translations, for example:<ul style="list-style-type: none">Locating housing, especially affordable housing, prone to natural disasters is prohibited.Locating housing developments that perpetuate patterns of segregation or concentration of poverty, thus contradicting the principles of affirmatively furthering fair housing, is prohibited.



PART 2: HPS Strategy Selection to promote the production of the identified housing types, characteristics, and locations

After a jurisdiction has determined the housing types, characteristics, and locations it needs to plan for over its 6- or 8-year HCA/HPS planning horizon, for the purposes of the Housing Production Strategy report the jurisdiction must then develop a suite of housing production strategies that are intended to effectively promote the production of the housing needed and identified, and particularly for whom that housing needs to serve so that the strategies affirmatively further fair housing. The process for strategy selection, and consequently the process for evaluating the selected strategies, is currently largely undefined in the HPS program, other than that the strategies must be responsive to the identified housing need and must collectively seek to further a number of fair and equitable housing outcomes.

NOTE: DLCD will be developing adoption-ready strategies in late 2024 and into 2025. These will be available for jurisdictions regardless of where the rule framework lands in terms of specificity or safe harbors related to strategy selection.

DISCUSSION QUESTIONS

- In **what format**, regardless of where across the spectrum from guidance materials and best practices to a safe harbor this is described, could or should the strategy selection process be anchored?
 - Existing or iterated Fair Housing Framework scenario quadrants from [OHNA Legislative Recommendations Report](#) (p. 39)
 - Equity indicator scenarios, combining multiple indicators to depict likely scenarios/trends with paired suggested strategies
 - HPS Menu with tags for what issues could be responded to with each strategy
 - Universal set of most effective strategies – safe harbor could be to adopt in full, or a certain number of them
- Are there any ways to create a **safe harbor** around strategy selection? If so, is there a universal set of strategies that are so clearly applicable to all jurisdictions that the safe harbor should be all, or for example 10 out of 15, of these universal strategies? Or should the safe harbor still require responsiveness to local context; needs analysis findings; and needed housing types, characteristics, and locations?

PART 3: Integrating the HPS “Translation” with the Housing Capacity Analysis

The translation of the 6- and 8-year housing production targets into a mix of housing types, characteristics, and locations would also apply to the Development-Ready Lands Analysis that is now required at the time of the Buildable Lands Inventory (BLI) due to OHNA. The BLI is part of the Housing Capacity Analysis (HCA), which is an exercise that originated as a piece of the urbanization process and was used to determine capacity for housing development within an existing urban growth boundary. The HCA will now also include the Development-Ready Lands Analysis, which is not part of the question of the urban growth boundary assessment, but actually on the same housing production target cycle as the HPS and directly related to increasing development-readiness of lands within the urban growth boundary for the purposes of accommodating the needed housing types, characteristics, and locations over the 6- or 8-year cycle. Separately, the HCA has and will continue to require an assessment of housing needed over a 20-year planning period, and it is that housing need which is combined with the BLI to determine the sufficiency of the



current urban growth boundary. The HCA historically has used independently calculated and projected housing need amounts for this analysis. With the OHNA, the HCA will now be using the state-issued housing need allocations, which will be calculated for the 20-year planning period.

While it is primarily within the scope of the Capacity & Urbanization Technical Advisory Committee (CAUTAC) to make recommendations regarding the HCA, given the NAPTAC's deep exploration of the question of how to translate the housing production targets into housing types, characteristics, and locations for a 6- and 8-year HPS cycle, this item is relevant for the NAPTAC to consider.

DISCUSSION QUESTIONS

- Can the translation process for turning the housing production targets into a mix of housing types, characteristics, and locations; whether inclusive of more direction like a safe harbor or “no-go” translations or not; be the same translation process for the housing allocations of 20-year need for the HCA? If so, should it? In other words, can the translation process be the same for both analyses, with the only difference being the numbers a jurisdiction is starting with?
- If not, what are the considerations for the translation process that differ when the 20-year allocation is being translated for the HCA instead of when the 6- or 8-year housing production target is being translated for the HPS? Do you understand the need for predictability or safe harbors any differently between the HPS and the HCA?