



Oregon

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January 18, 2024

Brian Martin, Long Range Planning Manager
12725 SW Millikan Drive | PO Box 4755
Beaverton, OR 97076
Sent via e-mail



RE: Review of City of Beaverton Housing Production Strategy

Dear Long Range Planning Manager Martin,

On September 21, 2023, the Department of Land Conservation and Development (DLCD or Department) received a submittal from the City of Beaverton 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 September 25, 2023. Upon the close of the public comment period on November 9, 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 and the Department has included evaluations of the comments in this review letter.

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 Beaverton's Housing Production Strategy, the department must make a final decision by January 23, 2024. 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 Beaverton'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 two (2) conditions of approval as 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 Beaverton's Housing Needs Analysis (HNA) and Housing Production Strategy were conducted sequentially within the same year. Between both reports, they include all elements necessary to be compliant with OAR-660-008-0050(1). Appendix C "Contextualized Housing Needs Memo" of the city's HPS and Appendices B "Current Housing Needs Equitable Housing Needs Estimate" and C "Projected Future Housing Needs" of the city's HNA include demographic and socio-economic characteristics of the city, housing market conditions, affordability metrics disaggregated by race and ethnicity, an analysis of existing programs and market development supporting need and identification of need not expected to be served by existing programs nor market development.

Appendix C "Contextualized Housing Needs Memo" of the city's HPS in particular inventories the city's priority populations which include state and federally protected classes as well as income levels and assesses the housing need for each group, including a risk assessment for the likelihood of the need going unmet by market forces without additional support. The level of detail in contextualizing the types, locations, and characteristics of housing need for various populations and income levels is outstanding and DLCDC commends the city's work to deeply understand the housing need in its jurisdiction.

Appendix D "Summary of Existing Housing Measures" of the HPS lists and describes many existing programs the City has in place and actions the City has taken to further fair housing outcomes and increase production, affordability, and choice in Beaverton. This appendix does not identify existing barriers to the development of Needed Housing. In the Evaluation of Housing Strategies and Actions appendix of the HPS, the strategy by strategy analysis at times includes mention of reducing or removing barriers via the strategy, either in the Description or Impact sections. The MUPTE and ADU Analysis Memo in the appendix of the HPS also speaks to barriers to the production of Needed Housing. While the HPS is found to meet the requirements of OAR-660-008-0050(1)(a)(D), the Department recommends future HPSs include a review of all barriers to the development of Needed Housing.

In particular, the key groups of community members with unmet housing need in Beaverton that are at high risk of remaining unmet include extremely low income households, very low income households, People of Color, people with one or more disabilities, people experiencing homelessness, and immigrants and refugees.

Appendices B "Current Housing Needs Equitable Housing Needs Estimate" and C "Projected Future Housing Needs" of the city's HNA discuss current and projected housing tenure, noting that Beaverton's projected distribution of housing tenure is 53% owner-occupancy and 47% rental, still underperforming when compared to Washington County and the State of Oregon in homeownership but aiming to increase homeownership opportunities previously denied to priority populations and increasing the percentage of homeownership households up from 50% currently. The HNA includes additional data including rental vacancy rates and the change in the cost of ownership and rental housing in the City over time, meeting and in some cases exceeding the goal of contextualizing Beaverton's housing need.

(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 Beaverton pulled from a variety of engagement work completed in past housing related planning projects including the city's Housing Five-Year Action Plan; Community Vision Plan; and Diversity, Equity, and Inclusion Plan as linked in what appears as Appendix H (though is outlined in the Table of Contents as Appendix I) titled "Engagement Summary" in the HPS. The city also conducted engagement as part of the HPS process outlined in Appendix H/I "Engagement Summary" of the HPS report. The engagement program that was part of the development of the HPS contained various engagement tactics including existing city committee and technical advisory groups, interviews with community members with support from community partners, meetings with priority group partners, outreach at community events, focus groups, an online survey, the project website, and newsletter and email notifications. The Appendix lists stakeholders engaged, encompasses both Consumers of Needed Housing and Producers of Needed Housing, and summarizes the feedback received from various stakeholder groups and types of outreach.

OAR 660-008-0050 (2)(c) requires the inclusion of "A description of how the information from stakeholders influenced implementation of Housing Production Strategies adopted by the city..." In the Stakeholder Impact summary in Appendix H/I of the HPS, examples of how this feedback shaped strategy selection, particularly in the context of the engagement program during the development of the HPS, were provided. However, this crucial information was absent for the engagement programs related to previous housing planning initiatives, such as the city's Housing Five-Year Action Plan; Community Vision Plan; and Diversity, Equity, and Inclusion Plan.

DLCD identified that overarching themes derived from collective engagement efforts, spanning both past and those integrated into the development of the HPS, are indeed reflected in the chosen strategies. However, other than the handful of examples in the Stakeholder Impact summary paragraph, the report lacked explicit details on how these themes were directly linked to the individual strategies. It required additional research and inference by DLCD staff to establish connections between the identified engagement themes and the specific strategies themselves. The broad reflections provided leave a gap in specific information and pose a challenge for a comprehensive understanding of the direct influence of stakeholder input on the adoption of Housing Production Strategies by the City.

Nevertheless, it is evident that a considerable number of the chosen strategies align with overarching themes identified through community engagement. These themes encompass enhancing affordability, increasing access to multigenerational and accessible housing, increasing opportunities for homeownership, utilizing financial incentives to bolster production, mitigating development obstacles, and allowing for sheltering options for unhoused residents. These strategies and others address many of the concerns pinpointed through the engagement process.

However, there is feedback included in Appendix H/I “Engagement Summary” that appears to not have resulted in any strategies that alleviate or remedy the challenges named. Some examples include feedback concerning challenging landlord communication and relationships that disrupt housing experiences, dysfunctional processes for requesting reasonable accommodations for accessibility needs, and the need for the ability to bring pets into the housing options available. Appendix D – Summary of Existing Housing Measures does include both fair housing education for landlords and tenants in multiple languages as well as the Analysis of Impediments to Fair Housing Choice work that the City planned to conduct in partnership with other jurisdictions in 2023. The City’s existing work to advance fair housing is clear. The City, community, and stakeholders may benefit from clear lines in future HPS reports between engagement feedback received and both existing programs and planned strategies.

In the context of this evaluation, DLCD concludes that OAR 660-008-0050 (2)(c) is satisfied. However, for future HPSs the Department recommends the City establish a clear and thorough connection between community engagement programs, both past and present, and the strategies chosen. This should be done in a way that does not necessitate DLCD staff interpretation or additional research, ensuring a more transparent and direct correlation between stakeholder input and the selected strategies in future reports.

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. Appendix H/I “Engagement Summary” includes this important reflection with thoughtful ideas for future improvement opportunities and therefore DLCD finds that OAR 660-008-00050 (2)(d) is met. Additionally, while many of the feedback items throughout the engagement summaries do appear to have been incorporated into the City’s selected strategies, future HPS reports would benefit from a closed loop engagement process that addresses feedback that is not successfully served by existing programs and did not result in a mitigating or remedying strategy.

(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 20 strategies to meet the City's identified housing needs, three of which have been designated as longer term strategies that the City may consider implementing beyond Fiscal Year 2028. These strategies are summarized in the Strategies and Actions chapter of the HPS report and are further detailed in an appendix to the report titled Evaluation of Housing Strategies and Actions that is referenced in the Table of Contents as Appendix F but is not labeled as such where it appears. Collectively the chapter and related appendix largely satisfy the requirements set forth in OAR 660-008-0050(3).

In Appendix F of the report, the City evaluates each strategy by considerations regarding the respective strategies' application and outcomes; populations, income levels, and housing tenures served by the strategy; overall magnitude of impact assessment of each strategy on a spectrum of low, moderate, and high; an overall time frame and anticipated time frame for impact for each strategy; the implementation actions necessary for each strategy, and the partner stakeholders related to each strategy. A summary table illustrating these analysis points was not included and, while not required, is emerging as a best practice for future HPS reports. Instead of excerpting a summary table in this review, an excerpt of the list of selected strategies is included below.

Near-term strategies (1-2 years)

- 2.3. Remove minimum off-street vehicle parking requirements
- 5.2. Increase engagement with community groups
- 1.5. Mixed housing types in urban growth boundary expansion area
- 3.1. Housing Development Fund
- 3.2. Construction Excise Tax (CET)

Medium-term strategies (3-5 years)

- 1.2. Increase development flexibility and capacity in multi-dwelling and multiple-use districts
- 2.5. Align bike parking requirements with actual use
- 2.7. Advocate for condominium law reform to enable more homeownership opportunities
- 4.1. Multiple Unit Property Tax Exemption (MUPTE).
- 1.1. Broaden allowances for safe, overnight sheltering options for unhoused residents
- 1.3. Facilitate Single Room Occupancy (SRO) housing in more areas
- 1.7. Encourage housing that serves multigenerational households through incentives and removing code barriers
- 2.4. Flexible regulatory concessions for affordable housing
- 1.4. Apply manufactured housing community preservation zones
- 1.6. Accessible design incentives or mandates
- 5.1. Public/private partnerships for affordable homeownership
- 1.8. Analyze impact of short-term rentals on overall housing supply and create regulations

Longer term strategies (6+ years)

- 2.1. Permit-ready plan sets for middle housing types
- 2.2. Facilitate and encourage accessory dwelling units
- 2.6. Holistic planning to distribute new density more equitably

The strategies range in these categories: serving various or all incomes, working with various lead partners, expecting small to large impacts on needed housing production, serving owner-occupancy and/or rental tenure, and supporting needed housing production from various angles. The strategies are grouped into three time frames for implementation: Near-term, Medium-term, and Longer term. DLCD expects to see increased timeline specificity in future HPS reports, explicitly identifying a timeline for adoption and a timeline for implementation of each of the strategies as directed by OAR 660-008-0050(3)(b-c). In future HPS reports, the use of these broader time frames could meet OAR 660-008-0050(3)(d)(D)'s charge to identify a time frame over which the strategy *is expected to impact* Needed Housing (emphasis added). In the case of OAR 660-008-0050(3)(b-c)'s direction for timelines for both adoption and implementation, specific timelines are necessary in order to offer accountability to community members and stakeholders and track City progress throughout the HPS six-year period, including when the City submits its three-year, mid-cycle narrative report to the department under OAR 660-008-0060. Appendix F's analyses of all strategies did include context to the time frames included based on the City's actual abilities, existing

processes, and dependencies required to complete prior to implementation. In this way, DLCD praises the rooting of the HPS work in realistic and achievable contexts.

OAR 660-008-0050(3)(d)(C) calls for an analysis of the income and demographic populations that are anticipated to receive benefit or burden from the Housing Production Strategy. The strategy by strategy analyses in the Evaluation of Housing Strategies and Actions memo include identification of populations expected to be served by the given strategy. The analyses of burdens appears at times embedded in the “Considerations” section of the analysis format. To increase clarity for all stakeholders, the Department recommends clearly highlighting the populations who are anticipated to be burdened analysis in its own presentation. The Department also recognizes the presence of additional narrative notes on potential burdened populations for some of the strategies in the Strategies and Actions chapter of the HPS. Collectively, all of this information satisfies the requirement of OAR 660-008-0050(3)(d)(C).

Finally, although the Housing Production Strategy (HPS) categorizes each strategy based on the estimated potential magnitude of impact, there is an absence of estimates regarding the anticipated number of housing units to be created through the implementation of each strategy. As the implementation of the Oregon Housing Needs Analysis program progresses, it is recommended that the City incorporates these essential estimates in future Housing Production Strategies. This inclusion would provide a more comprehensive understanding of the expected outcomes and timelines associated with the strategies outlined in the HPS, contributing to enhanced transparency and effectiveness in housing planning efforts and iterations.

(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

The Location of Housing subsection in the HPS report's Achieving Fair and Equitable Housing Outcomes chapter identifies six of its selected strategies as supporting the charge of OAR 660-008-0050(4)(a). These strategies include plans to facilitate density and availability of that dense housing to state and federal protected classes like Single Room Occupancy (SRO) in more areas, flexible regulatory concessions for affordable housing, and a Multiple Unit Property Tax Exemption (MUPTE) program. These strategies also include a “Holistic planning to distribute new density more equitably” strategy, noted as Strategy 2.6 and identified as a long-term strategy. The City's long-term strategies are defined as strategies “that the City may consider implementing beyond Fiscal Year 2028,” six or more years out.

DLCD shares a concern submitted by public comment which notes that identifying Strategy 2.6 Holistic Planning to Distribute New Density More Equitably as a long-term strategy to be considered for implementation beyond Fiscal Year 2028 misses vast opportunities in the near-term and medium-term strategies, many of which are focused on development and production, to distribute new housing density more equitably. While it is noted that Strategy 4.1 Multiple Unit Property Tax Exemption (MUPTE) “*can* also be targeted to amenity- and service-rich parts of the city” (emphasis added), waiting to begin the holistic planning work until six or more years beyond the implementation of 18 of the 20 of the strategies in the HPS is likely to render the strategy itself obsolete for this cycle of the HPS program.

To ensure that the new housing density expected to be produced and planned in the near-term and medium-term is distributed as equitably as possible, it is recommended that the city expedite the implementation of Strategy 2.6 as a near-term strategy, utilizing the concurrent work on near-term and medium-term strategies to successfully execute the holistic planning work that is identified in Strategy 2.6.

Condition of Approval #1: DLCD requests the City take action to advance the adoption and prompt implementation of Strategy 2.6 as a Near-term strategy. The City should report these actions taken to adopt and promptly implement Strategy 2.6 in its three-year, mid-cycle narrative report per OAR 660-008-0060 for DLCD staff review.

(b) Fair Housing

The Fair Housing subsection in the HPS report's Achieving Fair and Equitable Housing Outcomes chapter notes that several of the City's selected strategies further Fair Housing goals by addressing disparities in housing needs and access and by creating housing opportunities in racially and ethnically concentrated areas of poverty.

The subsection does not address patterns of integration and segregation. Figure 5.5 in the City's Housing Needs Analysis report illustrates patterns of segregation with a wide range of concentration of BIPOC folx across the City's census tracts, as low as 0-10% of the population and as high as 60-70% of the population. Such a range of concentration of BIPOC residents across census tracts suggests patterns of integration and segregation.

DLCD finds that the City has largely satisfied the requirements of OAR 660-008-0050(4)(b), however particularly given the evidence of racial segregation across the City's census tracts, the Department expects the City to include housing production strategies in future HPS reports and in the process of its current Goal 10 activities that work to address patterns of segregation and integration and foster inclusive communities free from barriers that restrict access to opportunity based on protected class within the City. This gap in the HPS report exemplifies the need for the equitable distribution of housing and underscores the reasoning behind the Department's request to identify Strategy 2.6 Holistic Planning to Distribute New Density More Equitably as a Near-term strategy rather than a Longer term strategy.

The Fair Housing subsection in the report also speaks to the existing City actions which complement the City's selected strategies in its work to further Fair Housing goals, however its identification of particular strategies that further Fair Housing goals should be more specific in future reports. Additionally, there is a need for the city to integrate its Fair Housing work, as outlined in the Washington County Consortium's Analysis of Fair Housing Choice (AI), to establish a stronger connection between fair housing initiatives and the City's overall housing planning goals. The subsection identifies Strategy 5.2, Increase engagement with community groups, in particular as a pathway for furthering Fair Housing in its Goal 10 work. The subsection also references other strategies more broadly in referencing the strategies outlined in other subsections like Affordable Rental and Homeownership and Housing Choice. While the City has taken an equity approach to lead with race, only two of the City's seventeen Near-term and Medium-term strategies are explicitly noted as being likely to specifically benefit communities of Color.

As the City's Goal 10 work progresses DLCD expects to see deeper analysis of the needs of priority populations, and particularly populations of Color, coupled with strategies that serve exactly those needs and are therefore expected to affirmatively further Fair Housing.

(c) Housing Choice

The Housing Choice subsection in the HPS report's Achieving Fair and Equitable Housing Outcomes chapter identifies a minimum of eight strategies which further housing choice in the City along with referencing the suite of strategies listed in the Affordable Homeownership and Affordable Rental Housing subsection. The listed strategies encompass increasing housing choice for low-income communities, communities of color, people with disabilities, and other state and federal protected classes such as age with strategies like accessible design incentives or mandates, encouraging housing that serves multigenerational households through incentives and code barriers, and holistic planning to distribute new density more equitably. While the narrative of this subsection speaks to these strategies serving low-income communities, five of the eight named strategies are noted in the Evaluation of Housing Strategies and Actions appendix as serving 80% Area Median Income households or above.

The City's efforts to meet the directive of OAR 660-008-0050 are clear. In future HPS reports, consistency and clarity in the application of certain goals and outcomes to specific strategies will improve the readability and review process of the report.

(d) Housing Options for People Experiencing Homelessness

The Housing Options for Residents Experiencing Homelessness subsection in the HPS report's Achieving Fair and Equitable Housing Outcomes chapter identifies three strategies aimed at addressing homelessness or intended to reduce the risk of households becoming homeless through the preservation of affordable rental housing (especially that which serves

households with incomes below 30% of the Area Median Income). The strategies named are: broadening allowances for safe, overnight sheltering options for unhoused residents; facilitating single room occupancy (SRO) housing in more areas; and applying manufactured housing community preservation zones. Additionally, the Evaluation of Housing Strategies and Actions included in the appendix of the report highlights partnership opportunities for each strategy, from nonprofit organizations and developers to Washington County and community-based organizations.

While the subsection notes that overnight sheltering options for unhoused residents are not long-term housing solutions, the report and selected strategies fall short of providing potential long-term housing solutions for people experiencing homelessness, including OAR 660-008-0050(4)(d)'s direction to illustrate how the City is partnering with other organizations to promote services that are needed to create Permanent Supportive Housing (commonly abbreviated as "PSH"). The Department does note the mention of PSH in the City's pre-HPS Survey Submission in reference to the potential Financial Resources strategy for the City to encourage the matching of Metro Supportive Housing Services bond funds to support affordable housing projects in the city. PSH does not appear to be noted elsewhere in the HPS report, neither in strategies which could be specifically focused on the development nor as a Needed Housing type that might be funded by fundraising efforts or otherwise incentivized by other strategies. Particularly in the context of public comment which highlighted the need for continued efforts to support affordable rental housing, DLCD recommends the City consider pursuing strategic partnerships to support long-term housing options for people experiencing homelessness in addition to the already adopted strategy supporting shelter as a short-term option.

(e) Affordable Homeownership and Affordable Rental Housing

The Affordable Homeownership and Affordable Rental Housing subsection in the HPS report's Achieving Fair and Equitable Housing Outcomes chapter identifies eight strategies which span both the charge of furthering affordable homeownership opportunities and furthering affordable rental housing opportunities. Among these strategies are plans to pursue a Construction Excise Tax (CET), establish a Housing Development Fund, implement a Multiple Unit property Tax Exemption (MUPTE) program, and institute flexible regulatory concessions for affordable housing. The subsection also speaks directly to the historical exclusion of communities of Color from homeownership by racist policies and practices, noting that Beaverton is working specifically to address these patterns of exclusion.

Public comment was submitted stating concern regarding the City's stated projection of 53% owner-occupied households and 47% of rental households, which in the report is noted as a shift from the status quo of 50% and 50%. DLCD does not find these concerns substantiated by the statutes and rules governing and directing Goal 10 work in Oregon. The City illustrates that it is underperforming in its share of owner-occupied households as compared to Washington County and the State of Oregon, and even at the 53% and 47% tenure distribution, it will continue to underperform. The report makes clear that pursuing both

affordable rental housing and affordable homeownership housing are priorities of the City, and the strategies outlined span both tenures of housing.

Public comment also asserts concerns that because 32% of new households are expected to be low income that the 53% and 47% tenure distributions are unrealistic and counterproductive, and furthermore that stable and affordable rental housing at adequate levels should be seen as a prerequisite for meeting the City's homeownership goals. DLCD does not find these concerns substantiated by the statutes and rules governing and directing Goal 10 work in Oregon. There is no required sequencing of any of the housing goals, and in actuality they are intended to be acted upon concurrently with one another.

Additionally, the public comment appears to assert that low-income households will not be served by homeownership opportunities and must only be served by rental housing stock. The Department applauds the City for countering this narrative in their work to redress housing discrimination in Oregon, particularly as it has excluded many low-income households and especially households of Color from homeownership and its wealth building opportunities. The Department looks forward to seeing the City's progress in the production of homeownership opportunities for low-income households and households of Color alongside its work in producing affordable rental housing.

In this subsection the City identifies the utility of partnering with culturally-specific organizations, targeting programs to certain geographies with higher proportions of people of Color, using equitable engagement strategies to reach diverse communities, and potentially incorporating eligibility or preference policies for housing where specific to redressing past harms. The Department finds this work exemplary and advises it be extended to all opportunities throughout the City's strategies as explicitly as it appears in this subsection.

(f) Gentrification, Displacement, and Housing Stability

The Gentrification, Displacement, and Housing Stability subsection in the HPS report's Achieving Fair and Equitable Housing Outcomes chapter identifies both existing housing programs in the City of Beaverton and strategies included in the report as tools that increase housing stability and decrease displacement. The strategies listed in the Affordable Homeownership and Affordable Rental Housing subsection are referenced as being applicable to increased housing stability and anti-displacement goals via the development of stable and affordable housing options within the City. Developing new housing that is stable in its rental or ownership model contributes to this subsection's goal, however existing housing will continue to be the City's majority of housing for many years to come, and increasing focus on preventing displacement from existing housing will support meeting this subsection requirement in future strategy selections and reports.

Existing programs like emergency rent and eviction prevention assistance, home repair services, and stabilizing land in gentrifying areas through reuse and acquisition all serve to increase housing stability and prevent displacement. The City is commended for its existing

programs in this area. New strategies like applying a manufactured housing preservation zone go further to prevent displacement, particularly for priority populations.

The narrative of this subsection posits that the anti-displacement measures, when targeted to gentrifying areas, mitigate the effects of gentrification. Anti-displacement measures targeted in gentrifying areas like the City's land acquisition program through the Beaverton Urban Redevelopment Agency to prevent displacement and the reuse of publicly owned land for affordable housing can decrease displacement out of an entire neighborhood or community after displacement from a particular residence by accessing alternative affordable housing within the area. Additionally, the impacts of gentrification reach beyond displacement and into the loss of social and cultural capital and resources, sharp increases in the cost of living due to commerce and property tax rises, and other impactful consequences of gentrification. As the City continues to develop its programs and strategies, the Department encourages the inclusion of strategies to mitigate gentrification not only in anti-displacement work, but also beyond.

The City has identified two strategies which may increase the likelihood of displacement and has noted that the City will need to ensure that the implementation of those strategies is matched with the anti-displacement strategies listed above. This analysis of the strategies not only for those which satisfy the criteria of achieving fair and equitable housing outcomes but also for the strategies which may jeopardize those goals is a model for these analyses moving forward.

(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;

In the Evaluation of Housing Strategies and Actions memo included in the appendices of the report each strategy is described and analyzed in a consistent format. This format includes a "Considerations" analysis where bullet points of various considerations, which in practice range between opportunities, constraints, negative externalities. While evaluation of the Considerations section of each strategy does yield insights into the opportunities and some constraints and negative externalities associated with each strategy, the aggregated presentation of this information creates a challenge for clearly identifying the negative externalities, constraints, and opportunities as distinct from one another and easily referenced. In the evaluation of strategies, the negative externalities assessment is a particularly critical step in reaching desired equity outcomes that minimize or eliminate negative externalities of selected strategies.

While the Department finds that the report does meet the requirements of OAR 660-008-0050(5)(a), future HPS reports should clearly differentiate between opportunities, constraints, and negative externalities to satisfy the rule. Examples of excellent work in meeting the requirements of this rule have included tabled analyses for multiple specific types of

opportunities, constraints, and negative externalities. Some analytical categories for consideration include: specific unmet needs, long-term affordability, staff capacity and other resource constraints, and displacement risks.

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

Throughout Appendix F “Evaluation of Housing Strategies and Actions” the analyses of each of the City’s strategies include implementation actions and established or potential partners associated with successfully implementing the strategy. As the City proceeds into implementation, the City should share Exhibit 12 with each of the identified partner 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 City includes a final chapter in the body of the HPS report titled “Monitoring Progress” that describes the actual monitoring data points for multiple types of HPS implementation work: permitted/constructed housing units; construction excise tax, if adopted; programs, partnerships, and adoption actions; and outreach. Beaverton has done an exemplary job in assessing and identifying the data points which it intends to collect and report on to fulfill its monitoring and reporting obligations and the Department commends this foresight and planning.

Condition of Approval #2: DLCD is particularly interested in how the City will monitor the implementation of the proposed strategies on an annual basis as described in Exhibit 13. DLCD requests that, at the time the City submits its three-year, mid-cycle narrative 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 Beaverton submitted a survey to meet the requirements of ORS 456.586 to DLCD on 1/3/2022 and attached it in Appendix I with the submitted HPS.

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, Celestina Teva, at 503-383-6816, or at celestina.teva@dlcd.oregon.gov if you have any questions or need further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Ethan Stuckmayer", with a stylized, cursive script.

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

Cc: Brenda Bateman, DLCD
Kirstin Greene, DLCD
Laura Kelly, DLCD
Ingrid Caudel, DLCD
Mari Valencia-Aguilar, DLCD
Celestina Teva, DLCD



November 8, 2023

Dept. of Land Conservation and Development
Housing Division
635 Capitol Street NE, Suite 150
Salem, OR 97301

Re: City of Beaverton Housing Production Strategy (HPS)

This letter is submitted jointly by Housing Land Advocates (HLA) and the Fair Housing Council of Oregon (FHCO). Both HLA and FHCO are non-profit organizations that advocate for land use policies and practices that ensure an adequate and appropriate supply of affordable housing for all Oregonians. FHCO's interests relate to a jurisdiction's obligation to affirmatively further fair housing. Please include these comments in the record for the City of Beaverton Housing Production Strategy.

HLA and FHCO commend the staff of the City of Beaverton for their diligent work in analyzing the housing needs for current and future residents. The HPS does a particularly exceptional job at contextualizing the housing needs of underserved populations, as well as identifying specific strategies to meet these needs. However, we have some concerns that the strategies will not adequately meet the demand for affordable units in appropriate locations.

We emphatically support the City's equity-focused housing strategies, including making planning processes more inclusive, reducing barriers to multigenerational housing, and raising standards for accessible design and construction. We also support the City's intention to broaden shelter options and stabilize housing for those vulnerable to becoming homeless. These policies on their own, however, will not result in fair and equitable housing outcomes. The HPS lists efforts to increase density and housing mix in existing multi-residential and multi-use zones, as well as recent UGB additions. A policy of "holistic planning to distribute new density more equitably" is listed as a long-term strategy, ensuring that new housing opportunity in the short term will continue to be concentrated in areas which may lack economic opportunity.

We are also concerned about the City's stated intention to shift new housing production towards owner-occupied units over rental units (53% v. 47%). We understand that these numbers are based on a goal of achieving greater equity in homeownership, and this is certainly a worthwhile effort, however it seems unrealistic and counterproductive when looking at the existing need when 32% of new households are expected to be low income. Stable and affordable rental housing at adequate levels should be seen as a prerequisite for meeting the City's homeownership goals.



Please provide written notice of your decision to, FHCO, c/o Samuel Goldberg, at 1221 SW Yamhill Street, #305, Portland, OR 97205 and HLA, c/o Jennifer Bragar, at 121 SW Morrison Street, Suite 1850, Portland, OR 97204. Please feel free to email Samuel Goldberg at sgoldberg@fhco.org or reach him by phone at (503) 223-8197 ext. 104.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Samuel Goldberg".

Samuel Goldberg
Education & Outreach Specialist
Fair Housing Council of Oregon

A handwritten signature in black ink, appearing to read "Jean Dahlquist".

Jean Dahlquist
Board Member
Housing Land Advocates