



Defining ‘Needed Housing’ in the Oregon Housing Needs Analysis

Introduction and Context

The Oregon Housing Needs Analysis (OHNA) has been codified into law with the intent to facilitate housing production, affordability, and choice to meet housing needs for Oregonians statewide. The OHNA represents the most significant revision to the state’s housing planning system since its inception 50 years ago. **The entire state is experiencing a housing crisis.** The Oregon Legislature and Governor Tina Kotek have directed the Department of Land Conservation and Development (DLCD) to iterate housing planning in the state **to ensure that all Oregonians have access to safe, affordable housing in their communities of choice that meets their needs.**

The OHNA changes how Statewide Land Use Planning Goals 10 (Housing), and Goal 14 (Urbanization) are implemented (described in a separate policy brief, available at the link on the next page), and will also affect programming and procedures at the Oregon Housing and Community Services (OHCS) Department and the Oregon Department of Administrative Services (DAS).

DLCD is leading a public rulemaking process to integrate the OHNA into the Oregon Administrative Rules (OARs) overseeing the Statewide Land Use Planning system. DLCD staff will write the rules under guidance from a Rulemaking Advisory Committee (RAC) and three Technical Advisory Committees (listed below). The Land Conservation and Development Commission (LCDC) will adopt the final rules.

1. Housing Needs and Production Technical Advisory Committee (NAPTAC): Incorporating the OHNA into local housing planning (rules must be adopted January 1, 2025)
2. Housing Accountability Technical Advisory Committee (HATAC): Addressing barriers to make progress towards outcomes (rules must be adopted January 1, 2025)
3. Housing Capacity and Urbanization Technical Advisory Committee (CAUTAC): Facilitating development-ready land to support production (rules must be adopted January 1, 2026).

What Does the Law Say About Needed Housing?

Oregon has long had a needed housing statute. 2023’s House Bills 2001 and 2889 changed the definition of “needed housing” to add more types of housing and groups of people named in the definition, discussed below. The OHNA is intended to shift how state and local governments think about and make policy decisions about “needed housing” and empower local governments to develop policies that support a diversity of housing types, characteristics, and locations. The change in the needed housing statute broadens the definition of needed housing to include middle housing and accessible housing.



Want to Get Involved and Stay Informed about the OHNA?

The OHNA is a brand new set of laws that affect housing provision for Oregonians. Many of the decisions and ideas described in this document will be finalized over the 2024-2025 time period. DLCD recruited and began meeting with its Advisory Committees in Fall 2023, but there are many ways to get involved and stay informed about the process.

Visit DLCD's [housing rulemaking webpage](#) for additional policy briefs describing

- What is the OHNA
- How the OHNA will be implemented
- How the OHNA will change Statewide Land Use Planning Goals 10 and 14

To Get Involved and Stay Informed About the OHNA

- See [DLCD's housing rulemaking webpage](#)
- Sign up for process updates at DLCD's housing rulemaking [GovDelivery](#)
- Reach out to DLCD's Housing Division with questions and comments at housing.dlcd@dlcd.oregon.gov.

The legislation specifies groups of people more likely to have unmet housing needs and types of housing that are needed, including:

- Detached single-unit housing, middle housing types, and multi-unit attached housing that is owned or rented;
- Mobile home or manufactured dwelling parks;
- Manufactured homes on individual lots planned and zoned for single-unit residential use that are in addition to lots within designated manufactured dwelling subdivisions; and
- Single room occupancy housing.

The groups and people specified in the definition of needed housing are:

- Households with low income (Government assisted housing)
- Agricultural workers;
- Individuals with a variety of disabilities, related to mobility or communications that require accessibility features;
- Older persons; and
- College or university students, if relevant to the region.

Needed housing has attributes such as:

- Affordability level;



- Type;
- Characteristics; and
- Location.

Operationalizing the meaning of these needed housing elements in the Housing Capacity Analysis (HCA) and Housing Production Strategy (HPS) requires developing administrative rules and guidance materials on how needed housing is planned and accounted for in each of these analyses. DLCD is leading the OHNA rulemaking process and is charged with conducting this operationalization work according to the legislatively directed principles from 2023's House Bill 2001 (see Appendix A on page 7).

What Questions will be Explored in the OHNA Rulemaking Process?

The core challenge presented by the new “needed housing” statutory language is how to best support local governments in translating their OHNA allocation (number of net new units by income level) into type, characteristic, and location of those housing units.

Under the previous housing planning system, local governments largely planned for new housing types based on historical trends, which risks perpetuating past and current conditions that are not meeting our communities’ needs for housing choice. It often has resulted in forecasts of relatively large numbers of higher-cost housing types, like single-unit detached housing or expensive multi-unit attached housing, while not adequately addressing needs for lower-cost affordable housing nor many other housing characteristics and locations needed to offer housing choice in a city.

Under the current system, local governments develop and commit to strategies in the HPS report that will support the development of housing that meets the needs of the people who live and will live in the city, considering affordability, accessibility, and other types of unmet housing needs. This system accounts for some types of housing but does not sufficiently account for increasing diversity of housing affordability, characteristics, or locations.

The OHNA substantially refines and details planning for housing in new ways. As a result, the work of the rulemaking is expansive and is charged with answering numerous programmatic and implementation questions. It clarifies that local governments shall determine housing types, characteristics, and locations to accommodate the allocated need and demonstrate that this housing being planned for is:

- Attainable for the allocated housing need by income, including consideration of publicly supported housing
- Appropriately responsive to current and projected market trends
- Responsive to the fair and equitable housing outcomes required as part of the HPS program

In addition, the legislative principles for OHNA rulemaking directs DLCD and LCDC to consider how housing production can support “fair and equitable housing outcomes, environmental justice, climate resilience and access to opportunity,” which have a potential relationship to defining attributes of needed housing types, characteristics, and locations.



The OHNA will result in administrative rules and guidance materials that direct how needed housing will be addressed by local governments in their HCA and HPS. Understanding and planning for needed housing is accomplished in the following ways in these planning documents:

- The HCA results in a forecast of new housing, which will be based on OHNA allocation. An HCA forecast includes the type of unit and level of affordability, which must align with the definition of needed housing. The HCA could incorporate other dimensions of needed housing related to housing characteristics and location.
- The HPS is an action plan that requires local governments to expand their consideration and understanding of housing need from the HCA to identify the characteristics and locations of needed housing. The actions that a local government includes in the HPS report must result in outcomes that address the unmet housing needs of the city.

The following are some of the most pertinent questions that will need to be answered in the OHNA rulemaking process about needed housing. Discussions with the Rulemaking Advisory Committee, NAPTAC, and CAUTAC, will contribute perspectives, ideas, and issues to shape the draft rules and provide input on guidance about needed housing.

The questions that follow for each element of Needed Housing - Type, Characteristic, Location - are designed to address three primary inquiries for DLCD's rulemaking:

1. What needs to be included in administrative rules or guidance material to empower local governments to make considered, deliberate policy decisions about the type, characteristic, and location of needed housing that the local government will plan for? How can the community members who need housing be involved in a city's policy-making process?
2. What are the practical options and potential methods for local governments to layer their OHNA targets (number of units by affordability brackets) into policy decisions and planning for housing types, characteristics, and locations?
3. What are the considerations and implementation alternatives for the administrative rule or guidance material to incorporate Affirmatively Furthering Fair Housing (AFFH) into the identification of needed housing types, characteristics, and locations?

Translating into Housing Type

- What housing type attributes are important for local governments to consider when planning for needed housing?
 - What are the challenges and benefits of including additional housing types (beyond those in statute) in administrative rule?
- What is the relationship between housing types and affordability at different income levels (defined in ORS 197A.348)?
- Given various contexts of existing housing, development approaches and tenure types, how direct can local governments' assumptions of the relationship between housing types and affordability be?



- Should local governments conduct a financial feasibility assessment to determine likelihood of development of different housing types and tenure types that are affordable at specific income levels? Should this assessment consider different housing development approaches?
 - When and how often should such an assessment take place?
 - What are the tradeoffs of requiring a feasibility assessment?
 - Are there opportunities to create “safe harbor”¹ assumptions to reduce analytical burden associated with feasibility assessments while providing local flexibility?
- What information is needed for translating into Housing Types? Is this information available for all OHNA local governments? What are the implications for local governments with inadequate information?
- How do different housing types contribute to or challenge the goals of AFFH in promoting inclusive communities? Are there specific challenges or benefits associated with detached single unit housing, multi-unit housing, or mixed-use developments in the context of fair housing?
 - Protected classes and discrimination: In what ways can housing types be linked to discrimination against protected classes? Can certain housing types perpetuate segregation or exclusionary practices?

Translating into Housing Characteristics

DLCD is exploring how to best support local governments in translating needed housing into “characteristics”. Characteristics that were discussed in the 2023 legislative process included elements found within individual units, such as number of bedrooms, accessibility or visitability, layout and features, housing units that can accommodate two or more households in the same home.

- What characteristic attributes are important for local governments to consider when planning for needed housing?
 - What are the challenges and benefits of including additional housing characteristics (beyond those in statute) in administrative rule?
- How can or should a local government distinguish among characteristics with a housing type, such as number of bedrooms, number of stories, and other characteristics? How can or should a local government distinguish among and housing construction methods, such as stick built housing, manufactured housing, prefabricated housing, and other construction methods?
 - What are the potential tradeoffs of including these characteristics in Goal 10 or 14 administrative rule?
- Are there opportunities to create “safe harbor” provisions for needed housing characteristics? If so, which attributes are best suited for “safe harbors”?

¹ A “safe harbor” is an optional course of action that a local government may use to satisfy a rule or statutory requirement. A safe harbor is not the only way to comply with a requirement.



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- Are characteristics accounted for in the HCA in any way, and if so, how?
 - Do certain characteristics have a direct or indirect impact on land capacity and land use efficiency?
 - What information would local governments need for an HCA analysis to include needed housing characteristics? Is this information available for all OHNA local governments? What are practical options to address information needs?
 - How can planning for housing characteristics either support the goals of AFFH or present challenges that need to be addressed in order to promote fair and inclusive housing opportunities for all individuals, regardless of their background or protected class?

Translating into Housing Location

- What locational attributes are important for local governments to consider when planning for needed housing?
 - What are the challenges and benefits of including these locational attributes (beyond those in statute) in administrative rule?
 - Are the implications different for HCAs than for HPSs?
- The Legislative principles for OHNA rulemaking (see Appendix A) require consideration of “environmental justice, and climate resilience.”
 - What are the options for administrative rule to guide local governments in their planning and zoning choices that address these types of locational needs?
 - What locational attributes should the HPS rules or guidebook include?
- What are the options for administrative rule to empower local governments to make planning decisions that promote inclusive and integrated communities?
 - What additional rule or guidance is necessary to ensure local governments are thoughtfully considering the relationship between housing development and location?
 - What types of data and metrics can be employed to measure the success of AFFH initiatives in terms of improving access to opportunity, community assets, and transforming living patterns?
 - How can local governments and communities effectively use data (quantitative and qualitative) to identify areas that require targeted interventions and resources?
 - What are the scope of changes needed for the current HPS administrative rule to fully address these locational considerations of housing production?
 - What are the options for addressing any gaps in the current rule?



Appendix A: Principles for Adopting Oregon Housing Needs Analysis Rules

(1) In adopting rules under ORS 197.286 to 197.314 and statewide planning goals relating to housing or urbanization, or administering the rules or statutes, the Land Conservation and Development Commission and Department of Land Conservation and Development shall be guided by the following principles:

- (a) Housing that is safe, accessible and affordable in the community of their choice should be available to every Oregonian.
- (b) Building enough equitable housing must be a top priority.
- (c) The development and implementation of the housing production strategy should be the focal point by which the department collaborates with local governments to address and eliminate local barriers to housing production.
- (d) Expertise, technical assistance, model ordinances and other tools and resources to address housing production should be provided to local governments, using cooperative planning tools embodied in ORS 197.291 and 197.293, but not to the exclusion of the expedient use of enforcement authority, including compliance orders under ORS 197.319 to 197.335.
- (e) Housing production should support fair and equitable housing outcomes, environmental justice, climate resilience and access to opportunity.
- (f) Housing production should not be undermined by litigation, regulatory uncertainty or repetitive or unnecessary procedures.
- (g) Local governments, to the greatest extent possible, should take actions within their control to facilitate the production of housing to meet housing production targets under section 3 of this 2023 Act.

(2) Each public body, as defined in ORS 174.109, shall use its authority to remove barriers to, and to create pathways for, the development of needed housing and shall collaborate with the department and local governments to identify and implement strategies to support housing production where there is insufficient housing production and choice.

(3) In adopting rules implementing ORS 197.286 to 197.314 and statewide land use goals relating to housing and urbanization, the commission may approve a range of methodologies, policy options or assumptions that a local government may adopt in determining:

- (a) Needed housing;
- (b) Housing production strategies or housing coordination strategies;
- (c) Buildable lands or housing capacity;
- (d) Amendments to urban growth boundaries, including under ORS 197.296 (6)(a), 197.299, 197.764 and 197A.300 to 197A.325 and section 22 (5)(a) of this 2023 Act;
or
- (e) Adoption or amendments to urban reserves or rural reserves under ORS 195.137 to 195.145.



Appendix B: Text of ORS 197A.018

The text of ORS 197A.018 reads as follows:

197A.018 Definition of “needed housing.”

- (1) As used in ORS chapter 197A, and except as provided in subsection (2) of this section:
 - (a) “Needed housing” means housing by affordability level, as described in ORS 184.453 (4), type, characteristics and location that is necessary to accommodate the city’s allocated housing need over the 20-year planning period in effect when the city’s housing capacity is determined.
 - (b) “Needed housing” includes the following housing types:
 - (A) Detached single-family housing, middle housing types as described in ORS 197A.420 and multifamily housing that is owned or rented;
 - (B) Government assisted housing;
 - (C) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.493;
 - (D) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions;
 - (E) Housing for agricultural workers;
 - (F) Housing for individuals with a variety of disabilities, related to mobility or communications that require accessibility features;
 - (G) Housing for older persons, as defined in ORS 659A.421;
 - (H) Housing for college or university students, if relevant to the region; and
 - (I) Single room occupancies as defined in ORS 197A.430.
- (2) Subsection (1)(b)(A) and (D) of this section does not apply to:
 - (a) A city with a population of less than 2,500.
 - (b) A county with a population of less than 15,000.
- (3) At the time that a city is required to inventory its buildable lands under ORS 197A.270, 197A.280 or 197A.335 (1), the city shall determine its needed housing under this section.
- (4) In determining needed housing the city must demonstrate that the projected housing types, characteristics and locations are:
 - (a) Attainable for the allocated housing need by income, including consideration of publicly supported housing;
 - (b) Appropriately responsive to current and projected market trends; and
 - (c) Responsive to the factors in ORS 197A.100 (2)(b) to (d). [2023 c.13 §23; 2023 c.223 §19]



Appendix C: Changes from ORS 197.303 to ORS 197A.018

197.303~~197A.018~~ Definition of “needed housing” defined.

(1) As used in ORS ~~197.286 to 197.314~~, chapter 197A, and except as provided in subsection (2) of this section:

(a) “Needed housing” means ~~all housing on land zoned for residential use or mixed residential and commercial use by affordability level, as described in ORS 184.453 (4), type, characteristics and location that is determined necessary to meet/accommodate the need shown for city’s allocated housing within an urban growth boundary at price ranges and rent levels that are affordable to households within need over the county with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes, as those terms are defined by 20-year planning period in effect when the United States Department of Housing and Urban Development under 42 U.S.C. 1437a.city’s housing capacity is determined.~~

(b) “Needed housing” includes the following housing types:

(A) ~~Attached and~~ Detached single-family housing ~~and multiple family housing for both owner and renter occupancy, middle housing types as described in ORS 197A.420 and multifamily housing that is owned or rented;~~

(B) Government assisted housing;

(C) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.~~490~~493;

(D) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; ~~and~~

(E) Housing for ~~farmworkers~~.agricultural workers;

~~(2) For the purpose of estimating housing needs, as described in ORS 197.296(3)(b), a local government shall use the population projections prescribed by ORS 195.033 or 195.036 and shall consider and adopt findings related to changes in each of the following factors since the last review under ORS 197.296(2)(a)(B) and the projected future changes in these factors over a 20-year planning period:~~

~~(a) Household sizes;~~

~~(b) Household demographics;~~

~~(c) Household incomes;~~

~~(d) Vacancy rates; and~~

~~(e) Housing costs.~~

~~(3) A local government shall make the estimate described in subsection (2) of this section using a shorter time period than since the last review under ORS 197.296(2)(a)(B) if the local government finds that the shorter time period will provide more accurate and reliable data related to housing need. The shorter time period may not be less than three years.~~

~~(4) A local government shall use data from a wider geographic area or use a time period longer than the time period described in subsection (2) of this section if the analysis of a wider geographic area or the use of a longer time period will provide more accurate, complete and reliable data relating to trends affecting housing need than an analysis performed pursuant to~~



~~subsection(2) of this section. The local government must clearly describe the geographic area, time frame and source of data used in an estimate performed under this subsection.~~

~~(5)-(F) Housing for individuals with a variety of disabilities, related to mobility or communications that require accessibility features;~~

~~(G) Housing for older persons, as defined in ORS 659A.421;~~

~~(H) Housing for college or university students, if relevant to the region; and~~

~~(I) Single room occupancies as defined in ORS 197A.430.~~

~~(2) Subsection (1)(b)(A) and (D) of this section does not apply to:~~

~~(a) A city with a population of less than 2,500.~~

~~(b) A county with a population of less than 15,000.~~

~~(6) A local government may take an exception,3) At the time that a city is required to inventory its buildable lands under ORS 197.732 to the definition of "197A.270, 197A.280 or 197A.335 (1), the city shall determine its needed housing" in subsection(1) of under this section in the same manner that an exception may be taken under.~~

~~(4) In determining needed housing the goals. [1981 city must demonstrate that the projected housing types, characteristics and locations are:~~

~~(a) Attainable for the allocated housing need by income, including consideration of publicly supported housing;~~

~~(b) Appropriately responsive to current and projected market trends; and~~

~~(c.884 §6; 1983) Responsive to the factors in ORS 197A.100 (2)(b) to (d). [2023 c.795 §2; 198913 §23; 2023 c.380 §1; 2011 c.354 §2; 2017 c.745 §4; 2019 c.639 §6; 2019 c.640 §10a223 §19]~~