

# HOW DOES THE Oregon Housing Needs Analysis Change Statewide Land Use Planning Goals 10 & 14?



The OHNA has been codified into law<sup>1</sup> with the intent to facilitate housing production, affordability, and choice to meet housing needs for Oregonians statewide.

The Department of Land Conservation and Development (DLCD) is leading the implementation process for the OHNA through 2025 in partnership with the Oregon Housing and Community Services Department (OHCS) and the Oregon Department of Administrative Services (DAS). The implementation process is described in a separate policy brief and involves rulemaking guided by several advisory committees, finalizing the OHNA methodology, and setting up a dashboard with publicly available information about housing production and housing outcomes.

## What is Goal 10 — Housing?

Oregon's Statewide Land Use Planning Goal 10 requires local governments to plan for and address housing needs within their community. The goal text summarizes this responsibility:

### Goal 10

**To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.**

Local governments implement Goal 10 primarily through two planning requirements, a Housing Capacity Analysis and Housing Production Strategy. A Housing Capacity Analysis determines whether a city has enough buildable land zoned to sufficient capacity to accommodate housing needs over a twenty-year planning horizon. A Housing Production Strategy is a list of actions a city plans to take over six or eight years to encourage the production of housing to meet need and to affirmatively further fair housing. Together, these requirements create the focal point by which local governments plan for and take action to address need.

## How Does the OHNA Change Goal 10?

At its core, Goal 10 directs state and local governments to:

### Encourage Production

- ◆ Make sure that communities in Oregon have and are building enough equitable housing, offering plenty of housing options must be a top priority.

### Encourage Affordability

- ◆ Work to lower the cost of buying or renting homes, whether they are market-rate or subsidized-affordable housing. The goal is to make it possible for people at all income levels to afford a place to live in the community they choose.

### Encourage Choice

- ◆ Support the production of different types of housing, with diverse characteristics and locations that meet different needs. This way, Oregonians have more options and flexibility in choosing where and how they want to live, based on their individual and household needs and preferences.

Goal 10 provides a clear directive to meeting the housing needs of the people in the state, but addressing housing needs goes beyond estimating the number of needed units or making them affordable. People have unique housing needs based on specific circumstances. Oregon's historically marginalized and underserved populations especially face challenges in accessing safe, accessible, and affordable housing in the community of their choice due to unfair policies and practices.

The OHNA requires local governments to plan for a diversity of housing options in their community, in contrast to the previous system in which local governments project and entrench past patterns into the future. With the implementation of the OHNA, all local governments will receive an allocation of housing need from the state, segmented by affordability level. In contrast to localized needs projections, all communities in Oregon will be responsible for a share of overall need. However, a local government will still need to make a policy determination about the types, characteristics, and location of housing that they plan for to accommodate that need.

The OHNA also includes a major milestone for fair housing planning: all local governments completing a Housing Production Strategy will be required to 'affirmatively further fair housing' and work towards fair and equitable housing outcomes in their community. Integrating fair housing planning into the Housing Production Strategy will be a major policy issue that this process will need to address in rule and guidance materials to local governments.

## Major Refinements to Goal 10 — Housing

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### Forecasts of new units by income level

The OHNA will result in regional forecasts of housing growth resulting from population growth, underproduction of housing, need for housing to address homelessness, and second or vacation homes. The regional forecasts will be of number of units needed by income levels. The OHNA will allocate a housing forecast by income level to every community in the state.

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### Clarifying what “needed housing” is and how it is addressed by cities

OHNA legislation changed the definitions of needed housing. Forecasting the types of needed housing currently occurs in the housing capacity analysis and identifying actions or policies necessary to ensure development of needed housing by characteristics and location may occur in the housing production strategy. Rulemaking will provide input about the methodologies to identify and address needed housing through Goal 10.

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### Integration of Affirmatively Furthering Fair Housing into the housing production strategy

The rulemaking process will identify how the housing production strategy should integrate Affirmatively Furthering Fair Housing into the analysis, identification and implementation of actions, and evaluation of actions in the housing production strategy for achieving more fair and equitable outcomes.

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### Adoption-ready housing strategies

DLCD is directed to develop and refine collaborative tools and resources to support local governments in responding to housing need. The rulemaking process will help identify and develop a series of adoption-ready policies that are ready to adopt or refine to adapt to specific local contexts and priorities.

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### Refinements to methodological approaches for the buildable lands inventory and estimating development capacity

Goal 10 requires each city to inventory buildable lands within an urban growth boundary. The OHNA will clarify issues related to: accounting for housing capacity on partially developed lands; factoring in constraints that make development of land challenging (e.g., wetlands); accounting for constraints on development that inhibit development likelihood; required accuracy of the analysis; and related issues. The refinements should provide greater clarity and certainty to local governments and reduce analytical burden, particularly for small, capacity-constrained cities.

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### Integrate development-readiness into the understanding of housing capacity

State law now requires that cities inventory the capacity of “development-ready land” to ensure they evaluate and take action to facilitate the near-term potential for land to support housing production. The rulemaking process will define the characteristics of development-ready land and provide guidance on estimating capacity of these lands. The rulemaking process will also include approaches to ensure that land within an urban growth boundary is development-ready and include actions in the HPS that facilitate development readiness of land, such as infrastructure financing, public facilities standards, annexation procedures, and more.



## Establish a Housing Acceleration Program

The OHNA requires OHCS to establish and maintain a housing production dashboard and equity indicators, which will monitor outcomes over time. For cities above 10,000 people, DLCD is required to periodically evaluate progress towards outcomes. When a city falls behind in comparison to similar or nearby cities, the city is not punished. Instead, DLCD is required to conduct an assessment to determine what barriers need state or local action or investment to overcome. Once this assessment is complete, the state and local government enter an agreement to take actions within their control to address identified barriers. This full process is referred to as the "Housing Acceleration Program".

## What is Goal 14 — Urbanization?

Oregon's Statewide Planning Goal 14 requires cities to plan for orderly and efficient growth within an Urban Growth Boundary to accommodate community needs, including housing needs. The goal text summarizes this responsibility:

## Goal 14

To provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities. Urban growth boundaries shall be established and maintained by cities, counties and regional governments to provide land for urban development needs and to identify and separate urban and urbanizable land from rural land. Establishment and change of urban growth boundaries shall be a cooperative process among cities, counties and, where applicable, regional governments.

Cities must plan to provide a twenty year supply of land to accommodate identified needs within an Urban Growth Boundary. Where a city identifies a need that cannot be accommodated within the UGB, they must amend the boundary. This process includes evaluating adjacent sites for potential inclusion within the boundary, considering the resource status of the land and the suitability of that land for urbanization.

## How Does the OHNA Change Goal 14?

The OHNA policy included technical refinements to urbanization-related statutes as well as direction to DLCD to generally make the process more accessible for local governments, especially smaller cities, to amend an Urban Growth Boundary to address an identified housing need. If a city's housing capacity analysis shows that the city does not have enough development capacity on buildable lands to accommodate the forecast of housing need, the city is required to:

Evaluate and adopt land use efficiency measures

or

Expand its urban growth boundary

or

Both

Most frequently, cities with a substantial deficit of housing capacity both identify land use efficiency measures to increase development capacity within the existing urban growth boundary and expand their urban growth boundary.

## Major Refinements to Goal 14 — Urbanization

### Clarify land use efficiency measures options and methodologies

Before expanding their urban growth boundary, a city evaluates opportunities to increase development capacity within the existing urban growth boundary area. The rulemaking process will clarify the types of policies that are land use efficiency measures, evaluate options to reduce procedural redundancy or delay, and address questions related to estimating increases in housing capacity from land use efficiency measures.

### Increase certainty in the urban growth boundary amendment and exchange process

Cities are required to amend an urban growth boundary where a land need is identified. Cities also can conduct an analysis to move land within the urban growth boundary to outside of the boundary and bring land with equivalent development capacity into the urban growth boundary. The rulemaking process will identify ways to provide analytical flexibility and reduce uncertainty in these processes.

### Facilitate adoption of urban and rural reserves for non-Metro cities

Cities can currently adopt urban reserves, which are areas identified for future inclusion in the urban growth boundary, to accommodate growth for the next 21 to 50 years. Urban reserves help provide certainty and reduce analytical requirements when a city needs to amend a UGB. Cities can also adopt rural reserves, which are areas that the city does not expect to urbanize for at least 50 years. The rulemaking process will provide clarity on: the relationship between the 20-year urban growth boundary land need and the 50-year urban reserve land need; protection of agricultural land; clarification of non-resource land; and need for greater certainty for development potential and utility access in urban reserve areas.

1. See House Bills [2001](#) & [2889](#) (2023 Session). Codified in [Oregon Laws 2023, chapter 13](#) and Oregon Revised Statute (ORS) chapters 195, 197, 197A, and 456

## 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:

- How the OHNA will be implemented
- How the OHNA will change Statewide Land Use Planning Goals 10 and 14
- How to define Needed Housing in the OHNA

### 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](mailto:housing.dlcd@dlcd.oregon.gov).