

Climate-Friendly and Equitable Communities Rulemaking Advisory Committee

MEETING 11



TO: Climate-Friendly and Equitable Communities Rulemaking Advisory Committee Members
FROM: Bill Holmstrom and Kevin Young, DLCD Rulemaking Lead Staff
SUBJECT: **RAC 11 Item 9: Draft Housing Rules Amendments**
DATE: January 11, 2022

This document includes revised amendments to the Housing Rules (OAR Chapter 660, Division 8). The rules have been significantly revised from the version that was in the RAC 10 Packet, particularly changes to 660-008-0010. Proposed amendments to the adopted rules are shown with underline.

This is an existing rule that provides for how cities are to determine the amount of buildable land necessary to accommodate anticipated planning needs over a future planning period, which is typically 20 years. The amended language adds a new requirement for cities over 10,000 population within metropolitan areas to maintain climate friendly areas sufficient to accommodate at least 30% of their housing needs as they grow. Additionally, Section (3) requires the same cities to designate additional climate friendly areas after June 30, 2027, if expanding their urban growth boundaries to accommodate a residential land need.

Changes made since the December 6, 2021, version include extensive reorganization and revision to OAR 660-008-0010. These changes better clarify the distinction between how local governments are to determine climate friendly area needs based on average buildable residential area, and how local governments are to continue to plan to meet all residential needs consistent with the requirements of Statewide Planning Goal 10 (Housing) and ORS 197.296(5).

660-008-0010

Allocation of Buildable Land

(1) The mix and density of needed housing is determined in the housing needs projection. Sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection. The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

(2) For purposes of preparing Housing Capacity Analyses as provided in OAR 660-008-0045, the following provisions shall apply to local governments also subject to the requirements of OAR 660-012-0310(2):

(a) Following the initial designation of climate friendly areas as required in OAR 660-012-0315, local governments shall maintain climate friendly area zones with sufficient average buildable residential area to contain at least thirty percent of current and projected housing needs. However, the local government

shall determine housing capacity within the CFA area for the purpose of meeting identified housing needs as required by Goal 10 and OAR 660-007 or 660-008 in a manner consistent with ORS 197.296(5).

(b) The local government shall calculate the average buildable residential area for climate friendly areas consistent with the provisions of OAR 660-012-0315(2). The local government shall include demonstration of compliance with this requirement in each subsequent Housing Capacity Analysis.

(c) The local government shall establish land use requirements in climate friendly areas as provided in OAR 660-012-0320 for any newly designated climate friendly area concurrent with or prior to the adoption of a Housing Capacity Analysis.

(3) Beginning June 30, 2027:

(a) A local government subject to the requirements of OAR 660-012-0310 that has identified a need to expand the urban growth boundary due to an identified residential land need shall designate and zone additional climate friendly area as provided in OAR 660-012-0315(1), (4), (5), and (6) concurrent with expansion of the urban growth boundary.

(b) A local government shall designate and zone climate friendly area of sufficient size to accommodate the number of housing units equivalent to one half of the number of additional housing units that cannot be accommodated within the current urban growth boundary.

(c) The local government shall calculate the climate friendly area needed based on the average buildable residential area as provided in OAR 660-012-0315(2), while the local government shall determine housing capacity within the CFA area for the purpose of meeting identified housing needs as required by Goal 10 and OAR 660-007 or 660-008 in a manner consistent with ORS 197.296(5).

(d) The local government may choose to designate a portion of the newly expanded urban growth boundary area as climate friendly area if the area qualifies for designation as provided in OAR 660-012-0310(1), or may choose to designate additional climate friendly area in other locations within the UGB that qualify for designation.

(e) The local government may accommodate additional climate friendly areas within one or more locations within the urban growth boundary. The designation and zoning of additional climate friendly area shall comply with all applicable requirements for climate friendly areas as provided in OAR 660-012-0310 through OAR 660-012-0325.

This is an existing rule that provides for how cities are to prepare Housing Production Strategy Reports one year after their required update to their Housing Capacity Analyses. Amended language in Section (4)(a) establishes requirements to promote the production of affordable housing, mitigate or avoid the displacement of members of state and federal classes, and remove barriers and increase housing choices for these populations in climate friendly areas, or within Region 2040 Centers within the Portland Metro region.

A change made since the December 6, 2021, version adds actions taken to promote the production of housing accessible to persons with disabilities to the required analysis of actions taken to achieve Fair and Equitable Housing Outcomes in OAR 660-008-0050(4).

660-008-0050

Housing Production Strategy Report Structure

As provided in ORS 197.290(2), a city with a population of more than 10,000 people must develop and adopt a Housing Production Strategy Report that includes a list of specific actions, including the adoption of measures and policies that the city shall undertake to promote development within the city to address a housing need identified under ORS 197.296(3) or ORS 197.296(10) for the most recent 20-year period described in the city's Housing Capacity Analysis. At a minimum, this Report must include the following components:

(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 - How the city is striving to meet statewide greenhouse gas emission reduction goals, established under Executive Order No. 20-04, by creating compact, mixed-use neighborhoods available to people who are members part of state and federal protected classes. Within a metropolitan service district, cities subject to this rule shall describe actions taken by the city to promote the production of affordable housing, to promote the production of accessible dwelling units, to mitigate or avoid the displacement of members of state and federal protected classes, and to remove barriers and increase housing choice for members of state and federal protected classes within Region 2040 centers. Cities subject to this rule and to OAR 660-012-0310 shall describe actions taken by the city to promote the production of affordable housing, to promote the production of accessible dwelling units, to mitigate or avoid the displacement of members of state and federal protected classes, and to remove barriers and increase housing choice for members of state and federal protected classes within climate friendly areas. An accessible dwelling unit is a dwelling unit constructed to accommodate persons with disabilities, in compliance with the Americans with Disabilities Act and applicable construction requirements in adopted building codes;

(b) Fair Housing - How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity;

(c) Housing Choice – How the city is facilitating access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Housing choice includes access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment.

(d) Housing options for residents experiencing homelessness – How the city is advocating for and enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing and other housing options for residents experiencing homelessness;

(e) Affordable Homeownership and Affordable Rental Housing – How the city is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies; and

(f) Gentrification, Displacement, and Housing stability – How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.