

November 7, 2025

Land Conservation and Development Commission
Chair Anyeley Hallová
Land Conservation & Development Commission
635 Capitol St., Ste. 150
Salem, Oregon 97301

Re: Oregon Housing Needs Analysis (OHNA) Rules

Dear Chair Hallová and Members of the Land Conservation & Development Commission,

On behalf of a coalition of partner organizations convened by Sightline Institute and 1000 Friends of Oregon, thank you for the opportunity to provide follow-up testimony on the proposed OHNA rules. As a reminder, our coalition includes organizations focused on affordable housing, equitable land use, developers in rural and urban communities, tenant rights, and accessible housing, as well as architects and builders, ensuring broad geographic and community representation across Oregon.

As OHNA has developed, we have heard a variety of perspectives from cities and other stakeholders about how to make the rules practical and effective. We appreciate these contributions and recognize that cities are one of several key partners in implementing OHNA. At the same time, it is important to remember the other key partners in this endeavor including those most likely to build and live in this housing.

Nonprofit and market developers and other housing providers, many of whom are represented as signees of this letter, still face persistent, often local, land use-based barriers that limit their ability to deliver the housing most needed across the state (see attachment for several recent examples). While we do not necessarily agree with all their critiques, we support requests from cities that genuinely aim to make OHNA workable and effective without weakening the bold actions needed to improve housing production and serve Oregonians who have long been excluded from the system. OHNA is designed not only to address these immediate barriers, but also to require complementary non-land use actions. It is not a solution to every economic or market challenge, but it provides a durable framework that allows cities and developers to plan and act within OHNA while acknowledging external factors that may affect target achievement.

Perhaps most important, OHNA is about the residents of Oregon, particularly those historically left out of housing opportunity. As we assess effectiveness, the central question must be: *effective for whom, and to what end?* The status quo has consistently failed those facing the greatest barriers, which is why these changes are necessary, even if additional analysis or planning is required.

Throughout this process, we have felt heard and value DLCD staff's responsiveness. Staff have helped integrate critical elements into OHNA that address developer barriers while centering the needs of those most in need of housing, and we hope these elements remain central in the final rules.

We also support requests from the League of Oregon Cities and Association of Oregon Counties for additional clarity on meeting or rebutting safe harbors and rebuttable

presumptions. Developing clear guidance through next year will help both cities and state staff consistently apply compliance pathways and achieve intended outcomes.

Additionally, we remain open to revisiting the appropriate compliance pathway for middle housing, especially in light of recent legislation strengthening middle housing code requirements, and to ongoing dialogue about how to help jurisdictions meet the intent of the accessible and affordable housing HPS compliance pathways.

We thank staff and the Commission for your continued thoughtfulness and leadership. We look forward to seeing OHNA adopted and moving from rules to real action, delivering the homes that Oregonians urgently need now and in the years to come.

Contact:

Julia Metz

julia@sightline.org

Submitted in partnership by:



H O L S T



Alan DeLaTorre, gerontologist and advocate, OHNA HAWG + NAPTAC Member
Mac Cunningham, Affordable housing developer, OHNA HAWG + RAC Member

Land Use–Related Challenges

Below are several recent examples of land use–related challenges that builders and architects have encountered across Oregon. These are not meant to single out specific jurisdictions, but rather to illustrate the persistent, on-the-ground barriers that affect housing delivery. While OHNA may not directly resolve every challenge, many are closely related to the types of compliance pathways outlined in the current draft rules, as well as barriers that may be identified and addressed through audits in the acceleration program. Together, these examples highlight the value of establishing a more consistent and coordinated framework to help cities address both common and unique land use constraints that slow or discourage housing development.

Example 1: Height Limits and Discretionary Approvals

A city that had not seen a Low-Income Housing Tax Credit (LIHTC) project in decades had zoning restrictions prohibiting four-story buildings. To make the project financially viable, the developer sought an exemption to add a fourth floor, triggering a full public hearing process that added time, uncertainty, and risk of denial. For nonprofit developers with limited cashflow, this type of process can deter projects entirely, as predevelopment costs are often unrecoverable. In this case, approval was ultimately granted, allowing more than 100 affordable homes to move forward. The experience demonstrates how rigid height limits and discretionary review processes can deter investment in much-needed housing.

Example 2: Poor Coordination Between City Departments

Limited coordination between planning and engineering departments led to nearly a year-long delay and millions in added costs for a multi-unit affordable housing project. Conflicting interpretations of design and infrastructure standards forced repeated plan revisions and resubmittals. This fragmentation highlights the importance of OHNA's requirement that engineering and public works staff be engaged early and directly in the Housing Production Strategy process.

Example 3: Restrictive Zoning in Post-Disaster Recovery

Following a major wildfire, a housing provider sought to develop affordable housing in a community with zoning that, while more flexible than many peer cities, remained too restrictive for the project to pencil. Despite strong local support and available funding, limits on density and building form rendered the site infeasible. Years later, the property remains undeveloped, illustrating how even modest regulatory constraints can block urgently needed housing.

Example 4: Density Calculations That Discourage Family Housing

A recent project was required to reduce the number of family-sized units after an upzone changed how density was calculated. Although the intent of the zoning change was to promote higher overall density, it reduced the availability of larger, affordable homes for families. OHNA's provision allowing affordable housing to meet density requirements based on bedroom count rather than unit count would help prevent similar unintended outcomes.

Example 5: Design Standards and Open Space Requirements Increasing Costs

An architect reported multiple projects where high open space minimums, sometimes as much as 50 percent of the site, rendered lots infeasible for development. In another project, design review requirements caused additional costs due to a mandate to use premium exterior materials. Creative solutions were found for other requirements, such as water

features integrated through stormwater design, but the added siding expense alone represented about 1% of total construction costs. These experiences demonstrate how overly prescriptive design and site standards can reduce housing feasibility and affordability, even when projects otherwise align with local goals. The model code in OHNA directly addresses these issues.

Example 6: Costly Frontage Requirements for Affordable Homeownership

When a developer sought to convert rental units into affordable condominiums serving households at roughly 60% AMI and below, the city imposed costly frontage dedication and off-site improvement requirements. These obligations made the affordable option financially infeasible. As a result, the property was sold to a market-rate investor, and the opportunity for affordable homeownership was lost.

Example 7: Conflicting Plumbing and Engineering Standards

A workforce housing project faced an unexpected city requirement to replace an existing, functional 4-inch sewer line with a 6-inch line, even though the project's flow volume met state plumbing code limits. The mandate added tens of thousands of dollars in potential costs and caused months of delay as the builder sought clarification. Conflicting state and local standards led to extended legal and administrative appeals, further increasing expenses. This example illustrates how locally imposed engineering standards, when applied without clear technical justification from the onset, can introduce significant and unpredictable costs that discourage housing production.