

Housing Production Strategies Open Forum

February 23, 2021

*Question and Answer Written Response
(Published March 10, 2021)*



Open Forum Attendees

- Allan Lazo – *FHCO*
- Arini Farrell – *City of Troutdale*
- Brian Martin – *City of Beaverton*
- Clint Spencer – *City of Hermiston*
- Colin Cortes – *City of Woodburn*
- Dan Handel – *City of Woodburn*
- Daniel Riordan – *City of Forest Grove*
- Don Hardy – *City of Canby*
- Emily Meharg – *City of Sandy*
- Jamin Kimmell – *Cascadia Partners*
- Jason Yaich – *City of Corvallis*
- Joel Madsen – *Mid-Columbia Housing Authority*
- Karen Fox – *City of Tualatin*
- Karen Swirsky – *City of Bend*
- Kate Srinivasan – *OHCS*
- Kim Armstrong – *Washington County*
- Kim Rybold – *City of Wilsonville*
- Laura Terway – *City of Oregon City*
- Lydia Ness – *Cascadia Partners*
- Mac Corthell
- Mary Kyle McCurdy – *1000 Friends of Oregon*
- Matthew Hastie – *Angelo Planning Group*
- Michael Boquist – *City of La Grande*
- Ricky Hoffman – *City of Roseburg*
- Ryan Potter – *City of Canby*
- Stuart Cowie – *City of Roseburg*
- Holly Kerns – *City of Gladstone*
- Kalli Light
- Victor Tran – *Cascadia Partners*
- DLCD Staff: Gordon Howard, Ethan Stuckmayer, Robert Mansolillo, Sean Edging, Samuel De Perio Garcia, Jennifer Donnelly, Kevin Young

Staff Presentation and Common Questions

Housing Production Strategy

Q 1: What is a Housing Production Strategy?

A: A new state requirement under HB 2003 for cities above 10,000. This report must be completed one year after an HNA deadline and outlines strategies that a city will adopt to promote the development of needed housing identified in the HNA.

Q 2: What are the components of an HPS?

A: *There are five major components of an HPS:*

- 1. Contextualized Housing Need**
 - *Socio-economic and demographic trends*
 - *Existing adopted measures*
 - *Market conditions*
 - *Barriers to housing*
 - *Housing needs of BIPOC, people experiencing homelessness, people with a disability, and state and federal protected classes*
- 2. Engagement**
 - *Consumers of Needed Housing*
 - *Producers of Needed Housing*
 - *Summary of engagement, why stakeholders were engaged, and how engagement influenced adopted strategies*
- 3. Strategies to Meet Future Housing Need – A list of possible strategies to consider is included as an attachment in [OAR 660-008-0050](#)**
 - *Description of strategy*
 - *Timeline for adoption*
 - *Timeline for implementation*
 - *Expected magnitude of impact*
 - *Housing need addressed*
 - *Estimated # of units expected*
 - *Benefits and burdens analysis*
- 4. Achieving Fair and Equitable Housing Outcomes**
 - *Location / Transportation*
 - *Fair Housing*
 - *Housing Choice*
 - *Homelessness*
 - *Opportunities for Affordable Rental Housing and Homeownership*
 - *Gentrification, Displacement, and Housing Stability*
- 5. Conclusion**

Q 3: Are there other requirements associated with an HPS?

A: *Yes, cities are required to report at the mid-cycle of an HPS (i.e. three or four years after adoption of an HPS) summarizing the progress a city has made in implementing strategies and reflecting on fair and equitable housing outcomes.*

Q 4: What is needed to develop an HPS that sufficiently addresses need?

A: *Department staff and the Land Conservation and Development Commission will take a variety of factors into account, including:*

- *Unmet housing need*

- *Percentage of severely rent-burdened households*
- *Recent housing development*
- *Addressing homelessness*
- *Implementation progress of HPS strategies*
- *Elimination of housing barriers*

Q 5: How will the Department enforce the Housing Production Strategy Program?

A: *There are two “tracks” of enforcement for the Housing Production Strategy Program. First, there are rule provisions for compliance if a city does not adopt an HNA/HPS in a timely manner. Second, there are separate rule provisions for compliance if a city fails to adopt and implement the specific strategies identified in the HPS in a timely manner. Both enforcement tracks prioritize department collaboration with cities assist their participation in the program including providing technical or financial assistance to bring them into compliance before punitive enforcement measures.*

Open Question and Answer Session

Q 6: Are there jurisdictions that have completed their Housing Needs Analysis that could be used as a reference template for other cities?

A: *Yes. The Housing Needs Analysis portion of the Oregon Housing Planning Framework not changed with HB 2003. There are prototype Housing Production Strategies underway at the current moment, including La Grande, Medford, and Tualatin. They will be available when the projects are completed by June 30, 2021.*

Q 7: If a City is currently conducting a Housing Needs Analysis and expecting adoption by this June, will they also be subject to the requirement to finish their HPS within a year after that?

A: *The schedule that has been published per HB 2003 requirements, begins with the first HNA adopted in 2022. The Housing Production Strategy is tied to that deadline. If a City has a deadline of 2022, but updates their HNA prior to that time, they “reset” their timeline. If a City adopts an HNA prior to a 2022 deadline, they are not required to conduct a Housing Production Strategy in conjunction with that “early” HNA. That said, nothing prohibits a City from conducting an HPS with that HNA.*

Q 8: If a city adopts an HNA by June 30 of this year, what is the earliest they would need to adopt an HPS?

A: *HB 2003 states that the first Housing Production Strategy cannot be required until 2023. A Metro City that adopts an HNA in 2021, which is before the beginning of the HNA calendar, would “reset” their HNA/HPS schedule. Their next HNA deadline would be six years later (2027) and their first required HPS deadline would be (2028). For a Non-Metro City the cycle is every eight years instead of six years.*

Q 9: How specific must each strategy need to be in the HPS report?

A: *The HPS Program is structured around the City’s identified housing need. It is up to the city to determine what specific strategies they are proposing to accommodate the entire housing need identified in their HNA. The City must include the following information for each proposed strategy:*

- *A Description of strategy*
- *Anticipated Timeline for Strategy Adoption*
- *Anticipated Timeline for Strategy Implementation*
- *Expected Magnitude of Impact of the Strategy including:*
 - *Identifying the specific housing need the strategy addresses*
 - *Estimated number of units produced by the strategy*
 - *An analysis of the strategies expected burdens and benefits on protected classes*

The city needs to show that the sum of all the proposed strategies is an appropriate set of actions to address the housing need identified in the HNA.

Additionally, Cities will be required to respond to a series of six questions to better understand the implications of proposed strategies on the location of housing in relation to transportation options, Fair Housing, housing choice, homelessness, affordable rental housing and homeownership, and gentrification, displacement, and housing stability.

Q 10: Does compliance with strategy implementation need to be demonstrated qualitatively or quantitatively?

A: *A combination of quantitative and qualitative factors. If there is an opportunity to show quantitative analysis (e.g. an affordable housing bond), then it is more important to show qualitative progress towards a proposed strategy. However, the Department understands that many strategies do not lend themselves well to quantification, such as how many new dwelling units might be produced as a result of SDC reductions. In these cases, a qualitative assessment of progress is appropriate and sufficient (i.e. the city has waived SDCs for subsidized affordable housing developments).*

Q 11: You mention Portland State University researchers are working on an anti-displacement toolkit. What is the timeframe for that? Will there be any drafts available to review in the near term?

A: *The anti-displacement toolkit will be completed before June 30, 2021. There will also be opportunities to review draft versions of the toolkit much earlier – primarily as part of the March and May 2021 Land Conservation and Development Commission meetings. The project team has developed a draft methodology and preliminary findings of the toolkit and has put together two test cases in the City of Tigard and Hermiston.*

Q 12: Can you cover what types of financial assistance resources are/will be available to help cities comply?

A: *House Bill 2003 allocated \$1m in the 2019-2021 biennium, and those projects are in progress today. There is conversation at the Legislature to continue this work for cities into the 2021-2023*

biennium. The Governor's Recommended Budget included extending funding to cities below 10,000. The Legislature will make the final decision and it is currently unclear if the Legislature will continue that funding.

Q 13: How is the state measuring compliance with the HPS? Do cities send a draft to the state?

A: The HNA is adopted at the local level. There is no requirement to formally adopt an HPS as an amendment to the comprehensive plan. However, it is a state requirement that must be submitted to the Department by the established deadline. The Department will then review City submittals based on criteria outlined in administrative rule to approve, approve with conditions, or remand the Housing Production Strategy.

Q 14: Cities on the HNA schedule are expected to adopt HNAs before 2022. For those cities that adopt those HNAs and are also subject to HB 2001, how would these two interact? Can cities adjust their HNA findings based on taking actions in HB 2001? Some of these strategies will remove barriers to housing development.

A: House Bill 2001 establishes a maximum assumed increase in efficiency of lands within the UGB due to the adoption of middle housing measures of 3%. This change will be part of the HNA framework moving forward.

Q 15: Is it possible to combine the Housing Needs Analysis and Housing Production Strategy?

A: Yes. The rules were structured to allow cities to build on existing housing work and outreach. The City of Medford is currently doing these processes concurrently and will be available as a model for other cities upon completion. In addition, Cities are also able, and encouraged, to combine the outreach conducted from HNAs, Consolidated Plans, engagement from Severely Rent burdened households, and other planning efforts within the city into the Housing Production Strategy.

Feedback

Q 16: Where can we provide feedback on this meeting and future webinars?

A: The Department will send out a post-meeting survey where you can let us know your thoughts.

Q 17: As a prototype city – I am wondering about case studies specifically for funding tools, not only talking about what strategy, but how successful it was. Is that something that can be pulled together and provided to cities?

A: The pool that can be drawn from to provide best practices or case studies is limited, but there is a lot of creative, innovative work that has been completed prior to HB 2003. This proposal would be a great tool to provide cities an additional tool for financial incentives and will be part of DLCD's guidance resources.

Q 18: What happens next with the Regional HNAs?

A: *The RHNA was a prototype analysis required by the Legislature – it does not have any regulatory authority at this time. Any future implementation of something like a RHNA would require action by the Legislature. The Department has published its recommendations and analysis of the RHNA to the Oregon Legislature on March 1, 2021. The report can be viewed on the [DLCD website](#).*

Q 19: Can successful outreach examples from other communities be shared?

A: *Yes. That is a good idea. There is currently small sample size to choose from at this point, but as communities adopt their HNAs and HPSs, there will be more opportunities to share what has been done in terms of successful outreach efforts.*