

HOUSING CAPACITY WORK GROUP

MEETING PACKET #1



TO: Housing Capacity Work Group Members
FROM: Sean Edging, Housing Planner
SUBJECT: Housing Capacity Work Group Meeting Packet #1

Housing Capacity Work Group Members,

Thank you for bringing your lived experiences and expertise to help Department of Land Conservation and Development (DLCD) staff develop policy recommendations to address housing and land supply issues. This effort is a critical component of the broader body of work on the Regional Housing Needs Analysis (RHNA, also referred to as the "Oregon Housing Needs Analysis" or OHNA) intended to modernize how local cities and counties plan for housing in a manner that results in more affordable, fair and equitable housing outcomes.

Below, you will find a packet of materials to help you prepare for the Housing Capacity Work Group (HCWG) meeting scheduled for **Thursday, May 5 from 1-3pm**. Please note this meeting be held virtually over Zoom. (Link: <https://us02web.zoom.us/j/82831858900?pwd=RjBNanFLQnlyUGRiZXJVSks8OU1daZz09>)

The packet of materials describes the purpose, contextual background, and timeline to help frame our shared work over the next months. Our goals for the first HCWG meeting are to:

1. Introduce Work Group members and DLCD/facilitation staff.
2. Obtain a shared understanding of legislative direction, Work Group roles & responsibilities, the existing Goal 10 - Housing process, and the issues this Work Group will discuss.
3. Provide clarification and opportunity for preliminary discussion on the overall process goals, the issues addressed, and the Work Group roles and responsibilities.

Housing Capacity Work Group Meeting Packet #1 Materials List:

1. Meeting Agenda
2. Housing Capacity Work Group Draft Charter
3. HB 5202 Bill Text
4. Chair Fahey's Testimony Letter

If you have any questions on the materials in this packet or about the OHNA itself, please feel free to contact me via phone or email, my information is listed below. We are grateful for your participation in this important initiative and look forward to working with you.

Thank you,

Sean Edging, Housing Planner

DLCD Staff Contacts for the OHNA process:

Sean Edging, Housing Planner
sean.edging@dlcd.oregon.gov | 971-375-5362

Ethan Stuckmayer, Senior Planner of Housing Programs
ethan.stuckmayer@dlcd.oregon.gov | 503-302-0937

Mari Valencia Aguilar, Housing Planner
mari.valencia-aguilar@dlcd.oregon.gov | 503-930-9739

Ingrid Caudel, Point of Contact for HCWG Logistics
Ingrid.caudel@dlcd.oregon.gov | 971-701-1133



Oregon

Governor Kate Brown

Department of Land Conservation and Development
Department of Housing and Community Services

Housing Capacity Work Group Meeting #1

May 5, 2022 | 1:00pm–3:00pm

By [Zoom Web Conference](#)

Project Purpose

This work is part of the broader body of work on statewide housing planning. The Oregon Legislature directed DLCD staff to facilitate discussions and develop recommendations on a defined and narrow set of Urban Growth Boundary (UGB) issues as they relate to the implementation to the Regional Housing Needs Analysis (RHNA). As the chair of the House Committee on Housing, Representative Fahey submitted [testimony](#) outlining the specific issues these discussions should address, including:

- How land within Urban Growth Boundaries (UGBs) can be better utilized to increase housing types and units, including the reduction of restrictive or outdated zoning regulations and the appropriate conversion of commercial and employment uses to residential use.
- How the process and level of data necessary to establish the need for UGB adjustments can be streamlined, while considering the protection of resource lands.
- How the regulatory review of UGB adjustments can be streamlined, while considering the protection of resource lands.
- How to fund additional capacity in cities below 10,000 to plan for and work to facilitate the development of housing in their communities.

Work Group Role

Refer to attached meeting materials for a draft Housing Capacity Work Group Charter.

Meeting Goals

- Introduce Work Group members and DLCD/facilitation staff.
- Obtain a shared understanding of legislative direction, Work Group roles & responsibilities, the existing Goal 10 - Housing process, and the issues this Work Group will discuss.
- Provide clarification and opportunity for preliminary discussion on the overall process goals, the issues addressed, and the Work Group roles and responsibilities.

Housing Capacity Work Group Meeting #1 – Proposed Agenda

Time	Topic	Who
1:00-1:25p	<p>Welcome, Introductions, and Agenda Overview</p> <ul style="list-style-type: none"> • Roundtable introductions – name and organization • Review agenda and recap purpose of meeting • Structure of the discussion and rules of engagement 	<i>Jamie Damon, Kearns & West (facilitator)</i>
1:25-1:45p	<p>Legislative Context and Work Group Scope</p> <ul style="list-style-type: none"> • House Bill 5202 • Process parameters and scope • Work Group role and distinction from the parallel Housing Needs Work Group process <p><i>Materials: Work Group Charter</i></p>	<i>Sean Edging, DLCD</i>
1:45-2:15p	<p>Overview of Goal 10 – Housing Capacity Analysis and Housing Production Strategy</p> <ul style="list-style-type: none"> • Overview of the individual components of a Housing Capacity Analysis, including: <ul style="list-style-type: none"> ○ Housing Needs Projection ○ Buildable Lands Inventory ○ Residential Land Needs Analysis ○ Measures to accommodate needed housing: <ul style="list-style-type: none"> ▪ Efficiency measures ▪ Urban Growth Boundary (UGB) adjustment • Overview of the Housing Production Strategy 	<i>Sean Edging</i>
2:15-2:30p	<p>Overview of Identified Issues</p> <ul style="list-style-type: none"> • Housing Mix – Translating Need to Unit Types • Buildable Lands Inventory • Efficiency Measures • Urban Growth Boundary Adjustment Process • Increasing small-city capacity 	<i>Sean Edging</i>
2:30 - 2:55p	<p>Questions and Discussion</p> <ul style="list-style-type: none"> • Clarifying Questions on the current Goal 10 process and identified issues • Discussion on process goals, intended outcomes, and Work Group roles and responsibilities 	<i>Jamie Damon Work Group members</i>
2:55-3:00p	<p>Recap and next steps</p> <ul style="list-style-type: none"> • Recap key discussion points and any requests or questions that need follow up • Reminder of next steps, upcoming Work Group meetings, and other opportunities for feedback 	<i>Jamie Damon</i>



Oregon

Governor Kate Brown

Department of Land Conservation and Development

Department of Housing and Community Services

Housing Capacity Work Group Charter DRAFT

Updated April 28, 2022

In March 2022, the Oregon Legislature directed DLCD staff to “support work on regional housing needs and land supply issues” (2022 House Bill 5202-1, section 444), by establishing a new Housing Capacity Work Group focused on a specific set of land supply questions. Legislators provided direction that this work should intersect with, but be distinct from, the questions that the Housing Needs Work Group has been grappling with since it was formed in October 2021. This Charter applies to the Housing Capacity Work Group. A similar charter outlining the roles for the Housing Needs Work Group is available on the DLCD website here:

https://www.oregon.gov/lcd/UP/Documents/Housing_Needs_Work_Group_Charter.pdf

Background and Purpose

This work is a critical component of the broader body of work on the Regional Housing Needs Analysis (RHNA). Staff will recommend to the Legislature that the process in Oregon be renamed the “Oregon Housing Needs Analysis” or OHNA. As directed by House Bill 5006 in the 2021 Legislative Session, DLCD, in consultation with Oregon Housing and Community Services (OHCS), was directed “to study and make legislative recommendations on the incorporation of a regional housing needs analysis into state and local planning programs”. This process is underway and is summarized in an [Interim and Framework Report](#) submitted to the Legislature on February 1st of this year.

Under [HB 5202](#), legislators directed DLCD staff to facilitate discussions and develop recommendations on a defined and narrow set of UGB-related issues as they relate to the implementation to the RHNA. As the chair of the House Committee on Housing, Representative Fahey submitted [testimony](#) outlining the specific issues these discussions should address, including:

- How land within Urban Growth Boundaries (UGBs) can be better utilized to increase housing types and units, including the reduction of restrictive or outdated zoning regulations and the appropriate conversion of commercial and employment uses to residential use.
- How the process and level of data necessary to establish the need for UGB adjustments can be streamlined, while considering the protection of resource lands.
- How the regulatory review of UGB adjustments can be streamlined, while considering the protection of resource lands.
- How to fund additional capacity in cities below 10,000 to plan for and work to facilitate the development of housing in their communities.

The role of the Housing Capacity Work Group is to:

1. Advise DLCD staff on issues specific to housing and land supply as implemented through the Housing Capacity Analysis (HCA) and related statute and administrative rule;
2. Provide diverse perspectives, share knowledge and experiences working with Housing Capacity Analyses and Goal 10, and constructively critique staff's direction and proposals (it is not intended to seek consensus);
3. Consider and, to the greatest extent practical, integrate the diverse perspectives, knowledge, and experiences from the RHNA Work Group and stakeholder engagement process.

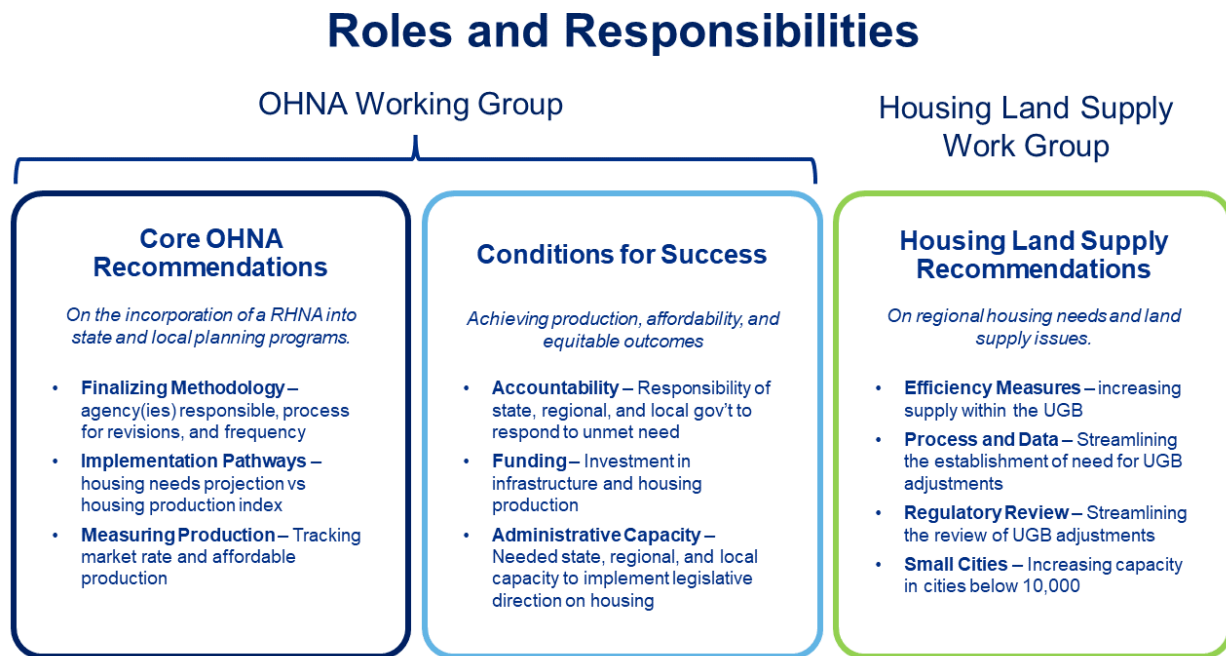
Members of the Work Group will be invited to discuss the following issues:

1. Translating housing needs projections produced by the RHNA into the projected mix of housing types that is commensurate with market dynamics and the financial capability Oregon households;
2. Inventorying buildable lands in a manner that better reflects their actual development potential, in both the near- and long-term;
3. Establishing clear and adaptable efficiency measures that meaningfully increase housing production and choice on lands within the Urban Growth Boundary;
4. Streamlining existing administrative processes that delay the adoption of housing capacity analyses and associated components, including Urban Growth Boundary expansions when a need is identified; and
5. Increasing the capacity of local jurisdictions, especially small cities, to complete housing planning work, though funding, technical support, and administrative streamlining.

The timeframe in which DLCD has to develop these recommendations is limited. Reports are due to the legislature this fall. To ensure DLCD can fulfill the legislative direction of HB 5202, **there are a host of important issues related to housing that this Work Group will not be able to address**, including:

1. Issues addressed by the Regional Housing Needs Analysis (RHNA) Work Group, including:
 - a. The implementation of a Regional Housing Needs Analysis into state and local planning programs. This includes potential changes to housing needs projections and the potential establishment of a housing production index;
 - b. The “conditions for success” needed to ensure changes associated with land use planning achieve better housing outcomes.
2. Issues related to the availability of land supply but outside of the scope of land use planning and the Housing Capacity Analysis; and
3. Broader systemic issues that affect housing outcomes that are outside of the scope of land use planning and the Housing Capacity Analysis.

The following image illustrates the distinction between the roles and responsibilities of the RHNA Work Group and the Housing Capacity Work Group:



Decision Making Process

The Housing Capacity Work Group is charged with advising department staff on the development of recommendations to fulfill legislative direction on housing and land supply issues as specified in HB 5202. DLCD's goal in convening this Work Group to solicit a broad spectrum of expertise and perspectives to provide guidance to DLCD staff on a set of implementable legislative recommendations. **The Oregon Legislature will make the final decision on policy direction and implementation in the 2023 Legislative Session.**

Staff will work to develop legislative recommendations that reflects the guidance from working group members, while recognizing that consensus is unlikely given the short time frame and range of perspectives on these issues. DLCD staff and the Work Group facilitator will consider all points of view. Staff will summarize the range of viewpoints expressed. Additionally, Work Group members are welcome to clarify their viewpoints, propose new ideas, or express concern in writing to staff and the facilitator.

Meeting Principles

1. Work Group Membership Agreements

Members agree to the following commitments:

- Participate in meetings, review materials in advance and actively participate in good faith while respecting time constraints, including the need to hear from a diverse set of perspectives. Various ways to provide feedback will be provided by the staff and facilitation team (written, verbal, small group discussion, etc.);

- A consistent alternate is acceptable with advance notice and coordination;
- Keep their organizations informed of the process and policy recommendations;
- As DLCD is not the final decision-maker, work with an understanding that DLCD recommendations will be subject to change through the legislative process;
- Follow through on promises and commitments;
- In the interest of time, refrain from re-visiting previous agreements; and
- Share all relevant information that will assist the Work Group in achieving its goals.

2. Good Faith

All members agree to act in good faith in all aspects of the Work Group process. As such, members will consider the viewpoints of other participants and conduct themselves in a respectful manner that promotes collaboration. Acting in good faith also requires:

- Individuals do not represent their personal or organization's views as views of the Work Group;
- Individuals express consistent views and opinions in the Work Group meetings and in other forums;
- Individuals with process or substantive concerns will raise them in the Work Group;
- Seek to learn and understand each other's perspective;
- Encourage respectful, candid, and constructive discussions;
- Seek to resolve differences and find common ground;
- Discuss topics together rather than in isolation; and
- Communicate so as to avoid surprises.

3. Process and Ground Rules

Work group members agree to apply the following ground rules:

- Honor the agenda and strive to stay on topic;
- Speak one at a time – raise hand to signal you'd like to speak;
- Allow for a balance of speaking time – respect time limits and make space for others to be heard;
- Bring concerns and ideas up for discussion at the earliest point in the process;
- Address issues and questions, not people or organizations;
- Listen with respect;
- Avoid side conversations; and
- Minimize meeting disruptions, such as cell phones and background noise

4. Withdrawal

Any member may withdraw from the Work Group at any time. Communication about the reasons for withdrawing, if related to the process, would be appreciated. Good faith provisions apply to those who withdraw.

5. Rights in Other Forums

Participation in the Work Group process does not limit the rights of any member to participate in other forums and processes. Members will make a good faith effort to notify one another in advance, if another action outside the process will be initiated or pursued, which could affect the proposals, recommendations, or agreements being discussed.

6. Press and Communications

Work group members agree to refrain from making negative comments about or characterizing the views of the other members in contacts with the press. Members also agree not to knowingly mischaracterize the positions and views of any other party, nor their own, in public forums.

If contacted by the media, please refer the media to Sean Edging or Emma Land at DLCD. Members shall make clear, when talking to the media, that the views they are expressing are their own, not of the Work Group.

Staff and Facilitator Roles and Responsibilities

Department Staff

Work group members will have assistance from department staff who will attend all meetings. DLCD staff will be at the table to participate in discussion, advise on technical or statutory questions, and listen to the perspectives of Work Group members. Legal questions will be addressed by DLCD staff in coordination with the agency's legal counsel.

Facilitator

Work group meetings will be led by a professional facilitator. Staff will ensure members' perspectives are heard and to support members to have meaningful and productive conversations. The role of the facilitator is to:

- Support Work Group members in providing their input and help ensure a balanced process;
- Ensure members adhere to the operating principles;
- Identify and communicate common themes, areas of disagreement, and decision points; and
- Summarize member comments, questions, themes, and decision points in meeting notes and summaries. This information will be available on the agency's website and provided as supplemental to recommendations provided to the Legislature.

Meeting Schedule

DLCD has scheduled a series of Work Group meetings to hold discussions on land supply issues. These meetings are open to the public. Meeting notices, agendas, and materials will be published to [DLCD's Housing webpage](#). The first meeting will be held on May 5:

First Housing Capacity Work Group Meeting

Date and Time: May 5, 2022. 1:00PM – 3:00PM

Location: Virtual Meeting

Zoom Link:

<https://us02web.zoom.us/j/82831858900?pwd=RjBNanFLQnlYUGRiZXJVSk80U1daZz09>

Future Work Group meetings will be scheduled by polling the availability of members. Members will be invited to participate in a final joint meeting with the RHNA Work Group. The expected schedule of Work Group meetings follows.

Meeting	Topic	Date	Time
Meeting 1	Introduction, Context, and Roles	Thursday, May 5	1-3 pm
Meeting 2	Housing Mix and Buildable Lands	Week of May 23 - 27	3 hours
Meeting 3	Efficiency Measures	Week of Jun 27 - Jul 1	3 hours
Meeting 4	Process Streamlining and Capacity	Week of Jul 25 - 29	3 hours
Meeting 5	Report Back and Additional Feedback	Week of Aug 29 - Sep 2	2 hours
Meeting 6	Review Draft Recommendations	Week of Sep 26 - 30	2 hours
Joint Meeting with RHNA Work Group	Wrap-up, Next Steps, and Legislative Transition	Thursday, Oct 20	1-3 pm

Work Group Members

Name	Organization or Occupation
Brian McDowell	Business Oregon (ex-officio)
Ex-Officio	Oregon Department of Transportation (ex-officio)
Ex-Officio	Oregon Department of Environmental Quality (ex-officio)
Al Johnson	Retired Land Use Attorney
Allan Lazo	Fair Housing Council
Bill Van Vliet	Network of Oregon Affordable Housing
BreAnne Gale Brian Rankin	City of Bend
Brian Latta	City of Dallas
Chris Faulkner	Clean Water Services
Dave Hunnicut	Oregon Property Owners Association
Emily Reiman	DevNW
Garet Prior	Wilsonville Alliance for Inclusive Community
Heather O'Donnell	City of Eugene
Jeffrey Adams	City of Cannon Beach
Jeremy Rogers	Oregon REALTORS
Jim McCauley Ariel Nelson	League of Oregon Cities
Jonathan Trutt	Home Forward
Justin Peterson	Oregon Cascades West Council of Governments
Kaarin Knudson	Eugene - Better Housing Together
Kathy Wilde	Oregon Housing Land Advocates
Mary Anne Cooper	Oregon Farm Bureau
Mary Kyle McCurdy	1000 Friends of Oregon
Matt Lawyer	Marion County Board of Commissioners

Michael Burdick	Association of Oregon Counties
Peggy Lynch	League of Women Voters
Peter Gutowsky	Deschutes County Community Development
Samantha Bayer	Oregon Home Builders Association
Stacie Sanders	Housing Oregon
Ted Reid Anneliese Kohler	Metro Regional Government
Yiping Fang	Portland State University

Staff Contacts

Name	Phone	Email
Sean Edging	971-375-5362	sean.edging@dlcd.oregon.gov
Ethan Stuckmayer	503-302-0937	ethan.stuckmayer@dlcd.oregon.gov
Mari Valencia Aguilar	503-930-9739	mari.valencia-aguilar@dlcd.oregon.gov
Ingrid Caudel	971-701-1133	ingrid.caudel@dlcd.oregon.gov
Jamie Damon	971-238-3354	jdamon@kearnswest.com

SECTION 434. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Assembly by section 6, chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, for biennial offices, is decreased by \$2,851,096.

SECTION 435. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Assembly by section 7 (1), chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, for the Eighty-first Legislative Assembly, is decreased by \$236,004.

SECTION 436. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Assembly by section 7 (2), chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, for the Eighty-second Legislative Assembly, is decreased by \$3,162,124.

SECTION 437. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Assembly by section 8, chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, for the Legislative Equity Office, is decreased by \$483,717.

SECTION 438. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Counsel Committee by section 11, chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, is decreased by \$1,750,000.

SECTION 439. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Fiscal Officer by section 14 (1), chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, is decreased by \$2,871,447.

SECTION 440. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Policy and Research Committee by section 15, chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, is decreased by \$1,527,845.

SECTION 441. Notwithstanding any other provision of law, the General Fund appropriation made to the Legislative Revenue Officer by section 16, chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, is decreased by \$245,265.

SECTION 442. Notwithstanding any other provision of law, the General Fund appropriation made to the Commission on Indian Services by section 17, chapter 559, Oregon Laws 2021, for the biennium ending June 30, 2023, is decreased by \$256,973.

SECTION 443. Notwithstanding any other law limiting expenditures, the amount of \$235,000 is established for the biennium ending June 30, 2023, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts, but excluding lottery funds and federal funds, collected or received by the Legislative Administration Committee, for general obligation bond issuance costs.

SECTION 444. Notwithstanding any other provision of law, the General Fund appropriation made to the Department of Land Conservation and Development by section 1 (1), chapter 438, Oregon Laws 2021, for the biennium ending June 30, 2023, for the planning program, is increased by \$150,000 to support work on regional housing needs and land supply issues.

SECTION 445. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium ending June 30, 2023, out of the General Fund, the amount of \$10,000,000, for deposit into the Capital Projects Fund established under ORS 276.005, for state facilities security and capital improvements.

SECTION 446. In addition to and not in lieu of any other appropriation, there is appropriated to the Oregon Department of Administrative Services, for the biennium ending June 30, 2023, out of the General Fund, the following amounts for distribution to the following entities for the following purposes:

- (1) Lane County for the East
Gateway construction..... \$ 150,000
- (2) Lane County for Phase 1
construction of the South



HOUSE OF REPRESENTATIVES

February 28, 2022

Co-chairs Holvey and Girod and members of the Joint Subcommittee:

In response to Oregon's housing crisis, in 2019 the legislature began investing in work around a Regional Housing Needs Analysis (RHNA) by passing HB 2003. During the 2021 session, the legislature directed further analysis of how to implement the RHNA through a budget note. This work is currently underway by the Department of Land Conservation and Development (DLCDD) and Oregon Housing and Community Services (OHCS). During this 2022 Legislative Session, we have an opportunity to add an important piece to this multi-year work by considering the nexus between housing and land supply.

Resources have been identified to provide DLCDD with \$150,000 to support a facilitated discussion with local governments, community-based organizations, and other stakeholders that will consider and make legislative recommendations on specific issues related to housing and land supply. This letter serves as additional context for the issues to be addressed and who should be involved in the conversation.

With these resources, DLCDD in consultation with relevant state agencies would assemble a work group that will review state land use law relating to housing and land supply and will consider the following issues:

- How land within Urban Growth Boundaries (UGBs) can be better utilized to increase housing types and units, including the reduction of restrictive or outdated zoning regulations and the appropriate conversion of commercial and employment uses to residential use.
- How the process and level of data necessary to establish the need for UGB adjustments can be streamlined, while considering the protection of resource lands.
- How the regulatory review of UGB adjustments can be streamlined, while considering the protection of resource lands.
- How to fund additional capacity in cities below 10,000 to plan for and work to facilitate the development of housing in their communities.

In addition, the work group will consider information from the Regional Housing Needs Analysis process administered by DLCDD and OHCS in its deliberations.



The work of the RHNA is a crucial piece of addressing Oregon's housing shortage. This additional funding to DLCD will play a vital role preparing the Legislature to take further action during the 2023 Session.

Sincerely,

Rep. Julie Fahey
State Representative, House District 14
Chair, House Committee on Housing