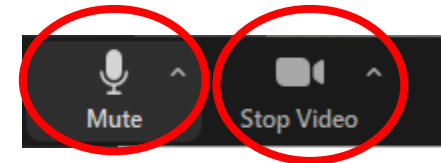
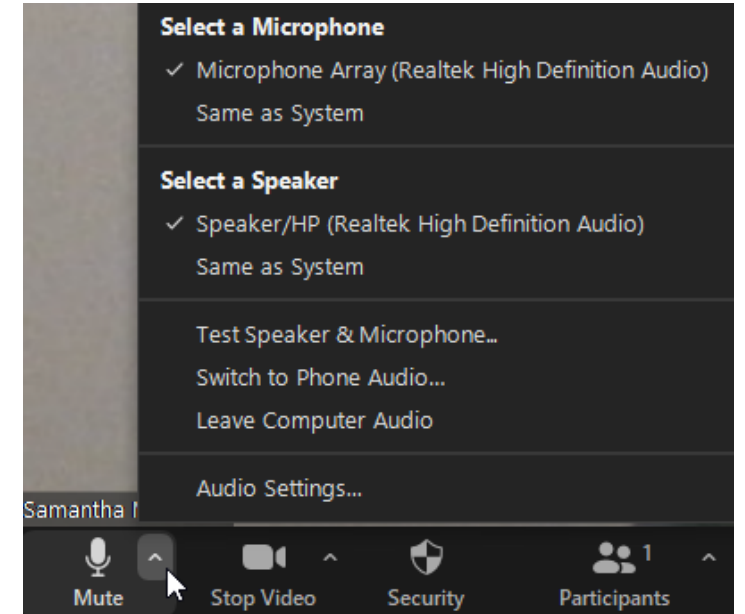
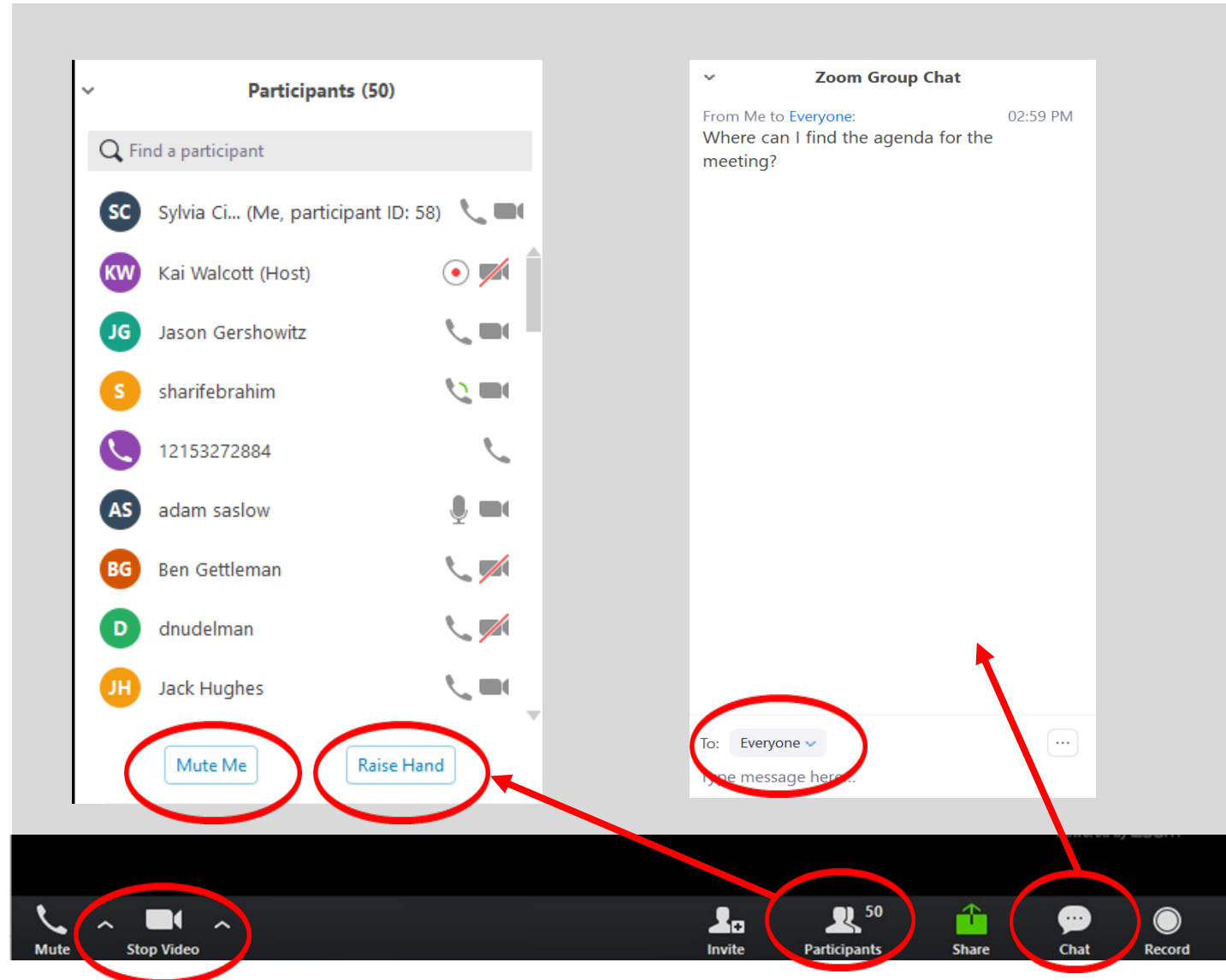


# Zoom Meeting Tips

- Please see below webinar instructions and tips below:
  - If you have not already **connected your audio**, click on the arrow next to the microphone icon, then click “Join Computer Audio” **or** “Switch to Phone Audio” to connect your computer speakers or to view the conference line information.
  - Please **keep yourself on mute** when not speaking. To mute and unmute, either select microphone icon, or use your personal phone.
  - **Use video** if possible, to promote face to face communication. Click the video icon to turn on your webinar camera.



# Zoom Meeting Tips



- To raise your hand by phone, press \*9.
- To unmute yourself by phone, press \*6.

# Agenda

- Welcome and Agenda Overview (*15 min*)
- Work Group Update (*10 min*)
- Discussion – Context, Discussion (break-out & round-table), Report Back
  - **Break-out:** Efficiency Measures (*80 min*)
  - **Break** (*10 min*)
  - **Round-Table:** Establishing need for UGB adjustment (*55 min*)
- Wrap-up and Next Steps (*5 min*)

# Working Group Members

Please set virtual “tent card”: Name - Organization

Name	Organization or Occupation
Brian McDowell	Business Oregon (ex-officio)
Lucia Ramirez	Oregon Department of Transportation (ex-officio)
Rian Hooff	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
Brock Nation	Oregon REALTORS

Name	Organization or Occupation
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 of Oregon
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

# Meeting Guidelines



Fully participate in  
Work Group meetings



Come prepared for  
meetings



Participate in an open  
and mutually  
respectful way



Balance of speaking  
time



Serve as a liaison to  
your larger community  
of interest



Act in good faith

# Meeting Outcome

*Facilitate discussion intended to solicit feedback, proposals, and ideas to address issues related to **efficiency measures** and **establishment of need for a UGB adjustment**.*

# Update and Context Reminder

# Reminder on Legislative Direction (HB 5202)

DLCD directed to facilitate discussion on housing capacity (including a work group), with a focus on:

- 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.

# Housing Capacity Work Group Role

[Work Group Charter](#) available on DLCD HB 2003 webpage

1. **Advise DLCD staff** on issues specific to housing capacity as implemented through the Housing Capacity Analysis (HCA) and related statute and administrative rule;
2. **Provide diverse perspectives and 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 Housing Needs Work Group** and stakeholder engagement process.

# Roles and Responsibilities

## Housing Needs Work Group

### Core Recommendations

*On the incorporation of a RHNA into state and local planning programs.*

- **Finalizing Methodology** – agency(ies) responsible, process for revisions, and frequency
- **Implementation Pathways** – housing needs projection vs housing production index
- **Measuring Production** – Tracking market rate and affordable production

### Conditions for Success

*Achieving production, affordability, and equitable outcomes*

- **Accountability** – Responsibility of state, regional, and local gov't to respond to unmet need
- **Funding** – Investment in infrastructure and housing production
- **Administrative Capacity** – Needed state, regional, and local capacity to implement legislative direction on housing

## Housing Capacity Work Group

### Housing Capacity Recommendations

*On regional housing needs and land supply issues.*

- **Efficiency Measures** – increasing supply within the UGB
- **Process and Data** – Streamlining the establishment of need for UGB adjustments
- **Regulatory Review** – Streamlining the review of UGB adjustments
- **Small Cities** – Increasing capacity in cities below 10,000

# Reminder on Issues

## Housing Capacity Analysis



## Establishing need for UGB adjustment

1. Translating housing need (OHNA) to housing types/mix
2. Buildable Lands Inventory
3. Efficiency Measures
4. Urban Growth Boundary review process
5. (Throughout) Building capacity in cities below 10,000 population

# About Today's Discussion

## Legislative Timeline and Process Implications

**Today's Discussion:** One break-out and one round-table discussion

- Current statutory framework
- Identified policy issue(s)
- Ideas to prompt discussion

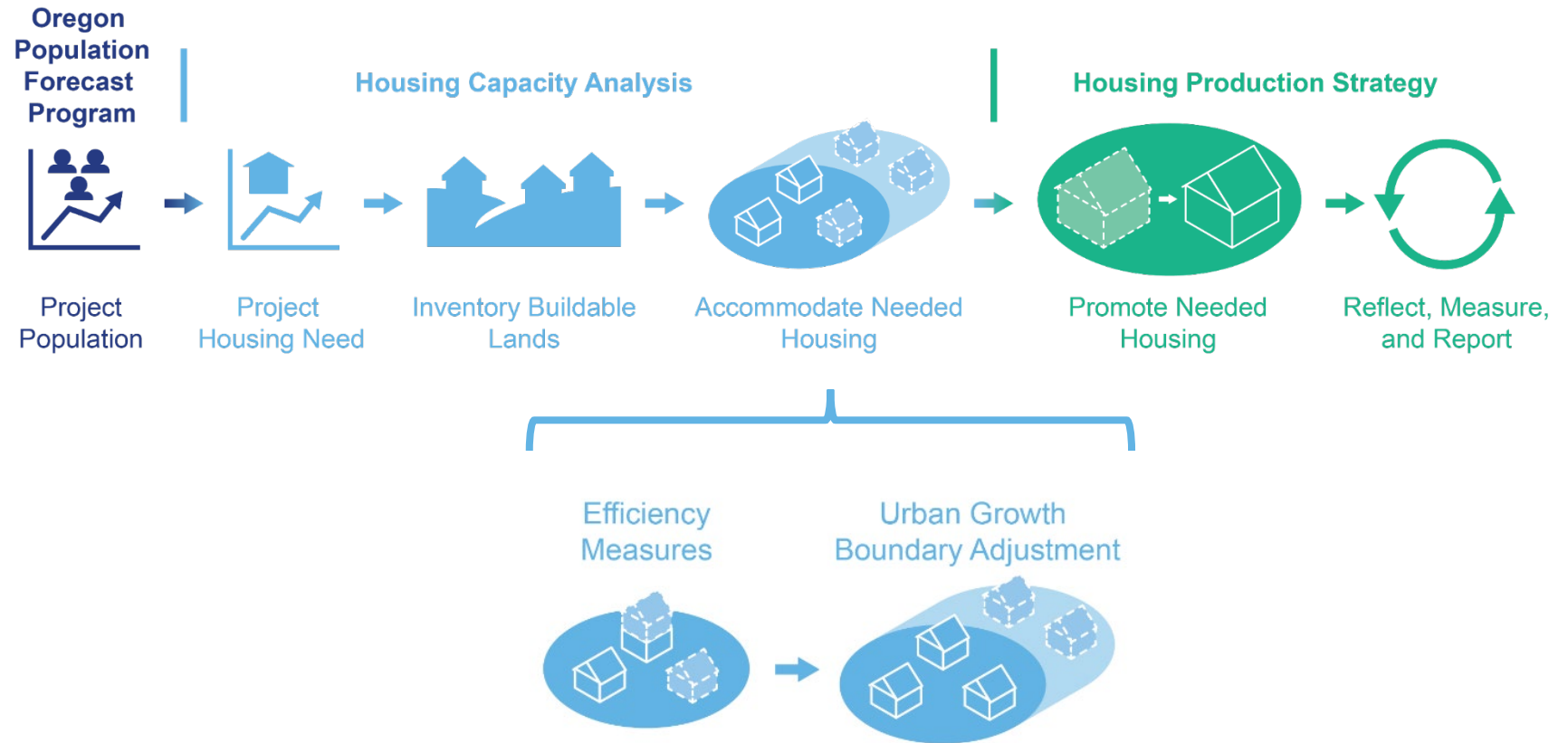
**On expectations:** *We do not expect working group members to articulate well-developed policy proposals on the fly, but we encourage sharing ideas and refinement, either in today's discussion or later. Please direct feedback to the project team.*

*Next meeting – Review process for UGB adjustments and small-city capacity*

# Efficiency Measures

# Reminder – Goal 10

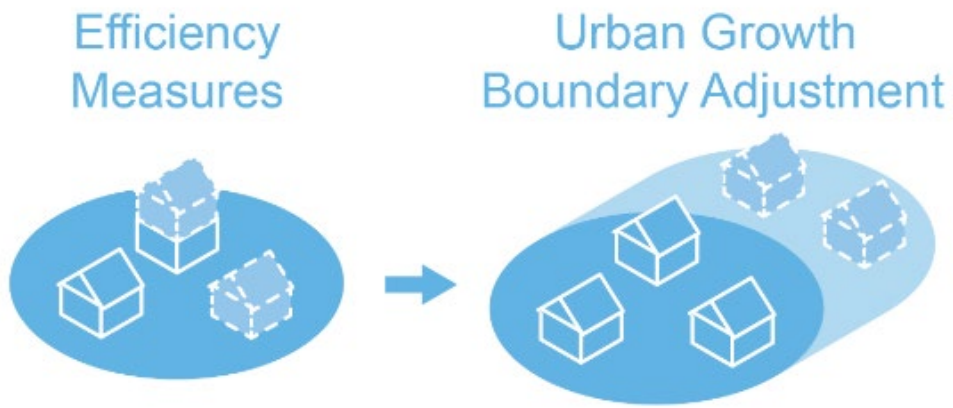
*“To provide for the housing needs of citizens of the state. Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon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



**Metro Cities – 6 years**

**Non-Metro Cities – 8 years**

# What is an “Efficiency Measure”?



**ORS 197.296 (6)(b)** - A measure that increases the likelihood that residential development will occur at a higher density. Examples include:

- Increasing permitted density / rezoning land
- Establishing minimum densities
- Financial incentives / removing barriers
- Redevelopment / infill strategies
- Rezoning land

*NOTE: Meeting packet (p 29) includes specific examples*

Efficiency measures are the first step in addressing a capacity deficiency before a UGB adjustment.

Intent: Build “in and up” before building “out”

# What are the requirements?

Required in two contexts:

- **ORS 197.296 (6)(b)** – When a land capacity deficiency is identified
  - OAR 660-024-0050 requires reasonable accommodation within the UGB before pursuing an expansion
- **ORS 197.296 (7)** – When future housing mix deviates from historic mix

Must meet the following requirements:

- **ORS 197.296 (8)** – Must comply with land use planning goals and city must monitor anticipated versus actual outcomes and report to LCDC
- **ORS 197.296 (9)** – Parameters to ensure they are realistic and achievable
  - Appropriate location
  - Zoned at density ranges likely to be achieved
  - In areas with sufficient urban services

# Wait, there's more?

**“Concurrency” requirement - DLCD vs the City of McMinnville (2001) –**  
Establishes that ORS 197.296 requires efficiency measures and the UGB adjustment to be adopted concurrently with the Housing Capacity Analysis and be consistent with applicable statewide planning goals.

**The 3% Assumption - ORS 197.296 (6)(b)** - implemented via House Bill 2001 but applies to *all* efficiency measures. Must assume changes will result in up to a three percent increase in capacity on applicable lands

- May assume a greater capacity with “quantifiable validation” (i.e. data or analysis demonstrating the capacity will be greater)

# Efficiency Measures and Housing Supply

**Legislative Direction:** *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.*

~ and ~

*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.*

**Efficiency measures are an important tool to increase housing production**

But its implementation has challenges...

# Identified Issues

- **Lack of certainty and clarity on appropriate and sufficient measures**
- **Focus on “density” and local political dynamics**
- **Concurrency requirement and sequencing challenges**

# What is appropriate and sufficient?

## FINAL REVISIONS TO TABLE FIVE – HOUSING MEASURES – CLEAN COPY

Table 5: Measures to Accommodate Housing Needs

Table 5: OAR 660-038-0190(5) Table of measures to accommodate housing needs within the UGB:			
Item	Current Code Provision	Adopted change (note: none of these changes may require approval of a conditional use permit)	High or Low Impact
1	Allows accessory dwelling units, but missing one or more of desired attributes	<ul style="list-style-type: none"><li>Allows accessory dwelling units:</li><li>No off-street parking requirement</li><li>Any type of structure</li><li>No ownership restriction</li><li>Allowed in any zoning district that allows detached units</li></ul>	High
2	No minimum density standards	Minimum density standard at least 70 percent of maximum density for all residential zoning districts. Optional exemptions for constrained lands as defined in OAR 660-38-0070 and for lands that are being partitioned as defined by ORS 92.010(7).	High
3	Single-family detached homes allowed in medium density zoning district (as defined by residential need path standards)	No more than 25 percent of residences in development application in medium density zoning district may be single-family detached homes, unless the detached home is on a lot less than or equal to 3,000 square feet. Optional exemptions for lands that are being partitioned as defined by ORS 92.010(7).	High
4	Off-street parking requirements of one space per multi-family dwelling or greater for multi-family housing with four or more units	Change parking requirements to maximum of no more than one space per multi-family dwelling for multi-family housing with four or more units and no more than .75 spaces per multi-family dwelling for multi-family housing with four or more units within ¼ mile of high frequency transit service (defined as transit service with weekday peak hour service headway of 20 minutes or less). Allow provision of on-street parking spaces to meet off-street parking requirements. Allow reductions below one space per multi-family dwelling for developments that provide spaces for car-share vehicles or free transit passes to residents	High

Simplified UGB (OAR 660, Division 038) – first attempt to articulate clear efficiency measures

- *Only a “safe harbor” under Division 038*
- *Not frequently used in full*
- *Some provisions are outdated (e.g. HB 2001)*

In practice: Efficiency measures are a negotiation balancing meaningful actions with reasonableness

Concurrency adds sequencing challenge – adopting multiple provisions concurrent with both the HCA and UGB adjustment

# Consequence - Disparate Outcomes

**Often, communities do great – e.g. Turner (2021)**

- Minimum lot size: 7,500 sq ft → 6,000 sq ft
- Allow ADUs
- Allow duplexes on corner lots (outright use)
- Allow cottage housing
- Allow townhouses (2-story)
- Minimum density of 10 du/ac for SFD and duplex
- Minimum density of 20 du/ac for multi-family

Example courtesy of ECONorthwest



*Example Duplex in Hood River*



*Example Cottage Housing in Eugene*

# Consequence - Disparate Outcomes

Other communities struggle with even minor or marginal changes

In this example, the community did not adopt a Housing Capacity Analysis nor UGB adjustment

When local political conflict arises, current statute *incentivizes doing little*

Zone	Buildable/ Suitable Acres	Density (dwelling unit/acre)		Potential capacity (dwelling units)	
		Low	High	Low	High
Hillside Residential (HR)	173	0.1	2.0	80	163
Single Family Residential (SFR)	42	1.8	7.3	96	195
Border Residential (BR)	29	0.1	2.0	14	30
Planning Unit Development (PUD)	6	1.0	2.0	6	12
Rural Residential (RR) (RR-5)	3	0.1	0.2	-	-
Multi-Family Residential (MFR)	1	9.0	18.0	7	15
<b>Total</b>	<b>255</b>	<b>0.8</b>	<b>1.6</b>	<b>203</b>	<b>415</b>



Zone	Buildable/ Suitable Acres	Density (dwelling unit/acre)		Potential capacity (dwelling units)	
		Low	High	Low	High
Hillside Residential (HR)	173	2.5	3.5	433	607
Single Family Residential (SFR)	42	2.5	7.3	104	195
Border Residential (BR)	29	2.5	3.5	72	101
Planning Unit Development (PUD)	6	2.5	3.5	15	22
Rural Residential (RR) (RR-5)	3	2.5	3.5	7	10
Multi-Family Residential (MFR)	1	9.0	18.0	7	15
<b>Total</b>	<b>255</b>	<b>2.5</b>	<b>3.7</b>	<b>638</b>	<b>950</b>

# Emphasis on “Density”

Efficiency measures focus on **increasing density**, such as:

- Reduced lot sizes
- Increased min/max densities
- Up-zoning to ‘multi-family’

But tend to focus less on **housing diversity, choice, and affordability**

This creates significant local political controversy for even small changes



8 du/ac

vs.



32 du/ac

Images courtesy of Sightline

# Sequencing – An approach from Madras



## Madras Housing Action Plan

Approved December 11, 2018

Example courtesy of City of Madras and ECONorthwest

When approaching a UGB adjustment, Madras will be able to demonstrate several efficiency measures:

- Allow middle housing in all residential zones
- Increase housing and mixed-use development & decreasing parking requirements Downtown
- Adjustments to public facilities standards and infrastructure finance to reduce costs
- Guidance on development process
- Investments, partnerships, and financial incentives for housing development

All completed before a housing capacity analysis

# The Housing Production Strategy



ORS 197.290 – Requirement for cities above 10,000 population

- (a) The **reduction of financial and regulatory impediments** to developing needed housing, including removing or easing approval standards or procedures for needed housing at higher densities or that is affordable;
- (b) The **creation of financial and regulatory incentives** for development of needed housing, including creating incentives for needed housing at higher densities or that is affordable; and
- (c) The development of a **plan to access resources** available at local, regional, state and national levels to increase the availability and affordability of needed housing.

Opportunity: Overlap with efficiency measures in ORS 197.296

# Ideas to Prompt Discussion

- Implement efficiency measures through **Housing Production Strategies** and check on implementation before an Urban Growth Boundary expansion
- Refine the **purpose of efficiency measures** in statute beyond “density”, including:
  - Increasing housing diversity, choice, and affordability
  - Reducing cost & delay and enhancing development readiness
  - Efficient use and minimizing cost of infrastructure and land per household
- Provide greater clarity by **defining and iterating** efficiency measure options
  - Expectations vary by city size (i.e. less intensive options for small cities)
  - Cities can implement **off-the-shelf options** or **develop their own**
  - Give cities credit by clarifying **middle housing and climate-related code changes** as safe harbor efficiency measures

# Discussion Questions

## Break-out Groups (~4 people; 45 minutes)

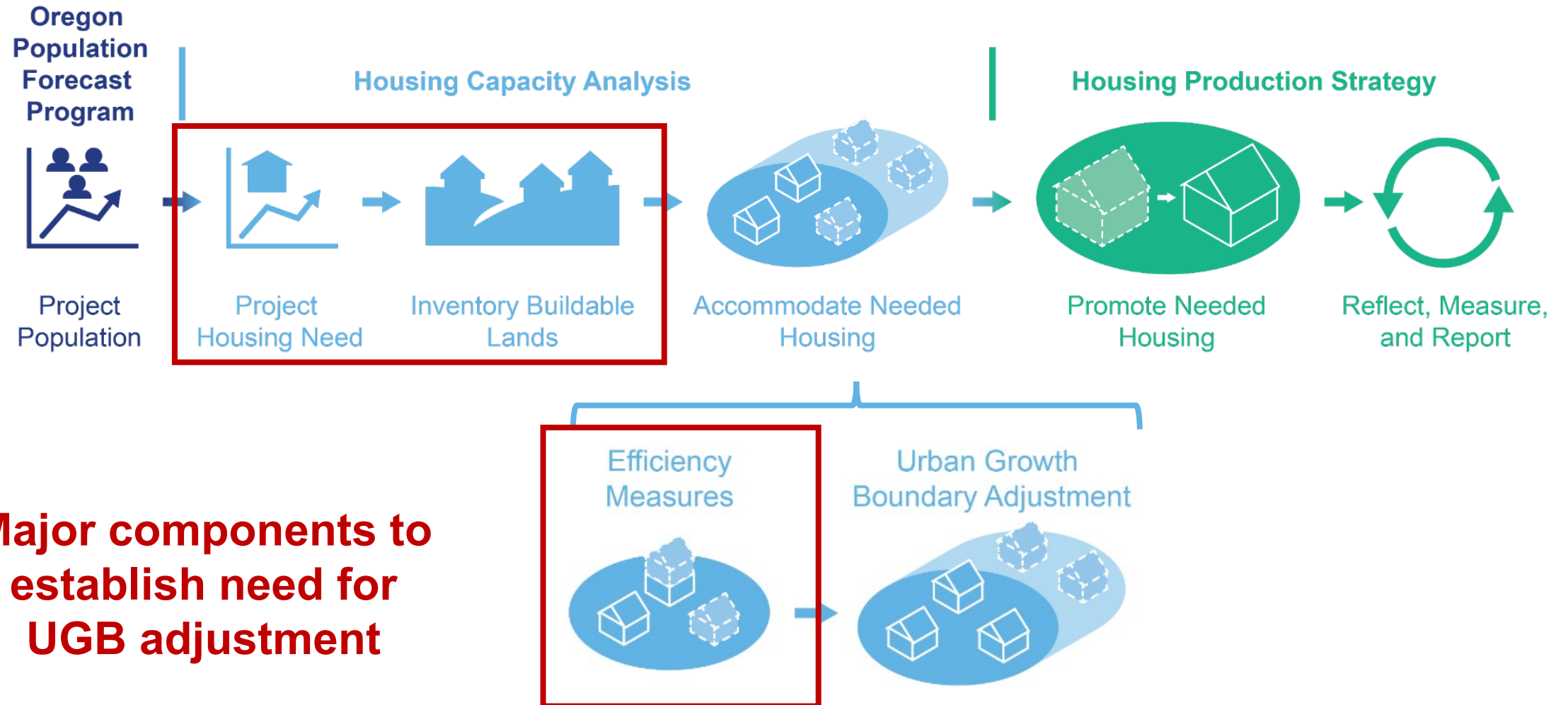
**What we want to learn** – How to increase clarity and certainty, better emphasize housing diversity and affordability, and address sequencing challenges.

1. Efficiency measures are an important tool for supporting housing production and affordability, but meaningful implementation can be challenging and create uncertainty. What policies or administrative changes would help provide **greater clarity and certainty** surrounding efficiency measures?
2. Efficiency measures have focused significantly on increasing “density” while de-emphasizing other important measures related to **housing diversity, production, and affordability**. What refinements to policy or implementation would help shift that focus?
3. Current statute creates a sequencing challenge in establishing a need for a UGB adjustment, because efficiency measures must be adopted concurrently and that takes time. What **adjustments to sequencing can help reduce delay**? Would implementing efficiency measures over a longer horizon via the **Housing Production Strategy** be an appropriate adjustment?

# Report Back

# Establishing Need for UGB Adjustment

# Review



*“How the process and level of data necessary to establish the need for UGB adjustments can be streamlined...”*



20-year Housing  
Needs Projection

- Implementation of an Oregon Housing Needs Analysis (i.e. shifting analytical burden to the state)
- Local translation need to housing types & characteristics with parameters on affordability and feasibility articulated by DLCD
- Ensure 20-year need intact, including after appeal



Buildable Lands  
Inventory

- Greater certainty on BLI-related methodological assumptions
- Removing lands from UGB unlikely to develop
- Reduce local analytic burden, including state-provided analysis resources

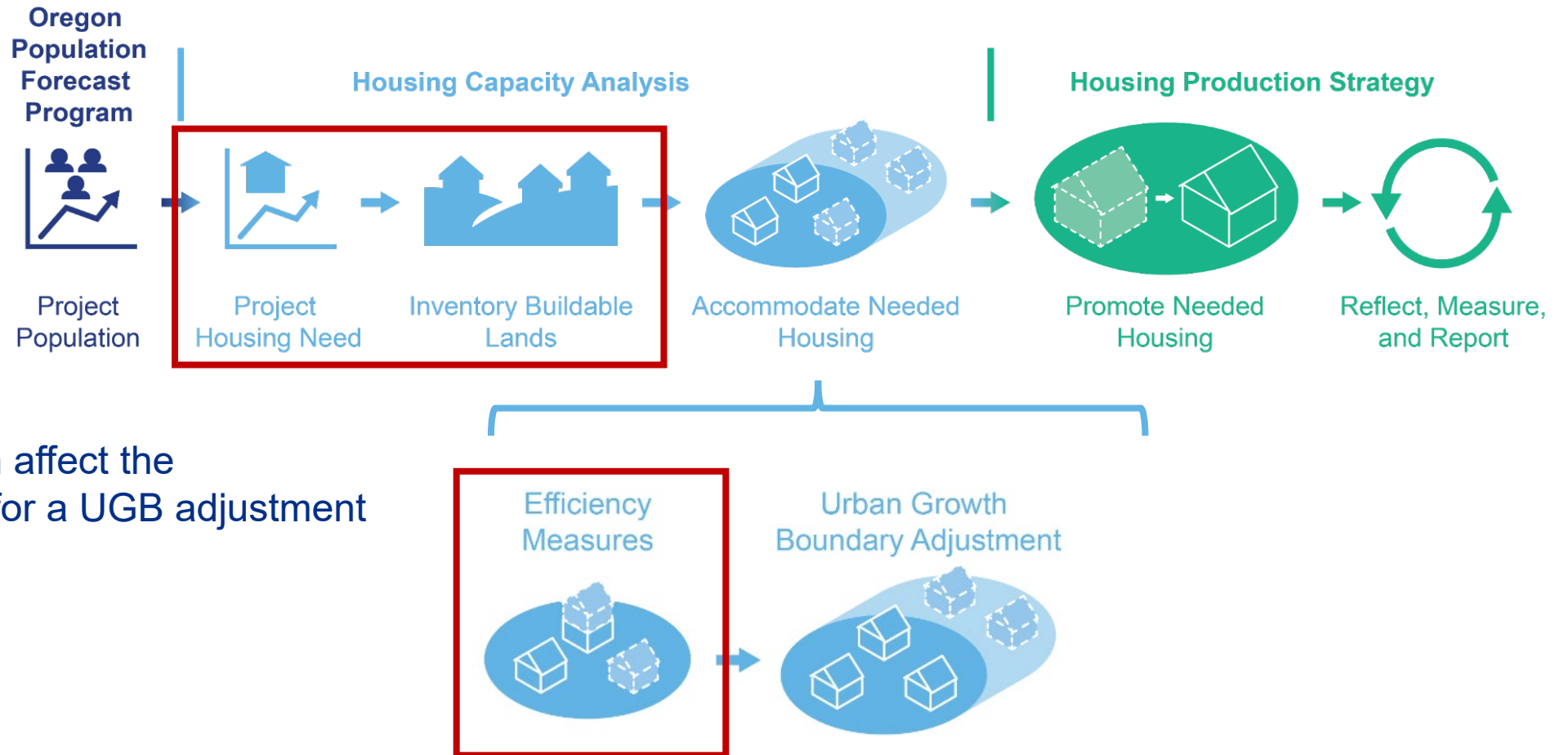


Efficiency  
Measures

- Greater certainty and clarity on efficiency measures
- Increase emphasis on diversity, production, and affordability
- Address sequencing challenge from concurrency (potential HPS implementation)

# Zooming out to the high level

We have discussed specific components of the HCA process



But broader factors can affect the establishment of need for a UGB adjustment

# Discussion Question

## Round-Table Discussion (45 minutes)

**What we want to learn** – Higher-level proposals for policies and administrative changes to streamline the process and level of data needed for a UGB adjustment.

1. So far, we have discussed the individual components of a Housing Capacity Analysis required to establish the need for an Urban Growth Boundary adjustment and brainstormed policies that streamline the process and make it easier to complete for local jurisdictions. At a broader level, **what other policies or administrative changes would help streamline the process and level of data necessary** and lead to greater housing production?

*Note: We will discuss the regulatory review of Urban Growth Boundary adjustments next meeting – this question is specific to establishing the need.*

# Recap, Questions, & Follow-up

# Next Steps - Future Meetings

Meeting	Topic	Date	Time
Meeting 1	Introduction, Context, and Roles	Thursday, May 5	1-3 pm
Meeting 2	Housing Mix and Buildable Lands	Monday, May 23	9am - 12pm
Meeting 3	Efficiency Measures and UGB Need	Thursday, Jun 30	1-4 pm
Meeting 4	Process Streamlining and Capacity	Tuesday, Jul 26	1-4 pm
Meeting 5	Report Back and Additional Feedback	Wednesday, Aug 31	2-4 pm
Meeting 6	Review Draft Recommendations	Monday, Sep 26	9-11 am
Joint Meeting with RHNA Work Group	Wrap-up, Next Steps, and Legislative Transition	Thursday, Oct 20	1-3 pm



Work Group Meeting 3

June 30, 2022

Thank you