

OREGON

Department of
Land Conservation
& Development



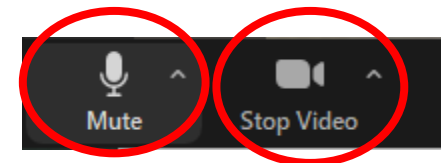
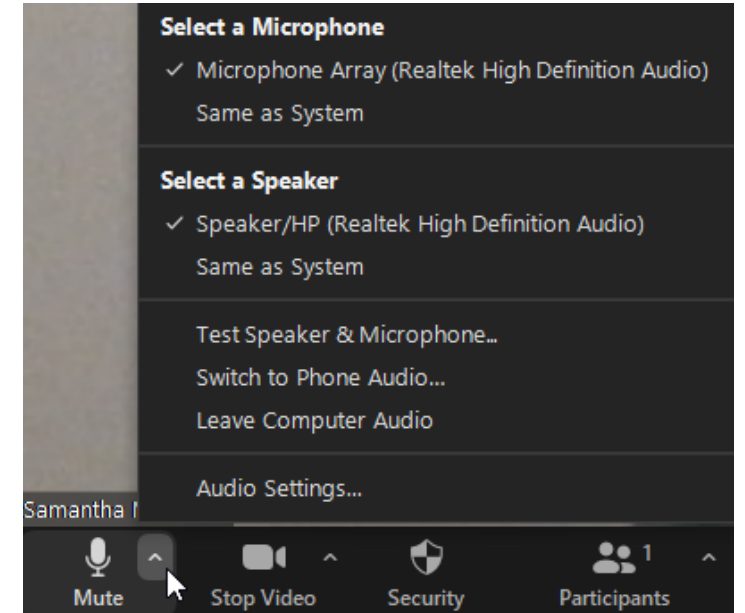
Housing Capacity Work Group

Work Group Meeting 4

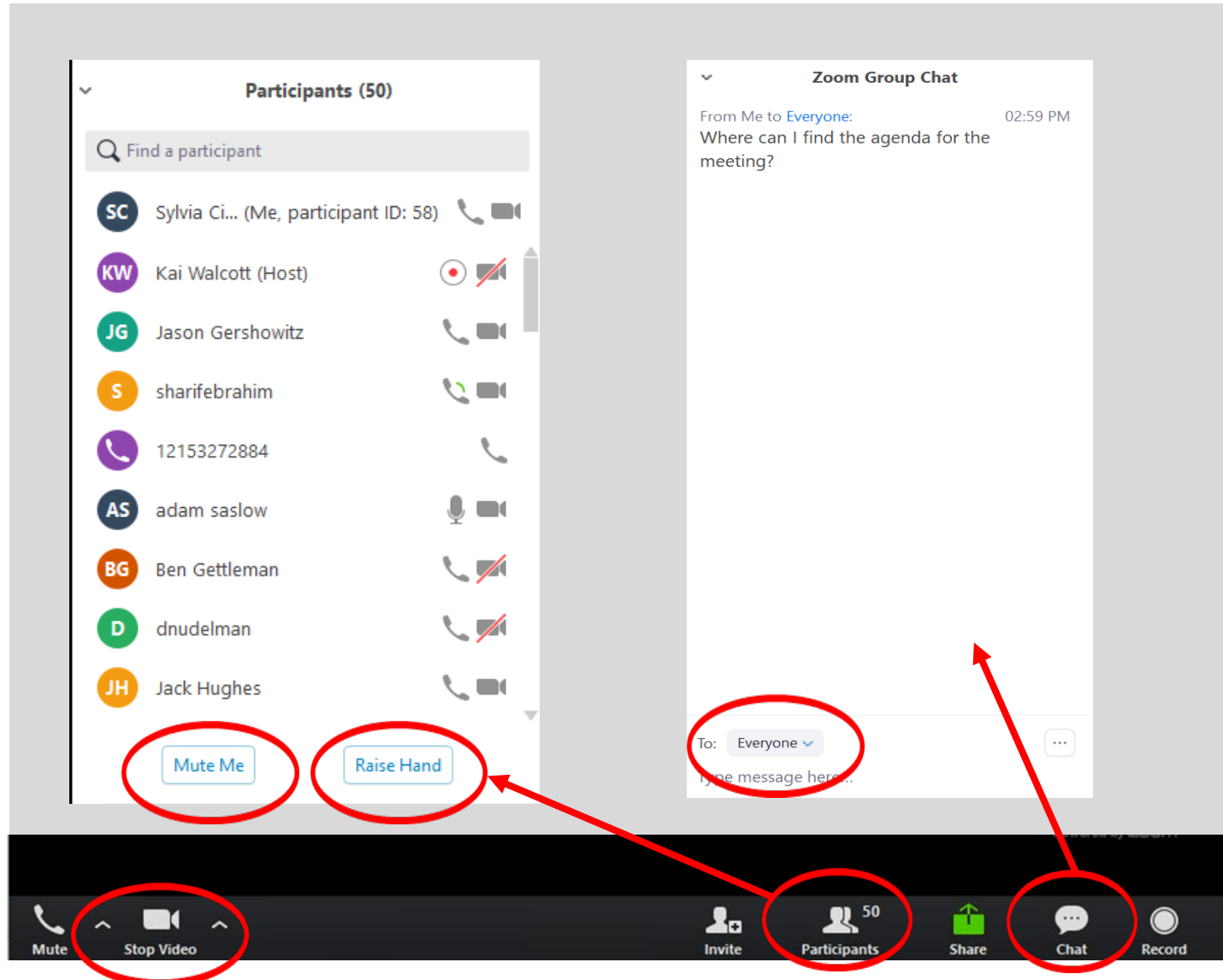
July 26, 2022

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*)
- Goal 14 Presentation – process, challenges, and policy ideas
- Discussion – Discussion (break-out & round-table)
 - **Break-out** (*45 min*)
 - **Report Back and Menti Poll** (*15 min*)
<https://www.menti.com/k1bqu82y8e> PW: 4913 6022
 - **Break** (*10 min*)
 - **Round-Table** (*50 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 break-out and round-table discussion intended to solicit feedback and proposals to address the **UGB adjustment process**, including of evaluation of options intended to **streamline the regulatory review process**.*

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.

Major Identified Issues

Housing Capacity Analysis



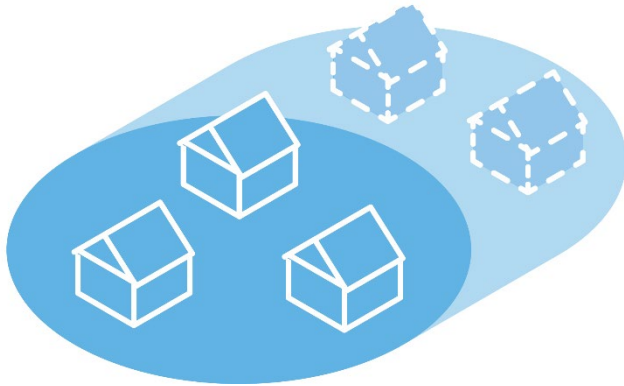
1. Translating housing need (OHNA) to housing types/mix
2. Buildable Lands Inventory
3. Efficiency Measures
4. Urban Growth Boundary review process
5. (Throughout) Building capacity in cities below 10,000 population

Goal 14 – Expansion Process Review

The Basic Process

Intent: Ensure the expansion **best addresses the need** and **protects resource lands** from irreversible conversions

Urban Growth
Boundary Adjustment



1. **Establish Study Area**
2. **Prioritize lands** – urban reserves, non-resource lands, resource lands
3. **Analyze four location factors** – efficiency, infrastructure, EASE, compatibility

Establish Study Area

OAR 660-024-0065

Concept - Start broad; exclude unsuitable lands to narrow

Preliminary Study Area – all urban reserve areas plus areas a minimum distance from existing UGB. Exclude:

- Impracticable to provide public services
- Land subject to natural hazards
- Lands with specific scenic, natural, cultural or recreational resources.
- Non-urban federal lands

Resultant **final study area** must be at least twice as large as land need

Prioritize Lands

ORS 197.298, OAR 660-024-0067

1. Urban Reserves, rural “exception” lands, non-resource lands
2. Marginal lands (Lane and Washington Counties)
3. Farm and Forest land that is not primarily high-value farmland
4. Farm and Forest land that is primarily high-value farmland

Remove unsuitable lands (OAR 660-024-0067(5)):

- Could have been excluded from Preliminary Study Area
- Natural resource protection under Goal 5 will eliminate development capacity
- Land with a conservation easement
- Land that is a public park, school, church, cemetery, airport

Apply Location Factors

Goal 14

1. Efficient accommodation of identified land needs
2. Orderly and economic provision of public facilities and services
3. Comparative environmental, energy, economic and social consequences
4. Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB

Other Considerations

Simplified UGB Methodology

OAR 660, Division 038 – Establishes alternative process. Not used in full.

UGB Land Swaps

- If swap is roughly equal, then no 20-year need analysis required
- Land removed must be redesignated and rezoned for rural uses
- Land added must apply Location Factors

Urban Reserves (OAR 660-021 and 027)

- 30- to 50-year land supply; first priority in UGB adjustment
- Select cities were required to adopt, optional for all others
- Applies priority system to lands brought into

Goal 14 Expansion Planning Challenges

(UGB Survey)

Survey & Discussion Results

Published survey in June (results in packet)

Sent to 31 jurisdictions, 9 responses, 5
follow-up discussions

City	Discussion Date
Sandy	June 10
McMinnville	June 16
Madras	June 23
Metro	June 24
Bend	July 7

Major Challenges - UGB Adjustments can be:

1. Analytically **Complex** – requiring specialized expertise to complete
2. Legally **Risky** – when one or more parties opposes the adjustment
3. Outcome **Uncertain** – and development may not occur as planned, if at all

Survey & Discussion Results

Opportunities - UGB Adjustments can be improved through:

1. **Urban Reserve Planning** – Increasing certainty and reducing friction from the priority scheme
2. **Small-scale expansions** – Reducing risk, time, and costs associated with larger expansions
3. **DLCD-lead analysis** – Directly addressing analytical challenges and reducing costs
4. **DLCD partnership** – Helping cities “get to yes” via collaboration
5. **UGB Land Swaps** – Removing lands that have not and will not develop anytime soon

Policy Ideas

Next: Break-out discussion

DLCD Capacity for Goal 14

Build staff capacity to complete or support Goal 14 analyses

Leverage existing budget request (OHNA POP) to fund capacity

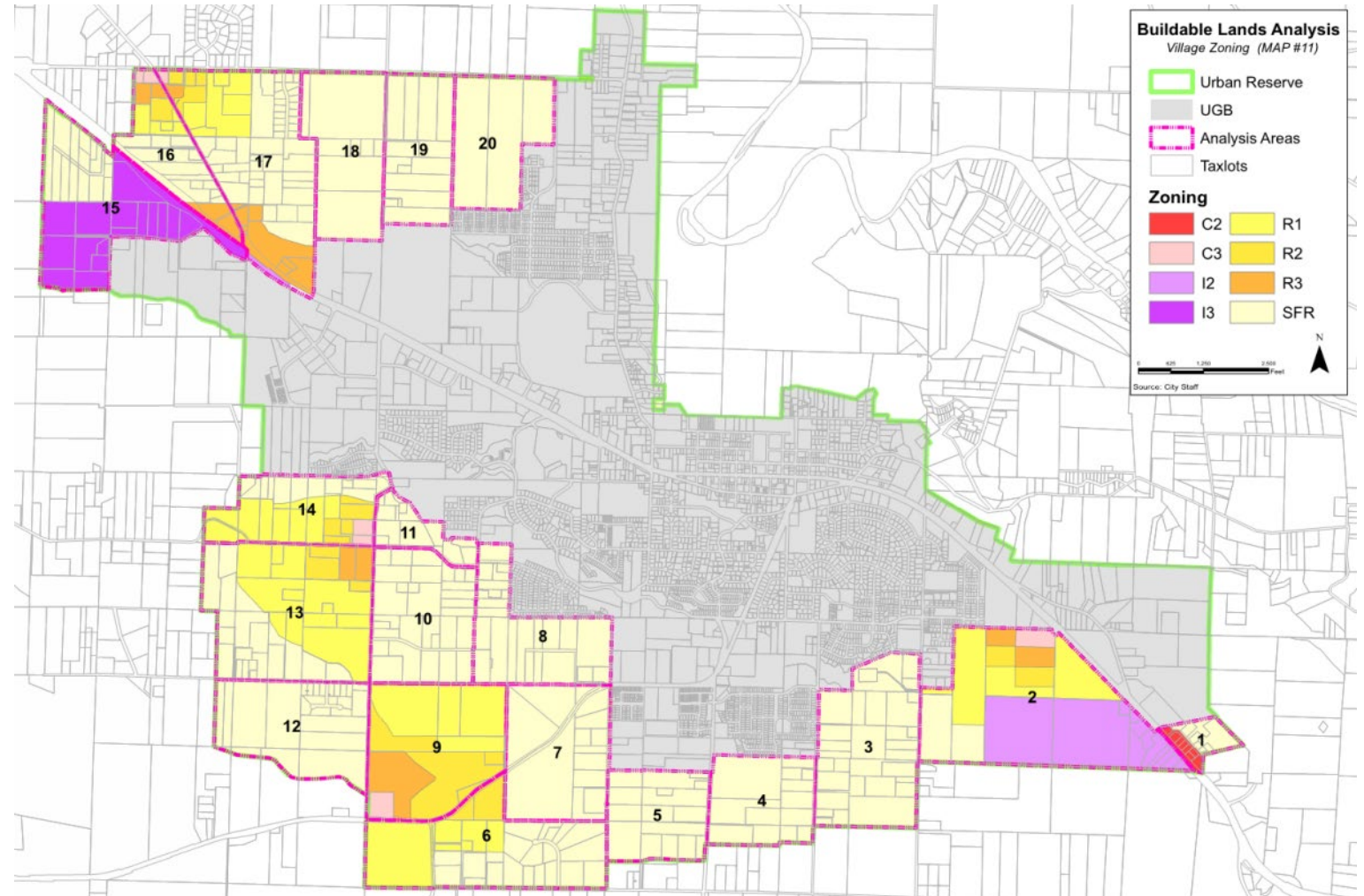
POP 204: Regional Housing Needs Analysis & Housing Technical Assistance

Positions (FTE)	2.63
Grants	\$2,500,000
General Fund	\$3,574,433
Federal Fund	-
Total Funding Request	\$3,574,433

Emphasize Urban Reserve/Concept Planning

Incentivize or require urban reserve and concept planning

Increases certainty and enhances development and infrastructure readiness



Example courtesy of City of Sandy

UGB Land Swap

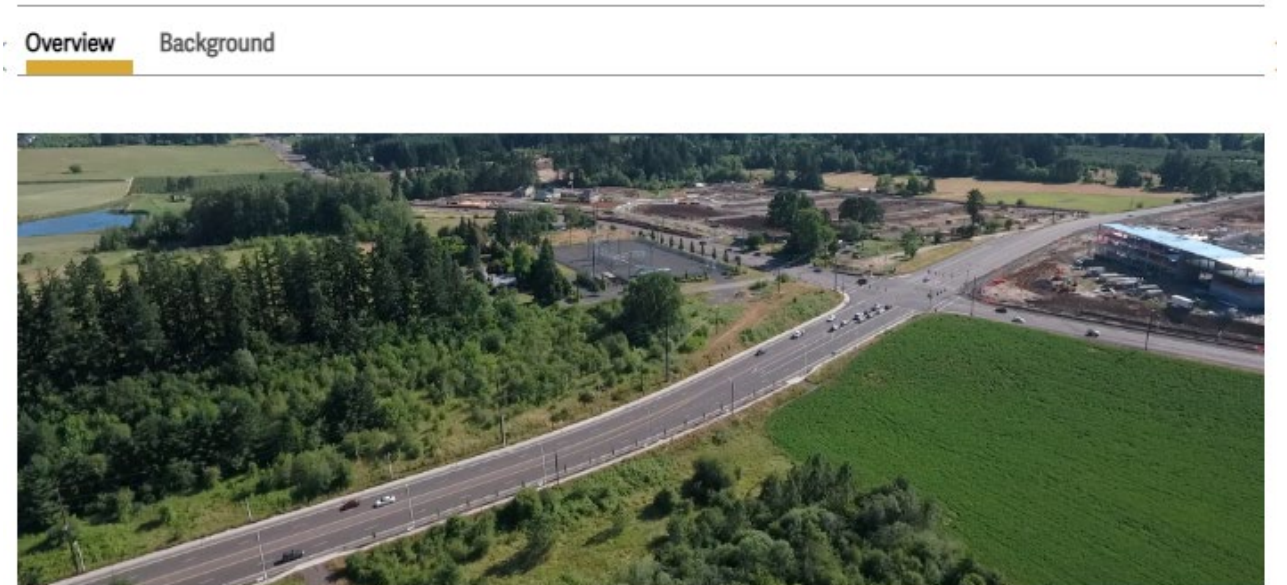
Incorporate into the HCA process

Facilitate appropriate removal of lands unlikely to develop

Strengthen with flexibility around priority analysis

Tigard River Terrace 2.0 urban growth boundary exchange

A proposed swap would remove land from the urban growth boundary that is unlikely to be developed in the next 20 years and add land near Tigard that could support development in the near future.



Example courtesy of Metro

Incentivize Small-Scale UGB Adjustments

Incentivize streamlined small-scale expansion in exchange for statewide housing policy goals

Design to be viable option while protecting resource lands

Note: Simplified UGB Methodology, HB 4079 (2016), HB 4118 (2022)

Example: Skyline Village (HB 4079)



Conceptual Rendering of Skyline Village Design

Example courtesy of City of Redmond

Disincentivize Appeal of UGB Adjustments

Disincentives for appeals of adjustments (not on high-value farmland)

Intent to dissuade incentive for obstruction when need identified

Must be crafted to avoid discouraging bona fide appeals (requires significant DOJ input/review)

DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT REPORT ON CITY OF MCMINNVILLE URBAN GROWTH BOUNDARY

DLCD Order 001926

April 9, 2021

I. DECISION

For the reasons explained in this report, the Department of the Land Conservation and Development (DLCD, or department) concludes that the submittal from the City of McMinnville (city) and Yamhill County, containing an urban growth boundary (UGB) amendment and supporting comprehensive plan amendments, complies with the requirements of the applicable statewide planning goals, statutes, and administrative rules. The submittal is approved.

II. REVIEW PROCEDURES AND CRITERIA

A. Procedural Considerations

As discussed in detail in Section III below, the city initiated the subject land use decisions in response to Work Task 1, which was established through the periodic review process for the City of McMinnville prior to January 1, 2016. The city provided notice of the proposed UGB amendment on June 4, 2003. The city adopted the McMinnville Growth Management and Urbanization Plan (MGMUP) and the Economic Opportunities Analysis on October 14, 2003. Consequently, the city has proceeded to address a remand from the Oregon Court of Appeals and from the Land Conservation and Development Commission (LCDC or commission) pursuant to statutes and administrative rules that were previously in effect as authorized by Oregon Laws 2016, chapter 81.¹ OAR 660-024-0000(2) authorizes the city to utilize prior provisions in Statewide Planning Goal 14.² The city's findings note that "[t]herefore, the City Council finds

DLCD approval of McMinnville UGB Adjustment

Discussion Questions

Break-out Groups (4-5 people; 45 minutes)

What we want to learn – What implementable, effective, and politically viable policy options can streamline the regulatory review of UGB adjustments

1. What are your thoughts, concerns, and suggestions behind **the five policy concepts presented**? What will it take to ensure the concept is implementable, effective, and politically viable?
 1. DLCD Capacity to Complete/Support Goal 14 Analysis
 2. Emphasize Urban Reserve and Concept Planning
 3. Incorporate the UGB Land Swap Process in the Housing Capacity Analysis
 4. Incentivize Streamlined Small-Scale UGB Adjustments
 5. Disincentivize Appeal of UGB Adjustments
2. What **additional policy concepts or suggestions** do you have that would streamline the regulatory review of UGB adjustments, especially for smaller, more capacity constrained cities?

Report Back

Menti Poll and Break

<https://www.menti.com/k1bqu82y8e> PW: 4913 6022

Round Table

What we want to learn – What implementable, effective, and politically viable policy options can streamline the regulatory review of UGB adjustments

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2. What **additional policy concepts or suggestions** do you have that would streamline the regulatory review of UGB adjustments, especially for smaller, more capacity constrained cities?

Recap, Questions, & Follow-up

Wrap-up and 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 4

July 26, 2022

Next Steps