

Housing Needs Work Group - Meeting 5

August 18, 2022

Meeting Notes

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Staff and Working Group Members

Sean Edging, DLCD	Ariel Nelson, League of Oregon	Michael Szporluk, Unaffiliated
Ethan Stuckmayer, DLCD	Cities	Disability Advocate
Mari Valencia-Aguilar, DLCD	Brock Nation, Oregon Realtors	Miranda Bateschell, City of
Gordon Howard, DLCD	Carla Paladino, City of Medford	Wilsonville
Megan Bolton, OHCS	Cristina Palacios, Unite Oregon	Nick Snead, City of Madras
Mitch Hannoosh, OHCS	Dwight Jefferson, City of Portland	Samantha Bayer, Oregon
Deb Meihoff, Communitas	Jill Rolfe, City of Coos Bay	Homebuilders Association
Madeline Baron, ECONorthwest	Mary Kyle McCurdy, 1000 Friends	Taylor Smiley Wolfe, Home
Al Johnson, retired Land Use	of Oregon	Forward
Attorney	Mary Phillips, City of Gresham	Ted Reid, Metro
Allan Lazo, Fair Housing Council of	Michael Burdick, Association of	
Oregon	Oregon Counties	

Key Insights Summary

Implementation Mechanics – Members shared a variety of concerns and questions about the resultant implementation and sequencing of any major changes to the Goal 10 process. Clarifying that sequencing and communicating how the process will play out will be an important component of the final report.

Aligning Policy and Outcomes – While many of the policies are broad and formative, members highlighted the need to ensure that the resultant policy reflects the goal of achieving greater equity in outcomes. Members offered feedback on messaging and framing to better align policy and outcomes.

Funding Matters – Members reiterated the importance of substantial funding to achieve greater production, and raised a variety of suggestions and ideas to ensure funding is reaching areas of critical need, including capacity, equity, affordable production, and infrastructure.

The Need and Challenges of a Governance Structure – Members generally agreed that the establishment of a structure that better coordinates between state agencies and local governments to achieve production outcomes. However, it will be challenging to facilitate a broad conversation to establish the best structure before the legislative session. Having an interim plan to make progress will be an important component of the draft.

Pre-Discussion Context

Presentation slides available at the following link:

https://www.oregon.gov/lcd/UP/Documents/20220818_Housing_Needs_WorkGroup_Mtg5_Presentation.pdf

Discussion

- Will there be accessible housing targets? Will they take into account the higher costs experienced by people with disabilities? How can this align with the accessibility of our current housing stock? How will we know if the supply is growing?
 - Local governments don't know where to start implementing disability requirements. With what data?
 - There's an obligation to get better data to address the need.
 - Not sure that accessibility can be required by Planning. If Building Code changed, that would take care of it.
 - "visitability" should be a bare minimum. not the "gold" standard.
 - Work completed by Lifelong Housing might be a good starting place for a statewide conversation: <https://www.oregon.gov/dhs/SENIORS-DISABILITIES/ADVISORY/ODC/FullMeetingDocs/LLH-Checklist.pdf>
- Within the affordable bucket, will it be broken down by level 0-30, 30-60?
 - (Project team) Yes –this is intrinsic and highly critical to implementation, but wasn't explicitly iterated in the discussion draft. We will ensure to clarify that in future materials. I'll note that these brackets have been updated to better align with subsidized affordable funding streams.
It used to be 0-30, 30-50, 50-80, 80-120, 120+, per the original legislation (adding 0-30 for extremely low income), but to be more granular and align with funding sources like LIHTC, the team is proposing revising the brackets to 0-30, 30-60, 60-80, 80-100, 100+ It's also possible to consider a 100-120 bracket, though seven brackets is more unwieldy. That is definitely something that could be discussed at the technical meeting.
- Will there be a role for DLCD to ensure that the implementation of production targets into the HCA is sufficient?
 - The HCA itself would not be evaluated in light of production targets, but the policies cities adopt will. We would be shifting where these policy responses happen to both streamline the UGB expansion process and make local policy responses more meaningful.
- How state agencies will engage in the process, especially with marginalized groups. Will the HPS go through a PAPA process? How can the outside world understand what is happening and provide comment?
 - DLCD is charged with reviewing PAPAs for compliance with Goals (like Goal 10), OARs, and statutes. It is supposed to be more than just a "notice" tool, but DLCD has not been robust in its review of PAPAs for Goal 10.
- Will this approach to Goal 10 (recommendation 2.2) address growing disparities in black-white ownership, and access to existing areas of exclusion/opportunity
- How do HPSs connect chronologically with growth management? HPS is on a 6-8 year timeline while UGB decisions are based on 20-year supply.
 - Yes, still on the same 6-8 year timeline while the UGB is based on the 20-year supply
- Is this still focused on cities at and above 10k population like the current HPS?

- Yes, requirements will still be at the 10k population threshold, but smaller cities will be encouraged to participate and access the same state resources to support production.
- Within the affordable housing bucket, will it be broken down by level 0-30, 30-60? On affordable housing, recommendations should include up to 80 AMI, and use LIHTC for this at the local level and align with OHNA. Could be just publicly supported below 80%. Could be NOAH too.
- Sequencing of HPSs – should it be a concurrent determination with land supply.
 - What are the tradeoffs between HPS concurrent with or before HCA?
 - Does it make sense to go production target --> HCA --> HPS?
 - Getting the target from the state, checking our land supply for meeting that, and then diving into strategies seems logical
 - The strategies could affect what can be developed where, though, which would then be reflected in the BLI. So they are entangled. Doing them concurrently would allow for that feedback between the two processes.
 - That reinforces the advantage of doing them together. There is some push and pull. What's on the "books" now and what's needs to change to get us to better meet our need. Which would change our capacity. This is somewhat iterative from a first draft to a final draft.
 - Why not just merge the HCA and HPS or have a single deadline and leave sequencing to local jurisdictions.
 - As long as funding/technical assistance is still available for all the work and the concurrence doesn't diminish state assistance
 - There's a relationship between the HPS and HCA and the nature of location being a factor in equitable production outcomes. For example, might the HPS evaluate whether there are equity issues with where housing is located in a community and further identified/confirmed by land capacity available in certain locations in a community as it is evaluated in an HCA?
 - Lorelei, yes, that's where I see concurrently could make sense, so any needs for changes identified by the HCA could be evaluated through the HPS discussions, potentially leaving more flexibility for alternate outcomes that may be more favorable or allow for better analysis in the decision making process for it
- There are two housing buckets: one a total # and one an affordable housing bucket. If that is accurate, is there a TYPE of housing breakdown in the total number, including market rate? Goal 10 talks about types of housing, and we need a variety of housing types at all income levels to meet household size needs.
 - Goal 10: . . .plans shall encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for the flexibility of housing location, type, and density."
 - As we have seen, "policy choices" are responsive to actual housing type needs. We need to make sure that does not occur as we project into the future. We need to get away from just single-family housing for every income level. Different families have different needs—we need to look at household size. It's not just about affordability, and we're not meeting housing need if we don't address this

- We need bigger housing for bigger families for the BIPOC community
- (Project team) Our system is currently based on past production trends. We're changing this way of doing housing mix to be responsive to actuarial need. This includes affordability thresholds, disability, market feasibility. We need policy guidance to do this. We have poor data on current stock to begin with, but this needs to be part of the conversation. The dashboard would include unit production breakdown of what's being produced on an annual basis, but that's descriptive and not prescriptive.
- Wilsonville is currently going through this. Do we require certain housing types to meet specific needs? A variety of housing types could do this. How do you do it at a planning level? They want it to be a policy, in zoning code or HPS, in the future. Planners are not usually working at that level of detail. Could we bring in other partners, e.g. building division, building code? We have this for commercial and the built environment, but not housing. Could this be a condition of approval? Don't know if that's legal. If they already have land use approval, what can make them do?
 - Check in on Bend's use of the economic and social consequences factor in its UGB expansion area selection process to induce property owners to volunteer the kinds of commitments you are talking about.
- Funding related feedback:
 - Can funding pay for staff or consultant staff to implement HPS actions? Or is it limited to housing development or some other parameters?
 - question for funding issues, are there financing barriers in terms of ability to get long terms loans with favorable rates for affordable housing projects?
 - Also a tax credit or other mechanism to incentivize affordable housing providers to do more NOAH: being able to purchase existing properties with moderate income rents (<140% AMI), cap rent increases and have a few years to build reserves for major rehab, and phase deeper affordability at unit turnover
 - And development capacity for culturally specific orgs that do/want to do affordable housing development (e.g., Meyer memorial trust collab that was just announced)
 - OHCS is also in development of a program (also in need of more resources to meet the need) for the Acquisition of NOAHs - hoping to have launched early 2023 with CDFI partnership
 - (OHCS) While we need far more resources to meet the need, we do have a Land Acquisition Program to assist with acquiring land!
<https://www.oregon.gov/ohcs/development/Pages/land-acquisition-revolving-loan.aspx>
- Desire to make affordable housing available for Individual Taxpayer Identification Number Holders, from an economic justice and Fair Housing perspective, not making affordable housing for all seems unjust.
- There is a question of capacity to support these Goal 10 changes. Can funding pay for staff or consultant staff to implement HPS actions? We need capacity for local governments to get units out the door.
 - (Project team) This will be reflected in the recommendations

- Dashboards should reflect homeownership. More people could be owning homes. It's good to look at efficiency but may not be as relevant for smaller cities.
- Likes centering the HPS, which gets to the level of specificity for some of the issues we're discussing, like accessibility. Suggestion to change "leading with production" to "leading with outcomes."
 - Aligned with ensuring we are producing a variety of housing types, not just # of units, consistent with projected HH size, age, etc.
- It's good to get standardized data from the state. Focuses local policy decisions. Likes where we're going with the HPS/HCA sequencing, but planners need to have a draft BLI first to root their strategies in actual conditions. Then the HPS can change policy to inform the HCA. Need to maintain local flexibility and make sure we have good data to make policy.
- We need funding to make sure that we are achieving some baseline sustainability, especially for homeownership (e.g. land trusts). We need a tax credit or other mechanism to incentivize affordable housing providers to do more NOAH: being able to purchase existing properties with moderate income rents (<140% AMI), cap rent increases and have a few years to build reserves for major rehab, and phase deeper affordability at unit turnover.
- Emphasize infrastructure funding, including enviro review, feasibility, pre-development. We need to staff up. We can also look at connecting to existing funding for housing outcomes (e.g. OHCS NOFA cycles, Business Oregon, CBDG). This should include hard infrastructure to make land development ready. Need to be clear that the housing we're not getting from the market needs to be subsidized. Land and lumber are the biggest costs—not SDCs. We can do more work the non-profit developers to reduce costs.
- One thought on recommendation 3 - where / how will state agencies continue to engage with "marginalized" groups?
 - The work that the Homelessness Research and Action Collaborative will inform housing-related engagement and DLCD guidance. That work is pending publication by the end of the year.
- Governance Options
 - We need plan B if there's no state restructure. What will current agencies do? Look at the TGM program as a model for a quick response team.
 - Must be some direct tie to the Governor's Office. Concern about putting market rate housing in OHCS, which already has its hands full.
 - Creating a new state agency will not work. This has to be embedded in existing agencies. Don't be too prescriptive in the legislation. At the end of the day, the Governor's Office directs the agencies.
 - A state HPS could help align existing agency roles and funding. Identify barriers to production, just like at the local level.
 - Be very cautious about creating a new agency. There are many that have never made it out of infancy.
 - The housing needs of the state in the short and long term should not be direction of the Governor. Agency staff will be able to sustain and ensure needed housing is produced. If

changes are needed, the Legislature can make those changes, as they see appropriate--but hopefully not!