

# Housing Needs Working Group

August 18, 2022



# Overall project framework

Team Member	Responsibility	
OHCS & DLCD	Policy oversight and direction Will be responsible for implementing OHNA	
Legislature	Advance recommendations to fund and implement OHNA	
ECONorthwest	Technical analysis Recommendations report	Agency engagement Project management
Kearns & West	Stakeholder engagement Project strategy	
Communitas (Deb)	Working Group facilitation	
Univ. of Oregon	Housing barriers literature review & survey	
PSU Homeless Research & Action Collaborative	Setting up long-term community engagement needs for OHNA implementation	
Housing Needs Working Group	Advise on core recommendations and conditions for success	
Housing Capacity Working Group	Advise on housing capacity issues	

# Where have we been?

Month	WG Action	Consultant Work	Topics
Oct	Meeting		Orientation; review RHNA pilot
Nov	Surveys		Key issues and early ideas
Dec	Meeting		Discussed key issues & survey results
Jan	N/A	<ul style="list-style-type: none"> <li>- Implementation Framework</li> <li>- Engagement Framework</li> </ul>	Pathways and conditions for success on how to integrate RHNA into statewide land use
Feb	Informal Meetings		Short session resulted in 2 <sup>nd</sup> Working Group focused on land capacity
Mar	N/A	<ul style="list-style-type: none"> <li>- Focus Groups</li> <li>- Best Practices Memo</li> <li>- Drafted Charters</li> </ul>	<ul style="list-style-type: none"> <li>- Generate high level policy concepts</li> <li>- Separated responsibilities of the two working groups</li> </ul>

# Where have we been?

Month	WG Action	Consultant Work	Topics
Apr	Meeting	<ul style="list-style-type: none"> <li>- Focus Groups</li> <li>- UO Survey</li> <li>- HRAC Lit. Review</li> </ul>	Discussing high level policy concepts
May	Technical results discussion	<ul style="list-style-type: none"> <li>- Technical Work</li> <li>- Focus Groups</li> <li>- UO Survey</li> </ul>	Review findings from OHNA technical work
June	Meeting	<ul style="list-style-type: none"> <li>- Engagement Summary Memo</li> <li>- Drafting Recommendations</li> <li>- Analyzing Survey Data</li> </ul>	Discuss details on implementation options, including “report card”, administrative capacity, funding
July	N/A	<ul style="list-style-type: none"> <li>- Technical Work</li> <li>- Agency Engagement</li> <li>- Drafting Recommendations</li> </ul>	
Aug	Meeting	<ul style="list-style-type: none"> <li>- <b>DRAFT Report</b></li> <li>- <b>Technical Report</b></li> </ul>	Feedback and input on draft recommendations

# Where are we going?

	Work Group	Consultant Work	Topics
Sep (new)	- Listening Sessions - WG Work Sessions	- Refine Recommendations - Additional Engagement	- UO Development Barriers survey - OHNA Technical Report
Oct	Joint Meeting with Housing Capacity WG	- Revise Recommendations - Legislative Prep	- Refine recommendations
Nov	N/A		
Dec	-Final WG meeting	- <b>Final Report</b>	

## Key takeaways from:

- Local Government Forums
- Housing Capacity Work Group meetings – June and July

## Upcoming:

- Report on Centering Equity - Homelessness Research and Action Collaborative
- Survey & Report on Development Barriers - University of Oregon
- Stakeholder Listening Sessions – Sept 7th, 9th, 12th

# Discussion Draft Recommendations

# Foundations for recommendations

These discussion draft recommendations build on substantial research, framework documentation, and stakeholder input completed since November 2021.

- Formation of OHNA Work Group & 4 meetings held
- DLCD Racial Equity Impact Statement
- Implementation Framework Report
- Engagement Framework Report
- Housing Production Best Practices Report
- UO Barriers to Production Work
- PSU HRAC Equitable Engagement
- PSU Population Research Center Demographic Forecasts
- DLCD UGB Amendment Survey
- Technical Methodology Revisions
- 6 Stakeholder Focus Groups
- 14 DLCD Regional Forums
- Drafting Recommendations

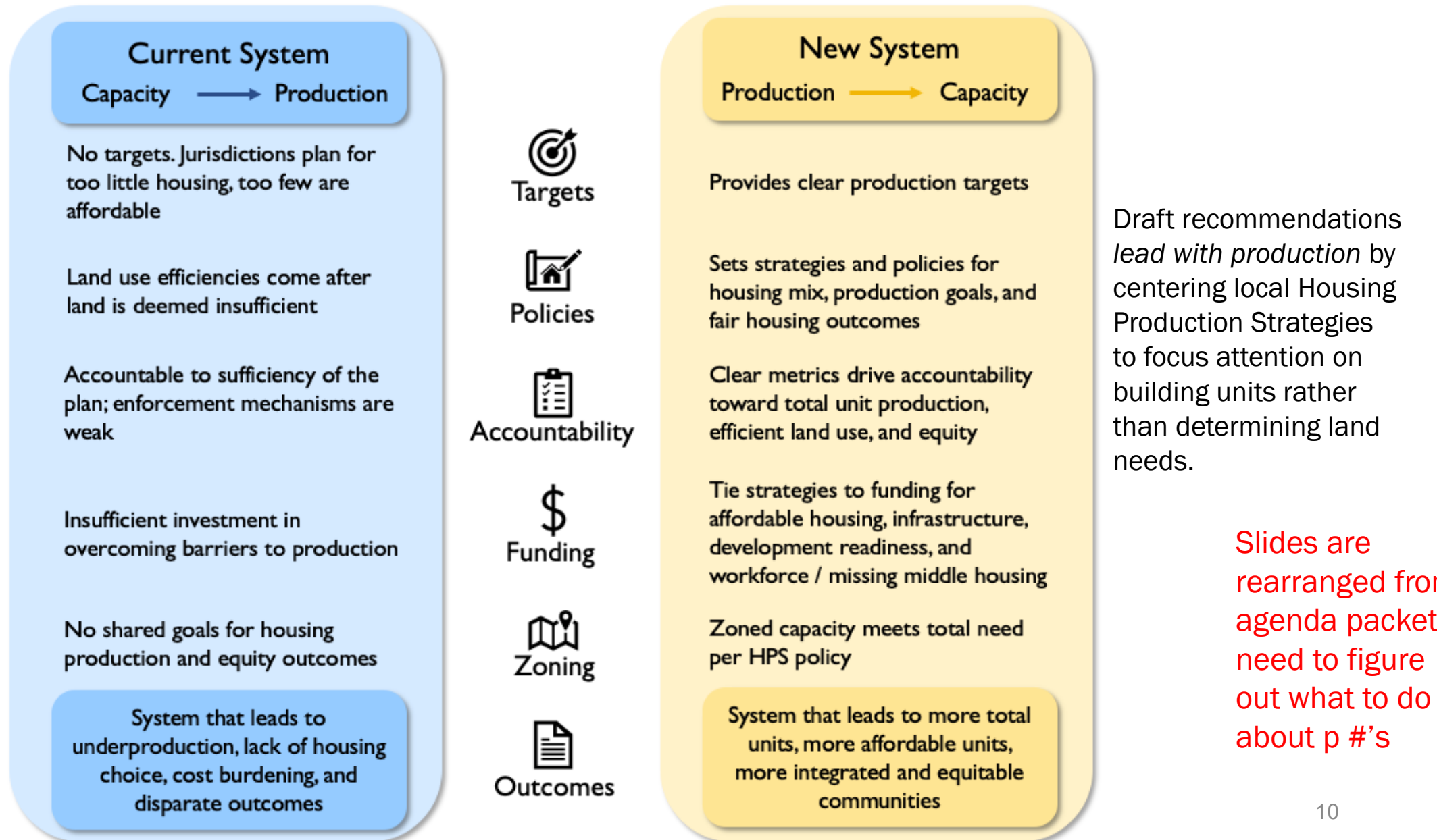


# Purpose of the discussion draft

The discussion draft recommendations describe **how the state of Oregon and its communities can work together to balance regulatory authority and shared accountability with incentives and funding to make real progress** in addressing Oregon's housing crisis. If implemented, these reforms would advance the following outcomes:

- Increased overall housing production
- Increased publicly funded and affordable housing production
- More inclusive and integrated communities

# Big picture: leading with production



# Overview of discussion draft recommendations

## **1. Plan for what's needed.**

1. Create production targets and measure progress toward outcomes.
2. Strengthen Housing Production Strategies to promote production and overcome barriers.
3. Streamline land capacity and urbanization processes to expedite well-planned expansions.

## **2. Build what's needed, where it's needed.**

1. Commit sustainable funding for housing production and development readiness.
2. Use the implementation of Housing Production Strategies to advance fair housing outcomes.

## **3. Commit to working together with urgency.**

1. Develop a mechanism for partnership, coordination, and accountability among state agencies and local governments.
2. Direct the State and Metro to develop Housing Production Strategies.
3. Create a housing production team to diagnose and overcome development barriers and recommend policy or funding intervention when needed.

## Discussion Recommendation 1: Plan for what's needed

# Recommendation 1. Overview: Plan for what's needed

## **1.1 Create production targets and indicators and measure progress towards outcomes.**

The state will measure progress toward targets in an outcome-driven system that adjust policies over time.

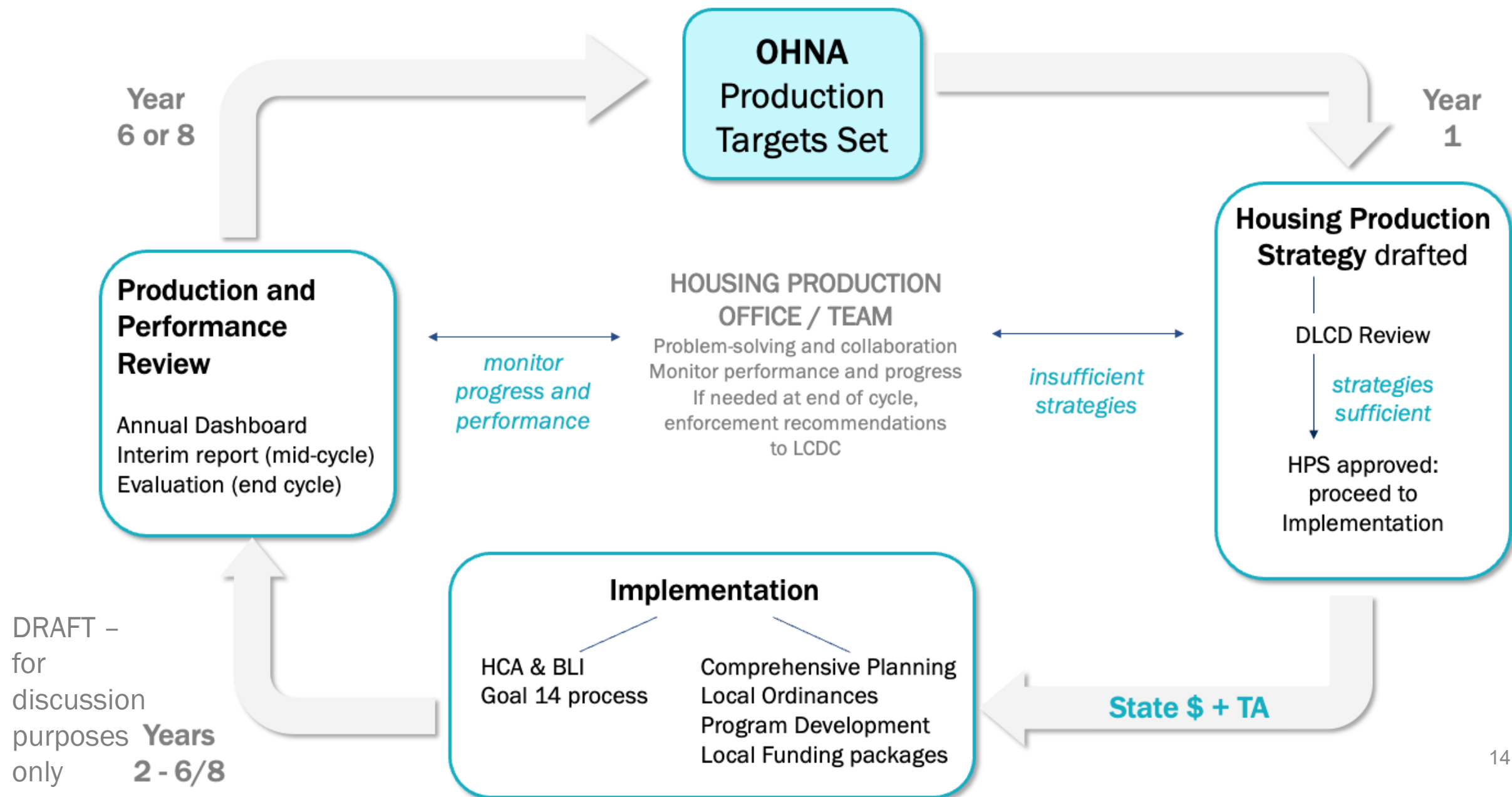
## **1.2 Strengthen the Housing Production Strategy to promote production and overcome barriers.**

Align local policies and investment to promote equitable housing production.

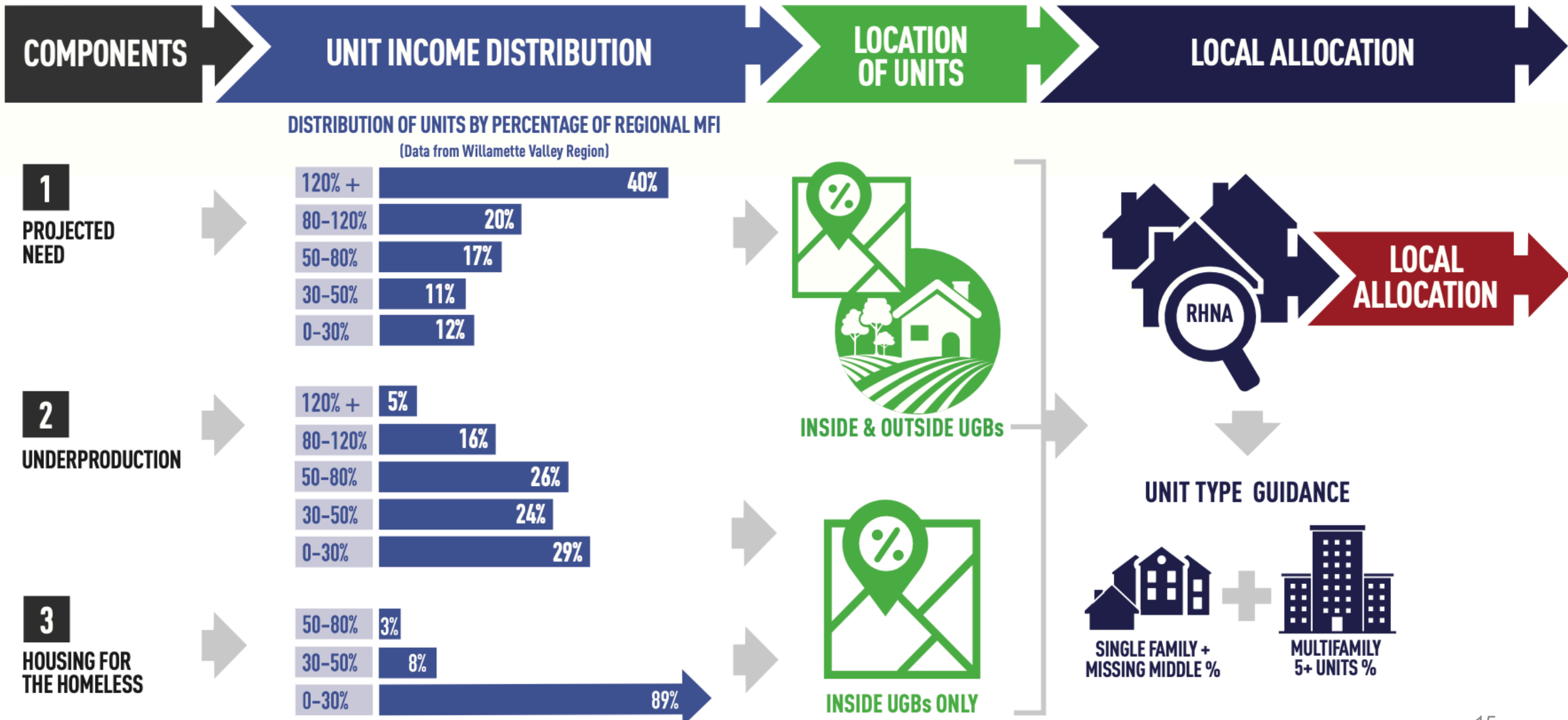
## **1.3 Streamline land capacity and urbanization processes to expedite well-planned expansions.**

Streamline to accommodate expansions when a need is identified.

# Recommendation 1.3 Streamlined process that centers the HPS



# Recommendation 1.1 Targets, based on new method



# Recommendation 1.2 Strengthened housing production strategies

Current elements of the HPS	Recommended revisions
Contextualized housing need	OHNA will provide baseline data that is currently an obligation of jurisdictions. Jurisdictions may add data necessary to help inform strategies.
Production strategies	<p>When the HPS is adopted and approved, funding for implementing these strategies is unlocked. Strategies must address the following categories of actions:</p> <ul style="list-style-type: none"><li>▪ Zoning and code changes</li><li>▪ Reduce regulatory impediments</li><li>▪ Financial incentives and resources</li><li>▪ Development readiness</li><li>▪ Fair housing (more details in recommendation 2.2)</li></ul>
Engagement	Unchanged, but new state level guidance will be available to support Goal 1 implementation.
Fair housing narratives	New data will be available to support jurisdictions' fair housing reporting; specific outcomes will be included in annual OHNA production dashboard. Guidance needed from DLCD to provide additional detail about how jurisdictions can use production-related policies and actions to advance fair housing.



## Discussion Recommendation 2: Build what's needed, where it's needed

## Recommendation 2. Overview: Build what's needed, where it's needed

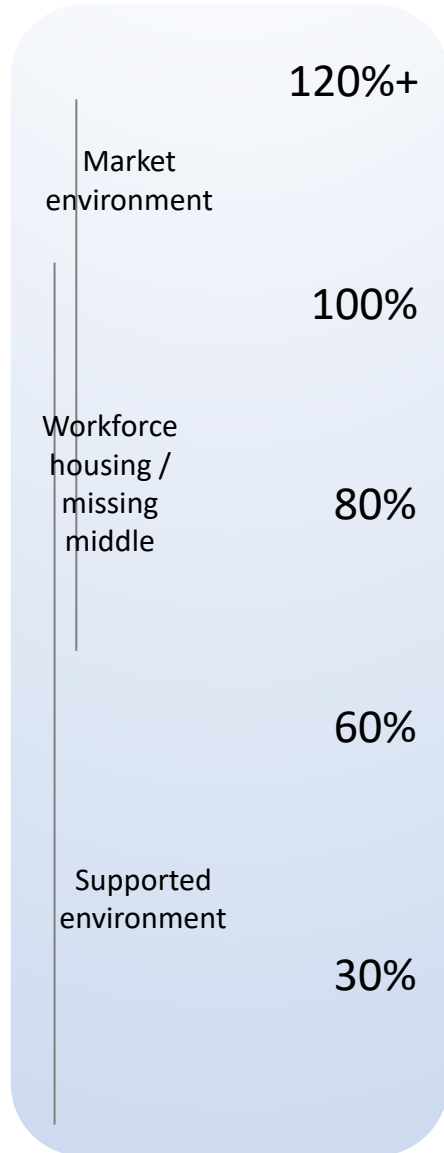
### **2.1 Commit sustainable funding**

Oregon needs to produce about 27,000 housing units annually to meet its production targets. Recent years have seen about 15,000-20,000 units produced statewide. About 9,000 units each year will need to be affordable to households earning less than 60% of AMI. Investments should be targeted to the market environment, and to needed development types that the market will not produce on its own.

### **2.2 HPS implementation should advance fair housing outcomes**

HPSs should intentionally advance toward more equitable housing outcomes for all, with particular attention to BIPOC communities, people with disabilities, people experiencing homelessness, and aging populations.

# Recommendation 2.1 Commit funding



- Oregon must produce about **27,000 units** per year. In recent years, about 15,000 - 20,000 units have been produced across the state.<sup>1</sup>
- Oregon needs about 9,000 more affordable units per year (below 60% AMI). Not all of these must be new construction; some may be affordable through vouchers or acquisition-rehabilitation efforts.
- Investments should be targeted to the market environment, and to needed development types that the market will not produce on its own.
- **Current recommendations:** Initial ideas about types of investments, concepts for fund structures.
- **Needs exploration:** How to structure funds to match needs and efficiently deploy resources? How much investment might be needed? Possible sources of revenue?

<sup>1</sup> Estimate is based on 2019 Census Public Use MicroSample Data and U.S. Department of Housing & Urban Development SOCDS Building Permits Database. Additional research into housing starts data would help to solidify this estimate.

## Recommendation 2.2 Use the HPS to advance fair housing

- Revise the HPS to advance fair housing in several ways:
  - Align production targets using the OHNA methodology.
    - Uses regional incomes instead of local incomes to project affordable housing need
  - Strengthened requirement to include actions that lead to fair housing outcomes.
  - Strengthened guidance to help cities understand how land use actions and production strategies might advance fair housing (see next slide for example framework for potential new guidance).

## Discussion Recommendation 3: Commit to working together with urgency

## **Recommendation 3. Overview: Commit to working together with urgency**

### **3.1 Develop administrative structures**

No state agency is currently responsible for the full range of housing production. Better agency collaboration and accountability is needed.

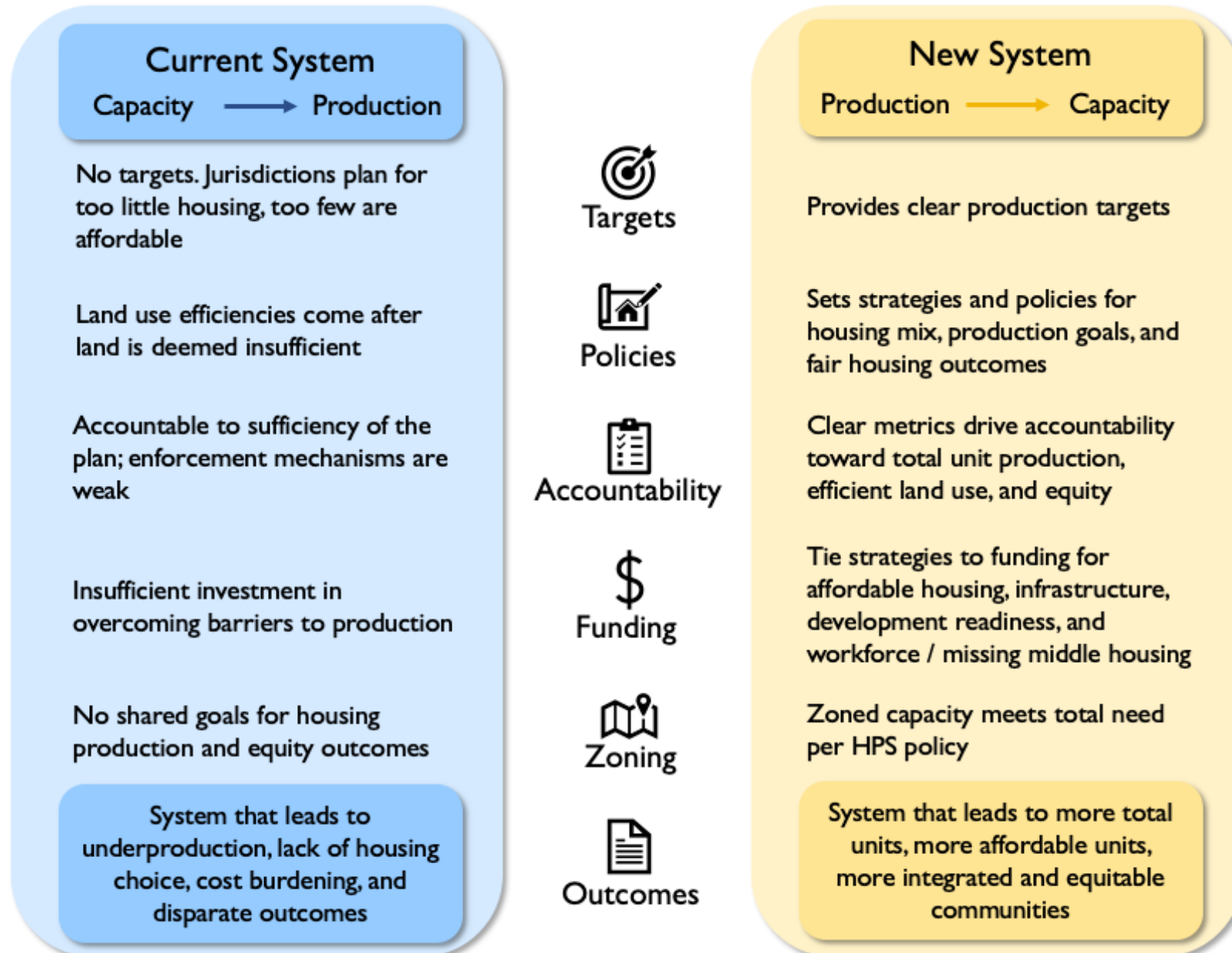
### **3.2 State and Metro also develop HPS**

Local governments are not solely responsible for housing production - Metro and the State are partners in meeting need. They should also develop statewide housing production strategies that encourage coordination and accountability to the legislature.

### **3.3 Production Team, structure for discussion**

Create a housing production team composed of experts in development, affordable housing development, fair housing, planning and development code, permitting processes, etc. to diagnose and overcome development barriers and recommend policy or funding intervention when needed.

# Big picture: leading with production



Draft recommendations *lead with production* by centering local Housing Production Strategies to focus attention on building units rather than determining land needs.