

OREGON

Department of
Land Conservation
& Development



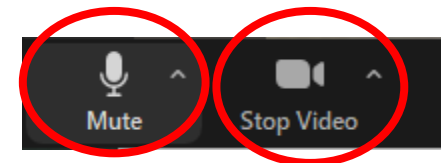
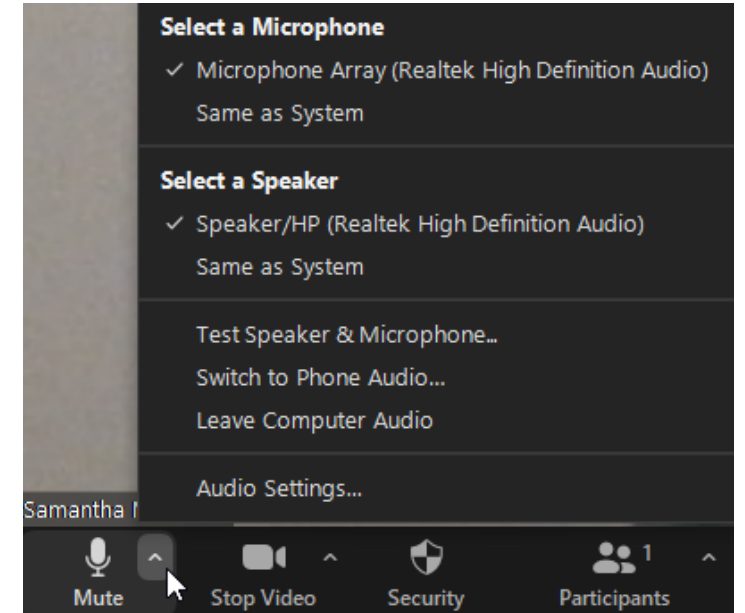
Housing Capacity Work Group

Work Group Meeting 5

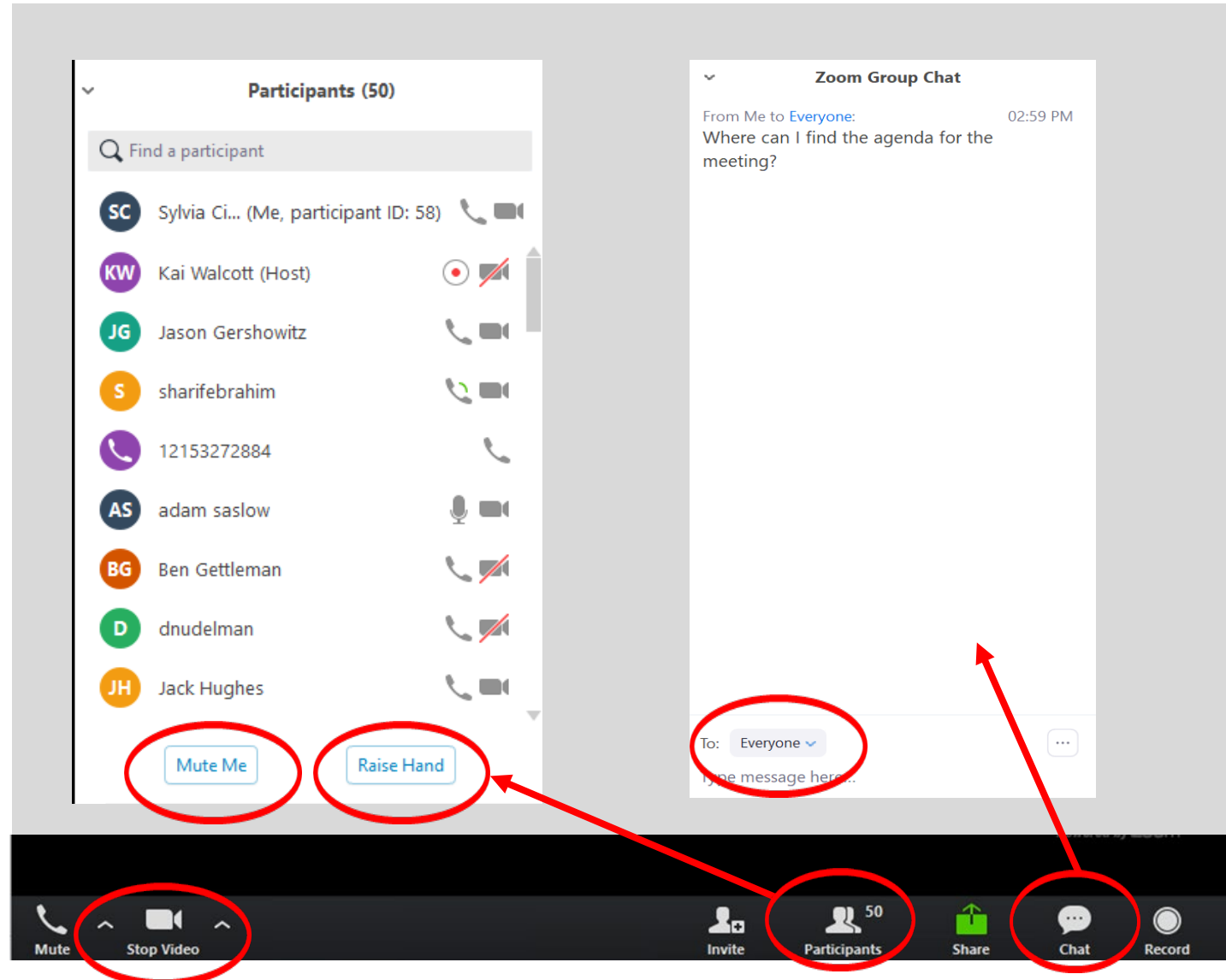
August 31, 2022

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 (*10 min*)
- Work Group Update (*10 min*)
- Discussion Draft Recommendations (*95 min*)
 - *Utilizing Land within the UGB*
 - *Establishing Need for UGB amendment*
 - *Regulatory Review of a UGB amendment*
 - *Building Capacity, Especially in Small Cities*
- 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
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 to solicit refinement of discussion draft recommendations, including refinements that:

- *Make recommendations implementable, effective, and politically viable*
- *Ameliorate unintended or undesirable consequences*
- *Provide alternatives that fulfill the direction provided by the Legislature*

Update and Context Reminder

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.

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.

Discussion Draft Recommendations

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

Recommendation 1.4 Growth management changes: smoother UGB expansions

Housing Capacity Work Group considering measures to streamline Housing Capacity Analysis (HCA) and Urban Growth Boundary (UGB) adjustments:

- Reduce local administrative burden:
 - More analytical burden shifted to state
 - More local agency for decision-making on housing type and characteristics that are responsive to need
 - Increased capacity/resources for jurisdictions (esp. small cities)
- Streamline process while maintaining resource protections:
 - Facilitate and emphasize urban reserve and concept planning
 - Incorporate the UGB land swap process in the Housing Capacity Analysis
 - Merge efficiency measures with the Housing Production Strategy
 - Streamlined small-scale UGB adjustments
- Less basis and incentive to appeal UGB adjustments:
 - More pathways and increased clarity to pursue a UGB adjustment without risking appeal

Summary of Recommendations

Utilizing Land within the UGB

- Implement “efficiency measures” in HPS
- Adopt rules to support housing diversity and production

Establishing Need for a UGB Amendment

- Replace local 20-year projection with OHNA
- Adjust BLI statute to reflect realistic capacity
- Adopt rules to refine BLI methodological tools

Regulatory Review of a UGB Amendment

- Emphasize Urban Reserves and Concept Planning
- Facilitate UGB Land Swaps
- Small-scale streamlined UGB Amendment
- Amend “Simplified UGB Methodology”

Building Capacity, Especially in Cities <10k

- Fund Goal 14-related work, including public facilities planning
- Focus new agency staff to create Goal 14, public facilities, and development team

Discussion

Round-table | Topics organized by draft

Discussion Questions:

- *What refinements will make one recommendation or a combination of recommendations implementable, effective, and politically viable? Be specific.*
- *What potential unintended or undesirable consequences may arise from a given recommendation? How should the recommendation be adjusted to ameliorate that consequence?*
- *If a given recommendation should not be included in the final set of recommendations, what is an alternative that fulfills the prescribed direction provided by the Legislature? Be specific.*

Utilizing Land within the UGB

*Amend the “Efficiency Measures” statute and Housing Production Strategy statute to specify that **efficiency measures be implemented as part of the Housing Production Strategy**. Clarify that efficiency measures do not need to be adopted concurrently with a UGB amendment, provided a local jurisdiction is in substantial compliance with an adopted Housing Production Strategy.*

*Direct the Land Conservation and Development Commission to adopt **administrative rules and guidance to implement Efficiency Measures via the Housing Production Strategy**. The resultant rules must provide clear parameters on the types and extent of efficiency measures needed for varying sized jurisdictions and emphasize the following considerations:*

- (a) Recognize current local action on housing (HB 2001 + Climate rules)*
- (b) Increase housing diversity, efficiency, and affordability*
- (c) Enhance flexibility in housing choice & location*
- (d) Reducing cost/delay and increasing procedural certainty of housing production*
- (e) Preparing land for development or redevelopment (i.e. infrastructure, site prep, employment land conversion)*

Establishing Need for UGB Amendments

*Amend the “Needed Housing” statute to require cities to plan for housing allocations provided in the Oregon Housing Needs Analysis and to provide more local **discretion to plan for future housing types and characteristics in a manner that is responsive to need and market feasibility**, rather than based on past development trends.*

*Adjust the “Buildable Lands” statute to reflect a **more realistic estimation of 20-year residential land supply** and minimize inclusion of “phantom” capacity (i.e. identified capacity that is not likely development feasible) in buildable lands inventories.*

*Direct the Land Conservation and Development Commission to adopt **administrative rules outlining revised methodological assumptions and safe harbors for estimating the capacity of buildable lands** in consideration of analysis accuracy, replicability, cost, and ability to respond to local market conditions, including:*

- (a) Partially vacant & redevelopment/infill*
- (b) Effect of rezoning to allow greater housing diversity*
- (c) Appropriate removal of constrained & goal-protected lands*
- (d) Market factor adjustments for reduced development likelihood due to specific conditions*

Regulatory Review of UGB Amendments

*Adjust the Urban Reserve statute and direct the Land Conservation and Development Commission to amend administrative rules specific to **urban reserves and concept planning to increase flexibility** and ease of implementation.*

*Direct the Land Conservation and Development Commission to adjust administrative rules related to **UGB Land Swaps** to increase its flexibility and enable its utilization as part of Goal 10 planning.*

*Adjust statute and direct the Land Conservation and Development Commission to amend rules to authorize utilization of the Affordable Housing Pilot Project as a **streamlined UGB amendment process* in exchange for delivering statewide housing policy goals**, including the development of diverse or publicly-supported housing options.*

**Options: “clear and objective” vs a “competitive” approach*

*Amend the “Simplified UGB Methodology” statute and administrative rule to establish a more **“clear and objective” pathway for a UGB amendment** that reduces the basis and incentive for appeal.*

Building Capacity, Especially in Small Cities

Direct more funding, capacity, and technical support for Goal 14-related work, including UGB amendments, UGB land swaps, public facilities planning for housing, and urban reserve and concept planning.

Baseline agency request budget for housing: \$2.5 million per biennium

Investment would emphasize support to smaller jurisdictions with limited staff capacity, including options to receive support without submitting grant applications

*Direct the Department of Land Conservation and Development to **focus new housing staff included in the Agency Request Budget, on Goal 14 and public facilities planning and support** for local jurisdictions. The role of this staff will be to provide Goal 14-related technical feedback and support to larger communities and to complete Goal 14-related analysis for smaller communities that are ready for adoption.*

Discussion Debrief & Questions

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	Review Draft Recommendations	Wednesday, Aug 31	2-4 pm
Meeting 6	Refine 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 5

August 31, 2022

Next Steps