

OREGON HOUSING *and*  
COMMUNITY SERVICES



# State Housing Policy Framework

North Coast Housing Summit

December 6, 2022

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# Housing Crisis Quantified

**Exhibit 7.** Summary of Housing Need by Regions and State, 2020-2040

	NEW UNITS EACH OF THE FOLLOWING				
Region	Projected Need	Underproduction	Housing for the Homeless	Total Units	% of Units
Portland Metro	224,683	59,488	10,683	294,853	51%
North Coast	14,731	295	2,309	17,335	3%
Willamette Valley	101,704	35,913	8,972	146,589	25%
Southwest	34,896	10,287	4,579	49,761	9%
Deschutes	49,856	4,837	1,194	55,887	10%
Northeast	16,731	-	899	17,630	3%
Southeast	965	-	538	1,503	0%
Oregon	443,566	110,819	29,174	583,559	100%
% of Units	76%	19%	5%	100%	

# Legislative Direction

HB 2003 (2019 Session) direction:

*OHCS to conduct prototype “Regional Housing Needs Analysis” to estimate statewide housing need. DLCD to review methodology.*

HB 5006 (2021 Session) direction:

*OHCS and DLCD “to study and make legislative recommendations on the incorporation of a regional housing needs analysis into state and local planning programs” by December 31, 2022*

HB 5202 (2022 Session) additional direction:

*DLCD “to support work on regional housing needs and land supply issues”*

# OHNA Process Update

- Finalizing OHNA Recommendations
  - Draft Report Published August 31, 2022
  - Refined Draft Date: November 10, 2022
  - LCDC Final Review: November 17, 2022
  - Final Report Deadline: December 31, 2022 (submitted to LFO early Dec)

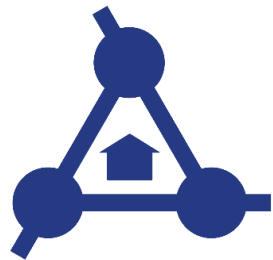
[https://www.oregon.gov/lcd/UP/Documents/20221110\\_OHNA\\_Refined\\_Recommendations\\_Report.pdf](https://www.oregon.gov/lcd/UP/Documents/20221110_OHNA_Refined_Recommendations_Report.pdf)





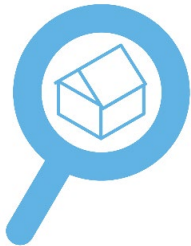
# Outreach: What we heard

## 6 Focus Groups; 14 Regional Forums



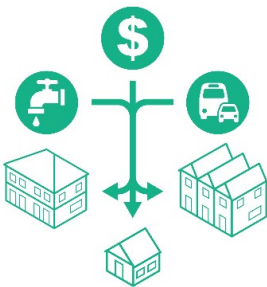
### Partnership

- Capacity building, especially in smaller communities
- County and regional collaboration
- State coordination and support on housing



### Accountability

- Local solutions with state guidance, direction, and support
- Tools, resources, and messaging to support communities

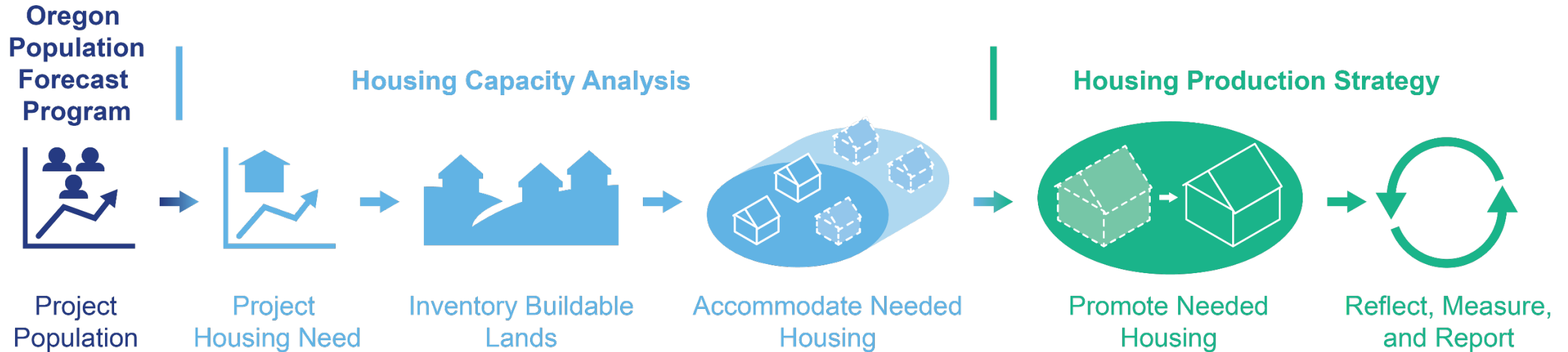


### Investment

- Flexible funding is essential for production
- Infrastructure, site preparation, and resilient communities

# Goal 10 – Housing Planning

*“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.”*



# Disconnect in Housing Planning

## States

## Transition Events

Farmland

Land Sale included UGB

Vacant tract

Macro infrastructure services

Serviced tract

Subdivision

Subdivided lots

Micro infrastructure services

Serviced lots

Construction

Development

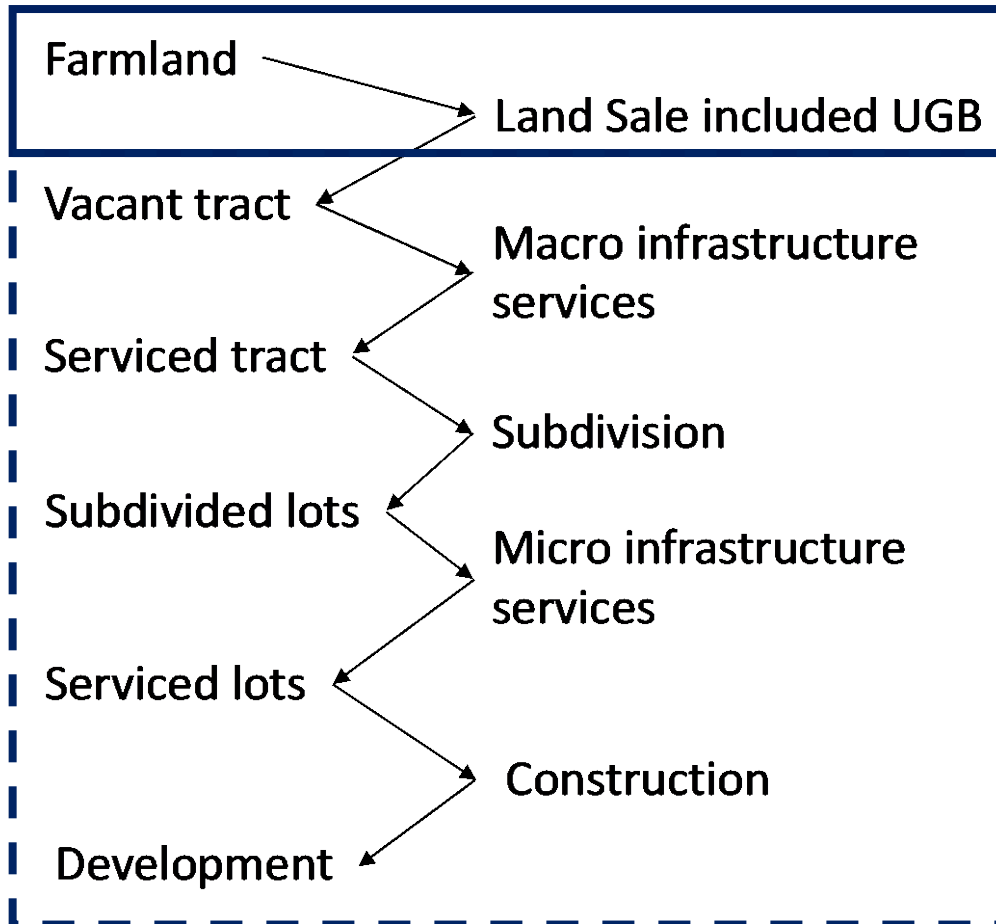
**Historic Focus – Ensure sufficient land capacity**

**Result – Decades of underinvestment and lack of comprehensive response to housing production**

# From a Passive to an Active Role

## States

## Transition Events



**Shift in Focus – Broad and comprehensive response to development barriers, with local gov't in lead**

**State partnering with local gov't with necessary investment, coordination, and accountability**

**Outcome – Consistent policy and funding intervention to support production, especially affordable production**

*All levels of government have responsibility*



# Draft Policy Recommendations

## Recommendation 1: Plan for what's needed



1.1) Plan for more housing, especially affordable housing



1.2) Set targets, track progress and outcomes



1.3) Refocus local action on production



1.4) Unlock land, where it's needed

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



2.1) Fund housing the market would not produce on its own



2.2) Make “housing choice for all” a state policy goal

## Recommendation 3: Commit to working together with urgency



3.1) Coordinate state agencies on housing production



3.2) Organize continuing policy work to support production

# Recommendation 1: Plan for what's needed



## 1.1) Plan for more housing, especially affordable housing

Formalize the Oregon Housing Needs Analysis (OHNA) methodology as the consistent, state-wide basis for housing planning



## 1.2) Set targets, track progress and outcomes

Establish housing production targets and equity indicators, measure progress towards outcomes, and adjust policies over time



## 1.3) Refocus local action on production

Center local policy response on community-led and actionable Housing Production Strategies (HPS) that promote equitable housing production and overcome production barriers



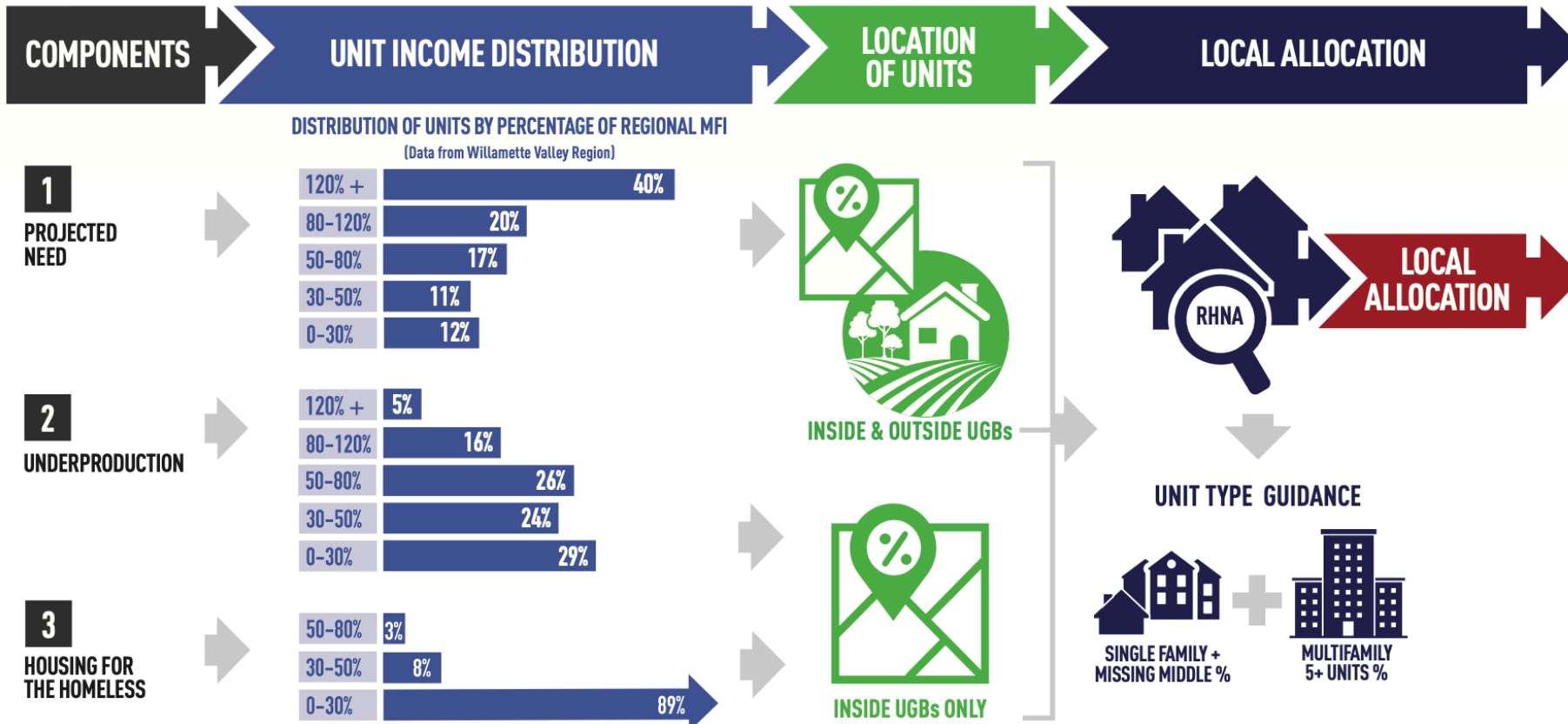
## 1.4) Unlock land, where it's needed

Streamline land capacity and urbanization processes to expedite well-planned expansions that support needed housing where capacity is limiting production

# Recommendation 1: Plan for what's needed



## 1.1) Plan for more housing, especially affordable housing



Oregon Housing Needs Analysis as consistent housing need methodology:

- 20-year forecasted need
- Underproduction
- Homelessness
- Second/vacation homes

Regional need estimated by income, then allocated to local governments

# Recommendation 1: Plan for what's needed

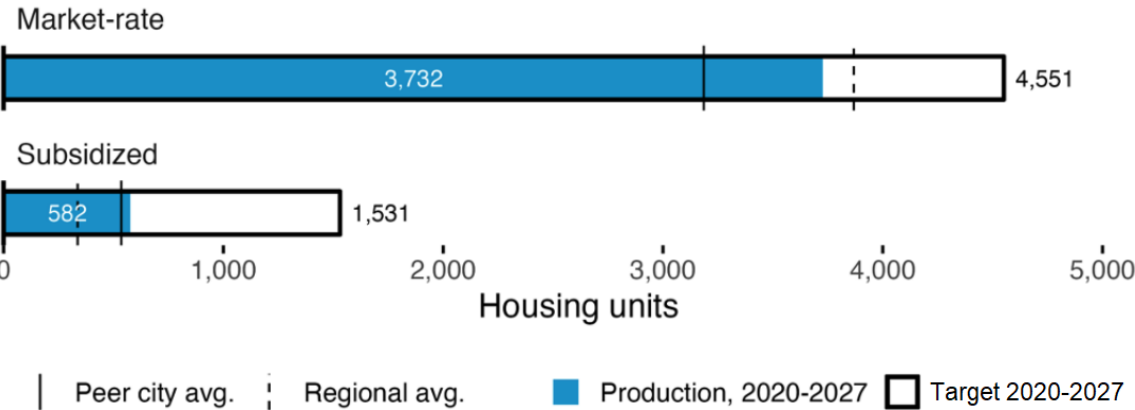


## 1.2) Set targets, track progress and outcomes

### Targets for

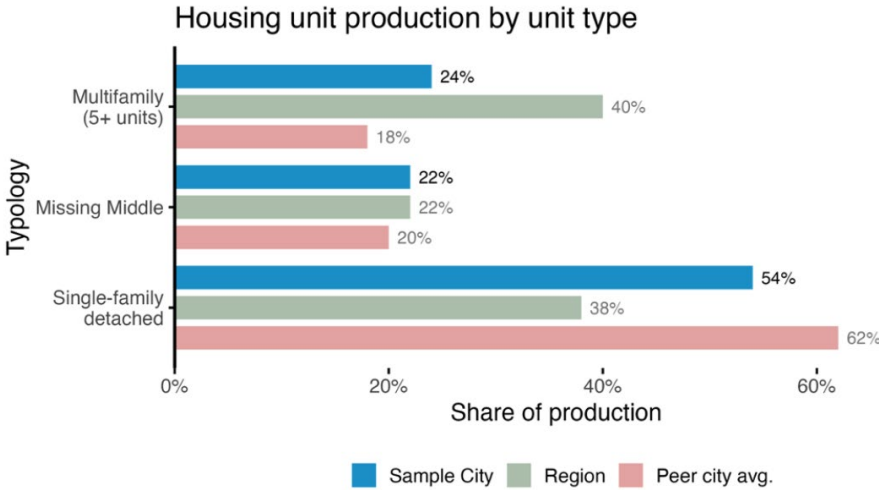
### Total and subsidized housing production

#### Housing unit target and production by housing type

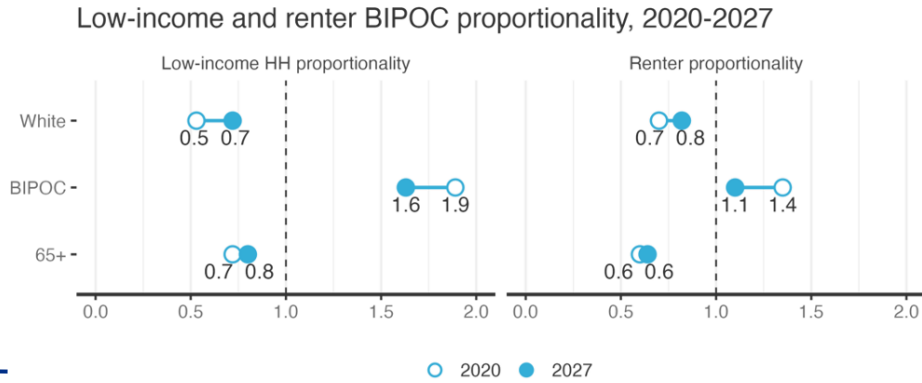


Non-Targets to inform policies

### Type and Efficiency



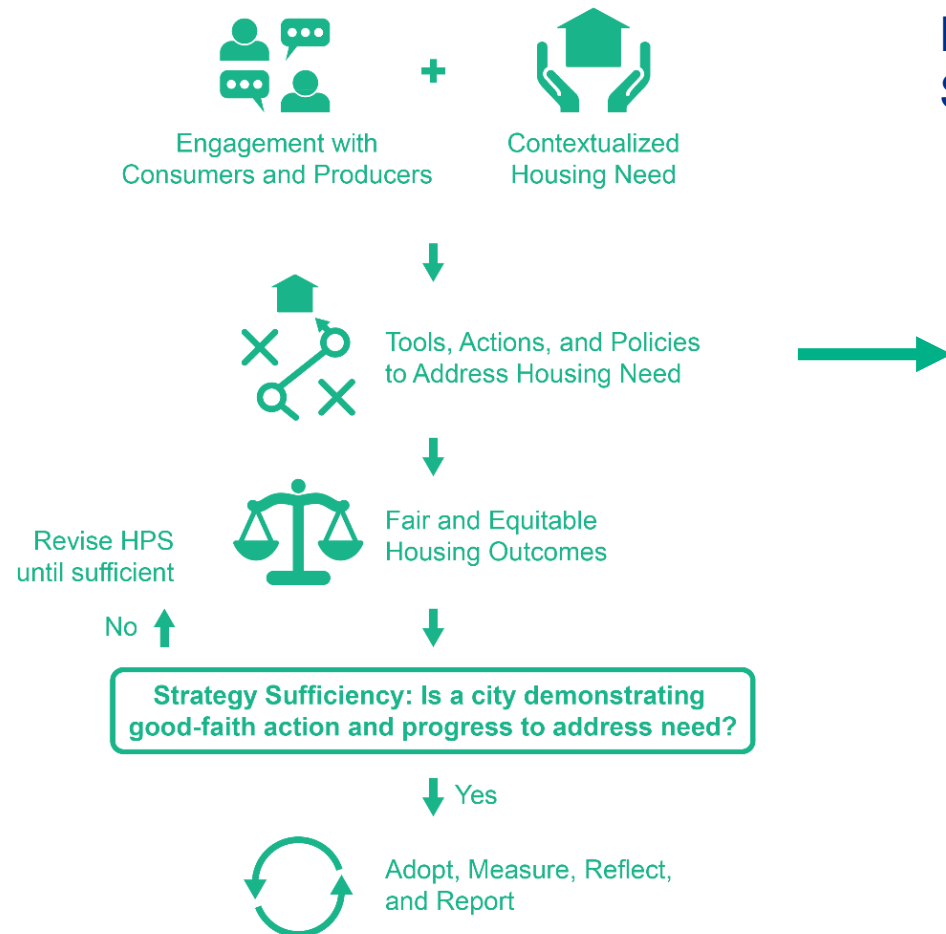
### Equity-related Indicators



# Recommendation 1: Plan for what's needed



## 1.3) Refocus local action on production



Emphasize community-lead and actionable Housing Production Strategies to support production & overcome barriers

Category A		Zoning and Code Changes
Category B		Reduce Regulatory Impediments
Category C		Financial Incentives
Category D		Financial Resources
Category E		Tax Exemption and Abatement
Category F		Land, Acquisition, Lease, and Partnerships
Category Z		Custom Options

# Recommendation 1: Plan for what's needed



## 1.4) Unlock land, where it's needed

### 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

### 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



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



## 2.1) Fund housing the market would not produce on its own

Commit sustained resources for housing production, affordable housing production, and development readiness, including infrastructure funding. Target construction of the types of housing that the market is least likely to produce without aid: housing for low-income households, missing middle and workforce housing, and housing in rural and coastal markets. In the near-term, coordinate existing resources and funding toward the goal of housing production.



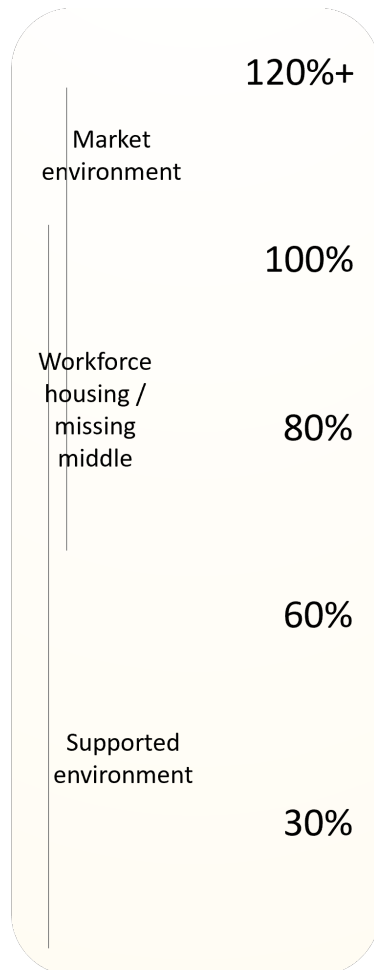
## 2.2) Make “housing choice for all” a state policy goal

Use the implementation of Housing Production Strategies to advance fair and equitable housing outcomes to build housing in the places where it is needed, with intentional strategies that aim for fair housing and enable housing choice for all

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



## 2.1) Fund housing the market would not produce on its own



Sustained statewide investment in housing production

Focus on production unlikely to occur without aid:

- Low- (<80% MFI) and Middle-income households (80-120% MFI)
- Diverse housing options (accessible, manufactured, or middle housing)
- Coastal and rural markets

Types of investments:

- Land acquisition & site preparation
- Infrastructure/public facilities finance or improvements
- Finance or incentives to support production
- Fair housing, preservation, stability, homeownership, and accessibility.

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



## 2.2) Make “housing choice for all” a state policy goal

Articulate in statute that Housing Production Strategies work towards facilitating greater housing choice for Oregonians.



Location and Transportation



Fair Housing



Housing Choice



Housing for People Experiencing Homelessness



Affordable Rental and Homeownership



Housing Stability and Displacement

# Recommendation 3: Commit to working together with urgency



## 3.1) Coordinate state agencies on housing production

Develop an interim mechanism for state agency collaboration and accountability, to make rapid progress toward housing production goals, and evaluate options for longer-term administrative structures. In the near-term, establish a housing production team composed of experts to diagnose and overcome development barriers and recommend policy or funding intervention when needed to “unstick” development challenges and move



## 3.2) Organize continuing policy work to support production

Direct state agencies and Metro Regional Government (Metro) to develop Housing Production Strategies that clearly articulate state and regional housing production targets and describes what they will contribute to partnerships with local jurisdictions

# Recommendation 3: Commit to working together with urgency



## 3.1) Coordinate state agencies on housing production

Agency	Roles in Housing Production
Oregon Housing and Community Services	Affordable Housing Finance, Fair Housing
Department of Land Conservation and Development	Planning & Zoning, Public Facilities Planning, Land Use Regulation
Department of Administrative Services	Economic Analysis
Oregon Department of Transportation	Integrated Transportation and Land Use, Transportation Infrastructure and Planning
Department of Environmental Quality	Water and Wastewater Infrastructure, Environmental Regulation
Business Oregon	Infrastructure & Capital Improvements Funding, Economic Development, Community Development Block Grants
Bureau of Labor and Industries	Occupational Licensing, Fair Housing
Department of Consumer and Business Services	Building Codes, Lending & Financial Regulation

Near-term – Establish interim Housing Production Team that partners with local gov't and “unstuck” development barriers

Long-term – Establish coordinated administrative structure focused on housing production

# Recommendation 3: Commit to working together with urgency



## 3.2) Organize continuing policy work to support production

Non-comprehensive list of follow-up policy work agency staff heard (see Appx B):

- Decrease barriers to production and affordability  
Examples: Wetlands, building code, property taxation
- Increase homeownership and housing stability  
Examples: Condominium law, housing preservation/rehabilitation, “starter homes”
- Increase accessibility and choice for people with disabilities  
Examples: Data/measurement, building code, subsidized affordable housing
- Support Tribal Nations and their members  
Examples: Regulatory barriers, data, funding
- Fair Housing  
Examples: State policy, analysis of impediments, substantial equivalency





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**DLCD**

# Next Steps & Questions

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