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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 660
LAND CONSERVATION AND DEVELOPMENT DEPARTMENT

FILED
08/24/2020 4:32 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Adopt OARs regarding Housing Needs Analysis and Housing Production Strategies according to HB 2003 (2019)

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 11/12/2020 8:30 AM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
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HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 09/25/2020

TIME: 8:00 AM

OFFICER: LCDC

ADDRESS: Virtual Hearing
no address

Salem, OR 97301

SPECIAL INSTRUCTIONS:

check the LCDC website for additional information:

<https://www.oregon.gov/lcd/Commission/Pages/Meetings.aspx>

DATE: 11/12/2020

TIME: 8:00 AM

OFFICER: LCDC

ADDRESS: Virtual Hearing
no address

Salem, OR 97301

SPECIAL INSTRUCTIONS:

check the LCDC website for additional information:

<https://www.oregon.gov/lcd/Commission/Pages/Meetings.aspx>

NEED FOR THE RULE(S):

Per legislative requirements listed in HB 2003 DLCD staff have undergone several months of rulemaking with stakeholders to develop requirements for Housing Production Strategy Report structure that cities in Oregon over 10,000 will be required to submit on a 6-8 year schedule. In addition, rulemaking has also developed reporting requirements cities will need to undertake on both an annual and a mid-cycle implementation, the review criteria by which DLCD will deem the efficacy and sufficiency of city efforts, and the enforcement measures DLCD may exercise in the event cities are unable to meet requirements or become delinquent in compliance with their housing production strategy implementation timelines.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

ORS 197.290, 197.291, 197.293, 197.296, 197.303, and OAR 660-008. These documents can be found online at the Oregon Secretary of State website or at the Department of Land Conservation and Development offices at 635 Capitol Street NE, Suite 150, Salem, Oregon 97301.

FISCAL AND ECONOMIC IMPACT:

Implementing the HPS rules may result in direct and indirect fiscal and economic impacts. DLCD estimates that cities and DLCD will experience direct fiscal impacts from the proposed rules. DLCD estimates that small businesses, cities, property owners, and the general public may experience indirect impacts from the proposed rules.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) Implementing the HPS rules may result in direct and indirect fiscal and economic impacts. DLCD estimates that cities and DLCD will experience direct fiscal impacts from the proposed rules. DLCD estimates that small businesses, cities, property owners, and the general public may experience indirect impacts from the proposed rules.

Direct impacts are the direct result of the proposed rules and are likely to occur. They include:

Compliance costs for cities to prepare an HPS (for those subject to the rules), along with costs associated with annual and mid-cycle reporting requirements. Cities will also incur financial or staff resource costs in developing and adopting housing capacity analyses as required by the proposed rules.

Review costs for DLCD to evaluate local government strategies for compliance.

Indirect impacts will likely occur as a result of changes made by local governments to respond to and implement the new rules. Because the nature and scale of these indirect impacts will depend on local governments' chosen courses of action, it is difficult to estimate their fiscal impact. Possible indirect fiscal impacts include:

Impact to local governments, property owners, businesses, new development, and or the general public due to implementation of HPS. These impacts are further described in the categories of strategies outlined by DLCD and HPS Advisory Committees later in this analyses.

Impacts to local governments and the public resulting from policy or regulation changes that serve to increase housing production and or production of housing better aligned with local housing needs.

Impact to businesses resulting from and increase in the number and frequency of a housing capacity analysis, housing production strategy reports, and mid-cycle reporting. There will likely also be impacts to businesses that result from a city's chosen Housing Production Strategy.

(2) There are no direct compliance costs for small and large business because no businesses are subject to the proposed

rules. Thus, there are zero small business and zero large businesses that are subject to the proposed rules and no types of business or industries that are subject to the proposed rules. Similarly, there are no projected reporting, recordkeeping, or other administrative activities required for compliance with the proposed rules for small or large businesses, and there are no equipment, supply, labor, or increased administration costs required for compliance with the proposed rules.

However, there may be indirect economic impacts to small and large businesses. Because the analysis required to conduct additional housing capacity analysis, HPS, and mid-cycle reporting may go beyond the capacity or skill-set for the staff of some cities, some cities may need to contract with consulting firms to assist with evaluating housing production. This could create an increase in opportunities for those businesses. Generally, consulting firms seldom have more than 50 employees, so the impacts are likely to be concentrated among businesses with fewer than 50 employees.

Direct Impacts

Local Government Compliance Costs

HB 2003 requires that cities over 10,000 population adopt a Housing Capacity Analysis on a regular cycle – every six years for cities over 10,000 population within a metropolitan service district boundary (metro cities) and every eight years for cities over 10,000 population outside of a metropolitan service district (non-metro cities). There are currently 49 cities in Oregon subject to these requirements. In the recent past, cities throughout the state of Oregon did not regularly adopt housing capacity analyses required by ORS 197.296. Neither HB 2003 nor the proposed rules change requirements in ORS 197.296 related to how a city conducts a housing capacity analysis. Rather, the proposed rules implement HB 2003, which compel cities to adopt these analyses on a more regular basis. This represents a likely increase in the frequency and effort cities undergo to complete and adopt these housing capacity analysis, potentially increasing future and ongoing costs for cities.

Compliance with the proposed HPS rules is required for cities over 10,000 population within one year of the City's housing capacity analysis update deadline. The proposed rules require that those cities, at a minimum, to compile information from existing plans and documents (not necessarily limited to the city's housing capacity analysis) to craft policies and actions that demonstrate how the city will:

- Reduce financial and regulatory impediments to develop Needed Housing,
- Create financial and regulatory incentives for development of Needed Housing,
- Provide access to local, state, and federal resources, and
- Implement other innovative Housing Production Strategies.

The proposed rules indicate that, for each action, the city must further identify: the schedule for its adoption and its implementation, its expected magnitude of impact on the development of needed housing, and the time frame over which it is expected to impact needed housing.

In addition to conducting an analysis of the timeline and expected magnitude of impact of proposed actions, a city must respond to a series of Fair and Equitable Housing Outcome narrative prompts in preparing a HPS. These responses require the city to consider how the actions proposed and previously implemented by the city achieve greenhouse gas reduction, fair housing, housing choice, housing for people experiencing homelessness, affordable rental or homeownership, and anti-displacement outcomes.

The cost of conducting this analysis—preparing the required documentation, conducting required outreach, and adopting the HPS—could range from \$25,000 to more than \$50,000, depending on the level of effort.

Further, HPS rules will require cities to prepare mid-cycle reporting on the implementation of Housing Production Strategies which will, at a minimum, require additional staff time. The rules direct metro cities to submit a mid-cycle HPS narrative reflection at year three of their housing capacity analysis cycle and non-metro cities to submit a mid-cycle HPS report at year four of the housing capacity analysis cycle. Cities must document items such as the effects of strategies

implemented, the strategies yet to be implemented, the barriers that may hinder the city's ability to reach its production goals, the actions the city can take to ameliorate further delays in strategy implementation, and actions/inactions that influence fair and equitable housing outcomes. The time expended for cities to complete mid-cycle reporting may also vary based on the cities' level of effort.

In addition, the proposed rules require cities to implement the strategies they identify to meet the 20-year housing need. Advancing implementation for individual strategies from the HPS will require additional staff time and/or consultant support beyond HPS adoption. Many will require stakeholder outreach and public involvement processes of their own; work sessions and hearings with elected officials; and potentially notice to affected parties.

State Agency Costs

DLCD staff will be responsible for reviewing the HPS, along with the mid-cycle reporting from cities, which will increase costs relative to DLCD's usual functions. With 49 cities submitting documents every three to four years, this translates to roughly 12 to 16 HPS or mid-cycle reports per year. Although it is difficult to estimate how long each review could take, this could amount to a substantial amount of review time. The number of HPSs that DLCD will receive is on a known schedule, thereby making it less challenging to determine potential costs to the agency on an annual basis.

The proposed rules require that DLCD consider annual housing production data that cities are required to submit under Section 1, Chapter 47, of Oregon Laws 2018 in evaluating the sufficiency of cities' HPS Reports. This increased focus on the annual housing production data means that the agency will likely also be asked to consolidate and publish the annual housing production numbers online, which will require some additional staff time.

HB 2003 also gives the LCDC authority to review HPS and enforce cities' compliance under ORS 197.319 to 197.334.

The rules provide multiple levels of enforcement and support including technical assistance, funding support, staff review and coordination, and stronger enforcement actions if delinquency cannot be corrected through other means. These actions may involve DLCD and/or LCDC, which will increase staff time and monetary resources to the extent that technical assistance monies are provided to support cities. Further, the fiscal impact would increase if enforcement procedures require DLCD/LCDC to involve lawyers, LUBA, and/or other external mediators.

The department estimates that the work to maintain the HPS program, including review of housing capacity analysis, HPS, and mid-cycle reports will require continued employment of between two and three full-time equivalent staff.

Indirect Impacts

Impact of Strategy Implementation

Below is an assessment of the indirect impacts of implementing the strategies themselves, organized by proposed high-level policy categories identified in rulemaking. The categories (listed and described in Exhibit 1) illustrate the range of strategies that cities may use in their HPS.

The strategies proposed to be implemented by each city will vary based on identified housing need over the 20-year planning period, resource capacity, and local priorities. Cities are not required to implement a certain number of strategies or a strategy from each category identified below. Cities are only required to implement strategies that address the entirety of the 20-year housing need, as identified in the housing capacity analysis. These strategies are grouped into seven different categories:

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

Category A. Zoning and Code Changes

The resulting zoning and code changes may impact property owners and businesses due to changes in the allowed uses and development potential of their property. Many of the possible zoning and code changes that could be part of an HPS would expand the allowed uses of property (e.g. allowing additional forms of housing or allowing housing in new

locations), but some (e.g. inclusionary zoning, short-term rental regulations, or manufactured housing preservation zoning) would impose new restrictions. Changes that expand the allowed use of property may result in an increase in property value and in the potential for the property to generate revenue, while restrictions may cause a decrease. It is possible that such changes in property value could result in a change in property taxes. However, due to constitutional limits imposed by Measure 50, a property's maximum assessed value (MAV) can increase by no more than 3% per year except under certain circumstances. These circumstances include:

- New construction,
- Major improvement projects (e.g. additions, remodels, or rehabilitation),
- Land division, and
- Rezoning (where the property is used consistently with the new zoning).

When these circumstances occur, the assessor determines how much real market value (RMV) was added by the change(s) to the property. The assessor then uses the changed property ratio (CPR) for that property type to determine the additional taxable value.

The proposed rules may result in cities making changes to their development codes that will constitute rezoning under OAR 150-308-0200. If a city did so, a landowner could be subject to a greater than 3% increase in taxes if the landowner chose to use the property consistent with the new zoning. A property owner might choose to build new housing types that are allowed under the rezoning or to take on major improvement projects that change the existing use to one that is allowed under rezoning. In these cases, the increase in property value will depend on the RMV after the improvement or development and the CPR in the county where the property is located and could lead to greater than a 3% increase in taxes. However, a landowner would not be required to use the property in a manner that is consistent with the new zoning, divide land, undertake major improvement projects, or undertake new construction; accordingly, the proposed rules do not impose potential, additional tax liability without voluntary action by landowners. Reductions in property value resulting from additional restrictions on the property are unlikely to result in a corresponding reduction in property taxes because the assessed value is already well below the real market value for most properties as a result of the aforementioned limits imposed by Measure 50.

Category B. Reduce Regulatory Impediments

Measures to reduce regulatory impediments will generally increase the possible uses of property and/or reduce development costs. This will generally benefit new development and may have a benefit to property owners from expanded use or development potential of their land, similar to Category A, above.

For some cities, some of the options in this category could require increased staffing (e.g. expedited permitting) and/or carrying more of the costs of infrastructure improvements in order to reduce the burden on certain types of housing. Other measures (e.g. regulatory reforms) will have few or no on-going costs once implemented.

Category C. Financial Incentives

Financial incentives generally reduce locally imposed, up-front costs for housing developers, creating a fiscal benefit to the targeted new development. However, a reduction in fee revenue or waived contributions to infrastructure improvements has a fiscal impact on local governments. Less revenue collected or fewer infrastructure needs met means a greater need for revenue from other sources to pay for needed infrastructure improvements. In some cases, the short-falls may be made up (at least in part) by increasing costs for other development.

Category D. Financial Resources

Some of the listed financial resources come from the state or federal level. These are either channeled directly to development (e.g. Low-Income Housing Tax Credits, Housing Trust Funds, Local Innovation and Fast Track Program funds) or allocated to eligible cities to prioritize use of funds (e.g., CDBG, HOME). These resources come at little or no cost to cities (except administrative cost for funding administered locally) and their investment benefits the receiving developments.

However, a local government may need to identify or raise additional revenue to provide financial resources to support housing production programs. Additional revenue could come from a variety of funding tools, such as:

- New or increased system development charges (SDCs),

- Construction excise tax,
- Tax increment financing,
- General obligation bonds, or
- Other new or existing funding sources that are legally allowed to be used for housing production (or infrastructure development that supports increased capacity on land).

Each potential funding tool would impact different members of the public and businesses. For example, a construction excise tax would increase the cost of new, non-exempt development to support housing programs that benefit priority housing projects. Tax increment financing would generate funding to pay for housing programs without imposing new taxes on development/property owners by deferring property tax accumulation to cities.

Category E. Tax Exemption and Abatement

Tax abatements reduce operational costs for eligible development. The city would forego some property tax revenue for the exemption/abatement period. Due to limits on increasing property taxes, this would likely mean slight reductions to local budgets rather than increases for other property owners; however, if some or all of the benefitting development would not have occurred but for the exemption, then the actual revenue foregone is much less.

Category F. Land Acquisition, Lease, and Partnerships

Land acquisition by a city generally requires a funding source; these are addressed above in Category D. The fiscal impacts of using public land or land acquired by the city for housing depends on whether the housing is taxable or not. If the resulting housing is tax exempt, this reduces potential property tax revenue. In addition, if the city writes down the land cost to support affordable housing development, the city loses the potential proceeds from the land if sold for market-rate development.

Depending on the strategy employed, impacts of acquisition and strategic disposition of land / properties on adjacent property owners can vary. If implemented successfully, however, these strategies typically lead to positive fiscal impacts. For instance:

If property is acquired for strategic restoration, the action may enable catalytic redevelopment, thereby improving the economic vitality of neighborhoods and increasing property values.

Conversion of underperforming or distressed assets (including tax delinquent or foreclosed properties) to more productive use can add to the property tax base over time and improve the economic value of the surrounding area.

Category Z. Custom Options

Other economic and fiscal impacts on parties including, but not limited to, rate payers, property owners, new development, and adjacent property owners/the public is speculative and would depend on the action imposed.

Impacts of Changes to Housing Production

The proposed rules for HPS aim to promote development of new housing at needed price points with needed characteristics in cities. How the proposed rules might impact total housing production is less clear. One possibility is that without the HPS required under the proposed rules, there would not be enough housing built in cities to accommodate population growth, resulting in rising housing costs and households locating elsewhere. Alternatively, it could be that without the HPS required under the proposed rules, cities would produce housing at levels that are sufficient to accommodate population growth, but not necessarily at needed price points with needed characteristics. The reality for most communities likely is a mix of both—the housing that can be supported by the market is mostly delivered, but the housing that requires subsidy is delivered at levels well below the need.

The impact of the strategies can also vary in terms of the amount and type of housing each will encourage. Thus, the net result is uncertain, but are likely to include some increase in market-rate housing production and some increase in subsidized housing production, with a slight increase in total housing production to more closely align with forecast need. This framework is important to understanding the indirect impacts of the proposed rule.

Benefits of Increased Production of Needed Housing

The following types of positive fiscal impacts on the public at large may occur as a result of implementation of the strategies required for compliance with the proposed rules:

Production or preservation of additional affordable housing for rental and/or homeownership, leading to reduced

housing cost burden in the community, increased housing stability for low-income households, and expanded housing options in places that offer greater accessibility to employment and other amenities and resources. This is likely to particularly benefit households that are eligible for government-supported housing, but also could offer broader fiscal benefits for the community and society as a whole over time by reducing public costs related to healthcare, emergency services, and law enforcement.

Reduced costs and/or delay to housing producers developing market-rate housing, enabling somewhat greater total housing production and somewhat lower costs for consumers of new market-rate housing. The reduced cost of new market-rate housing particularly benefits moderate- to higher-income households, but also helps moderate the rate of housing cost escalation within that market overall. When new housing production more closely matches increases in housing demand, prices will more closely reflect the cost of unit production. Moderating housing cost escalation tends to benefit renters and first-time homebuyers, but can also benefit businesses by keeping the amount needed to constitute a living wage lower and making it easier to attract and retain workers.

Greater homeownership and wealth-building opportunities for historically excluded or disadvantaged populations.

Gentrification and Displacement Risks

When an increase in housing supply comes in the form of new market-rate construction in an existing neighborhood, it can have localized negative impacts on low-income renter households in that neighborhood. Even after recent changes to state law providing greater protection for renters, renters are still much more vulnerable to changing market conditions and are subject to the decisions of the property owner about redevelopment, remodels, rent increases, and the like. Renters can face increased risk of physical displacement (when their housing is redeveloped or substantially remodeled, requiring them to move elsewhere) and/or economic displacement (when rent for existing housing increases faster than the tenants can afford, and they are unable to stay).

Although most housing strategies will create more housing than they remove and, in the process, create benefits for the many households across the market, there could be some loss of existing low-cost housing under some strategies. For example, some strategies may make redevelopment of existing low-cost rental housing (e.g. older single family rental homes) feasible where it had not been before—where redevelopment to a newer, larger single family home (a one-to-one replacement) or to non-residential uses is not financially viable or legally permissible. This can cause displacement of existing renter households.

Pairing strategies that may increase the risk of displacement with measures to increase housing stability for the lowest-income households can help mitigate this risk. The proposed rules require that cities consider and report how the city is mitigating gentrification and displacement resulting from investment or redevelopment. While this does not mandate a specific set of strategies to address displacement, it ensures cities must consider and address the risks. A localized analysis can help cities understand the risk to the local population in an area where investments or policy changes are under consideration and target strategies to address those at risk.

The HPS supports an increase in housing production overall, this could increase demand for construction labor and materials, but these impacts are likely to be modest enough that they would not affect the cost of materials or labor.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses and representatives of businesses were part of the Rulemaking Advisory Committee and Technical Advisory Committee.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

HOUSING IMPACT STATEMENT:

There are no direct impacts to the cost of developing a typical 1,200 square foot detached single family dwelling on a

6,000 square foot parcel of land anticipated as a result of the proposed rules. However, there may be indirect costs to this housing development as described below:

In general, if the HPS supports housing production that would not otherwise be built, the increased supply of housing could (to some extent) improve housing affordability in cities, helping to stabilize or even reduce housing costs for consumers. This would not necessarily reduce the costs of housing development.

If the HPS supports an increase in housing production overall, this could increase demand for construction labor and materials, but these impacts are likely to be modest enough that they would not affect the cost of materials or labor.

As noted above, in some situations, the proposed rules could prompt a local government to increase fees on market-rate single-family homes to make up for reductions for other housing types or to generate revenue to fund housing programs and development. While this would benefit some housing, it would increase the cost of development for other housing (e.g. the reference single family home).

If the proposed rules prompt local governments to reduce development impediments or make additional land available for residential development, a wider range of housing types could become more financially achievable in locations that would not be feasible otherwise. Some of the changes could benefit single-family home development. However, changes could also slightly increase the land cost in some areas due to greater development potential for other housing types.

In instances where zoning and code changes increase land values, new development may experience increased costs to purchase sites. However, these costs may be recouped (at least in part) once projects are sold, through higher sales prices.

RULES PROPOSED:

660-008-0005, 660-008-0045, 660-008-0050, 660-008-0055, 660-008-0060, 660-008-0065, 660-008-0070

AMEND: 660-008-0005

RULE SUMMARY: This section defines specific terms used throughout the division.

CHANGES TO RULE:

660-008-0005

Definitions ¶¶

For the purpose of this division, the definitions in ORS 197.015, 197.295, and 197.303 shall apply. In addition, the following definitions shall apply:¶¶

(1) "Attached Single Family Housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.¶¶

(2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered "suitable and available" unless it:¶¶

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;¶
- (b) Is subject to natural resource protection measures determined under Statewide Planning Goals 5, 6, 15, 16, 17 or 18;¶
- (c) Has slopes of 25 percent or greater;¶
- (d) Is within the 100-year flood plain; or¶
- (e) Cannot be provided with public facilities.¶
- (3) "Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units.¶
- (4) "Consumers of Needed Housing" means any person who inhabits or is anticipated to inhabit Needed Housing, as described in the definition of "Needed Housing" in ORS 197.303.¶
- (4) "Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units.¶
- (5) "Housing Capacity Analysis" means a document, incorporated into a city's comprehensive plan by ordinance, that complies with the provisions of ORS 197.296. A Housing Capacity Analysis is a housing needs analysis or an assessment of housing need and capacity that includes the inventory, determination, and analysis required under ORS 197.296(3).¶
- (6) "Housing Needs Projection" refers to a local determination, justified in the plan, of the mix of housing types, amounts and densities that will be:¶
 - (a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;¶
 - (b) Consistent with any adopted regional housing standards, state statutes and Land Conservation and Development Commission administrative rules; and¶
 - (c) Consistent with Goal 14 requirements.¶
- (57) "Housing Production Strategy" means a specific tool, action, policy, or measure a city will implement to meet the housing needs described in an adopted Housing Capacity Analysis. A Housing Production Strategy is one component of a Housing Production Strategy Report.¶
- (8) "Housing Production Strategy Report" means the report cities must adopt within one year of their deadline to complete an updated Housing Capacity Analysis, pursuant to OAR 660-008-0050.¶
- (9) "Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot.¶
- (610) "Needed Housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels, including at least the following housing types:¶
 - (a) Attached and detached single-family housing and multiple family housing for both owner and renter occupancy;¶
 - (b) Government assisted housing;¶
 - (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490;¶
 - (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions; and¶
 - (e) Housing for farmworkers.¶
- (711) "Producers of Needed Housing" means developers, builders, service providers, or other persons or entities providing materials and funding needed to build housing. Producers of Needed Housing may include non-profit organizations or public entities.¶
- (12) "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.295 - 197.314, ORS 197.475 - 197.490

ADOPT: 660-008-0045

RULE SUMMARY: The rule describes the requirement for cities over 10,000 across the state of Oregon to submit a Housing Needs Analysis on a fixed 6-8 year schedule.

CHANGES TO RULE:

660-008-0045

Housing Capacity Analysis Deadline

Cities described in ORS 197.296(2)(a)(B) and (10)(c)(B) shall demonstrate sufficient buildable lands as scheduled by the Land Conservation and Development Commission.¶

(1) The Department of Land Conservation and Development shall publish the calendar of Housing Capacity Analyses deadlines for cities identified under ORS 197.296 2(a)(B) or 10(c)(B) in Exhibit A.¶

(2) The deadline for adoption of a Housing Capacity Analysis in a given year is December 31st.¶

(3) A city will be considered to have met its obligation to adopt a Housing Capacity Analysis upon adoption of the Housing Capacity Analysis by ordinance. A subsequent appeal of the Housing Capacity Analysis will not be considered a failure to comply with the deadline provided in ORS 197.296 2(a) or 10(b). ¶

(4) Upon adoption of a Housing Capacity Analysis, the deadline for a subsequent Housing Capacity Analysis is as follows:¶

(a) Eight years for cities that are not within a metropolitan service district; or¶

(b) Six years for cities that are within a metropolitan service district.¶

(5) If a population estimate developed under ORS 195.033 and OAR 660-032-0020 and OAR 660-032-0030 results in a city qualifying under ORS 197.296(10)(c), the city must comply with this section within two years of its qualification or the interval provided in Section 4, whichever is the longer period.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.290, ORS 197.291, ORS 197.293, ORS 197.296, ORS 197.303

RULE ATTACHMENTS DO NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.

Housing Needs Analysis Update Schedule for Oregon Cities with a population above 10,000 (Required by ORS 197.296)

Cities to adopt updated housing needs analyses by December 31st of the listed year.

	2022	2023	2024	2025	2026	2027
1	Grants Pass	Ashland	Bend	Springfield	Eugene	Central Point
2	Newport	Beaverton	Hermiston	The Dalles	Troutdale	Corvallis
3		Forest Grove	Sandy			Cottage Grove
4		Gresham				Prineville
5		Happy Valley				Roseburg
6		Hillsboro				St. Helens
7		Lake Oswego				
8		McMinnville				
9		Medford				
10		Milwaukie				
11		Portland				
12		Tigard				
13		West Linn				
14		Wilsonville				

	2022	2023	2024	2025	2026	2027
1	Albany*		Keizer*			
2	Canby*		Salem*			
3	Coos Bay*		Newberg*			
4	Cornelius*					
5	Dallas*					
6	Gladstone*					
7	Klamath Falls*					
8	La Grande*					
9	Lebanon*					
10	Ontario*					
11	Oregon City*					
12	Pendleton*					
13	Redmond*					
14	Sherwood*					
15	Silverton*					
16	Tualatin*					
17	Woodburn*					

ADOPT: 660-008-0050

RULE SUMMARY: The rule describes the various components and minimum requirements of a Housing Production Strategy Report.

CHANGES TO RULE:

660-008-0050

Housing Production Strategy Report Structure

As provided in ORS 197.290(2), a city with a population of more than 10,000 people must develop and adopt a Housing Production Strategy Report that includes a list of specific actions, including the adoption of measures and policies that the city shall undertake to promote development within the city to address a housing need identified under ORS 197.296(3) or ORS 197.296(10) for the most recent 20-year period described in the city's Housing Capacity Analysis. At a minimum, this Report must include the following components:

(1) Contextualized Housing Need - A contextualization and incorporation of information from the most recent Housing Capacity Analysis, which describes current and future housing needs in the context of population and market trends.

(a) At a minimum, this analysis must include:

(A) Socio-economic and demographic trends of households living in existing Needed Housing. The analysis must include a disaggregation of households living in existing Needed Housing by race and ethnicity;

(B) Measures already adopted by the city to promote the development of Needed Housing;

(C) Market conditions affecting the provision of needed Housing;

(D) Existing and expected barriers to the development of Needed Housing;

(E) Other housing needs to respond to Department review under ORS 197.293(2) including an estimate the number of people or households experiencing homelessness. Estimates must include, as available, the following data sources:

(i) An estimate of regional housing need for people experiencing homelessness provided by the state or a regional or county entity;

(ii) The applicable Housing and Urban Development Point-in-Time (PIT) count conducted by the Continuum of Care that the city is located within;

(iii) The applicable Housing and Urban Development Annual Homelessness Assessment Report (AHAR); and

(iv) The applicable McKinney-Vento Homeless Student Data for all school districts that overlap with the city.

(F) Percentage of Rent Burdened Households, as determined in the report described in OAR 813-112-0020(2);

(G) Housing tenure, including rental and owner households; and

(H) Housing needs for people with disabilities, including hearing, vision, cognitive, ambulatory, self-care difficulty, and independent living as provided in the applicable American Community Survey and other data sets, as available.

(b) A city may use the following types and sources of data to further contextualize housing need for the purposes of this section:

(A) The percentage of housing stock that is market rate compared to the percentage of housing stock that is subsidized to make it affordable;

(B) Units that the city has permitted but which have not yet been produced;

(C) Population groups that are not typically accounted for in a Housing Capacity Analysis, including but not limited to college and university students or second homeowners;

(D) Redevelopment rates that impact the preservation of existing affordable market-rate units; and

(E) Other types and sources of data to refine housing need for those experiencing homelessness, including:

(i) Data collected by local coordinated care organizations (CCOs);

(ii) Data collected by community action agencies;

(iii) The capacity of existing emergency shelters;

(iv) Rental and homeowner vacancy rates;

(v) Change in gross or net property values or rent over time;

(vi) Qualitative data that illustrate specific needs of people experiencing homelessness; and¶

(vii) Other local houseless population datasets¶

(2) Engagement - A Housing Production Strategy Report must include a narrative summary of the process by which Consumers of Needed Housing and Producers of Needed Housing were engaged, especially engagement of State and Federal protected classes. A city may conduct engagement for a Housing Production Strategy concurrent with other housing planning efforts within the city, including but not limited to a Housing Capacity Analysis, Consolidated Plans for Community Development Block Grant Entitlement Communities, and public engagement for Severely Rent Burdened Communities as described in OAR 813-112-0010. The narrative summary must include the following elements:¶

(a) A list and description of stakeholders who will be impacted by potential Housing Production Strategies, stating who was engaged and why, including Consumers of Needed Housing and Producers of Needed Housing;¶

(b) A summary of feedback received from each stakeholder group;¶

(c) A description of how the information from stakeholders influenced implementation of Housing Production Strategies adopted by the City as provided in OAR 660-008-0050(3); and¶

(d) An evaluation of how to improve engagement practices for future housing engagement efforts conducted by the city.¶

(3) Strategies to Meet Future Housing Need - A Housing Production Strategy Report must identify a list of specific actions, measures, and policies needed to address housing needs identified in the most recent Housing Capacity Analysis. The strategies proposed by a city must collectively address the next 20-year housing need identified within the most recent Housing Capacity Analysis and contextualized within the Report as provided in OAR 660-008-0050(1). A Housing Production Strategy Report may identify strategies including but not limited to strategies listed in the Housing Production Strategy Guidance for Cities published by the Department under Exhibit B. For each identified Strategy, the Housing Production Strategy Report must include:¶

(a) A description of the strategy chosen;¶

(b) A timeline for adoption;¶

(c) A timeline for implementation; and¶

(d) An estimated magnitude of impact, including:¶

(A) Housing need addressed by the identified strategy by tenure and income;¶

(B) An estimate of the number of housing units that are anticipated to be created through implementation of the identified strategy, if possible;¶

(C) An analysis of the income and demographic populations that are anticipated to receive benefit or burden from the strategy, including:¶

(i) Low-income communities;¶

(ii) Communities of color;¶

(iii) People with disabilities; and¶

(iv) Other state and federal protected classes; and¶

(D) A time frame over which the strategy is expected to impact Needed Housing.¶

(4) Achieving Fair and Equitable Housing Outcomes - A Housing Production Strategy Report must include a narrative summarizing how the selected Housing Production Strategies, in combination with other city actions, will achieve equitable outcomes with regard to the following factors:¶

(a) Location of Housing - How the city is selecting Housing Production Strategies that help meet statewide greenhouse gas emission targets by creating compact, mixed-use, neighborhoods for all residents, including those part of state and federal protected classes.¶

(b) Fair Housing - How the city is affirmatively furthering fair housing for all state and federal protected classes. Affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to housing opportunity.¶

(c) Housing Choice - How the city is facilitating access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes. Housing choice includes

access to existing or new housing that is located in neighborhoods with high-quality community amenities, schooling, employment and business opportunities, and a healthy and safe environment.^{¶¶}

(d) Housing options for residents experiencing homelessness - How the city is enabling the provision of housing options for residents experiencing homelessness and how the city is partnering with other organizations to promote services that are needed to create permanent supportive housing (PSH) and other housing options for residents experiencing homelessness;^{¶¶}

(e) Affordable Homeownership and Affordable Rental Housing - How the city is creating opportunities, through housing production, to connect residents with both rental housing that is affordable and homeownership that builds wealth, especially for communities that have been disproportionately impacted by past housing policies; and^{¶¶}

(f) Gentrification, Displacement, and Housing stability - How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.^{¶¶}

(5) A Housing Production Strategy Report must include the following additional elements:^{¶¶}

(a) A description of any opportunities, constraints, or negative externalities associated with adoption of the elements of proposed Housing Production Strategies;^{¶¶}

(b) A description of actions necessary that the city and other stakeholders must take to implement the proposed Housing Production Strategies;^{¶¶}

(c) A discussion of how the proposed actions, taken collectively, will increase housing options, particularly for populations with disproportionate housing need;^{¶¶}

(d) If the Housing Production Strategy Report is the first produced under this division, a description of how the city will measure strategy implementation and progress;^{¶¶}

(e) If the Housing Production Strategy Report is not the first produced under this section, a summary of strategies that the city has previously adopted and implemented, and a reflection on the efficacy of each implemented strategy;^{¶¶}

(f) A copy of the city's most recently completed survey to meet the requirements of Section 1(2), chapter 47, Oregon Laws 2018 and a copy of the ORS 197.178 report which shows all permits applied for and accepted within the year;^{¶¶}

(g) A summary of needs identified in the Housing Capacity Analysis that are not addressed by strategies in the Report, including a description of other tools, strategies, or policies that were considered or implemented by the city to address that need.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.290, ORS 197.291, ORS 197.293, ORS 197.296, ORS 197.303

RULE ATTACHMENTS DO NOT SHOW CHANGES. PLEASE CONTACT AGENCY REGARDING CHANGES.

**Housing Production Strategies
Real Estate Developer and Housing Experts Feedback - OPEN SOURCE DOCUMENT**

DRAFT - August 11, 2020

**FEEDBACK FOR THIS DOCUMENT HAS CONCLUDED; FINAL EDITS ARE IN PROGRESS.
THIS IS NOW A VIEW ONLY DOCUMENT. THANK YOU FOR YOUR FEEDBACK.**

Housing Strategy Guidance Document:

To assist cities in the creation and drafting of their Housing Production Strategy Report in compliance to HB 2003, the Department of Land Conservation and Development (DLCD) will provide a guidance document of housing production strategies a jurisdiction could employ to facilitate housing production in their community. The document will contain a list of strategies assigned by categories. Each strategy will include a brief overview of its intent and purpose as well as a projection of its expected impact by housing tenure and by income bracket.

As the jurisdiction prepares a housing production strategy report, the jurisdiction would review the guidance document to select specific strategies that work best for their community and that address their identified Housing Needs. The jurisdiction would simply reference the strategy number when describing the adoption, implementation, and expected magnitude of impact of each strategy in their report. If the jurisdiction has a strategy that is not listed they would propose this under Category Z.

Proposed Categories:

The proposed categories contain tools, strategies, or policies that are intended to:

1. Reduce financial and regulatory impediments to develop Needed Housing
2. Create financial and regulatory incentives for development of Needed Housing
3. Provide access to local, state, and federal resources
4. Other innovative housing production strategies

Category A	Zoning and Code Changes	These are strategies that a jurisdiction can take to proactively encourage needed housing production through zoning and code modifications. These strategies may also include regulations to ensure housing goals are met.
Category B	Reduce Regulatory Impediments	These strategies address known impediments to providing needed housing. These include but are not limited to zoning, permitting, and infrastructure impediments.
Category C	Financial Incentives	These are a list of financial incentives that jurisdictions can give to developers to encourage them to produce needed housing.
Category D	Financial Resources	These are a list of resources or programs at the local, state and federal level that can provide money for housing projects. The majority of these resources are intended to provide money for affordable housing projects.
Category E	Tax Exemption and Abatement	These are a list of tax exemption and abatement programs that are intended to encourage developers to produce housing.
Category F	Land, Acquisition, Lease, and Partnerships	These are strategies that secure land for needed housing, unlock the value of land for housing, and/or create partnerships that will catalyze housing developments.
Category Z	Custom Options	Any other Housing Production Strategy not listed in Categories A through F that the jurisdiction wishes to implement will be outlined in this section and numbered accordingly.

Equitable Outcomes Note: Some of the strategies may not create an overall housing production increase however, they do increase or maintain housing for a specific affordability target or population.

Caution Note: Jurisdictions should be careful when picking strategies to ensure that housing strategies together in their aggregate do not work to suppress the overall supply of housing production.

Category A: Zoning and Code Changes					
#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
A1	Ensure Land Zoned for Higher Density is not Developed at Lower Densities	This strategy will work on establishing minimum density standards, updating development codes to prohibit new single-family detached housing in high density zones, and allow single-family detached homes in medium density zones only if they meet minimum density or maximum lot size requirements.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Morrow County HNA, 2017
A2	Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	In many cities, towns, and counties, changes to local zoning policies can help to facilitate the development of lower-cost housing types, such as Accessory Dwelling Units (ADU's), manufactured homes, multifamily housing, micro-units, or single-room occupancy developments. Changes to local zoning policies can also help to facilitate the development of safe overnight sheltering options for unhoused residents, such as Safe Park programs, Conestoga Hut Micro-shelters, sleeping pod micro-shelters, and others. To increase the likelihood the market can produce lower-cost housing types, it is important to make them allowable as of right in all locations and neighborhoods. If not, still provide flexibility in zoning code to still issue variance or conditional use permits that allow deviations from existing regulations on a case-by-case basis.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingolutions.org/act/housing-policy-library/zoning-changes-to-facilitate-the-use-of-lower-cost-housing-types-overview/zoning-changes-to-facilitate-the-use-of-lower-cost-housing-types/ Mikaila Smith, CSWA Providence Better Outcomes thru Bridges Program 971-276-1040
A3	FAR, Density, or Height Bonuses for Affordable Housing	FAR, density, and height bonuses for affordable housing developments. Note: FAR/density bonuses do not work if there is not adequate height to make additional development feasible.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A4	Housing Rehabilitation Codes	Housing rehabilitation codes (or rehab codes) are building codes designed to reduce the costs of renovating and rehabilitating existing buildings, thereby facilitating the continued availability and habitability of older rental housing and owner-occupied homes. This is especially helpful to facilitate conversion into multiplex housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingolutions.org/act/housing-policy-library/housing-rehabilitation-codes-overview/
A5	Code Provisions for ADUs	ADUs are smaller, ancillary dwelling units located on the same lot as a primary residence. They are typically complete dwellings with their own kitchen, bathroom and sleeping area. Given that ADUs are usually built by individual homeowners with limited experience or financial resources, code provisions can have a significant influence on the feasibility of their development and enable more widespread production. For example, easing occupancy requirements, allowing more ADUs on a lot, and expanding maximum size requirements. Certain building and development code regulations can inadvertently drive up ADU construction costs. More flexibility in siting, design, construction and lower fees are also needed to achieve feasibility in many cases.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	http://www.ci.the-dalles.or.us/sites/default/files/imported/public_docs/PDFs/the_dalles_housing_strategies_report_final.pdf
A6	Broaden the Definition of Housing Type	Broaden the definition of "housing unit" to allow for more flexibility across use types. For example, SROs are not always allowed in certain residential zones. Including them in the definition of housing unit, or broadening the set of uses allowed across all residential districts, would allow for greater flexibility of housing	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

		type.			
A7	Allow for Single Room Occupancy in Residential Zones	Allow for SRO, Adult Dorms, and Cohousing in all residential zones. Note: SROs may be favored due to their ability to serve more people for less cost; it is not always a better housing type for all populations. Considerations should be given to ADA accessibility when planning SROs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A8	Promote Cottage Cluster Housing	Cottage clusters are groups of relatively small homes typically oriented around shared common grounds with 4-14 homes typically between 1,000-1200 square feet in size. By further defining cottage cluster design and development standards, housing code can effectively address a predictable process for developers, and potentially encourage greater production for this housing type. Some examples may include: allowing for a wide range of sizes and attached/detached options for housing; not specifying ownership structure so that both renters/owners can live on the same cluster; ensuring that minimum site size, setbacks and building coverage requirements do not prohibit cottage cluster development on smaller lots; draft design requirements that ensure neighborhood compatibility, and efficient use of land, but are not so specific as to restrict the ability to adapt to varying neighborhood contexts. Other ideas include: uniformed codes, form-based codes, and allowing shared underground infrastructure when practical (e.g. sewer lines from each cottage can connect to one main that runs out to street, rather than 8 parallel lines out to street).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of the Dalles Housing Strategy Report, April 2017
A9	Short-Term Rentals Regulations	Short-term rentals can be seen as an investment strategy for small investors, but can also remove rental housing supply from the market, in effect driving up rent from the local housing market. To avoid this effect, regulations can include definitions for various forms of short-term rentals, defining use, and occupancy standards, and even adding limits to the number of days that a short term rental can be in operation in order to mitigate their impact on the local housing market. Short Term Rental Regulation should begin with/include registration requirements for all short term rentals.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Morrow County HNA, 2017
A10	Inclusionary Zoning	Requiring that a portion of the units within a market rate development be set aside as affordable housing. This tool will often be combined with property tax exemptions, fee waivers, or development bonuses to offset the cost of affordable housing units. Careful consideration should be employed when enacting inclusionary zoning. Note: A number of studies, including those analyzing the IZ Ordinance in Portland, have shown that IZ suppresses, rather than increases, the creation of new housing. Given that, if IZ is proposed, the financial components need to be calculated right to ensure that the inclusionary rate is not too high for the offsets provided and that overall housing production increases as a result.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A11	Add Restrictive Covenants to Ensure Affordability	Adding restrictive covenants to ensure affordability over time at a certain income level for affordable housing developments. Restrictive covenants are usually placed on a property in exchange for a local or state government providing financial contribution to the project. These covenants work best over the short-term (up to 30 years); after that they become unable to accommodate changed circumstances.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

A12	Align Lot Division Density with Zoning Density	Sometimes there are conflicting regulations between the density that is allowed by the zoning code versus the density that is allowed when lot division (for fee-simple lots) is considered. This can cause unintentional reductions in density, only caused by the fact that the developer would like to create for-sale housing on fee-simple lots. Ideally, the densities would be aligned, so there is not a density reduction between - condominium versus fee-simple developments.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A13	FAR & Density Transfer Provisions	Enable and encourage Transfer of Development Rights (TDR) to maximize available Floor Area Ratio (FAR) provided public benefit (e.g. historic preservation & affordable housing) are attained and covenants ensure long term benefit. This strategy assumes that there are adequate, realistic, and relatively easy receiving areas for TRDs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A14	Re-examine Requirements for Ground-floor Retail/Commercial	Critically re-assess requirements for ground floor retail; lively streetscape is a worthy goal, but not for every street. Jurisdictions can inadvertently impose massive costs on developers by requiring ground floor retail and commercial space even when it's unlikely to be fully occupied or generate nearly enough revenue to pay for itself. Ground floor uses should be driven by market demand; with residential use more beneficial to meet needed housing in some cases (eg. affordable housing).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Bend
A15	Encourage Diverse Housing Types in High-Opportunity Neighborhoods	Enable developments that support multiple unit sizes, types, and tenure options to promote diverse housing options in high-opportunity neighborhoods. With a goal of reversing historical patterns of racial, ethnic, cultural and socio-economic exclusion. Use an analysis of "Access to Opportunity" to decide which zones or locations (via zoning overlay) to determine where this is appropriate. Goal is to promote access to opportunity (e.g., high performing schools, multiple transportation options, services, etc.) to households with a range of backgrounds and incomes. The jurisdiction could pare this strategy with a robust program of incentives (e.g. deeper financial incentives, greater range of housing types, more regulatory waivers, etc.) to be made available in these areas than in other areas of the city.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A16	Manufactured Housing Community Preservation Zone	Change the zoning of existing manufactured housing communities to be preserved to a single-use zone that only allows manufactured housing communities. Consider lifting restrictions of stick-built homes in cooperatively-owned and other manufactured homes.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland http://opb-imgserve-production.s3-website-us-west-2.amazonaws.com/original/901_exhibit_b_recommended_draft_1534960268770.pdf
A17	Small Dwelling Unit Developments	Allow a land division where small lots or parcels are created below the standard lot/parcel size for dwelling units that are limited in size. Calculate density differently for the dwelling units due to their limited size. Density example: a. Dwelling units 600 square feet or smaller: 0.25 of a dwelling unit. b. Dwelling units 601 to 1,200 square feet: 0.50 of a dwelling unit.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Bend
A18	Increase Density near Transit Stations and Regional Multi-use Trails	Adopt increased density codes by right near transit stations, with higher levels of density near high capacity/high frequency stations, then stepping back into residential areas. Automatically upzone based on transportation corridor classifications; meaning wider ROWs get more flexibility in land use by right. This will add some flexibility for new transit stops, including bus stops. Be careful not to word the language so that people incorrectly assume that the density can only	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

		come after the transit has been put in place.			
A19	High Density Requirements for to-be-Annexed Land	Requiring a certain portion of to-be-annexed land to include a percentage of high density. Be careful that this strategy is not used as a way for low density areas in high-infrastructure locations to shirk responsibility to upzone.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Newberg
A20	Pre-Approved Plan Sets for Middle Housing Typologies	Providing a pre-approved set of plans for middle housing typologies (ex. Cottage clusters, townhomes, and SROs). The plans would be highly-efficient, designed for constrained lots and low cost solutions, and would allow for streamlined permitting. This would help attract developers that typically develop only single-family housing to get into the missing middle housing production. Consider partnering with a university, design institution, or developing a competition to produce plans.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A21	Pre-Approved Plan Sets for ADUs	Provide a pre-approved set of plans for ADU designs (6-10 sizes/configurations) that, if chosen by a developer/owner, would lead to automatic approvals and reduced permitting schedule. Plans would reduce the need for architectural costs and reduce barriers to entry.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
A22	Mixed Housing Types in Planned Unit Developments	Require or incentive a mix of housing types within Residential Planned Unit Developments (PUD).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Forest Grove
A23	Accessible Design	Provide incentives in the development code to increase the number of units designed to meet Universal Design, Lifelong Housing Certification, and other similar standards. Examples of incentives include: expedited review and permitting processing, planning and building fee reductions, system development charge deferrals, density or building height bonuses.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

Category B: Reduce Regulatory Impediments

#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
B1	Remove or Reduce Minimum Parking Requirements	Removing parking requirements for residential uses provides the opportunity to reduce the amount of lot area used for pavement and provides more space for housing and open space. This strategy offers greater flexibility to site housing and reduces costs associated with providing parking. Allow developers to respond to market demands and transit access without having the burden of parking minimums. Consider removing parking requirements near transit or for affordable housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Tigard
B2	Remove Development Code Impediments for Conversions	Streamlining the conversion of larger single-family homes into multi-unit dwellings (e.g. duplex or triplex). This should be aligned with reduced off-street parking requirements, so that conversion doesn't trigger the need to add additional driveways (or isn't halted by inability to add additional driveways).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Tigard

B3	Expedite Permitting for Needed Housing Types	Expedited permitting will help to reduce costs of development of Needed Housing as identified by the City. Consider projects with direct or indirect funding from local government as essential and projects with long term affordability covenants through tax abatement or inclusionary requirements as high priority and/or only expedite housing according to the jurisdictions identified needed housing types. Local governments might also consider assigning a designating staff to shepherd projects through the construction process in order to expedite that part of the process.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland (direct funding only)
B4	Expedite Lot Division for Affordable Housing	Expedite lot divisions and subdivisions for affordable housing projects	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B5	Reduce Regulatory Barriers to Lot Division	Remove barriers such as minimum street frontage, driveway requirements, etc., that impact minimum lot size/density during lot division. Preferably allow by-right lot division up to max number of units allowed.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B6	Streamline Permitting Process	In some cities, towns, and counties, the process associated with obtaining approval for new construction is so time-consuming or costly that it dampens the amount of new development and adds significantly to its costs. To help streamline the process, cities, towns and counties can initiate a comprehensive review of all steps in the development approval process to identify the factors that most significantly suppress new residential construction and redevelopment. With a clearer picture of the obstacles, local leaders can then begin to assess whether they can be reduced or eliminated to stimulate development activity. In doing the comprehensive review, it is critical that actual timeline performance be evaluated not just the planned timeline.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingsolutions.org/act/housing-policy-library/streamlined-permitting-processes-overview/streamlined-permitting-processes/
B7	Flexible Regulatory Concessions for Affordable Housing	Often, nonprofit housing developers and housing agencies face regulatory impediments to building affordable housing, which can often derail projects. This strategy provides a flexible framework for delivery of affordable housing including but not limited to reduced minimum setbacks, height bonuses, and/or allowing for flexibility in how units are delivered. This strategy is not intended to allow for a lower quality for affordable housing buildings.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Morrow County HNA, 2017
B8	Waive Off-Site Infrastructure Requirements for Needed or Affordable Housing	Waive infrastructure build-out requirements for infill affordable or needed housing projects constructed in neighborhoods without a network of those amenities currently. Example: Waive requirements for curb, gutter and sidewalk build-out on the lot if it is located in an area without either connecting curb, gutter, and sidewalk currently or viable plans for funding infrastructure construction within the next decade. This is especially relevant in smaller, more rural locations.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Clackamas County Housing Report
B9	Capital Improvements Programming (CIP)	Programming work in a Capital Improvements Programming (CIP) so that projects are constructed sooner to support development of middle housing or to open up more land in an Urban Growth Boundary (UGB) for development of middle housing. Coordinate housing planning with CIP work to prioritize those projects that would support development (e.g. new water line, sewer pumping station). If the UGB is amended or the premises on which the CIP were based changed substantially, the CIP should be revised.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

B10	Public Facility Planning	Completing water, sewer, and transportation PFPs and getting capital improvement projects (CIP) built so that costs to develop on land zoned for needed housing can be further anticipated and supported. In addition, public utilities planning also allows for more unit capacity, especially in areas that are upzoned for denser housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Tigard City of Bend
B11	Pro-Housing Agenda	Change the culture of Planning / Development Services departments to have a pro-housing agenda for both rental and homeownership. Supplement with fair housing education and education on the supply and demand impact on housing prices. The State could support jurisdictions in this effort by providing an incentive (e.g. funding set-aside) for jurisdictions that adopt aggressive pro-housing policies. In the State of California housing funds are prioritized for cities that adopt pro-housing policies. Though it may be counterintuitive, since this allows anti-housing cities to avoid housing altogether. Alternatively, the State of Oregon could consider a stick rather than carrot approach (e.g. withholding highway funds).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B12	Pro Affordable Housing Agenda	Change the culture of Planning / Development Services departments to have a pro Affordable Housing agenda for both rental and homeownership. Supplement with fair housing education and education on the supply and demand impact on housing prices. The State could support jurisdictions in this effort by providing an incentive (e.g. funding set-aside) for jurisdictions that adopt aggressive pro Affordable Housing policies. This agenda should include a plan to ensure that affordable housing is not suppressed in single-family zones or in wealthier communities. As part of this, encourage departments to look closely at how existing approaches may inadvertently favor one type of tenure over another.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B13	Align Bike Parking Requirements with Actual Use	Require bicycle parking requirements more in line with actual use. Example: No more than 1-1.5 bike parking stalls per unit.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B14	Adopt Affirmatively Furthering Fair Housing as a Housing Policy in Comprehensive Plan	Amend the comprehensive plan to explicitly make Affirmatively Furthering Fair Housing a Housing Policy. Example below, based on federal guidance on affirmatively furthering fair housing and current state protected classes. Jurisdictions may add additional protected classes, such as ancestry, ethnicity, or occupation. Housing Policy x: Affirmatively Furthering Fair Housing [Jurisdiction] affirmatively furthers access to decent, affordable housing with convenient access to the services and destinations Oregonians need to thrive without regard to their race, color, religion, national origin, sex, familial status, mental or physical disability, source of legally-derived income, marital status, sexual orientation or gender identity. x.1 Address patterns of integration and segregation x.2 Address patterns of racially or ethnically concentrated areas of poverty x.3 Address disparities in access to opportunity x.4 Address disproportionate housing needs of residents based on race, ethnicity and disability status	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

		<p>x.5 Adopt an equity lens inclusive of the classes identified in Housing Policy x above in making land use, planning and housing policy decisions</p> <p>Additionally, a jurisdiction will create an Analysis of Impediments to Fair Housing (AI), even when not required, and conduct fair housing training for Council, Planning Commission, and other relevant policymakers. Jurisdictions would work to make known evidence and best practices in planning, to reverse discrimination and exclusion as well as concentrations of wealth, a required aspect of the comprehensive plan process.</p>			
B15	Reduce the Power of NIMBYism to stop, slow, change, or reduce affordable housing	Many jurisdictions give communities/neighborhoods too much veto power on both zoning policy, and particular project proposals to keep others who they don't approve of from moving in. Dedicate funds to educate citizens on poverty, exclusion, and racial dynamics. Remove policies that allow neighborhood opposition to evidence based zoning proposals and individual projects. Decisions about what kind and how much housing goes where it needs to be data-driven and focused on equitable outcomes instead of the best outcomes for those with the most money and/or privilege.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B16	Holistic Planning to Distribute New Density More Equitably	Geography is often at odds with social equity; natural beauty is often in wealthy neighborhoods, as are historic buildings, allowing them to exclude new development and affordable housing. Develop a targeted plan to distribute density within the jurisdiction more equitably to areas with quality schools, access to natural resources etc. Additionally, work to distribute transit equitably to ensure that exclusionary neighborhoods don't remain that way because they don't offer transit for higher density housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B17	Reduce on-site Common/Active Open Space Requirements	Remove or reduce requirements for on-site common/active open space. Instead, ensure that adopted Parks plans fully consider the needs of every neighborhood, and that the jurisdiction is actively working toward satisfying those needs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
B18	Prioritize Home Ownership	<p>Jurisdictions would develop a comprehensive review of the impediments to the development of homeownership opportunities and actionable steps to remove those impediments.</p> <p>Note: An important impediment to condominium development is the risk associated with the current condominium law in Oregon. A revamp of this law is needed to increase homeownership opportunities that are smaller size. This would require action at the state level.</p>	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

Category C: Financial Incentives

#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
C1	Reduce or Exempt SDCs for Needed Housing	Reducing, deferring, and/or financing System Development Charges (SDCs) at a low interest rate for needed housing types. This strategy reduces development costs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Tigard

C2	Modify SDC fee schedules	Updating SDC fee schedule so that is tied to dwelling size. This strategy ensures that smaller dwelling sizes in single and multi-family housing are not disproportionately burdened by fees and therefore encouraged. Consider per square foot fees rather than per dwelling.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Florence https://www.ci.florence.or.us/sites/default/files/fileattachments/building/page/916/sdc_fy_19-20_rework_v2.pdf
C3	Reduce or Exempt SDCs for ADUs	Waivers/reductions of SDCs for ADU production in order to improve the feasibility of the development. Create a model ordinance for the waiver, or deferment, of SDCs. Scale SDCs based on size, resource efficiency, and access to alternative transportation.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland
C4	Incentivize Manufactured and Modular Housing	Give Bonus Density Incentives for manufactured and factory built housing. Consider tying bonus to modular housing that demonstrates if housing meets affordability targets of below 120% AMI.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Metro King County RMHP
C5	Waive or Finance Park Impact Fees for Affordable Housing	A policy providing for the exemption (preferred) or financing park impact fees (helpful) for affordable housing ensures a mix of affordable housing. Financing the fee while still collecting can mitigate the cost of the fee to coincide with the available cash flow of the affordable housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Tualatin Hills Park & Recreation District
C6	Publicly Funded Infrastructure Improvements	Fund off-site improvements for workforce or affordable housing; e.g. street intersection improvements triggered by development.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
C7	Reconsider Applying Park SDCs	If there are appropriate levels of parks and open space near the project, these impact fees should not be charged or should be assessed at a much lower rate. They are not general funds to be allocated without a nexus to the development.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
C8	Transportation SDCs Tied to Parking	Tie transportation SDCs to the number of parking spaces, as the number of parking spaces is a more accurate predictor of the number of trips that will start or end at every development. By tying transportation costs directly to vehicle storage, the system will both be assessing transportation impacts fairly and encouraging alternate modes of transportation.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

Category D: Financial Resources

#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
D1	Community Development Block Grant (CDBG)	CDBG Grants are federal funds set aside in the form of grants to be used to meet national objectives: direct benefit for low and moderate income households; benefit to predominantly low income areas; elimination of slums and blight. Eligible activities include public works infrastructure, community facilities, new housing development, housing rehabilitation, and public services (counseling, social services & microenterprise training, including short-term emergency rent assistance). Eligibility is based upon the levels of low- and moderate-income families that may benefit from services provided by the eligible projects. While Cities can choose not to apply for CDBG, control of whether or not they receive CDBG is ultimately at the Federal level and like the State of Oregon, these funds	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Tigard City of Eugene City of Beaverton City of Hillsboro City of Gresham City of Portland City of Bend City of Redmond State of Oregon

		can be used for things that have little to do with housing, so may have limited impact. A better gauge may be HOW cities use their CDBG; for housing benefit or other.			
D2	Low Income Housing Tax Credit (LIHTC)	Federal tax provision that encourages private investment in affordable rental housing by providing qualified investors with a dollar-for-dollar reduction in federal income tax liability in exchange for investment in qualifying new construction and rehabilitation projects. LIHTCs may also be paired with Tax Exempt Revenue Bonds.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingsolutions.org/act/housing-policy-library/low-income-housing-tax-credit-overview/
D3	Housing Trust Funds	Housing Trust Funds are a flexible source of funding that can be used to support a variety of affordable housing activities. Because they are created and administered at the city, county, region, or state level, housing trust funds are not subject to the restrictions of federal subsidy programs and therefore can be designed specifically to address local priorities and needs. The entity administering the fund determines eligible activities, which can include anything from emergency rent assistance for families facing the threat of eviction or homelessness to gap financing for new construction of affordable housing to repairs for older homeowners.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingsolutions.org/act/housing-policy-library/housing-trust-funds-overview/
D4	Operating Subsidies for Affordable Housing Developments	Operating subsidies are payments made annually (or more frequently) to owners of affordable housing developments that make the housing more affordable by covering a portion of the ongoing costs of operating the development.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingsolutions.org/act/housing-policy-library/operating-subsidies-for-affordable-housing-developments-overview/
D5	Employer - Assisted Housing Programs	Employer-assisted housing programs provide a channel through which employers can help their employees with the cost of owning or renting a home, typically in neighborhoods close to the workplace. Assistance may be provided in a variety of ways, including through down payment grants or loans that are forgiven over a period of employment, homeownership counseling and education, rental subsidies and, less commonly, direct investment in the construction of rental housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingsolutions.org/act/housing-policy-library/employer-assisted-housing-programs-overview/
D6	HOME Program	HOME is a federal program established by Congress in 1990 that is designed to increase affordable housing for low- and very low-income families and individuals. All States and participating jurisdictions receive HOME funds from HUD each year, and may spend HOME on rental assistance, assistance to homebuyers, new construction, rehabilitation, improvements, demolition, relocation, and limited administrative costs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
D7	Dedicated Revenue Sources for Affordable Housing	A dedicated revenue source for affordable housing provides an ongoing committed stream of revenue for affordable housing, often deposited into a Housing Trust Fund. This can be helpful in increasing the total funding available for affordable housing. The fund can receive its sources from: Transient Lodging Taxes collected from Short Term Rentals, developer fee and real estate transfer taxes (<i>not constitutional in Oregon</i>).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingsolutions.org/act/housing-policy-library/dedicated-revenue-sources-overview/ City of Portland Housing Investment Fund

D8	Demolition Taxes	Cities, towns, and counties establish demolition taxes and condo conversion fees as a way to generate revenue and replace affordable housing lost to these activities. The proceeds from both demolition taxes and condo conversion fees are typically deposited in a Housing Trust Fund to support affordable housing activities. To ensure that a demolition tax on residential development does not deter needed redevelopment - this strategy should only be applied if the housing replacement is 1:1. If the proposed development is more dense than the original structure, there should not be a demolition tax.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingolutions.org/act/housing-policy-library/demolition-taxes-and-condominium-conversion-fees-overview/
D9	Construction Excise Tax (CET)	A Construction Excise Tax (CET) is a tax on construction projects that can be used to fund affordable housing. According to state statutes, the tax may be imposed on improvements to real property that result in a new structure or additional square footage in an existing structure.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland City of Eugene City of Sisters
D10	Tax Increment Financing (TIF) Set-Aside	Create a TIF set-aside for affordable housing development programs within designated Urban Renewal Areas (URAs). Target could be to begin setting aside funds for affordable housing projects as a medium-term action, over the next 5 years or so. For example: Portland City Council designates 45% of the gross amount of TIF for designated housing purposes (rental housing for households under 60% of Area Median Income (AMI) and homeownership for households under 80% of AMI).	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland
D11	Flexible Use of Housing Choice Vouchers	Public Housing Authorities have the ability to attach up to 20% of their voucher assistance to specific housing units for each low income housing project, up to 25% of any single project. Project-Based Rental Assistance (PBRA) vouchers provide rental assistance for eligible individuals and families who occupy specific housing units managed by private owners who have entered into agreements with a housing agency. The household pays an established amount to the owner each month (typically approximately 30% of monthly income) and the housing agency pays the balance of the rent due. If public housing authorities include homeownership in their administrative plan, housing vouchers may also be used to facilitate low income homeownership.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingolutions.org/act/housing-policy-library/project-basing-of-housing-choice-vouchers-overview/
D12	Targeted Vouchers	Vouchers that target renters at the 60-80% AMI who are often left out of the housing funded by bond funds and other public sources that are focused on lower income levels. Housing Authorities use affordable housing dollars and issue vouchers that are good for one year and pay any landlord the difference between what the tenant can afford and market rent. This takes the reporting burden off the landlord and essentially allows any existing unit to be affordable. Each year the tenant would have to prove to the Housing Authority if they were still income qualified and if not.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
D13	Low-Interest Loans / Revolving Loan Fund	Housing Repair and Weatherization Assistance for low and moderate income households may be capitalized by Tax Increment Financing (TIF), Community Development Block Grant (CBDG) Funds, or local Housing Trust Funds.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland
D14	Eviction Prevention Programs	Eviction Prevention Programs provide financial assistance to help renters facing eviction stay in their homes. These programs are generally designed for families who are being evicted due to nonpayment of rent during or following an unforeseen crisis, such as job loss or serious illness, rather than those who face more persistent affordability challenges. Jurisdictions may be interested in	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingolutions.org/act/housing-policy-library/eviction-prevention-programs-overview/

		investing in eviction prevention to address concerns about displacement of low-income renters and also to avoid or reduce use of other more costly local services, like homeless shelters.			
D15	Bond - for Resident Support Services and Permanent Supportive Housing Services	Limited Tax General Obligation Bond that creates a funding source for supportive housing services, such as access to health care, mental health, and other social services that better support and stabilize residents who face complex challenges and will benefit from affordable housing programs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Oregon Metro City of Portland
D16	General Obligation Bonds – for Affordable Housing	Following the passage of Measure 102 Oregon local governments, including cities and counties, can now issue voter-approved general obligation bonds to provide direct funding for construction and other capital costs associated with the development and construction of affordable housing. These funds can be loaned or granted to both public and privately owned affordable housing projects. “Affordability” is required to be determined by voters and each jurisdiction, and can be above or below minimum affordability levels established for the federal LIHTC program and other established federal and State affordable housing finance programs, defining affordability by reference to Area Median Income (AMI) as established by HUD. The bonds could be paired with other financing such as Low Income Housing Tax Credits, or could be used for homeownership opportunities.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Oregon Metro City of Portland https://ballotpedia.org/Oregon_Measure_102,_Removes_Restriction_that_Affordable_Housing_Projects_Funded_by_Municipal_Bonds_be_Government_Owned_(2018)
D17	Use IHBG funds for Urban Native Americans	Mixing of Indian Housing Block Grants (IHBG), typically used for housing for Native Americans on reservation land, with other traditional affordable housing funding sources allows preference for Native members in urban affordable housing projects.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	<u>NAYA and CDP and Confederated Tribes of the Siletz</u>
D18	Weatherization Funds through Community Action Agencies	Use weatherization funds administered by statewide network of Community Action Agencies to preserve aging housing stock occupied by income-qualified residents.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.oregon.gov/ohcs/Pages/low_income_weatherization_assistance_oregon.aspx
D19	Transit-Oriented Development Grants	Provide financial incentives to developers to create transit-oriented communities. Funding can be used for site acquisition, infrastructure projects and residential/mixed-use projects.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.oregonmetro.gov/tools-partners/grants-ad-resources/transit-oriented-development-program
D20	Local Innovation and Fast Track (LIFT) Program for Affordable Rental Housing Development	The Local Innovation and Fast Track (LIFT) Housing Program's objective is to build new affordable housing for low income households, especially families. Funds are available for Serving Historically Underserved Communities, Rural and Urban Set-asides, Urban Communities, Service to Communities of Color, and Rural Communities. Available for affordable homeownership units (below 80% AMI). Note: The homeownership part may not be available by the next biennium.OHCS is proposing to eliminate it.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.oregon.gov/ohcs/Pages/multifamily-lift-housing-development-program.aspx
D21	Mental Health Trust Fund Awards	Administered by the Oregon Health Authority for capital construction costs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

D22	Foundations Awards	Local, regional, and national foundations provide both capital funding and program funding for a wide variety of innovative housing models and programs.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Examples: Meyer Memorial Trust and Oregon Community Foundation (OCF)
D23	State of Oregon Debt	State of Oregon to offer non-recourse low-interest debt that can be used to fund workforce or affordable housing. This could be provided through an existing relationship like Network for Oregon Affordable Housing (NOAH). This would be a valuable tool for providing housing in rural communities, where conventional debt funding may not be readily available. Note: This strategy has been suggested by the housing development community but are not yet programs in place in the State of Oregon.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
D24	State of Oregon Debt Support	State of Oregon to provide some form of collateralization to support private debt placement for a workforce or affordable housing project. For example, the State could provide Letters of Credit and/or Guarantee on behalf of the developer to the private lender. This would be a valuable tool for providing housing in rural communities, where conventional debt funding may be hesitant to invest without substantial backing that the State could provide. Note: This strategy has been suggested by the housing development community but are not yet programs in place in the State of Oregon.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
D25	Luxury Tax for Equitable Housing	Oregon State sales tax on luxury items, 2nd homes, etc. dedicated to providing funds for affordable housing funds. Note: This strategy has been suggested by the housing development community but are not yet programs in place in the State of Oregon.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
D26	Reallocate Health and Public Safety Resources to Housing	Because healthy housing makes a huge difference in health care, public safety, and other costs, identify paths to redirect budgets from those sectors toward housing construction funds and supporting services. Use advanced modeling projections and adjust as needed over time.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
D27	Georgist Land Tax	Generate tax revenue for affordable housing by reducing the gains accrued from public investments that are capitalized into private value.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

Category E: Tax Exemption and Abatement

#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
E1	Nonprofit Low-Income Rental Housing Exemption	This tool can provide a simplified way for affordable housing owned and operated by a nonprofit (as well as land held by a nonprofit for future affordable housing development) or Community Land Trusts (at least in land value) to qualify for a property tax exemption. Work should be done to make it easier for projects/land to qualify; minimizing the number of taxing authorities needed to grant an approval.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	See Oregon Revised Statute Chapter 307.540 https://www.oregonlegislature.gov/bills_laws/ors/ors307.html

E2	Property Tax Exemption for Affordable Housing Tied to Level of Affordability	Create a Property Tax Exemption for affordable housing that is tied to level of affordability instead of the ownership structure. For example, grant a property tax exemption for affordable housing that serves households making less than 60% of AMI at initial lease up. Don't tie the property tax exemption to ownership (LLC, non-profit, housing authority) and only require income verification at the beginning of a residents tenancy. The property should still get the exemption even if the household increases income after their initial lease up so they can build assets in place.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
E3	Vertical Housing Development Zone Tax Abatement	Partial property tax exemption program on improvements for new mixed use development. To qualify, a project must have improved, leasable, non-residential development on the ground floor and residential development on the floors above. A partial abatement on land value is allowed for each equalized floor of affordable housing. This abatement could be made better by an adjustment to the floor equalization formula - right now, there is a 20% abatement per equalized floor, but if the project ends up being 3.8 equalized floors it only gets 3 floors worth of the abatement rather than an apportioned abatement.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Authorized by Oregon Revised Statute, 307.841. City of Hillsboro City of Beaverton City of Milwaukie Oregon City City of Gresham City of Tigard City of Wood Village City of Forest Grove
E4	Multiple Unit Property Tax Exemption (MUPTE)	This strategy can be used to incentivize production of multifamily housing with particular features or at particular price points by offering qualifying developments a partial property tax exemption over the course of several years.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	See Oregon Revised Statute, Chapter 307.600. https://www.oregonlegislature.gov/bills_laws/ors/ors307.html City of Eugene
E5	Multiple Unit Limited Tax Exemption (MULTE)	Under the Multiple-Unit Limited Tax Exemption (MULTE) Program, multiple-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Authorized by Oregon Revised Statute, Chapter 307.600 https://www.oregonlegislature.gov/bills_laws/ors/ors307.html https://www.portlandoregon.gov/phb/74691
E6	Homebuyer Opportunity Limited Tax Exemption Program (HOLTE)	Under the HOLTE Program, single-unit homes receive a ten-year property tax exemption on structural improvements to the home as long as the property and owner remain eligible per program requirements.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Authorized by Oregon Revised Statute, 307.651. https://www.portlandoregon.gov/phb/74639
E7	Homestead Tax	Consider allowing Homestead Tax on second homes to support development of affordable housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
E8	Property Tax Relief for Income-Qualified Homeowners	Property taxes are based on property values and so can go up regardless of the taxpayers' ability to pay. In the case of homeowners, rising property taxes can be an obstacle to housing affordability and stability. A tool used in a number of jurisdictions for mitigating these effects on those with limited incomes is by capping the amount of property tax that homeowners have to pay as a share of their	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.localhousingolutions.org/act/housing-policy-library/property-tax-relief-for-income-qualified-homeowners-overview/

		income. Some jurisdictions also provide relief to lower-income renters by treating some portion of their rent as attributable to property taxes and then providing an income tax credit to offset the increase in taxes. In addition to basing the benefit on income, eligibility for caps can also be restricted to specific populations such as seniors, disabled persons, and/or veterans.			
E9	Investing into Federal Opportunity Zones (OZ)	Qualified Opportunity Zones (QOZ) were created by the 2017 Tax Cuts and Jobs Act. These zones are designed to spur economic development and job creation in distressed communities throughout the country and U.S. possessions by providing tax benefits to investors who invest eligible capital into these communities. Taxpayers may defer tax on eligible capital gains by making an appropriate investment in a Qualified Opportunity Fund and meeting other requirements.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions#qof
E10	Delayed Tax Exemptions	Allow housing to be built and operated at market rate while allowing developers to choose a path that maintains or reduces rents over time. Once the property falls below 80%AMI (but maintains HUD quality standards), tax exemptions would kick in. This could be an alternative to upfront incentive dollars, SDC reductions, etc for providing affordable housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

Category F: Land, Acquisition, Lease, and Partnerships

#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
F1	Land Banking	Public purchasing of vacant/under-utilized sites of land in order to save for future affordable housing development. House Bill 2003, section 15 supports land banking: SECTION 15. (1) As used in this section, "public property" means all real property of the state, counties, cities, incorporated towns or villages, school districts, irrigation districts, drainage districts, ports, water districts, service districts, metropolitan service districts, housing authorities, public universities listed in ORS 352.002 or all other public or municipal corporations in this state.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Metro TOD Program
F2	Joint Development Agreements	The Federal Transit Administration (FTA) enables local transit agencies to enter into Joint Development Agreements (JDAs) with private or non-profit developers of low income housing, market-rate housing, and/or commercial development. Joint Development is a process by which public transit or other local or state agencies agree to make land available at donated or reduced prices for private development, which may include affordable housing. Projects must demonstrate benefit to transit operations (ridership) and infrastructure and are subject to FTA approval.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F3	Community Land Trusts	Land acquired by nonprofits or community-based organizations that maintain permanent ownership of land. Prospective homeowners are able to enter long-term (i.e., 99-year), renewable leases at an affordable rate. Upon selling, homeowners only earn a portion of the increased property value, while the trust keeps the remainder, thereby preserving affordability for future low- to moderate-income families	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F4	Public/Private Partnerships (P3)	Partnerships between government and the private sector and/or nonprofits have the capacity to bring resources to the table that would otherwise not be available if each institution were able to help communities provide housing on its own. This can come in the form of coalitions, affordable housing task forces, and collaboratives.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

F5	Preserving Low-Cost Rental Housing to Mitigate Displacement	Preventing displacement and preserving "naturally occurring" affordable housing through acquisition, low-interest loans/revolving loan fund for preservation, and/or code enforcement. Example: The Oregon Legislature committed \$15 million in lottery bonds to Oregon Housing and Community Services (OHCS) in 2019 to create a naturally occurring affordable housing loan fund. Modeled after the Greater Minnesota Housing Fund.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	https://gmhf.com/about/programs/noah-impact-fund/
F6	Preserving Safe, Affordable Manufactured Homes	Manufactured home parks often provide a form of affordable housing stock, but are particularly vulnerable to redevelopment pressures since lots are temporarily leased out. In order to preserve safe, affordable options into the future, manufactured home parks may be protected through assistance that allows community purchase of the underlying land, manufactured homes and provide funds used to maintain upkeep of these dwelling units. This strategy is often implemented through use of Land Trusts, Resident-Owned Cooperatives, Public Ownership of Land, or Condominium Conversion of the real estate assets to preserve the community(ies). Oregon Housing and Community Services (OHCS) has regularly received lottery bonds or general funds from the Oregon Legislature to preserve manufactured home parks through either Resident Owned Cooperatives or Non-profit ownership.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Portland https://www.oregon.gov/ohcs/Pages/manufactured-dwelling-park-services-oregon.aspx
F7	Providing Information and Education to Small Developers	Providing information to small, local developers that will help them understand land use permitting processes and give them a sense of clarity and certainty about requirements so they can better provide smaller scale housing at an affordable level.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F8	Conversion of Underperforming or Distressed Commercial Assets	Acquisition of underperforming or distressed commercial assets (commercial, retail, industrial, or hotel) or partnerships with owners of the assets for conversion into needed housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F9	Enhanced Use Lease of Federal Land	The US Department of Veterans Affairs (VA) may lease land for up to 85 years to developers of projects which provide the VA with compensation. Such enhanced use leases have been used to provide land for permanent affordable housing for people experiencing homelessness including veterans in Oregon, Minnesota and Washington States.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Housing Authority of Douglas County
F10	Prioritize Housing on City/County Owned Land	Surplus property suitable for housing is offered up for affordable development.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Eugene
F11	Combine Community Land Trust with Limited Equity Cooperative Model	Combine a Community Land Trust (CLT) with a Limited Equity Cooperative for a lower barrier entry to homeownership of a share of a permanent small/tiny home community.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	SquareOne Villages
F12	Surplus Land for Affordable Housing	Sell land at the State or City's cost (below market) to developers of affordable housing. Long-term lease at very minimal cost to developers for land the City is not yet ready to surplus. County surplus of foreclosed land to affordable housing developers and/or housing authority.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Bend

F13	McKinney-Vento Federal Surplus	Cities may partner with the Federal Government to surplus Federal land for homeless housing or services under McKinney Vento.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Bend
F14	Right of First Refusal for Land Purchase	Affordable housing providers could be offered a Right of First Refusal for city, county, or state owned land when the land would be used for affordable housing. Examples include a manufactured home program where residents can buy out the manufactured home park when the owner is ready to sell.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	CASA of Oregon https://casaoforegon.org/for-individual/manufactured-housing-cooperative-development/
F15	Ordinances that Address Zombie Housing	More assertive tax foreclosures to enable zombie housing to be rehabbed into occupied housing.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F16	Regulatory Agreement	Regulatory Agreement, between the jurisdiction and developer, in place with the land sale that keeps the units affordable for 20 years in exchange for SDC waivers. This is straightforward without going through a difficult or costly process.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	City of Beaverton
F17	Designated Affordable Housing Sites	A jurisdiction would establish designated sites with a completely different set of regulations than apply to the balance of the public and private building sites. The sites would be overseen by an Affordable Housing Commission, that is empowered to prioritize, fast track, and approve affordable housing projects (with designated and required affordability objectives) and bypass the majority of the city's fees and regulations. The Commission would have its own set of requirements (structural approval, zoning allowance, etc.), but they would be streamlined, and tailored to facilitate a quicker and much less expensive process.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F18	Utilize Surplus Land Owned by Faith-Based Organizations for Affordable Housing	Over the past few decades, faith institutions across the country have been declining. This has prompted conversations within different faith communities about how to refocus their mission of social change. The housing affordability crisis in many cities around the country has brought these institutions into the work of creating affordable housing in their communities. This strategy would: 1) Identify faith and community-based organizations that are interested in offering their available land for development of affordable housing, 2) Provide design and finance consultation for three organizations to prepare them for future affordable housing development projects, and 3) Determine barriers to development and how those can be addressed and/or streamlined.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	Expanding Opportunities for Affordable Housing, Metro and City of Portland
F19	Affordable Housing Preservation Inventory	Prepare an inventory of subsidized and naturally occurring affordable housing to support proactive policies intended to preserve the affordable housing stock. This strategy is intended to help offset some of the need for costly new construction.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	The Center for Housing Policy, Washington DC Opportunity Zone Toolkit, US Department of Housing and Urban Development

F20	Fair Housing Education, Referral, and Other Services	Provide residents, property owners, property managers, realtors, lenders and others involved with real estate transactions with access to Fair Housing information and referrals. Ensure that city staff know how to identify potential Fair Housing violations and make referrals to the Fair Housing Council of Oregon and state and local enforcement agencies. Partner with and fund Fair Housing Council of Oregon to provide periodic Fair Housing Audit Testing, customized outreach and education and other specialized services.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
F21	Public or Mission-Driven REITs and Turn-Key Delivery	Most public subsidies and tax incentive programs are complex due to the need for regulation and corruption prevention, imposing many impediments to developing affordable housing. Jurisdictions would participate in a public REIT that buys turn-key projects for set costs. This would motivate mission-minded developers to drive down cost knowing that risk is minimal by having a buyer at the end. If the developer doesn't deliver the required specs, quality, and competitive construction cost, then they have to sell or rent on the open market or find other incentives in current, standard fashion. The jurisdiction could invest state pension funds in these REITs. Note: This strategy has been suggested by the housing development community, it is not clear if this program is currently available to jurisdictions in the state.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	
Category Z: Custom Options					
#	Strategy	Description	Affordability Target	Tenure Target	Source (if available)
Z1	TBD	Any other Housing Production Strategy not listed above in Categories A through F that the jurisdiction wishes to implement should be filled in here and numbered accordingly.	Publicly-Subsidized (< 30% AMI) Affordable (30-80% AMI) Workforce (80-120% AMI) Market Rate (> 120% AMI)	For Rent For Sale	

NOT HOUSING PRODUCTION STRATEGIES

(These have been removed from the list and will NOT be included in the final housing production strategies unless someone advocates that these are housing production strategies)

	Community Benefits District	<p>Some localities anticipating increases in density or intensity of uses by plan and land use changes or new public works (e.g., transit stations) can consider both concomitant obligations to those changes to require, either directly or through “sweeteners” that the developer fund certain community improvements (beyond sidewalks and flowerpots). Those obligations may include minimum densities, set asides (with sweeteners in this case), and payment of a tax on the increment of profit realized when the land use change or public work is accomplished.</p> <p>Note for Discussion: Likely impossible to determine what a tax on profit would be for a developer. Likely need a better way to define this strategy, if it stays. Should this be in the financial resources section? What is the purpose of this strategy when it comes to housing production? Not clear.</p>	
	Protection from Condo Conversions	<p>In order to reduce the stress and cost of displacement caused by condo conversions or sales of rental buildings, some jurisdictions provide tenants with protections in the event that their landlord seeks to convert or sell. Protections can include: requiring approval of a majority of residents for a conversion; providing for a long notice period before a conversion or sale; giving tenants a right to purchase units before they can be offered to outside buyers; relocation assistance paid by the landlord for tenants forced to move because of a conversion; and/or giving tenants a right to remain as a renter or renew a tenancy following a sale. Oregon currently provides basic protections for tenants against condo conversions.</p> <p>Discussion Note: This strategy is not about housing production but housing type. Condo are a homeownership option that is less expensive than single detached. A conversion will just change the type of housing, not add or reduce housing. This should not be included in the housing production strategies.</p>	<p>https://www.oregonlaws.org/ors/100.310</p>
	Create a Bounty on Denial of Needed Housing	<p>Consistent with the changes made to ORS 197.830(15)(c), denial of Needed Housing would be the source of an attorney fee claim at LUBA. One could be even bolder and suggest that “denial” encompasses imposition of conditions that are not “clear and objective.” The “raise it or waive it” requirement would remain applicable where there was an opportunity to do so at the local level.</p> <p>Discussion Note: Is this something that jurisdictions can enact or does it need to be at the state level? If jurisdictions can not enact this, then it probably shouldn't be in the housing production strategies.</p>	<p><i>(Ed Sullivan)</i></p>
	Survey Applicants on Development	<p>[At the HPSTAC Commissioner Hallova mentioned an idea about asking development applicants how they decided on their development program</p>	<p><i>(Deb Meihoff)</i></p>

<p>Program Decision-Making</p>	<p>and which public incentives were part of the consideration - this is a worthy idea that could lead to better information about how to tailor strategies toward production. An alternative to requiring cities to collect this info, is to consider this approach as part of a production strategy. To be a strategy it needs additional action like logging and making publicly available the aggregated survey information on the city's housing/ development /planning webpage or something. The information could be collected on a form separate from the development application, so it is clear that the additional information is not part of the permit decision. This obviously needs more work, but I think there is a viable strategy here]</p> <p>Discussion Note: Agreed this is important and should be included somewhere in the draft document but not as a strategy.</p>	<p></p>	<p></p>
<p>Prevailing Wage Realignment</p>	<p>It makes no sense that higher fair-wage requirements apply to affordable housing but not to market rate. Find better ways to regulate fair wages across the entire industry and remove these onerous requirements from affordable housing. Otherwise, factory-built housing alternatives will undermine these efforts anyway, negatively affecting minority contractors and small businesses. The goals of labor equity need a holistic re-design as part of other strategies above.</p> <p>Discussion Note: This is a good idea and many affordable housing developers struggle with this. Not sure if it's a strategy. Would need to be changed at the state level with BOLI.</p>	<p></p>	<p>(nate@inkbuilt.com)</p>
<p>Eliminate value giveaways for developers</p>	<p>Large public investments such as light rail systems and de facto giveaways such as UGB expansion allow private land owners and developers to reap significant and instant rewards while causing more displacement and/or segregation by income status. Make these changes contingent on the provision of affordable housing in specific, higher than usual ratios.</p> <p>Discussion Note: From a development perspective this is likely to suppress the overall housing market, which is not a good thing for affordability over time.</p>	<p></p>	<p>(nate@inkbuilt.com)</p>
<p>Correct for disproportionate land values (that exist because of historically racist policies and predatory gentrification)</p>	<p>Increases in property values are hugely disproportionate by neighborhood, and the profitability of house flipping, vacation rentals, etc. drive costs up rather than supporting affordability.</p> <ul style="list-style-type: none"> • Increase public investments in neglected neighborhoods, prioritizing them first. • Add a transaction tax to all homes sold when the price exceeds local AMI • Enforce taxes on vacation rentals and direct them to housing • Programs that allow low income owners in high cost neighborhoods to apply for reduced property taxes • More ideas?! <p>Discussion Note: This is a lot of ideas combined into one. We are trying to make sure all of the housing productions strategies are stand alone. If there is anything above that you think should be considered and separated out as a strategy, then we should do that. Some of these ideas</p>	<p></p>	<p>(nate@inkbuilt.com)</p>

		are already covered in a strategy and/or the jurisdictions needs to respond to Equitable Housing Outcomes questions.	
	Reform Transportation	Invest in sustainable last-mile transportation systems to eliminate the need for individual car ownership. Tax private vehicles or provided vehicle parking yearly based on size (only for market rate housing until equitable transit is widely available) Discussion Note: Out of the jurisdiction of the LCDC.	(nate@inkbuiltdesign.com)
	Pie in the Sky	Reduce the difficulty of regulation based on income by reforming the national tax system. Make the process more direct and automatic, similar to Japan. This reduces/eliminates the need to deal with income reporting specific to affordable housing as a buyer/renter's information is directly available as a score from the IRS. Discussion Note: Out of the jurisdiction of the LCDC	(nate@inkbuiltdesign.com)
	Regulate Privilege	Limit luxury development using thresholds tied to local population income statistics. (especially needed in coastal communities and tourist towns) Beyond these limits, luxury development must include affordable accessory dwellings or nearby affordable housing. Discussion Note: What defines "luxury" development. Some consider market rate housing luxury. This will suppress the housing market.	(nate@inkbuiltdesign.com)
	Reduce or Eliminate Tax Exemptions for empty units	Many overpriced market-rate units sit empty because it's more financially advantageous than reduced rents. Enact policy that requires reporting of vacancy rates and when vacancy on some properties differs greatly from local market demand and vacancy rates, that owner loses tax exemptions. Discussion Note: Assumptions on vacant units are not accurate. Onerous if not possible for jurisdictions.	(nate@inkbuiltdesign.com)
	Transaction Tax	Tax the flipping of properties Discussion Note: Not enough detail here to turn this into a strategy.	(nate@inkbuiltdesign.com)

ADOPT: 660-008-0055

RULE SUMMARY: The rule outlines the various criteria by which the Department of Land Conservation and Development will review the submission of Housing Production Strategy Reports.

CHANGES TO RULE:

660-008-0055

Review of Housing Production Strategy Reports

- (1) No later than 20 days after a city's adoption or amendment of a Housing Production Strategy Report, a city must submit the adopted Report or amended Report to the Department of Land Conservation and Development.
- (2) On the same day the city submits notice of the Housing Production Strategy Report or amended Report to the Department of Land Conservation and Development, the city must provide a notice to persons that participated in the proceedings that led to the adoption of the Housing Production Strategy Report and requested notice in writing.
- (3) Within 10 days of receipt of the submission under subsection (1), the Department of Land Conservation and Development must provide notice to persons described under ORS 197.615 (3).
- (4) Notices given under subsections (2) and (3) must state:
 - (a) How and where materials described under subsection (2) may be freely obtained;
 - (b) That comments on the Housing Production Strategy Report may be submitted to the Department of Land Conservation and Development within 45 days after the department has received the submission; and
 - (c) That there is no further right of appeal.
- (5) The submission under subsection (1) of this section must include copies of:
 - (a) The signed decision adopting the Housing Production Strategy Report or amended Report;
 - (b) The text of the Housing Production Strategy Report as provided in OAR 660-008-0050 and any amendments to the most recent Report submitted under this section;
 - (c) A brief narrative summary of the Housing Production Strategy Report; and
 - (d) The information that the city reviewed and considered under subsection (6).
- (6) The Department of Land Conservation and Development shall review the accuracy and sufficiency of the Housing Production Strategy Report based upon the following:
 - (a) Unmet housing need as described in ORS 197.296(6);
 - (b) Unmet housing need in proportion to the city's population;
 - (c) Percentage of households identified as severely rent burdened;
 - (d) Recent housing development;
 - (e) Recent adoption of a Housing Production Strategy or implementation of actions therein;
 - (f) The city's response to address the housing needs of those experiencing homelessness;
 - (g) Increased access to housing opportunity including the elimination of barriers to flexible, fair, and equitable housing options;
 - (h) Other attributes that the Land Conservation and Development Commission considers relevant; and
 - (i) Recent or frequent failure to address the metrics listed in the criteria in this subsection.
- (7) The Department of Land Conservation and Development shall, within 120 days after receiving the submission under subsection (1) of this section:
 - (a) Approve the Housing Production Strategy Report;
 - (b) Approve the Housing Production Strategy Report, subject to further review and actions recommended by the Department based on its review under subsection (6); or
 - (c) Remand the Housing Production Strategy Report for further modification as identified by the Department.
- (8) A determination by the Department of Land Conservation and Development under subsection (7) is not a land use decision and is final and not subject to appeal.
- (9) The Department will maintain an annual summary of proposed Housing Production Strategies included in Reports submitted under subsection (2) and reports submitted under OAR 660-008-0060.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.290, ORS 197.291, ORS 197.293, ORS 197.296, ORS 197.303

ADOPT: 660-008-0060

RULE SUMMARY: The rule outlines the reporting requirements for cities participating in the Housing Production Strategy Program.

CHANGES TO RULE:

660-008-0060

Reporting on Housing Production Strategy Implementation

(1) Cities required to adopt a Housing Production Strategy Report under ORS 197.209(1), must submit a narrative report to the Department of Land Conservation and Development for review and comment based on the following schedule:¶

(a) For cities that are within a metropolitan service district boundary, no later than December 31st three years after the city adopted a Housing Production Strategy Report; or¶

(b) For cities that are not within a metropolitan service district boundary, no later than December 31st four years after the city adopted a Housing Production Strategy Report.¶

(2) The narrative report a city submits under subsection (1), must include the following:¶

(a) A summary of the actions already taken to implement the Strategies to Meet Future Housing Need adopted in the city's most recent Housing Production Strategy Report. If the city has not implemented Strategies to Meet Future Housing Need on the schedule adopted in their most recent Housing Production Strategy Report, the city must provide an explanation of the circumstances or factors that posed a barrier to implementation and a plan for addressing the identified need that the strategy addressed;¶

(b) A reflection of the relative efficacy of implemented Strategies to Meet Future Housing Need adopted in the city's most recent Housing Production Strategy Report; and¶

(c) A reflection of the actions taken in response to the questions identified in OAR 660-008-0050(4).¶

(3) Upon submittal of the narrative report developed under subsection (1), the Department will review the report for consistency with the Housing Production Strategy Report approved under criteria provided in OAR 660-008-0055(6). The Department may also consider reporting under Section 1(4), chapter 47, Oregon Laws 2018 as part of this review.¶

(4) Should the Department find the narrative report submitted per subsection (1) does not substantially comply with the criteria in OAR 660-008-0055(3), the Department may take action identified in OAR 660-008-0070.

Statutes/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.290, ORS 197.291, ORS 197.293, ORS 197.296, ORS 197.303

ADOPT: 660-008-0065

RULE SUMMARY: The rule describes a series of actions the Department of Land Conservation and Development may take to ensure that cities adopt a Housing Capacity Analysis or Housing Production Strategy Report.

CHANGES TO RULE:

660-008-0065

Non-Compliance in Adoption of Housing Capacity Analysis or Housing Production Strategy Report

The Department of Land Conservation and Development will review a city's Housing Capacity Analysis for compliance with provisions in ORS 197.296 and its Housing Production Strategy Report for compliance with the applicable portions of this division. If the city does not sufficiently meet the criteria provided in ORS 197.296 or this division, the Department may engage with the city in one or more of the following actions:¶

(1) If a city determines that it will be unable to adopt a Housing Capacity Analysis or Housing Production Strategy Report by the prescribed deadline, the city must notify the Department of the expected delinquency at least 60 days before the applicable deadline for a Housing Capacity Analysis or Housing Production Strategy Report. In response, the department and the city may agree to remediation either through enhanced review of documents, directed technical assistance to overcome the impediment as available, or other similar measures, and include timelines for completion.¶

(2) If the city has not submitted a Housing Production Strategy Report for Department of Land Conservation and Development review by the deadline provided in OAR 660-008-0050 and has not notified the department of an expected delinquency, the department shall work with the city and may seek mitigation of the delinquency through an Intergovernmental Agreement outlining specific compliance actions, timeline of deliverables, and subsequent enforcement actions. The Intergovernmental Agreement may or may not include directed technical assistance or financial resources.¶

(3) If the department and the city have entered into an Intergovernmental Agreement and the city, at the discretion of the department, has not sufficiently mitigated the identified delinquency, the department may remove the city from consideration of technical assistance or other financial resource awards.¶

(4) If the city does not adopt a Housing Capacity Analysis or Housing Production Strategy Report as provided in this division, does not enter into an Intergovernmental Agreement with the department to remedy the deficiency, or does not comply with the terms of an Intergovernmental Agreement to remedy the deficiency, the department may request the Land Conservation and Development Commission to act under ORS 197.319 to 197.335 to require the city to comply with ORS 197.295 to 197.314, this division, or statewide land use planning goals related to housing or urbanization.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.290, ORS 197.291, ORS 197.293, ORS 197.296, ORS 197.303

ADOPT: 660-008-0070

RULE SUMMARY: The rule describes a series of actions the Department of Land Conservation and Development may take to ensure that cities adopt and implement specific Housing Production Strategies.

CHANGES TO RULE:

660-008-0070

Non-Compliance in Adoption and Implementation of Strategies to Meet Future Housing Need Identified in a Housing Production Strategy Report

The Department of Land Conservation and Development shall review a city's Housing Production Strategy Report and narrative reports pursuant to OAR 660-008-0060 based upon criteria provided in OAR 660-008-0055. As provided in OAR 660-008-0055, a Housing Production Strategy Report must include a list of Strategies to Meet Future Housing Need including an expected timeline for adoption and implementation for each strategy. If there is a delinquency in the adoption or implementation of an identified strategy, the department will engage with the city in one or more of the following actions:¶

(1) If circumstances impede a city's ability to implement one or more Strategies to Meet Future Housing Need in coherence with the timeline adopted in the city's Housing Production Strategy Report, the city must notify the Department of the expected delinquency within 90 days of the end of the timeline to implement the specific Strategy to Meet Future Housing Need adopted in the city's Housing Production Strategy Report. The notice must identify specific actions, or a combination of actions, that the city is currently taking, or will take, to address the delinquency. This may include, but is not required to include, amendments to the adopted Housing Production Strategy Report such that the city identifies a different action, or combination of actions, to address the specific housing need. The department and the city may agree to remediation either through enhanced review of the documents, directed technical assistance to overcome the impediment as available, or other similar agreement.¶

(2) If a city does not take sufficient action to mitigate the identified delinquency, either through a failure to provide notice to the department as provided in subsection (1) or through a failure to implement the specific actions, or combination of actions, by the timeline identified in the notice to the department pursuant to subsection (1), the department shall work with the city and may seek mitigation of the issues through an Intergovernmental Agreement outlining specific compliance actions, a timeline of deliverables, and subsequent enforcement actions. The Intergovernmental Agreement may or may not include directed technical assistance or financial resources.¶

(3) If the department and the city have entered into an Intergovernmental Agreement and the city, at the discretion of the department, has not sufficiently mitigated the identified delinquency, the department may remove the city from consideration of technical assistance or financial resource awards.¶

(4) If the department finds that the city consistently or routinely does not satisfy the criteria provided in OAR 660-008-0055 or this section, the department may petition the Land Conservation and Development Commission to act under ORS 197.319 to 197.335 to require the city to comply with ORS 197.295 to 197.314, this division, or statewide land use planning goals related to housing or urbanization.

Statutory/Other Authority: ORS 197.040

Statutes/Other Implemented: ORS 197.290, ORS 197.291, ORS 197.293, ORS 197.296, ORS 197.303