



## RE: Proposed Technical and Policy Amendments to HB 2001

March 27, 2023

### Purpose

The purpose of this memorandum is to identify the critical technical amendments and clarifications needed to ensure the successful implementation of the OHNA policy. DLCD staff was directed to work and meet with stakeholders to discuss remaining issues raised by stakeholders and sort issues and proposed amendments into three categories:

1. **Housekeeping** – Amendments that serve to correct scrivener’s errors or clarify language without changing the functionality of the policy.
2. **Policy Clarification** – Amendments that change the functionality of the policy and stakeholders agree better align with the policy intent.
3. **Policy Changes** – Amendments that change the functionality of the policy and stakeholders diverge on whether it better aligns with the policy intent.

The following memorandum summarizes DLCD staff’s best understanding of stakeholder feedback on each proposed amendment submitted to Representative Dexter and shared with the stakeholder group. Each proposed amendment includes a response with any additional relevant information or suggestions in addressing issues raised by specific proposals.

As a reminder, the process is not intended to revisit or rework major policy discussions and decisions included in the current -11 amendment of House Bill 2001B. For issues where DLCD identified stakeholder disagreement, we highlight our best understanding of the issue in recognition that any changes to the technical or policy components of the bill will need to be made by the Legislature.

In addition to these amendments, the Governor’s Office has proposed a policy amendment and requested that it be shared with stakeholders for review and discussion. This proposal is described in greater detail at the end of this memorandum.

### Housekeeping

The following amendments do not change functionality of statute and serve to correct scrivener’s errors or clarify language. Please note that some proposed amendments are refined to better achieve their intended objective or will be addressed in future processes, such as through administrative rulemaking.

Proposed Amendment	Response
Page 2, Line 45 Section 2(3)(c): Request to define “equitable distribution of housing” through subsequent rulemaking, ensure this distribution is based on PSU’s population forecast for a county and the cities within the county. (Stakeholder: City of Bend)	<b>This will be addressed next biennium.</b>  DAS does not adopt rules in fulfilling its forecast requirements - this includes the OHNA. DLCD and OHCS will engage in a process to develop recommendations to DAS in getting the OHNA set up, but this will not be a rulemaking process.
Page 4, Line 1, Section 3 (1): Request to add "should be produced by <b>for profit and non-profit</b> builders in each city” in	<b>Stakeholders did not raise substantial concern about this proposal.</b>



<p>describing housing production targets. (Stakeholder: City of Bend)</p>	<p>We suggest an addition to include public entities that develop housing to avoid a scenario in which the development of public housing did not count towards targets.</p>
<p>Page 4, Line 10-12, Section 3 (a): Request to clarify what the allocated housing need is “greater than” – i.e. what it is compared against? (Stakeholder: City of Wilsonville)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal, though some stakeholders suggested this would be better addressed in rulemaking.</b></p> <p>For clarity, this provision provides discretion for DAS to specify that underproduction and homelessness can constitute a greater proportion than projected 20-year need, the target of which would only constitute six or eight years of that need. This reflects that housing to address underproduction and homelessness is needed sooner than over twenty years.</p> <p>Because DAS will not be rulemaking on the allocation methodology, any future clarification to how this provision functions would need to be defined by OHCS and DLCD in their recommendations to DAS. It may be advisable to clarify this provision in statute to avoid ambiguity in interpretation.</p>
<p>Page 4, Line 26-28, Section 4 (3)(a): Request to revise “Progress toward [housing production by affordability levels, as described in section 2 of this 2023 Act and total] housing targets <b>as described in Section 3 of this 2023 Act</b>” (Stakeholder: ECONorthwest)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This clarifies that OHCS would measure and report progress towards targets, and – to the degree that they can be broken into specific income brackets – report that information. This also minimizes confusion surrounding tracking affordability of market rate housing, for which there is no mechanism to actually track.</p>
<p>Page 5, Lines 16-17, Section 5 (2)(b): Request to amend (b) “Housing types produced and overall land efficiency of <b>existing and new</b> housing production.” (Stakeholder: City of Wilsonville)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This is a minor clarification specifying that – to the degree that data is available – the dashboard will parse land efficiency between existing housing stock and new production</p>
<p>Page 5, Line 21, Section 5 (2)(d): Request to define “gentrification and displacement” in administrative rule. (Stakeholder: City of Bend)</p>	<p><b>This will be addressed next biennium.</b></p> <p>OHCS and DLCD will be required to work collaboratively to address and clarify outstanding methodological issues, including the definition for ‘gentrification and displacement’</p>
<p>Page 6, Line 18, Section 6 (4): Remove typo – “The schedule adopted by the Department of Land Conservation and Development under subsection (1) of this section is not a land use decision[s] and is not subject to appeal.” (Stakeholder: City of Wilsonville)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This proposal corrects a scrivener’s error.</p>
<p>Page 9, Line 21, Section 9 (3)(c): Request to add “Recognize actions</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p>



<p>already taken by local governments <b>to support the development of all types of needed housing.</b>" (Stakeholder: City of Bend)</p>	<p>This text clarifies the underlying intent of the provision to provide cities 'credit' for actions they've already taken on housing, such as middle housing under HB 2001 (2019).</p>
<p>Page 11, Section 13: Request for definition to "development ready lands". Note that subsection (1) describes what development-ready lands are but not as a definition. (Stakeholder: Eugene)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This language describing what "development ready" lands are currently exists in Section 13 (1), which could be readily adapted to create a definition.</p> <p>Legislative Counsel may find that creating a new definition is not advisable/necessary, in which case, we would advise replacing the term "development-ready land" with some alternative text in three locations where it appears in the bill – e.g. "land as described in Section 13 (1)"</p>
<p>Page 13, Lines 26-28, Section 14 (2)(a)(A) : Request to break (A) into two parts for clarity – <b>"(A) A city's progress toward the total housing production target in Section 3(2)a; (B) A city's progress toward the publicly supported housing production target in Section 3(2)b."</b> (Stakeholder: Sightline Institute)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal, but some expressed confusion about its intent and meaning.</b></p> <p>The purpose of this proposed amendment is to clarify that the DLCD under the accountability framework considers both <u>total production</u> and <u>publicly supported production</u> as separate considerations, ensuring if a city is performing on one and underperforming on the other, the city could be referred under subsection (3).</p>
<p>Page 13-14, Lines 29-3, Section 14(2)(a)(B) &amp; (b): Cities can be sent referred to housing acceleration program for single equity indicator – for example, an issue with accessibility or visitability requirements. (Stakeholder: LOC)</p>	<p><b>The issue raised is already substantially addressed.</b></p> <p>The -11 amendment includes the following provision: "(b) The department may not base a determination made under this subsection solely on a city's performance on any single equity indicator", which reinforces the intent that a referral based on equity will be a context-driven consideration of a variety of factors, rather than reliance on any one indicator.</p>
<p>Page 14, Line 6, Section 14(3)(a) – Request to clarify language – currently, this can be interpreted that the lowest performing cities in the region can still be referred to housing acceleration program even if they are meeting the goals. (Stakeholder: LOC)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>In discussion, one idea that seemed to achieve this in a manner consistent with policy intent was to remove "For each region" in (3)(a) and add a requirement in (2) to consider progress of cities with regional context.</p> <p>Stakeholders generally agree with the principle that the policy is intended to be sensitive to the regional context of progress for each city, and is not intended to require "at least one" city from each region to be referred into the program.</p>
<p>Page 15, Line 16-17, Section 14(5)(a): ORS 197.637 does not require "affordability policies." Reference needs to be corrected. (Stakeholder: Eugene)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal, but some expressed confusion about its intent and meaning.</b></p> <p>The purpose of this proposed amendment is to align this provision with the OHCS lead audit of locally adopted</p>



	<p>housing policies in ORS 197.637. Section 87 amends ORS 197.637 and describes what OHCS must review:</p> <p>“The review shall address the likely effect of measures and housing production strategies developed by a local government on the adequacy of the supply of buildable land and measures to address needed housing.”</p> <p>To align these sections, we suggest changing “affordability policies” with “measures and housing production strategies”. This clarifies the underlying policy intent, which is to enable the accountability policy leverage OHCS expertise where it is warranted using an existing statute.</p>
<p>Page 15, Line 18, Section 14(5)(b): should read “...(4)(i)...” not “...(4)(j)...” (Stakeholder: OHBA)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This proposal corrects a scrivener’s error.</p>
<p>Page 20, Lines 6-8, Section 16 (13)(a): Request to clarify that this provision “is intended to apply to cities whose pattern or practice of violation creates additional unnecessary cost and delay, and not to violations of statutes or rules that themselves cause unnecessary cost or delay” (Stakeholder: Eugene)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal, though some consider this a policy refinement.</b></p> <p>This clarification would ensure that (13)(a) is specific to violations of housing statutes or locally-led actions. It would not apply to city compliance with a statute that creates cost or delay to housing.</p> <p>To make this clarification, we suggest tying it to the “unreasonable cost or delay” statute – ORS 197.307 (4). Specifically, replace “unnecessary cost and delay” with “unreasonable cost or delay as provided in ORS 197.307(4)”.</p>
<p>Page 20, Lines 9-11, Section 16 (13)(b): Request for clarity about what constitutes a violation under (b) (Stakeholder: Eugene)</p>	<p><b>This will be addressed next biennium.</b></p> <p>DLCD will be required to undergo rulemaking to detail the accountability process, including how a city could be referred into the program due to a pattern or practice of creating adverse disparate impacts to state/federal protected classes.</p>
<p>Page 28, Line 14, Section 22 (5): Request to add “unmet” before “allocated housing need” to clarify these actions are only required for the unmet portion of the need. (Stakeholder: Eugene)</p>	<p><b>Stakeholders agreed with the intent but expressed concern about unintended consequences.</b></p> <p>This provision requires adopting measures to accommodate any additional need for which there is insufficient capacity to accommodate. The intent of the proposed amendment is to clarify that it’s the need remaining after capacity is inventoried and not the full need in addition to the inventoried capacity.</p> <p>However, the word “unmet” can be interpreted in a variety of ways that could potentially introduce substantial unintended consequences in operationalizing this statute. A potential way to clarify this is to replace the word “unmet” with a specific phrase that more precisely describes the deficiency – e.g. “the allocated housing need for which there is insufficient housing capacity to accommodate”</p>



<p>Page 30, Lines 23-29, Section 23 (4): Request for clarity how a city would demonstrate (a) through (c). Note that this will be addressed in rulemaking with methodologies and assumptions cities can use. (Stakeholder: Eugene)</p>	<p><b>This will be addressed next biennium.</b></p> <p>DLCD will be required to undergo rulemaking to detail how a city translates allocated need into “needed housing”.</p>
<p>Page 39, Line 19, Section 25(8)(a): The language in ORS 197.296(8)(a) refers to “Metro” and “comprehensive plan” – if the opportunity comes up that should probably be “regional framework plan” because Metro doesn’t have a comp plan. (Stakeholder: DOJ)</p>	<p><b>Metro shared an alternative proposal that addresses this issue (see below).</b></p>
<p>Page 39, Line 19, Section 25(8)(a): Remove (8)(a). (Stakeholder: Metro)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>Subsection (8)(a) was originally written to apply only to local governments outside of Metro. This provision was moved to Section 22 (6), so this subsection is now ‘vestigial’ and can be removed.</p>
<p>Page 48, Line 15, Section 30 (3)(d): Request to amend to “replace segregated housing patterns with racially integrated neighborhoods ” (Stakeholder: City of Wilsonville)</p>	<p><b>Stakeholders generally agree this issue can be more comprehensively addressed through alignment to another statute.</b></p> <p>ORS 197.290 was amended to include a definition of ‘affirmatively furthering fair housing’, but the housing coordination strategy section was not updated to reflect this change. Replacing (3)(d) with “Actions that affirmatively further fair housing as provided in ORS 197.290 (9);” would fully address this issue and align both statutes.</p>
<p>Page 53-54, multiple lines, Section 33: As drafted, the removal of a reference to subsection (1)(b) in subsection (4) and (5) appear to obviate subsection (1)(a). To address, amend 1(b) to state “Metro and a county <b>or a city and a county</b>” and amend (6) to keep the reference to “subsection (1)(b) of...” (Stakeholder: Metro)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This technical change addresses the identified potential unintended consequence related to urban reserve applicability identified in the original bill language.</p>
<p>Page 57, multiple lines, Section 37: Request to consolidate this reporting with PSU reporting. (Stakeholder: LOC)</p>	<p><b>This will be addressed next biennium.</b></p> <p>DLCD will explore consolidating PSU reporting in the next biennium in consultation with cities and the Population Research Center</p>
<p>Page 45, Lines 8-9, Section 28 (1)(b): Request for removal of this provision or inclusion of an exception for cities with upcoming HPS deadlines, as it can be interpreted that DLCD can require a city to adopt a new HPS once every three</p>	<p><b>The City of Wilsonville shared a technical amendment that addresses the issue raised (see below).</b></p>



years. (Stakeholder: LOC, City of Wilsonville)	
Page 45, Lines 8-9, Section 28 (1)(b): Request to amend to “If the city has adopted a housing production strategy previously, <b>and is placed in the housing acceleration program</b> , three years following the most recent adoption of a strategy.”	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>The proposed language provides certainty on the timing of the HPS and ensures that local governments that must amend their HPS in the housing acceleration program would not be immediately required to adopt a subsequent HPS.</p>

**Policy Clarification**

The following proposed amendments reflect changes to the policy that stakeholders generally agreed better aligned with the overall intent DLCD staff did not hear any specific objections to the following proposed amendments. Please note that some proposed amendments are refined to better achieve their intended objective.

<b>Proposed Amendment</b>	<b>Response</b>
Page 2, Line 16, Section 1 (4)(b): Request to change DLCD and OHCS methodology evaluations “The departments <b>shall</b> solicit written and oral public testimony to inform their recommendations.” (Stakeholder: City of Wilsonville)	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>This proposal ensures that DLCD and OHCS will solicit feedback on any future recommended changes to the OHNA methodology, including amendments that will be needed in the upcoming biennium.</p>
Page 9, Line 28, Section 9 (4): Change deadline to one year later - January 1, 2027. Effect would enable Eugene to apply the “old” rules at their upcoming HCA. They would not apply OHNA estimates until 2034 at their next HCA (Stakeholder: Eugene).	<p><b>Stakeholders did not raise substantial concern about this proposal, provided that cities under this exemption incorporate OHNA provisions to the greatest extent practicable.</b></p> <p>Staff at the City of Eugene proposed entering a Memorandum of Understanding with DLCD to ensure that, while the HCA may proceed under the ‘old’ rules to provide sufficient time for adoption, the HPS and overall planning process incorporates the need identified in the OHNA to the greatest extent practicable. So far, no stakeholder has expressed concern/disagreement on this proposal.</p>
Page 13, Line 19, Section 14 (1)(e): Request to replace “targets” with “strategies and action items” (Stakeholder: City of Wilsonville)	<p><b>Some stakeholders objected to this proposed change, but resolved the disagreement through discussion.</b></p> <p>Because the language simply clarifies the specific focus of DLCD in pursuing enforcement-related actions and does not change the underlying policy utilizing targets as benchmarks to evaluate performance, stakeholders were able to reach agreement on including the proposed change.</p>
Page 16, Lines 14-15, Section 14 (8)(a)(B): Request to remove iii.	<p><b>Stakeholders suggested clarifying the nuance of the policy to provide certainty about its effect.</b></p>



<p>“Dedicating funds for public facilities and infrastructure necessary to support housing production;” as it requires cities to dedicate local funds to infrastructure that they don’t have. (Stakeholder: LOC)</p>	<p>Rather than removing the section, stakeholders requested articulating, either in the bill or on the record, that the functionality of this provision would not enable DLCD to require a jurisdiction dedicate funding it does not have to public facilities. Rather, the provision enables the agency to carefully analyze state and local investments in public facilities and recommend interventions that are financially feasible/sustainable and support housing production.</p>
<p>Page 43, Lines 3-7, Section 27 (1)(f)-(h): Recognizing that student and accessible housing will be a consideration for Metro cities under Section 23, its inclusion here creates confusion as Metro doesn’t have the tools to either estimate or accommodate either. Remove subsections (f)-(h). (Stakeholder: Metro)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>There was general agreement that the provisions specific to student and accessible housing were locally-specific considerations that are better addressed at the city level. Because these are incorporated for Metro cities under Section 23, it would be appropriate to remove them from ORS 197.303.</p>
<p>Page 43-44, Lines 26-7, Section 27 (3) &amp;(4): Metro allocation issue. Proposed solution - transfer allocation responsibility to DAS (while Metro maintains responsibility to calculate 20-year need). Remove subsections (3) &amp; (4) from Section 27, and clarify that DAS allocates 20-year need for Metro cities and urban, unincorporated areas under Section 2, subsection (2) based on the 20-year total Metro calculates under Section 27. (Stakeholder: Metro, OPOA, OHBA)</p>	<p><b>Stakeholders did not raise substantial concern about this proposal.</b></p> <p>Many of the concerns raised about potential inconsistency between Metro and state calculations are addressed by this change, which will ensure that 20-year need and associated production targets will reflect an ‘equitable distribution of housing’ in the Metro region.</p> <p>DLCD also shared a longer written summary with stakeholders describing how the Metro process works with this change, including which entity is responsible for which component.</p>
<p>Page 51, Lines 6-13, Section 31 (8): Request removal or inclusion of guiding principles to avoid creating a blanket exemption. (Stakeholder: City of Wilsonville)</p>	<p><b>This issue can be addressed with a narrower amendment to statute.</b></p> <p>This provision enables LCDC to articulate narrow circumstances in which a city pursuing a policy to encourage production does not need complete corollary economic and transportation planning requirements. The intent is to avoid disincentivizing a city from pursuing good housing policies due to the time and expense associated with extensive planning processes.</p> <p>Illustrating examples include enabling the conversion of a vacant big-box retail location with horizontal or vertical mixed-use housing and commercial development, upzoning a specific parcel to accommodate a greater diversity of housing options, or allowing a new housing type in an existing zone. A capacity-constrained jurisdiction may be dissuaded from pursuing these kinds of policy options if they trigger concurrent updates to the EOA and TSP.</p> <p>These exemptions will need to be articulated in rule and will require a balance to ensure that the provisions do not create blanket exemptions to important planning</p>



	<p>requirements. Rulemaking direction to LCDC under Section 8 (1) reinforce this principle, but this can be further reinforced through the addition of the following language to statute:</p> <p><b>“In establishing these circumstances, the Land Conservation and Development Commission shall provide equal weight to housing, economic, and transportation goals as required under ORS 197.340.”</b></p> <p>This clarifies that economic and transportation are still important outcomes, and LCDC cannot simply develop blanket exemptions without carefully considering how adopted rules might impact these goals.</p>
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**Policy Changes**

The following proposed amendments reflect changes to the policy where stakeholders either disagreed on the proposed amendment or agreed that the amendment could be withdrawn or deferred to a future process. This includes proposed amendments where the underlying issue is addressed elsewhere in the bill, in a future process (e.g. rulemaking), or through another proposed amendment.

Proposed Amendment	Response
<p>Amendment -A14: Request for additional financial and technical support for cities to implement the housing production strategy. Note that the \$2.5 million in funding allocated to DLCD can be used for this purpose. (Stakeholder: LOC)</p>	<p><b>While stakeholders agree with a need for greater investment in capacity, this change is a Legislative funding decision.</b></p> <p>DLCD will continue to partner with cities and counties to provide much needed on-going technical and funding support for policy implementation.</p>
<p>Page 3, Line 28, Section 3 (1): Request to remove reference to “unincorporated urbanized areas within the Metro urban growth boundary” so the issue has more time to be assessed for its potential impacts. (Stakeholder: City of Wilsonville).</p>	<p><b>Stakeholders reached mutual understanding of policy rationale.</b></p> <p>Through discussion, we reached an understanding that, while the policy incorporating urban unincorporated areas within the Metro is forthcoming in the 2024 session, the methodology should calculate and allocate need in these areas to ensure there is not lost implementation time when the policy is developed and adopted.</p>
<p>Page 4, Line 13-14, Section (3)(b): Request to add language stating “Metro’s Urban Growth Report will address the State’s allocation of needed housing for cities within the Metro Urban Growth Boundary.” (Stakeholder: City of Wilsonville)</p>	<p><b>This issue is addressed by another amendment.</b></p> <p>As discussed, the amendment shifting the allocation responsibility from Metro to the state addresses the concern for potential inconsistency between the two entities, as the allocations will be derived from Metro’s estimated 20-year total.</p>
<p>Page 4, Line 17-18, Section (3): Request to add additional subsection (d) “Shall account for and consider the percentage of state and federal affordable housing development and preservation subsidy</p>	<p><b>This issue is addressed by another section of the bill.</b></p> <p>A major concern and discussion point is a potential unintended consequence of lowering allocated affordable housing need to jurisdictions that have not historically built</p>



<p>per capita in each regional allocation” (Stakeholder: City of Bend)</p>	<p>subsidized affordable housing, which would reinforce disparities between communities similar to today.</p> <p>While some stakeholders expressed concern about this provision as drafted, they generally agreed that this consideration made the most sense in the context of the accountability policy. The principle that the amount of state and federal funding available should be a consideration is well-reflected in the policy - Section 14 (4)(g) to (j).</p>
<p>Page 7, multiple lines, Section 8: Request for the legislature to provide explicit direction to LCDC and DLCD to put Goal 10 ahead of other goals, specifically Goals 1, 5, 9, 12, and 14. (Stakeholder: LOC)</p>	<p><b>This proposed amendment has been withdrawn.</b></p>
<p>Page 8, Line 14, Section 8 (3)(e): Request to remove “rural reserves” from this subsection. (Stakeholder: City of Wilsonville)</p>	<p><b>Stakeholders reached mutual understanding of policy rationale.</b></p> <p>Through discussion, we clarified that nothing in the bill affects Metro’s currently adopted rural reserves and are intended to provide an option for non-Metro cities concurrently pursuing urban reserves that increase their likelihood for success.</p>
<p>Page 11, Line 20-21, Section 13 (1)(a): Revise to “currently eligible for annexation” Rationale: “to acknowledge the realities (in Eugene) that most vacant or partially vacant residential properties are not annexed until right before the development process commences.” (Stakeholder: Eugene)</p>	<p><b>Some stakeholders objected to this proposed change, but stakeholders appeared to reach a mutual understanding of policy rationale.</b></p> <p>Through discussion, the major issue discussed was concern that the provision would require a city to annex lands, even where property owners object. We were able to clarify that the policy would not require a city to remedy a deficiency of development-ready land with a specific acreage of lands.</p> <p>Rather, a deficiency would simply require a city to focus on policies in the HPS that improve the development readiness of land. For annexation, this could mean that a city reviews its annexation process (among other potential actions) to remove potential barriers, but nothing in the policy would require cities to annex lands where property owners object to annexation.</p> <p>DLCD expects rulemaking in the next biennium will provide substantially greater clarity on the range of actions a city could consider if their HCA finds an insufficiency of development ready lands.</p>
<p>Page 13 to 18, multiple lines, Section 14 &amp; 15: Request to make accountability timelines longer as they are potentially infeasible for cities (Stakeholder: LOC)</p>	<p><b>Stakeholders did not reach agreement on the proposed amendment.</b></p> <p>We recognize that the policy must balance the need for urgent action with a reasonable timeframe to ensure</p>



	successful local implementation. We did not reach consensus in discussion on the appropriate balance.
Page 18, lines 8-18, Section 15 (4): Request to remove this subsection and require DLCD to obtain LCDC approval to file an appeal with LUBA (Stakeholder: LOC)	<p><b>Stakeholders reached mutual understanding of policy rationale.</b></p> <p>(Note: this provision does not apply to appeals to LUBA, only to the LCDC-issued enforcement order)</p> <p>For this and the following proposed amendment, we were able to clarify that the underlying purpose of these changes enable DLCD and LCDC to ‘batch’ enforcement orders and appoint a hearings officer or body to review multiple cases without the Commission needing to meet multiple times for each individual case.</p> <p>These changes are necessary for the policy to function as intended. The current process requires the Commission to meet and weigh the merits of each individual case, which imposes a procedural burden that would make the order effectively useless for the accountability policy articulated in Section 14.</p> <p>We were also able to clarify that LCDC would continue to have an on-going involvement and review of Goal 10-related enforcement orders and that orders could still be appealed to the Court of Appeals under ORS 183.482(1).</p>
Page 18, Line 8, Section 15 (4): Request to remove “without the prior approval of the commission” (Stakeholder: City of Bend)	<p><b>Stakeholders reached mutual understanding of policy rationale.</b></p> <p>See above.</p>
Page 20, Lines 3-16, Section 16 (13) : As drafted, an LCDC enforcement order for housing can be citizen-initiated. Request to limit this to only allow DLCD or LCDC to initiate enforcement actions under (13) (Stakeholder: Eugene)	<p><b>Some stakeholders objected to this proposed change.</b></p> <p>Recognizing that the citizen-initiated enforcement process can be used for any of the statewide land use planning goals, some stakeholders objected to the idea of foreclosing that pathway for Goal 10 accountability. Note that the expedited enforcement procedure in Section 15 (4) is only available to DLCD (and not to third parties).</p>
Page 24, Line 17, Section 17 (6)(f): Request to amend to “Redirect grant funds into direct technical assistance and implementation by the Department under subsection (4) of this section” (Stakeholder: City of Wilsonville)	<p><b>This will be addressed next biennium. Optionally, this direction could be reinforced through legislative intent.</b></p> <p>DLCD will be required to articulate the overall accountability structure in rule, including how withheld funds under subsection (4) must be used. The guiding principles articulated in Section 14 (1) direct DLCD and LCDC to provide state resources to the greatest extent practicable to support housing production and compliance with the housing accountability statute. A statement of intent on the record could provide additional certainty that the rule will address this issue.</p>
Multiple issues and amendments to the original buildable lands statute (ORS 197.296)	<p><b>Stakeholders generally agreed that the issues related to these proposed amendments were best addressed in a future process.</b></p>



# OREGON

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Department of  
Land Conservation  
& Development

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The original buildable lands statute contains many idiosyncrasies and confusing, vague, or unutilized provisions. While stakeholders generally agree that the statute should ultimately be 'cleaned up', it became apparent that it would warrant a longer and more deliberate process to ensure stakeholders can more thoughtfully engage and the statute functions as intended.

Many of these issues would be best-suited to address in a future legislative session.



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## Governor's Office Policy Amendment Proposal – Housing Production Targets

In addition to the proposed amendments submitted by stakeholders, Representative Dexter's office directed DLCD staff to include a policy proposal from the Governor's Office on housing production targets to share with the wider stakeholder group. Because this proposal was not shared and reviewed by stakeholders in advance of preparation of this memorandum, it is included in its own section of and not among the proposed amendments above.

The proposed amendment would change the housing production targets under Section 3. Specifically, amend Section 3(1)(b) to change the publicly supported target to a target for each affordability level broken down in Section 2(4). This proposal could be incorporated by amending Section 3(1)(b): "A target for **housing segmented by each income level in Section 2(4)(a)-(e)** [*publicly supported housing affordable to households making less than 80 percent of the median family income*]"

This change would require production targets to reflect the full scope of need at a given income threshold, regardless of whether a unit is publicly supported or not. Importantly, this change would not require those local governments nor state agencies to change how housing production is tracked, measured, and reported. For example, this change would not require tracking price data on newly constructed market rate housing. Instead, state and local governments will use the best available information on housing affordability to inform how much progress we are making in building housing affordable to each income threshold identified in the OHNA.