

February 25, 2015

The Honorable Representative Jeff Reardon
The Honorable Representative Julie Parrish
900 Court Street NE
Salem, OR 97301

Dear Representatives Reardon and Parrish:

We are writing to you today regarding a concept outlined in HB 2619, and the "housing lens" concept proposed by the Housing Affordability, Balance, and Choice Workgroup.

When you met with Oregon Housing & Community Services (OHCS) staff on December 12, 2014, you requested that OHCS and the Department of Land Conservation & Development (DLCD) work together to accomplish the goals outlined by the workgroup to create a greater emphasis on ensuring local jurisdictions are able to meet obligations related to affordable housing. If the agencies are able to achieve the goals of creating greater focus on local affordable housing development at the state level, we discussed at the meeting that it would be unnecessary to pass a bill to require this cooperation.

This letter is an attempt to quantify our current work, both together and separately, on the issue, to identify future work to be done by both agencies, and to respond to Representative Reardon's request for a summary of our joint commitment to accomplish the goals of HB 2619.

Existing Work

Currently, OHCS provides grants, loans, and tax credits to entities across the state to directly increase the supply of safe, stable, and affordable housing through new construction or preservation of existing affordable housing. On average, 1,000 new units are built or renovated each year with funds from the agency. We also manage other public resources to help Oregonians with low incomes such as rent assistance, energy assistance, weatherization, and more.

DLCD manages the statewide land use planning process. A key responsibility is to ensure communities are planning for land to meet housing needs in their community, including affordable housing, as outlined in statewide planning Goal 10 and implementing administrative rules. DLCD also monitors local government compliance with state laws that limit impediments to affordable housing.

OHCS is often seen as the agency responsible for ensuring that an adequate supply of housing units is available for low and moderate income families across the state. OHCS does control federal funding to build and preserve affordable housing. However, it lacks regulatory authority to enforce the development of affordable housing in local communities.

The implementation of Goal 10 is critical for both of our agencies, and as a result, we have identified opportunities for collaboration for our agencies.

Future Opportunities for Collaboration

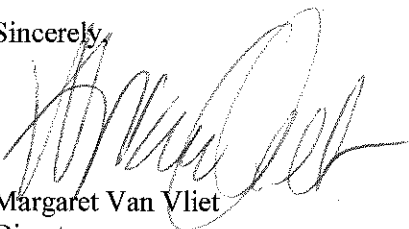
Together, we see opportunities for several areas of work in the coming year:

- 1) OHCS is currently embarking on a federally required planning process – known as the consolidated plan. This report is submitted to the U.S. Department of Housing & Urban Development and governs the agency's work for the next five years. This year, OHCS is considering this document as a foundational policy and strategic plan for the agency. Through this process, OHCS will conduct some analyses that will be useful to DLCD and their work, including: an in depth analysis of housing needs across the state, and identification of priority housing needs; an analysis of the characteristics of the housing market; and an analysis of the severity of housing needs for renters with low and moderate incomes, homeowners, and people experiencing or at risk of homelessness. This analysis will help establish OHCS's priorities for the use of federal funds in the coming five years. Our inter-agency conversations indicated that this information would be useful to DLCD in their work with local jurisdictions to identify and plan for housing needs across the state.
- 2) With the consolidated planning process, analysis of impediments to fair housing and work OHCS is doing around federal requirements to Affirmatively Further Fair Housing, OHCS also has the opportunity to create a list of tools that local jurisdictions can use to develop affordable housing. This list of tools may be useful to DLCD in their work with local communities, as well as local jurisdictions.
- 3) DLCD recently embarked on a process to streamline their Urban Growth Boundary Expansion Process. An OHCS staff member is participating in this process and will continue to participate and offer information and perspective related to affordable housing.
- 4) OHCS and DLCD work together on Regional Solutions teams throughout the state to address problems and opportunities identified in communities including housing.

Our two agencies will commit to working together to implement these objectives, and to continue to participate in the Affordability, Balance, and Choice Workgroup. If, in the future, we discover through our work that statutory changes are necessary to achieve the goals of the workgroup, we would be happy to work with you and the Affordability, Balance, and Choice Workgroup to identify those changes and support those efforts.

Please do not hesitate to be in touch if you have questions or comments on the above, or would like additional information.

Sincerely,



Margaret Van Vliet
Director
Oregon Housing and Community Services



Jim Rue
Director
Department of Land Conservation and
Development