



This letter first includes general concerns about the scope of the rules in narrative form, followed by specific comments on certain portions of rule by section in a table. This is by no means an exhaustive list of all edits or considerations needed in final adopted rules but comments from initial review of city subject matter experts.

LOC and our members are deeply concerned about the full scope of these rules. Taken piecemeal they are in need of tweaks and realignment, taken all together they are representative of a misalignment with the original goal and intent of the Oregon Housing Needs Analysis (OHNA) as established in HB 2001 (2023). The goal of the original legislation was to decrease the administrative and analytical burden placed on cities, increase clarity and certainty on a legal basis. These rules do not accomplish those goals, they increase administrative burden, create unattainable goals, and prioritize ideals over market realities. They will not lead to greater housing production and will set our jurisdictions and our state up for failure.

Our members have significant apprehension regarding the housing and land use actions, particularly as it relates to rebuttable presumptions, partially due to the standard that a city is required to either rebut or accept being aspirational and not reflective of the development market today, thus creating a situation in which a city must rebut the presumption, spending staff time and resources to write and present that rebuttal. And then once that is accomplished it is unclear what process that would be judged through, it would need to be an administrative, objective process which LOC and our members are unsure of the achievability.

HB 2698 (2025) does not apply to DLCD, does not give the agency any rulemaking authority, does not require integration into the OHNA rules, nor does it require disaggregation by income level. This portion of rule is an overreach on the part of the agency. LOC and our members fully support promoting homeownership in Oregon, we have one of the lowest homeownership rates in the country. However, these rules will not accomplish this goal, fully misunderstand market conditions, and cities' roles in the housing market. Particularly the expectation that cities help promote homeownership for those 0-30% AMI, while an admirable goal, even for non-profits whose whole goal is giving low-income Oregonians access to homeownership it is almost impossible at those income levels. We cannot hold our cities to goals that even experts cannot achieve. This rule sets cities up for failure.



Alexandra Ring, *Lobbyist*

Cell: 541-646-4180 [aring@orcities.org](mailto:aring@orcities.org)

1201 Court St. NE, Suite 200, Salem, OR 97301-4194

<u>Section of rule</u>	<u>Comments</u>
<b>Division 8</b>	
Housing Capacity Analysis	<p data-bbox="824 86 1409 699">660-008-0100 – <b>General Considerations:</b> There is mention that staff is considering the impact of drafting rules that would require cities to plan for 125% of the allocated housing need. LOC and our members cannot emphasize enough that this combined with other rule changes being made are likely not to advance housing but instead to cause over valuation of land and a cooling effect on housing production. Additionally, this would prevent cities from being able to maintain an adequate land supply for housing and make Urban Growth Boundary expansion even harder than they currently are.</p> <p data-bbox="824 747 1409 1052">LOC and our members are supportive of allowing lands to be considered for removal or discount from the BLI if they have not developed over the course of 2 to 3 cycles. This will help to account for sites that do not develop due to any number of factors that are harder to account for like land owner interest.</p> <p data-bbox="824 1100 1409 1404">66-008-0100(1)(d)(i) - Housing capacity on vacant and partially vacant land is often not proximate to community assets because usually housing comes before the community assets, and though redevelopment housing capacity is more likely to be close to asset locations, redevelopment is not mapped.</p> <p data-bbox="824 1453 1409 1705">66-008-0100(3)(7)(a) – Requiring that a certain percentage of land added to a UGB expansion area be designated a Climate Friendly Area will create challenges in growth, especially if the CFA must account for 50% of the needed housing. The outcome of this given our current market</p>

	<p>conditions is an under production of housing units and an undersupply of housing lands. The suggestion at the meeting of changing to 30% seems more in alignment with the CFEC rules.</p> <p>66-008-0100(2) - Sufficient buildable land is based on plan designation here, but definition in 0005 is based on zoning. Needs to be reconciled. Suggest removing how coordination is stated because "notice" sounds like a formal notification, which is not necessary, and "timely" is not defined. Generally seems like too much detail.</p> <p>66-008-0045 (7) HCA and HPS deadlines - We have strong concerns about the requirement to use the housing need allocation that is most recent in the year of the adoption of the HCA. This provides a significant administrative burden to cities and does not advance the legislative intent to make this analysis more clear and predictable for cities.</p>
<p><b>Contextualized Housing Need</b></p>	<p>66-008-0075(1)(e)(C) - Prioritizing homeownership so strongly seems to be at odds with the requirements for Climate-Friendly Areas, which are focused on supporting multi-unit housing (with a goal of 30% of current + future need). While condos are a promising opportunity for cities with recent legislative changes, we don't yet have a track record that would support significant multi-unit homeownership opportunities.</p> <p>66-008-0075(6)(a-c) – LOC and our member don't understand how the 3% limit on LUEMs aligns with the type mix - how would cities demonstrate they're meeting</p>

	<p>the type mix within the HCA? This could force cities into UGB expansion because they wouldn't be able to demonstrate they are meeting this needed mix through LUEMs.</p> <p>66-008-075 (7) -Large household size is not a “characteristic” as defined in 0005(7). This creates a conflict between portions of rule that instead address the quantifiable features of the housing that may accommodate a large household. If DLCD's intent is that each city have a defined need for larger sized households, that needs to be listed in the characteristics definition. We would heavily discourage use of the term “large sized households” or “family households” instead we suggest relying on quantifiable characteristic of the housing.</p> <p>General Equity Indicators Dashbaord Questions – Can a city use ACS data in cases where the ACS data is more up to date than the Equity Indicators Dashboard data? Claity is needed in rule.</p>
<p>Buildable Lands Inventory and Allocation</p>	<p>Regarding housing type mix, our members are deeply concerned about the proportions set within rule being statewide (See OAR 660-008-0075(6). The point of OHNA is to allow a region’s housing needs to be planned accordingly, which means that a blanket proportion based off the Metro region seems contrary to the purpose. And seems to entirely disregard the Contrextualized Housing Need a city is required to develop.</p> <p>Our members have different population make ups that mean they need different</p>

	<p>portions of different housing types. A city with a large university student population may need more multifamily than a city that has little to no university population and has more need for middle housing for their workforce.</p> <p>Additionally, no statewide study has been conducted, nor any data provided to the RAC and the TACs that show the housing market in the Metro region is comparatively less expensive and has a plentiful supply of different types of housing than other regions within the state.</p> <p>Even if a community knows it needs a different proportion of housing they will not be allowed to plan to the needs of their community, instead they will be hamstrung by a state mandate that prevents them from meeting local needs.</p> <p>Additionally, requirements for housing with larger bedroom counts seems out of place, cities regulated zoning and housing type, not bedroom counts. We understand the desire to accommodate larger families, but this is outside the purview of city government and conflicts with density goals, more homes both apartments and home for purchase, by meaning that units will need to be larger, therefore taking up more space that could be used to meet density goals. Overall, this section is inappropriate, outside of city preview, and conflicts with stated density goals.</p>
Land Use Efficiency Measures	<p>0005(29) This definition is okay provided it is made more clear elsewhere in the rules that investments can be used to demonstrate assumed changes in past trends (to get more housing) as allowed for in ORS 197A.350(5)(a)(c). LOC and our members would like to see a better link to</p>

	<p>make this clear, especially given there seems to be a difference of opinion among DLCD staff. Staff stated at the CAUTAC meeting that the term "action" in the definition is referring to an HPS action. We are not sure we understand that, or the implications of it, given that an HPS typically comes after the HCA, but an HCA is when the LUEMs are typically accounted for.</p> <p>0150 (2) - Regarding idea that the efficiency measures analysis "should" start with achieved densities – ORS 197A.350(5)(a)(C ) acknowledges that city can include “market factors that may substantially impact future development.” Some DLCD staff have indicated that this is where new or expanded financial incentives would be accounted for/factored in regarding increasing expected capacity rather than as a “land use efficiency measures.” BLOC has not heard clarity on this and additional detail is needed in rule and this seems like a big opportunity for clarity since it directly impacts the need for UGB expansion. If financial incentives won’t be included in the land use efficiency measures definition, the rules should explicitly clarify (somewhere) that those tools can be used to account for in the “math” to increase expected capacity.</p>
<p>Development Ready Lands</p>	<p>66-008-0180(1)(a) - Reference to "zoned to allow" which does match the BLI definition but doesn't match the HCA definition - needs to be reconciled.</p> <p>0180(1)(b)(i) – We recommend removing this section. "Unable to support the minimum density" requires a second type of capacity analysis of land to determine what the minimum density is for a parcel,</p>

	<p>at the lot level, based on its zone, acreage, and other buildable lot deductions (which may be allowed in a land use code but not required to be accounted for). There's also special circumstances unique to certain properties. Also, isn't this inconsistent with -0185 which refers to determining capacity as identified in the BLI, this is how DRLI capacity was originally discussed, as just a subset of the BLI capacity analysis not a new capacity analysis.</p> <p>0180(1)(b)(iii) – Similar to the above, we recommend removal. It is unclear how to determine if a discretionary permit is required when the use or extent of development is not known at the time of a long range planning analysis.</p>
Model Ordinances	<p>City planners are still reviewing these model ordinances and their likely impact.</p> <p>It is presumptuous to suppose that these ordinances, unsupported by real life market data or outcomes, is more liberal or permissive than ordinances created by cities across Oregon that are supported by market outcomes and built housing. Requiring large cities to implement the model code as default is inappropriate and disrespects the work of planners across Oregon to build ordinances that work, are supported by built housing, and are reflective of the needs of their communities. Cities already document in reports to DLCD on housing production how many and the types of middle housing are produced under existing city development codes. Before making this a requirement, the Department should see which cities adopt model codes and the units constructed under these codes</p>

	<p>before making these modal codes required.</p> <p>Additionally, the wide scope of applicability of the modes codes without through review by the implementing community or public comment not only undermines local control in land use planning but also undermines the core of our land use planning system as a state Goal 1.</p> <p>Model codes should be exactly that models, that can be adopted whole sale, in portions or not at all as it supports the community and their needs.</p>
<b>Division 21</b>	
Urban Reserves	<p>LOC and our members remain deeply concerned about the process outlined in these rules. They prioritize Goal 3, over Goals 10 and 14. URAs are a Goal 10 and 14 process not a Goal 3 process, that is what rural reserves are for. LOC will submit more comments on this portion separately.</p>
Urban Growth Boundary Expansions	<p>LOC and our members are greatly concerned about the provisions of this section and their effect on land availability. These rules seem to make Urban Growth Boundary expansions for housing land harder, not easier.</p>