



Oregon's Land Use Planning Program Housing Policy

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Introduction

While the protection of farmland and forests is the cornerstone of land use planning in Oregon, the promotion of housing affordable to all income levels is also recognized as vitally important. Despite this recognition, Oregon is facing an affordable housing crisis, and it is getting worse. Nearly a third of Oregonians are paying so much for housing that they have difficulty affording the cost of basic necessities such as food and health care.¹ Housing affordability, has far reaching ramifications for public health and safety, economic vitality, civic engagement, and quality of life, not just for those Oregonians struggling to make ends meet, but for all of us who live and work in Oregon.

This background paper addresses issues of housing and housing supply from within the context of Oregon's statewide land use planning system, summarizing perspectives from a variety of studies and state agency reports. The goal of this paper is to answer the following questions:

- What is the scope of the problem, and why should decision makers focus on finding solutions to Oregon's housing affordability crisis?
- What is the relationship between land use planning and affordable housing, and in particular how does Oregon's land use and growth management system impact housing affordability?
- What do successful solutions to the affordability crisis look like, and how can this success be most effectively measured?

- Which areas would benefit from further review and evaluation?

Scope

The Oregon Housing and Community Services Department (OHCS) 2004 report on poverty reveals the contours of Oregon’s housing affordability crisis. Per capita wages and income remain below the national average, and the gains realized during the economic boom of the 1990s have largely been lost due to the recent recession and rising unemployment levels across the state. Housing prices have continued to rise, leading to a growing problem with a disproportionately large impact on vulnerable communities such as children, low-income populations, and the elderly.

Report findings include:

- Home prices in Oregon increased by 57.7% during the 1990s, the fastest rate in the nation.
- In 2000, 64% of Oregon’s extremely low income renters (those earning less than 30% of an area’s median Income) were categorized as severely rent burdened, meaning they spent more than 50% of their income on housing.
- In 1999 more than 19.3% of renters paid over 50% of their income for housing.
- The term “housing wage” refers to the hourly wage a full-time worker must earn to afford a two-bedroom unit at fair market rent. Oregon’s non-metro areas saw the nation’s fourth-largest increase in the housing wage between 1990 and 2000
- In 2000, 25.4% of Oregon homeowners spent more than 30% of their income on housing, placing them in category of “rent burdened” according to The Federal department of Housing and Urban Development (HUD)
- In 2000, 45.5% of renters were considered rent burdened by HUD, the 14th highest rate nationally.
- In 2000, a worker needed to earn nearly twice Oregon’s designated minimum wage to afford a two-bedroom apartment without being considered rent burdened.

¹ *The American Dream: Unaffordable to Working Families*, Report of the Oregon Housing Lobby Coalition, 2004, pp 1.

- In 2001, 18 percent of the nation's elderly homeowners and 38 percent of elderly renters spent 50% of their income or more on housing.²

Why should policy makers care about the provision of affordable housing? Aside from the simple moral imperative that policy makers serve the public good by working to provide adequate safe and secure housing, improving affordability confers economic and social benefits on all of Oregon's residents, not just lower income residents. As the Congressional Millennial Housing Commission States in its 2002 report:

Housing matters. It represents the single largest expenditure for most American families and the single largest source of wealth for most homeowners. The development of housing has a major impact on the national economy and the economic growth and health of regions and communities. Housing is inextricably linked to access to jobs and healthy communities and the social behavior of the families who occupy it. The failure to achieve adequate housing leads to significant societal costs.³

According the Commission, and other sources such as OHCS, and the City Club of Portland, affordable housing reduces the strain on social welfare systems, increases family and community cohesion, and helps to provide the stability necessary for the creation of an involved and educated citizenry. Put simply, affordable housing is good for everyone. The Congressional Millennial Housing Commission explains:

Decent, affordable, and accessible housing fosters self-sufficiency, brings stability to families and new vitality to distressed communities, and supports overall economic growth. Very particularly, it improves life outcomes for children. In the process, it reduces a host of costly social and economic problems that place enormous strains on the nation's education, public health, social service, law enforcement, criminal justice, and welfare systems.⁴

In the end, addressing housing affordability in Oregon makes sense from two different perspectives. First, it is the right thing to do. Rising housing costs place strains upon society's most vulnerable populations -- in particular children, the disabled, and the elderly. It is the duty of policy makers and elected officials to serve the public, and protect the most vulnerable of their constituents. Secondly, it is sound economic and

² *Report on Poverty in Oregon*, Oregon Department of Housing and Community Services, 2004, pp 39-63.

³ *Preface to the 2002 Report of the Millennial Housing Commission*, Congressional Millennial Housing Commission website, www.mhc.gov, accessed 1/25/05.

public policy. A ready supply of affordable housing reduces the costs to state, local, and Federal service providers, fosters improved academic achievement, frees income to be spent on preventative health care, and is a major factor in economic growth.

Land Use Planning and Housing Affordability

From coastal lands and watersheds, to farmland and forests, to land within urbanized areas, Oregon’s comprehensive land use planning system addresses a wide variety of land use issues. This system is outlined through a set of 19 Statewide Land Use Planning Goals, of which Goal 10 specifically addresses housing. This goal states:

To provide for the housing needs of citizens of the state, buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.⁵

– OAR 660-015-0000(10)

Goal 10 goes on to further define “needed housing units” as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” Additionally, a set of administrative rules was created to help in the implementation Goal 10. These rules, Oregon Administrative Rules (OAR) 660-007 and 660-008, more clearly outline the requirements of Goal 10 and define how buildable land should be allocated, designated in the comprehensive plan, and rezoned. These rules also require that regional coordination be considered in planning for residential growth.

Though broad in nature, Goal 10 and its administrative rules do include a set of guidelines setting out how jurisdictions can achieve compliance. The guidelines require all city and county comprehensive plans to address the regulations set forth in Goal 10. This typically means that cities and counties must include some kind of housing element in their comprehensive plans, provide for a 20-year supply of buildable land within their

⁴ *Ibid.*

⁵ *Oregon Statewide Planning Goals and Guidelines*, Department of Land Conservation and Development, 2005 www.lcd.state.or.us/LCD/goals.shtml, accessed 1/25/05.

urban growth boundaries, and plan for an adequate mix of types of residential lands matching each jurisdiction’s development history and projected growth patterns. While the requirements of Goal 10 do *encourage* the provision of a range of housing types, including affordable housing, Goal 10 does not explicitly *require* affordable housing to be built. Ultimately, the provision of affordable housing is at the discretion of local jurisdictions. This leads to widely varying effects at the local level.

UGBs and Affordable Housing

Another important factor in the provision of adequate affordable housing is the impact of Goal 14, Urbanization, on land supply. Goal 14 of the Oregon Statewide Planning Goals requires the creation of strict urban growth boundaries around population centers in an effort to constrain sprawl and protect non-urbanized areas from encroachment. This goal has generated considerable notoriety for Oregon.

According to a study conducted by the Reason Public Policy Institute for example, Oregon’s land use planning and growth management system has achieved successes in driving growth towards city cores and away from urban fringes, however “by restricting the supply of vacant land and forcing development into higher cost, inner-city locations, the [urban growth] boundary is contributing to Portland’s housing-price appreciation and potentially reducing overall housing quality by making homes less affordable.”⁶

The study concedes that many economic factors have contributed to Portland’s rising housing prices, however the authors argue that any spike in prices should have been temporary while the building industry adjusted to changes in demand. The fact that the jump in housing costs seems to be a permanent one, leads them to conclude that Oregon’s growth management and land use planning system (and UGBs in particular) are a factor in driving up the cost of land, thereby making housing less affordable.

⁶ *A Line in the Land: Urban-growth Boundaries, Smart Growth, and Housing Affordability*
By Samuel R. Staley, Ph.D., Jefferson G. Edgens, Ph.D., and Gerard C.S. Mildner, Ph.D. The Reason Public Policy Institute, 1999, www.rppi.org/ps263.html, accessed 1/25/05.

Others have weighed in on the affordable housing debate as well. For example, the National Association of Homebuilders attributes affordability difficulties in Oregon to a variety of factors, including population growth, a booming economy, job growth, consumer preferences and land use regulations. However, their 2002 publication *Smart Growth, Smart Choices* implicates both traditional land use regulations and growth management practices as contributors to rising prices:

In many communities, the housing affordability problem is made worse by a shortage of buildable land. The land-supply shortage is often the product of policies established by local governments, including large-lot zoning and urban growth boundaries. Restrictions on multifamily housing development also contribute to the problem”⁷

Others have come to different conclusions, however. For example, a 2002 Brookings Institute study found that the most significant factor driving up housing costs is market demand. The study also found that both traditional land use regulations and growth management regulations have the potential to increase housing prices, albeit in different ways:

Market demand, not land constraints, is the primary determinant of housing prices. The strength of the housing market is the single most important influence on housing prices whether growth management programs are present or not. The effects of growth management policies on housing prices are much more complicated to isolate because of the variations in policy styles and implementation, the structure of local housing markets, the patterns of land ownership, and the stringency of other local regulations. Even research on the effects of urban growth boundaries (UGBs), focused largely on Portland, Oregon, suggests that UGBs can affect land values, but their effects on housing affordability remain in dispute.⁸

Further, the study found that even though the urban growth boundary limited the amount of land available for housing, growth management practices in Portland actually increased housing supply relative to demand. The study is careful to make the point that the choice to enact strict growth management policies is a choice “between traditional zoning and growth management, not between regulation and no regulation.” This is an important distinction to make, in that it points out the possibility that a well thought out growth management system can actually improve housing affordability by encouraging a mix of housing types and discouraging exclusionary practices such as large-lot zoning.

⁷ *Smart Growth, Smart Choices*, National Association of Home Builders, 2002, pp 20.

⁸ *The Link Between Growth Management and Housing Affordability: The Academic Evidence* .Arthur C. Nelson, Rolf Pendall, Casey J. Dawkins, and Gerrit J. Knaap, The Brookings Institute, February 2002, pp 6.

The Brookings study then goes on to outline a variety of implementation practices that may serve to improve affordability, including:

- Undertaking deliberate strategies to ensure an adequate supply of *a variety of types of housing*
- Enacting proactive measures to guarantee affordability (i.e. a balance of incentives and mandates)
- Encouraging multi-family housing by requiring that public facilities be included in development planning
- Addressing externalities related to affordability (such as public infrastructure, services, transportation, accessibility)

The study concludes by stating that successful growth management programs are ones that include policy instruments designed to mitigate the adverse effects of urban growth boundaries, and expand housing opportunities available to lower income households.⁹

The literature seems to show that growth management practices, and UGBs in particular can be a factor in rising housing costs. After all, these practices constrain the supply of buildable land, which typically leads to higher prices - as constrained supply would for any commodity. Alternatively, the fact that housing in Oregon is in high demand can be considered a positive reflection on the success of our land use planning and growth management system, and it is this demand that drives rising housing costs.

Oregon's land use program centers on preventing the negative aspects of runaway growth, and encouraging the promotion of our shared values of reasoned stewardship and respect for the land. Oregon was not a blank slate before the implementation of Senate Bill 100 and our current land use planning system. In a statewide conversation, Oregon chose to improve upon a land use system that was not effectively protecting natural resources. It would be mightily discouraging to think that the only way to improve Oregon's housing affordability would be to revert to some sort of Wild West

development free-for-all. Thankfully, research shows us that this is not the case. Instead, careful and judicious use of growth management and land use planning, hewing closely to the values that make Oregon a special place, can serve as an excellent platform to move forward in promoting housing affordability.

We have become victims of our own success. As Oregon's land use planning system has helped keep Oregon a desirable place to live, it has attracted population growth. With that growth has come higher demand for housing of all types, driving up costs, and squeezing housing affordability. While Oregon's land use system has wide ranging impacts on housing affordability, these impacts are currently a mixed bag of positive and negative influences. We should be looking to fine-tune our system so that it preserves what makes Oregon special; while at the same time promotes the values we hold dear.

Measuring Success

What does a successful affordable housing plan look like? A variety of agencies and organizations in Oregon have established a number of benchmarks to assess how well state and local jurisdictions and agencies are providing affordable housing. Unfortunately, these benchmarks are characterized by a lack of comprehensive evaluation and measurement data. They do, however, offer a useful starting point for measuring success. Existing benchmarks incorporate a wide array of issues that include, but do not always focus on, the role of land use regulation. Thus, existing benchmarks are not yet sufficiently refined to isolate a causal connection with respect to land use regulations and local implementation of Goal 10.

A review of available reports and literature reveals that despite the goal and rule requirements, a lack of solid and relevant information exists on many levels and across different types of agencies. From DLCD to local governments, there is a need for a measurement system designed to assess the impact of Oregon's land use system on affordable housing. The information available is consistent in pointing out that

affordable housing is a large and growing problem in Oregon. Not surprisingly, many agencies point to the same variety of causes, effects, and solutions. What follows is an overview of policy analyses that originate from a variety of agencies working in, and responsible for, the provision of affordable housing.

Department of Land Conservation and Development (DLCD)

The Department of Land Conservation and Development's 2003 Annual Performance Progress Report addresses a number of Oregon Progress Board Benchmarks, including Affordable Housing. DLCD's report includes a key measure of progress, measured as "percent of urban areas that have a sufficient supply of residential lands to meet housing needs."¹⁰ This measure reflects the requirement that Oregon cities with a population over 2,500 who have completed an update of their plans must provide a twenty-year supply of buildable residential land in their urban growth boundaries.¹¹ The data are based on periodic review work task approval orders. Prior to 1995, all cities and counties in Oregon were required to undertake a periodic (5 – 10 year) review of their Comprehensive Plan however, currently it is not required for smaller cities and counties (cities with a population under 2,500 people and counties with a population under 15,000) to conduct a periodic review of their comprehensive plans and their implementation of those plans. Periodic review for all jurisdictions has been under review in 2004. Recommendations are expected in 2005.¹²

DLCD set an affordable housing target level of 72% of jurisdictions over 2,500 that are in compliance for 2003 and indicated that 73% of urban areas met the target in 2004. In comparison, only 7% of urban areas met the target in 1999, while 44% did in 2002. DLCD has set a target level of 86% of urban areas in compliance for the year 2005. Based on these findings, DLCD drew the following conclusions:

¹⁰ *Annual Performance Progress Report*. Department of Land Conservation and Development, 2003, pp 4, <http://www.oregon.gov/LCD/docs/publications/annperfrep0904.pdf>, Accessed 1/25/05.

¹¹ *Ibid*

¹² §7, Ch. 793, Or. Laws 2003 effectively suspended new periodic review tasks until 2007. A task force will report to the legislature on the future of periodic review. Assuming that the periodic review process is continued, affordable housing will continue to be a primary task of that process.

- The Department should emphasize the post-acknowledgement plan amendment (PAPA) process for residential land updates for those jurisdictions in which periodic review is not required.
- The Department needs better “tracking” of the residential land measures.
- The Department requires adequate funding of technical assistance and grants programs for local governments.¹³

DLCD’s measurement focuses on the provision of an adequate supply of buildable land, however a wide variety of other factors impact housing affordability. In order to be a truly effective benchmark program, DLCD needs additional resources dedicated to developing a comprehensive set of evaluation criteria and a system for tracking these measures over time.

Oregon Progress Board

The Oregon Benchmark Performance Report covers a large number of indices, including affordable housing. Progress in 2001 and 2003 was not good. The report measures affordable housing as “the number of Oregon households below median income spending more than 30 percent of their income on housing (including utilities for a) homeowners and b) renters).”¹⁴ This definition matches the Federal government’s affordable housing definitions. According to Benchmark #74 of the report, affordable housing has become increasingly unattainable in Oregon, particularly for lower-income renters. In fact, this report gives affordable housing in Oregon a failing grade, reporting that there had been little improvement since the 1990 census. The report attributes the problem to the fact that incomes across the state remaining stubbornly low in comparison to national figures, while urban housing costs continue to climb. The report goes on to state that per capita

¹³ *Annual Performance Progress Report*. Department of Land Conservation and Development, 2003, www.oregon.gov/LCD/docs/publications/annperfrep0904.pdf, accessed 1/25/05.

¹⁴ *Is Oregon Making Progress? The 2003 Benchmark Performance Report to the Legislative Assembly Oregon Progress Board*, March, 2003, <http://www.oregon.gov/DAS/OPB/docs/2003report/Report/2003BPR.pdf>, accessed 1/25/05.

housing costs are among the highest in the nation, and the disparity between income and housing prices is continuing to grow. Recommendations focus on federal and state housing assistance programs and funding.¹⁵

The 2003 Benchmark Performance Report presents an update to the 2001 report by asking, “Is Oregon making progress?” The answer with respect to affordable housing is “no.” Although housing between 2000 and 2003 was affordable for more buyers than in previous years, fewer renters were able to afford housing during that same time period. In fact, according to the report, 75% of renters pay more than 30% of their income for their housing, up from 70% in 1990.¹⁶

Recommendations from the 1999-2003 progress reports include the following:

- Increase funding for the state Housing Trust Fund;
- Increase support for on-going down payment assistant programs;
- Promote better inter-agency cooperation, collaboration and coordination;
- Augment income growth by encouraging business start-ups and expansions in distressed areas and stimulate job creation for the unemployed and underemployed; and
- Modify zoning and building code requirements wherever feasible to reduce construction costs in areas of high need.¹⁷

¹⁵ *Achieving the Oregon Shines Vision: The 2001 Benchmark Performance Report to the Legislative Assembly Oregon Progress Board*, March, 2001, www.oregon.gov/DAS/OPB/os.shtml#Oregon_Shines, accessed 1/25/05.

¹⁶ *Is Oregon Making Progress? The 2003 Benchmark Performance Report to the Legislative Assembly Oregon Progress Board*, March, 2003, <http://www.oregon.gov/DAS/OPB/docs/2003report/Report/2003BPR.pdf>, accessed 1/25/05.

¹⁷ *Achieving the Oregon Shines Vision: The 1999 Benchmark Performance Report the Legislative Assembly Oregon Progress Board*, March, 1999. p.58, www.oregon.gov/DAS/OPB/os.shtml#Oregon_Shines, accessed 1/25/05.

Oregon Housing and Community Services Department (OHCS)

The Oregon Housing and Community Services Department develops a five-year planning document called the State of Oregon Consolidated Plan for Housing and Community Development. OHCS is required to develop the Consolidated Plan to apply for and use three federal programs (Community Development Block Grant, HOME Investment Partnership Program, and Emergency Shelter Grant). Among the issues that the Consolidated Plan addresses, is the identification of barriers to affordable housing. Below are some of the barriers that are relevant to land use regulations:

- Exclusionary zoning ordinances
- Development fees
- Local design review guidelines
- Building code inconsistency
- Lack of code compliance emphasis
- Inconsistent guidelines for infrastructure
- Environmental regulations
- Lack of and high cost of private land
- Lack of and high cost of rural infrastructure
- Community attitudes/"Not In My Backyard" (NIMBY)/Stigma of affordable housing
- High construction cost in rural communities
- Lack of public transportation¹⁸

The majority of the barriers listed above relate to implementation on the local level. This suggests that while the statewide land use system can be viewed as a growth management program, local implementation can often exhibit characteristics of traditional, non-comprehensive land use regulations, such as large lot exclusionary zoning, and a lack of infrastructure coordination.

In addition to the Consolidated Plan, the OHCS develops a Fair Housing Plan that includes an analysis of impediments to fair housing.¹⁹ This plan also identifies potential

impediments to affordable housing that relate to land use regulation, and Goal 10 requirements. Participants in the study indicated that despite the requirements of Goal 10, local land use restrictions often limit construction of low-income housing and impede housing choice. Specifically, participants mentioned housing design requirements and occupancy requirements (persons per bedroom).²⁰ The report includes a variety of recommendations to remedy this situation. Called Quality Development Objectives, and developed through a Governor's Executive Order, the objectives listed below are relevant to land use regulations:

- Promote compact development within urban growth boundaries to minimize the cost of providing public services and infrastructure and to protect resource land outside urban growth boundaries.
- Give priority to a quality mix of development that addresses the economic and community goals of a community and region.
- Encourage mixed use, energy-efficient development designed to encourage walking, biking, and transit use.
- Support development that is compatible with a community's ability to provide adequate public facilities and services.
- Facilitate development that is compatible with community and regional environmental concerns and available natural resources.²¹

¹⁸ *State of Oregon Consolidated Plan 2001-2005*

¹⁹ The evidence of housing discrimination and other barriers to fair housing choice identified in the plan are supported by information collected as part of the fair housing studies prepared for Metropolitan Portland, the cities of Eugene, Salem and Medford, and Klamath County, from the 5 regional fair housing forums, 25 key person interviews, and 111 mail survey responses.

²⁰ *Analysis of Impediments and Fair Housing Plan*. Oregon Housing and Community Services Department Oregon, 2001-2005, www.ohcs.oregon.gov/OHCS/CRD/docs/AnalysisImpedimentsFairHousingPlanFY01-05.pdf, accessed, 1/25/05

²¹ *Ibid*

The Portland-Area Regional Government Housing Strategy

The Portland-area Metro regional council, a regional government agency covering the 3 counties and 24 cities of the Portland Metropolitan Area, created the Affordable Housing Technical Advisory Committee in 1998 for the purpose of reviewing and advising Metro on affordable housing policies and strategies for the region. The Committee developed a Regional Affordable Housing Strategy (RAHS) that was accepted by the Metro Council on June 22, 2000.

The report focuses on a regional approach, pointing out that cities alone cannot fully address the issue of affordable housing. The strategies include a mix of policy and recommended implementation measures for land use/zoning issues and funding and service provision. The strategies are presented under a broad framework that includes three major elements: technical assistance, measurement and monitoring, and advisory committees. Although the report stresses the importance of measurement strategies, it concedes, “several questions still remain related to the type of data needed to measure progress towards the affordable housing production goals.”²² However, it offers detailed recommendations and requirements for municipal implementation on a regional scale. Some strategies include:

- Density bonuses;
- Replacement housing;
- Inclusionary zoning (voluntary and mandatory) and urban growth boundary considerations;
- Transfer of development rights;
- Elderly and disabled housing; and
- Regional housing resource/database.

²² *Regional Affordable Housing Strategies Recommendation of the Affordable Housing Technical Advisory Committee.* Metro Council, June 2002. p.69

Along with State and local government agencies, non-profit civic organizations have examined affordable housing issues in Oregon. For example the City Club of Portland has reached similar conclusions

City Club of Portland

Founded in 1916, the City Club of Portland has served an important and influential role as a public watchdog and voice for civic progress. In 2002 the City Club of Portland produced a report entitled “Affordable Housing in Portland,” in which it reiterates that income stands as the core of the affordability problem as well as a lack of adequate housing supply.²³ The report goes on to discuss three key elements in the relationship between land use and affordable housing: 1) compatibility with neighborhood livability, 2) concentration of low-income neighborhoods, and 3) gentrification. Although the report does not explicitly express a conflict with Goal 10 and wider statewide policies, it does raise questions of whether Goal 10 (with its widely varied implementation across Oregon) is equipped to address these three key elements.

Conclusions

- There is a prevailing need for improved measurements and benchmarks. There is a widely recognized need for specific indicators with which to measure the success of Goal 10.
- Goal 10’s focus on land supply is narrow, and as such does not address many key factors necessary to promote housing affordability.
- Land use regulations can serve as a barrier or an aide to the provision of affordable housing. While, growth management regulation that is not fine-tuned to promote housing affordability is a culprit in the housing affordability crisis, studies overwhelmingly attribute the lack of affordable housing to low incomes,

²³ *Affordable Housing in Portland*, The City Club of Portland. February 2002. p.8.

market demand, and lack of coordination between the multitude of housing programs and agencies that work on affordable housing issues.

- Urban growth boundaries are unfairly blamed for high housing costs. Care needs to be exercised to distinguish between UGBs and wider land use and housing policies that contribute to the current crisis.
- Local implementation of housing policies, and goal 10 in particular varies widely. As a 2003 Brookings Institution report states, “Housing markets are regional, so housing policies should be.”²⁴ Affordable housing promotion works best on a regional scale with consistent implementation across all jurisdictions. Jurisdictions have widely varying implementation policies that may or may not achieve the objectives of Goal 10. As stated above, some jurisdictions implement land use regulations at local levels that may conflict with improving housing affordability.
- The task of improving housing affordability requires a variety of strategies and the cooperation of multiple partners. Local governments, regulatory agencies, non-profit organizations, federal and state agencies, housing authorities, private businesses, and developers all have a part to play in improving housing affordability.

Recommendations

- Lack of information is a major impediment to further research on how the land use system affects affordable housing. Without clear benchmarks, evaluation and assessment are dubious endeavors, and basing policy decisions on them is risky at best. A comprehensive statewide effort to identify benchmarks and collect

²⁴ *Rethinking Local Affordable Housing Strategies: Lessons from 70 Years of Policy and Practice*, The Brookings Institution, Katz Bruce, et al., 2003, p 12.

housing affordability data is a necessary first step in solving the affordability crisis in the long term.

- As it now stands, Goal 10 does not address the issue of housing affordability in a comprehensive manner. Goal 10 should be expanded to more explicitly include affordability goals and requirements – going beyond simple land supply issues and tackling head on the impediments to housing affordability that present themselves in local implementation.
- Coordinated efforts are essential, and regional approaches are needed to adequately address affordable housing. A conclusion from the National Housing Conference Senior Executive Roundtable, held in Portland in July of 2001 makes this finding, stating:

There is a need to do a much better job building relationships between land use planning, comprehensive plans, housing policies, housing funding and program efforts. All too often, the various participants have failed to communicate with and complement each other.²⁵

- Economic development is an extremely important factor in solving the affordability crisis. Housing affordability is ultimately a function of household income and housing costs. If people are not working in living wage jobs, they will not be able to afford adequate housing; regardless of how well land use regulations are fine-tuned. As such, economic development must be a key component of any plan to seriously address housing affordability in Oregon.

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²⁵ National Housing Conference, Senior Executive Roundtable Portland,, Oregon. July 26, 2001 (comments by Sumner Sharpe)