



To: Communities over 10,000 and 25,000, local governments within Metro

From: Gordon Howard, Manager, Community Services Division; Kevin Young, Senior Urban Planner

Date: February 4, 2020

Re: House Bill 2001 and House Bill 2003 Request for Assistance

With House Bills 2001 and House Bills 2003 passed in the 2019 Legislative Session and signed into Law by Governor Brown in August, 2019, the Legislature provided funds for local governments to begin to implement these bills. Please find specifics on each bill below.

HB 2001

DLCD is to administer the allocation of \$3.5M in assistance monies to local governments in implementing two aspects of House Bill 2001 to help ensure more housing choice in cities over 10,000, Metro cities over 1,000, and urbanized portions of Metro counties.

Uses of Funds

Code Updates. Non-Metro Cities with more than 10,000 residents must update their comprehensive plans and development codes to allow duplexes in all single family zones by June 30, 2021. Cities with more than 25,000 residents and cities and counties over 1,000 residents in the Portland Metropolitan area must update their comprehensive plans and development codes by June 30, 2022. A portion of the \$3.5M has been allocated to DLCD to assist in the update of local codes to be in compliance with these provisions.

Infrastructure-Based Time Extension Requests. The \$3.5M in funds also may be used to determine whether or not areas of the city need additional time to make code changes due to limitations in infrastructure. Administrative Rules on these “Infrastructure-Based Time Extension Requests” or IBTERs is expected to be complete by in July, 2020. As established in House Bill 2001, the IBTER application deadline for cities with a population between 10,000 and 25,000 is December 31, 2020. Because those rules are expected to be complete with only five months before communities must a) identify any infrastructure constraints and b) develop a plan to address the infrastructure constraints, we encourage those cities to talk to your public works or preferred consulting staff now so that you are prepared to apply for funding as soon as rules are adopted. Cities with more than 25,000 have until June 30, 2021 to submit the request for extension. Funding for the medium cities and large local governments will be distributed by direct grants to local governments, immediately following adoption of the IBTER rules in July.

If you are interested in the rulemaking process for either bill, please sign up to receive updates [here](#).

How to Express Interest in Receiving Funds

Attached is a Request for Assistance or RFA form to be signed by an elected official. This is due on March 13, 2020. For code updates, the form includes a place to indicate whether you would like to use a DLCD-provided consultant or you would prefer to receive a direct grant and hire your own planning consultants/staff to provide the necessary code changes required by state law. Rules for these bills should be adopted by the Land Conservation and Development Commission (LCDC) in July 2020. Due to the time constraints for the Infrastructure-Based Time Extension Requests, cities will need to hire their own consultants. Please check the box to indicate if you plan to request technical assistance funds for the infrastructure purpose.

HB 2003

DLCD was appropriated \$1M to distribute to local governments for the purposes of completing housing needs analyses and housing production strategies. As written in the bill, DLCD may only grant money to cities with a population greater than 10,000 – the cities that must complete housing needs analyses and housing production strategies under the provisions of HB 2003. However, DLCD is requesting that the Legislature, at its February session, allow granting of these monies for housing needs analyses in smaller cities as well as for the development of housing implementation plans. If the Legislature makes this change, the department wants to be ready with potential projects to consider for allocation of grant funds.

Uses of Funds

Housing Needs Analyses – Cities Greater than 10,000 Population. Cities with population greater than 10,000 must update their housing needs analysis on a six or eight-year schedule. DLCD issued the schedule, which can be found on our website at https://www.oregon.gov/lcd/UP/Documents/Final_HNA_Schedule_20191220.pdf. Cities may choose to adopt a new housing needs analysis ahead of the date in the schedule.

Example Housing Production Strategy. Cities with population greater than 10,000 will be required, within a year of adoption of a housing needs analysis, to adopt a housing production strategy. A housing production strategy will outline how a city intends to ensure or incentivize the actual production of needed housing identified in the adopted HNA. Although rulemaking has begun, the Land Conservation and Development Commission has not yet adopted rules regarding such strategies. However, the department wants to solicit a city within the state to create an example housing production strategy that can help the Commission in its future formulation of rules for this work.

Housing Implementation Plans – Cities Greater than 10,000 Population. If the Legislature expands use of these monies at its February session, cities with a population greater than 10,000 may submit proposals for housing implementation plans to implement provisions of their adopted housing needs analyses. Examples include, but are not limited to, implementing code updates, an action plan for a specific housing issue such as homelessness, creation of a specific area implementation plan for housing,

adoption of tax policies to provide incentives for creation of subsidized affordable housing, and updating existing systems development charges methodologies to incentivize housing production.

Housing Needs Analyses – Cities Less than 10,000 Population. If the Legislature expands use of these monies, cities with a population less than 10,000 may submit proposals to adopt a new housing needs analysis.

How to Express Interest

Attached or linked is a Request for Interest or RFA form to be signed by an elected official. This is due on March 13, 2020. For these projects, the form includes a place to indicate whether you would like to use a DLCDC-provided consultant or you would prefer to receive a direct grant to hire your own planning consultants/staff to update your housing needs analysis, prepare a prototype housing production strategy, or prepare a housing implementation plan. Cities will need to have these projects completed by June 30, 2021.

If you have questions about the project, please contact me or Kevin Young, DLCDC Senior Urban Planner at 503-934-0030 or kevin.young@state.or.us.

We will also be hosting a webinar on February 21, 2020 date and will email more information on specific time and registration information in the upcoming weeks.

Thanks for your continued work for livable communities in Oregon.