

HPAC Meeting Minutes

July 14, 2023

Consent agenda – Environmental Mitigation fund

- Daniel Bunn moves to adopt
- Robert Justus seconds
- Motion passes

Recommendation review process overview/refresh

- Elissa: Has there been any thought on how to process all the recs?
 - JD Tovey: will require everyone to review recs ahead of each meeting. Come prepared!
 - Damien: hoping today can be used to refine the level of detail needed for future recs
- Joel: If at meeting 1 we feel good about the recommendation, what is stopping us from removing a meeting from the 3-meeting process?
 - Many variables to balance:
 - Give council members enough time to review recs and associated material
 - Hoping we can find efficiencies as a group.
 - What are we trying to achieve? Create a policy targeted at housing production and not develop the policy.
- JD: Him and Damien are also vetting the elevated recs to ensure they are good enough to come before HPAC.
- Concerns that there will be a build-up of recommendations toward the end of the year
 - Yes, we will end up having more
 - Will need to have folks work offline so can move efficiently during meetings and ready to up or down vote
 - Optimize process
 - Is it possible to expedite as long as the recs are well-developed and ready to move forward? Including, not as many meetings per rec.
 - Efficiencies in how we address a particular rec as a group, but co-chairs want to make sure that members get enough time with each
 - We are not creating law – creating a policy, not trying to create universal consensus
 - A political process will follow any of these recommendations
 - Daniel – maybe it will be possible to get to recs in Meetings 2 and 3 if we are efficient
 - JD – Cochairs using prerogative to make sure that recs that get to HPAC are ready to go/fully baked

Land Availability- Deb

- Elissa – Leveraging State Property for Housing Production
 - Use state of emergency framework to elevate housing production – further details in slideshow
 - Why this now?
 - Land is scarce, served, and ready land is scarcer
 - EO empowers state agencies to respond with urgency

HPAC Meeting Minutes

July 14, 2023

- Implementation
- Who would this serve?
- Who would we measure?
- Tradeoffs
- Reminder - No action being taken this round
- Margaret – loves the recs. Aware of state agencies that have a lot of properties on the fringes – think about locations within UGBs, some state agencies when dispose of property when disposing must get market value – screen for not having to pay the agency, if done right – it's a model of counties and cities and school districts.
 - what about land not in UGB/fringes – should we have some screen to prioritize lands inside UGB?
 - Some agencies have req. that they need to get market value – would need a screen that indicates that we need to prioritize housing
 - Could serve as model for cities and counties (of done right)
 - Elissa – yes, focus is on land inside UGBs. Would be a suitability tool, identify criteria for suitability in housing sites – tiered, categorized pipeline
 - Joel – fair market value question – Encouraging EO bc it might allow more flexibility there. Also heard that there is flexibility on the part of the agency director to set the price.
- Daniel – Great recommendation and presentation. Talk about zoning/Cali land use sovereignty?
 - Deb - EO action will not be a land use decision
 - Affordable housing communities could be sited without a public process or zone change
 - Is it the intent to limit this to properties already in the pipeline? Could a developer subvert the system by selling the property to the gov't and then circling back?
 - Elissa – in CA they create a pipeline, there are properties that come in but usually not for housing. They use what is already in the pipeline. Not contemplating acquisition of new property, but that's an implementation question
 - Joel – Leveraging state-owned land, including land swaps. Focus has been existing inventory.
 - JD – How does this become a long-term solution as well?

Land Permitting – Eric

- Introduction to recs
- Today's rec – pre-emptive move to be ready to process influx of permit requests
 - Rec 1 – streamlining review process by expanding the current building codes division to accommodate increased levels of production at the local level.
 - Challenges
 - Shortage of qualified inspectors
 - Cost
 - Loss of income to local gov'ts

HPAC Meeting Minutes

July 14, 2023

- Fair number of inspections that have to be done outside of state inspection process
- Elissa – Is there a funding source or strategy identified for creating new funds?
 - Eric – permit fees and planning fees – offset cost of inspection, would need additional research to determine how expensive the program would be
- Margaret – Will you provide pre-approved plans?
 - Eric – Separate rec that falls in Codes and Design
- Deb – Are you wanting the labor group to look beyond inspectors, planners, etc?
 - Eric: inspectors and planner shortage
 - Erica: it is included in the work group recs
- Riley – community development person can help navigate
- Damien – is this already within the scope of workforce development group?
- Erica – To the extent that our recs do include additional funding, how much do we need to address that? When we do come forward with recs to address issues, should we also be coming with funding solutions?
 - JD – should think about it, don't need to solve it. If there are ideas then yes note it in the rec
 - Damien – if we are going to meet our goals, we are going to need evergreen sources of funding over long term
 - If we have or find good ideas we should incorporate those into the process, but don't need go too far down that line
- As recs work through the system we will be talking to different economists
- At WG level you don't need to come up with a hard figure or get into that detail
- Sen Anderson – 3rd party inspection
 - Passed some legislation that should serve as a model
 - There were some conditions around it
 - To assist smaller jurisdictions
 - Fees from developer were passed through

Codes and Design- Natalie

- Condo development – expand homeownership options
 - Reduce state of response (similar to WA)
 - Significant cost reduction
- Clarify local involvement and amend code (increase capacity to hire another state level condo person at real estate agency); Rec would provide for real estate person to train cities to amend with state law; right now there is 1 person at the state to approve condo reviews
 - (several other sub-recs – refer to materials)
 - Robust SME involvement in crafting rec
 - Low-cost
- Questions

HPAC Meeting Minutes

July 14, 2023

- Daniel – Did you look at alternative pathways or ways to build in protections in case project goes sideways?
 - Building envelope inspection would help limit that risk
- Damien – Detailed body of law overlapping here. Someone will need to sequence this, but its good to put it out there

Finance – Daniel and Ivory

- New revenue bucket – SDCs
 - Public infrastructure fund at the state level
 - Critical infrastructure – required
 - Local facilities ex: terminal plants, local arterials

Tied to housing production – loan program or grant program

- Create a state infrastructure fund for CIP
- Carefully targeted for the creation of new housing
- Make sure that it's for local facilities
- Public infrastructure fund at the state level
 - Critical infrastructure – required
 - Local facilities ex: terminal plants, local arterials
 - Tied to housing production – loan program or grant program
 - Grant – write a check, build,
 - Loan – loan and if doesn't get built
 - Forgivable loan program - Middle path: based on amount of housing that is produced
 - Local gov says they'll upgrade, it happens, once units on ground the loan is forgivable
- Either/ORS –
 - Loan or grant program – pros and cons to both
 - Should it only be available to public entities, or private parties as well?
 - To the extent that these funds are available, should they be subject to AH covenant?
- Elissa – LA group also considering infrastructure development – trying to strive for better alignment – recommending creation of inventory
 - How to marry the two infrastructure recs?
- Damien – don't need to dovetail overlaps rn
- Natalie – is this a program that cities would apply to projects that are SDC eligible so developers could get paid back sooner?
 - Yes
- What is definition of critical infrastructure?
 - Something that is necessary for a home to be occupied
- Deb – Cities that are doing the right thing should be rewarded with infrastructure – tie it to receiving funds as long as it is going to needed inventory

HPAC Meeting Minutes

July 14, 2023

- Include affordability, but not 100%
- JD – make forgivability performative, based on affordability and production numbers
- Eric – Design work, provide funding for this carte blanche
- Senator Anderson – suggests half a loan forgiveness? They are gaining by getting housing... don't be so quick to give it all away for free.
 - Daniel – would be great if a portion is a revolving loan fund, need to know more about the economics
- JD – TIF? Investing in local infrastructure

Next steps- Matt

- August 11th is next meeting; first agenda item will be public comment. Gov staff will create a comment sign up.