

Allocated Housing Needs and Housing Production Targets

What are allocated housing needs and housing production targets?

The Oregon Housing Needs Analysis (OHNA) Methodology is a comprehensive, data-driven approach to estimating and allocating housing demand across the state. The Department of Administrative Services (DAS) conducts an annual statewide housing analysis which allocates a 20-year **housing need** and a shorter-term **housing production target**. The analysis takes into account current underproduction, homelessness, second homes, and projected population and demographic changes.



Why do we need one?

Local housing markets don't operate in isolation. Communities are interconnected through shared labor markets, regional growth patterns, and statewide inequities in access to housing. Without a common and consistent methodology, each jurisdiction would estimate housing needs differently, leading to mismatched assumptions, inequitable distribution of production, uneven planning, and gaps in the supply of homes, especially for lower income households.

The OHNA Methodology ensures every local government is planning from the same data foundation. It clarifies how much housing is needed in communities across the state and how affordable that housing needs to be. It also shifts much of the analytical burden from the local governments to the state. The state now accurately identifies how many housing units are needed and at which income levels, freeing local capacity. This shared framework supports coordinated state and local action and helps Oregon make measurable progress toward meeting the housing needs of all residents.

Who does the state assign allocated housing needs and housing production targets to?

All cities with an Urban Growth Boundary (UGB)

Urban Unincorporated Land (UUL) within the Metro UGB

Areas not in a UGB in Tillamook County

How Do Local Governments Use This Information?

Local governments can find their housing need allocation and housing production target in the OHNA Methodology Report on the DAS website. The Housing Capacity Analysis performed by a local government compares their current housing capacity to the 20-year housing need allocation. The housing production target is how local governments know what to plan for in the near-term, such as through Housing Production Strategies (HPS) and Development Ready Lands Inventories (DRLI). For local governments with expanded Goal 10 obligations, the housing production targets will also be used to measure progress. If they are falling behind on production, they may be referred to the Acceleration program to help get back on track.

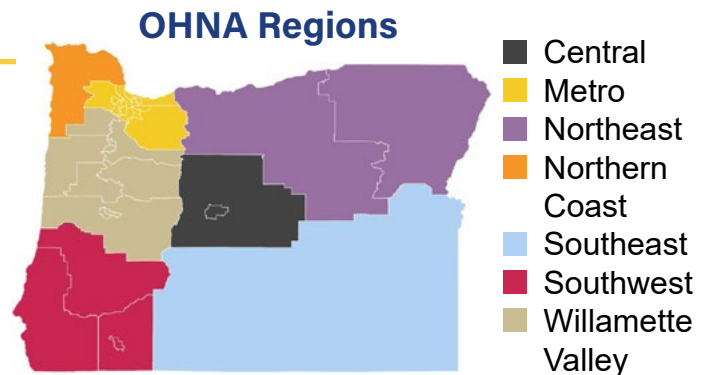


OHNA Methodology

DAS determines and distributes allocated housing need and housing production targets according to the Oregon Housing Needs Analysis Methodology.

1. Determine Regions

Housing need is calculated and assigned at a regional level to reflect the reality that the housing markets, as with transportation and employment, have an interconnected scope that extends beyond jurisdictional boundaries. Currently, the regions defined by the OHNA Methodology are Central, Metro, Northeast, Northern Coast, Southeast, Southwest, and Willamette Valley.



2. Determine Income Categories

DAS then allocates regional housing need across income categories, aligning with Goal 10: Housing requirements for plans to encourage the availability and amount of needed housing units at price ranges and rent levels which are in line with the financial capacities of Oregon households.

3. Determine Components of Needed Housing

The OHNA methodology to determine housing need goes beyond just accounting for 20 years of projected population growth. Total housing need is based on both current and future housing need.

- **Current Need** includes housing underproduction and housing units for people experiencing homelessness.
- **Future Need** includes units for expected population growth, expected housing units that will be lost to second and vacation homes, and units to accommodate expected demographic change.

4. Allocate Needed Housing to Income Categories

The regional allocation to each income category is based on a formula which takes into account the unique attributes of each component of current and future need. Housing underproduction, for instance, is based on the rate of cost burdened renter households, while housing units for people experiencing homelessness are based on income data from the Homeless Management Information System managed by Continuums of Care. Future need from population growth and demographic change is based on the region's current income breakdown, while demand for second and vacation homes is allocated to the higher income brackets.

5. Allocate Needed Housing to Cities and UGBs

The 20-year housing need of each region is divided up between its UGBs using the five components of current and future housing, weighted by the UGB's share of the region's population and employment. Metro's formula is similar, but also factors in access to transit, expected job growth, and a system of inverse weighting to more equitably distribute housing.

6. Set Housing Production Targets

Once the 20-year housing need has been determined, local governments are also assigned a 1-year target that is multiplied over a 6-year period for local governments within the Portland Metro region and an 8-year period for local governments outside the Portland Metro region. Solving the current deficit of housing is emphasized in the near-term targets, generally increasing the need for low-income housing.

