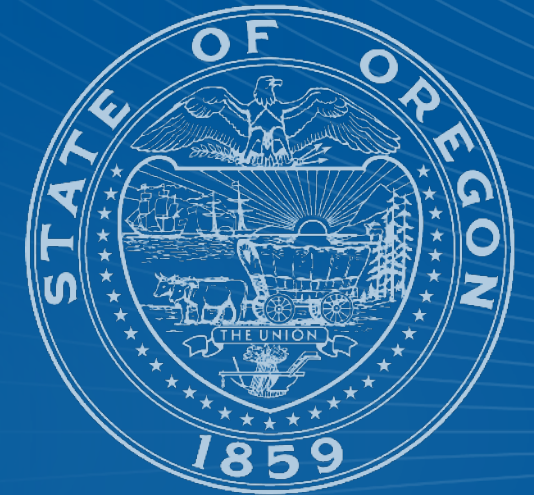


OHNA: Metro Methodology and Initial Findings



May 20th, 2024

Presenters Today



1. Megan Bolton – OHCS –
Assistant Director of Research

2. Sean Edging – DLCD –
Senior Housing Planner

3. Josh Lehner – DAS –
Economist at the Oregon Office of Economic Analysis

Expectations and Process for Meeting



- Q&A will occur after the full presentation; feel free to enter questions throughout the presentation into the Q&A box
- This meeting will be recorded and the meeting recording will be available at the [OHCS OHNA Webpage](#)
- All registrants will receive a link to a quick survey to complete after the webinar where additional feedback and questions can be submitted
- Comments on the methodology can be submitted at any time to OHCS and DAS by emailing HCS.OHNA@hcs.oregon.gov

Policy Background



HB 2001/2889 (2023 Session)



Focus for today's presentation

Department of Administrative Services

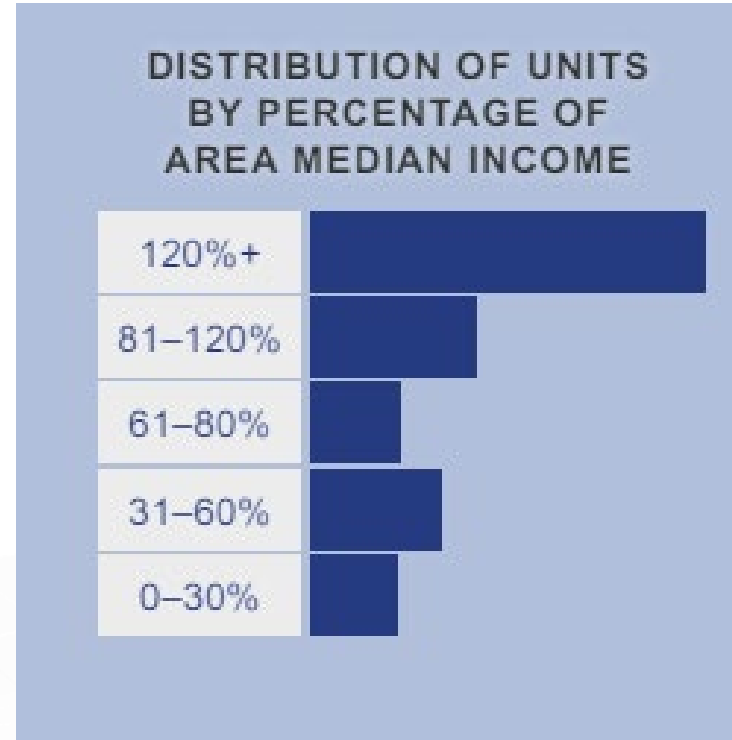
- OHNA – Estimate* and allocate need
- Production targets

Oregon Housing and Community Services

- Housing Production Dashboard
- Housing Equity Indicators
- Methodology recommendations to DAS

Department of Land Conservation and Development

- Goal 10 Implementation
- Housing Acceleration Program
- Methodology recommendations to DAS



*Metro is special



Statewide Methodology

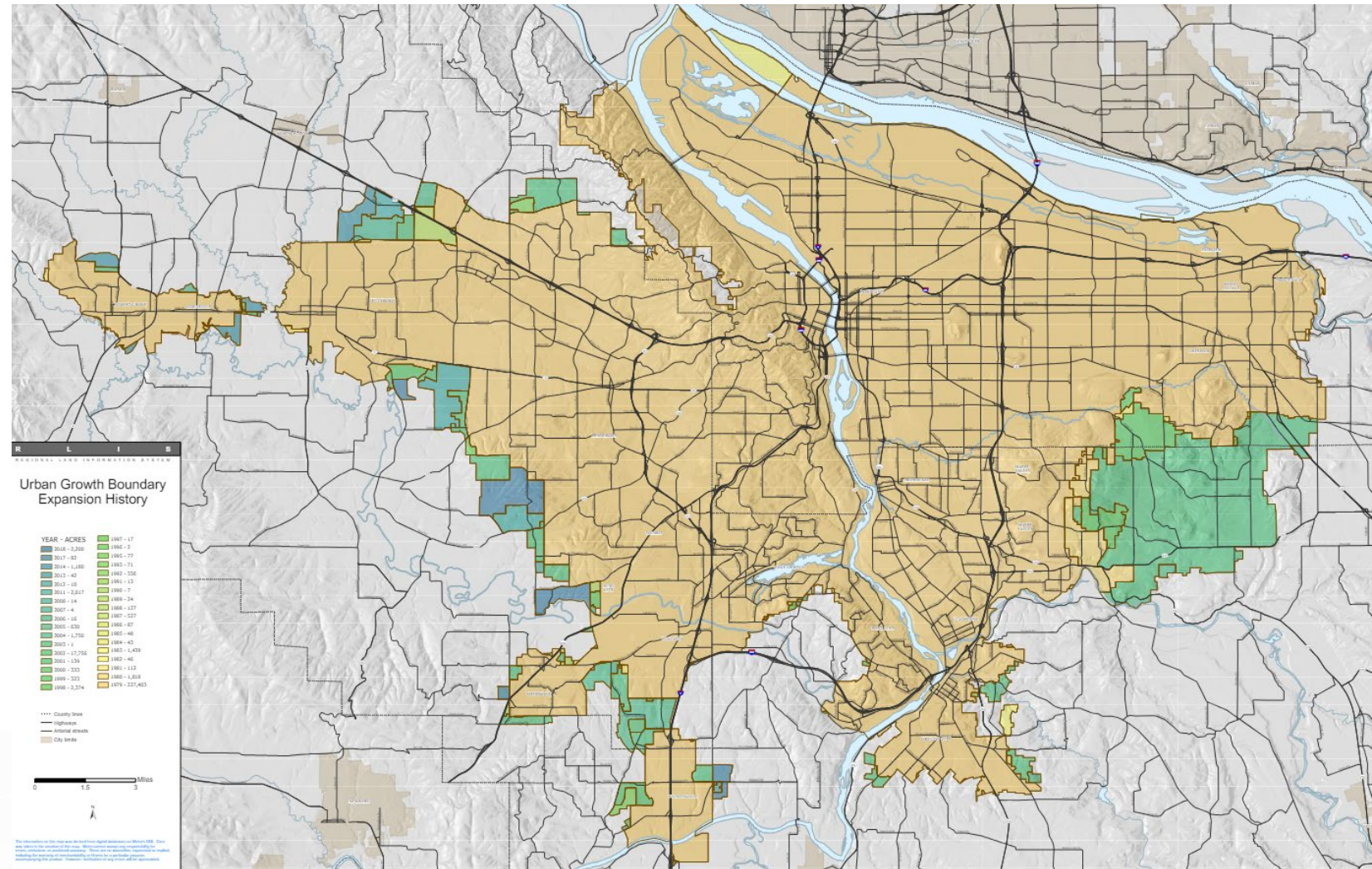
DAS Estimate → Allocation →
Production Targets

Metro Methodology

Metro Estimate → DAS Allocation →
Production Targets

DAS must consider:

- Population Growth
- Regional Job Distribution
- Equitable Distribution of Housing

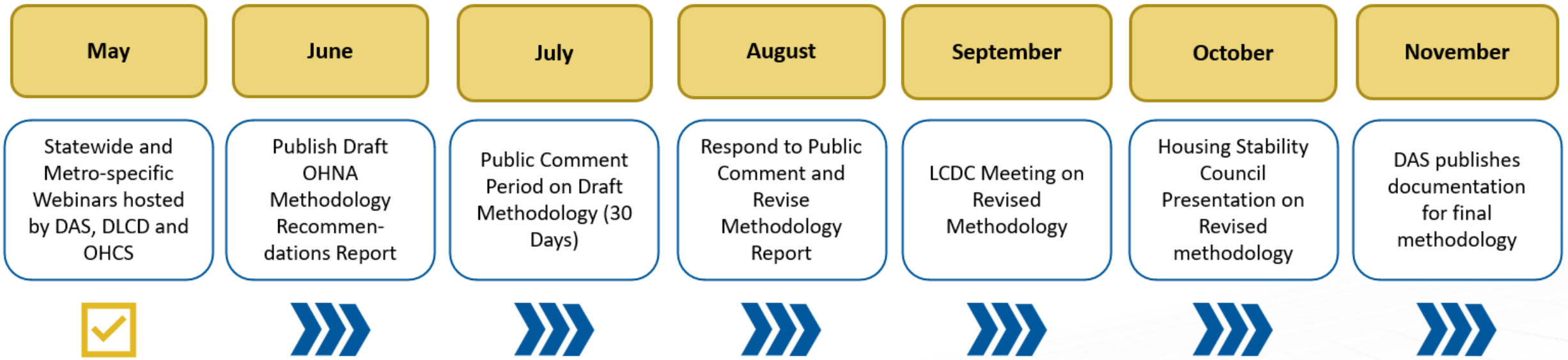


House Bill 2001/2889 (2023 Session)



May 3 – [Statewide Methodology Webinar](#)

May 20 – Metro Methodology Webinar (notice will be published soon)



*survey link for feedback on methods will be sent post-webinar

HCS.OHNA@hcs.oregon.gov to provide public comment

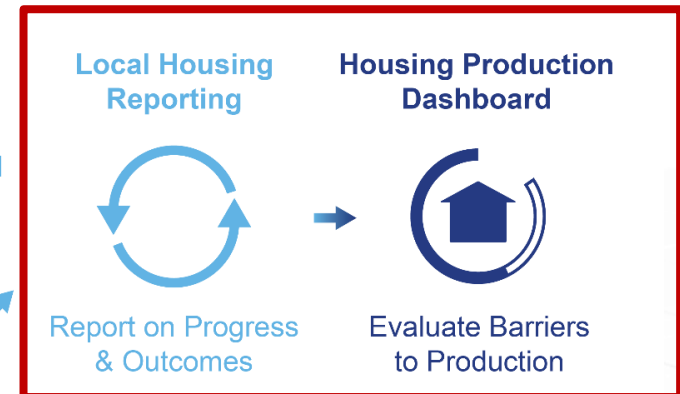
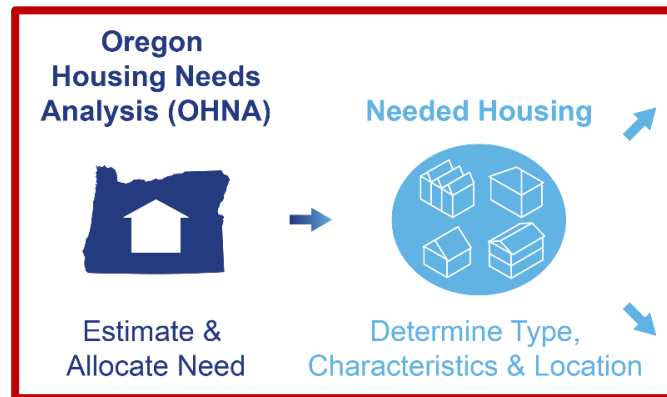
Goal 10 – Housing under OHNA



“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.”

OHNA replaces localized projections with state estimate/allocation; local gov'ts make policy choices

Allocation forms basis of housing production target; state tracks progress towards outcomes



The Goal 10 Process
State | Local

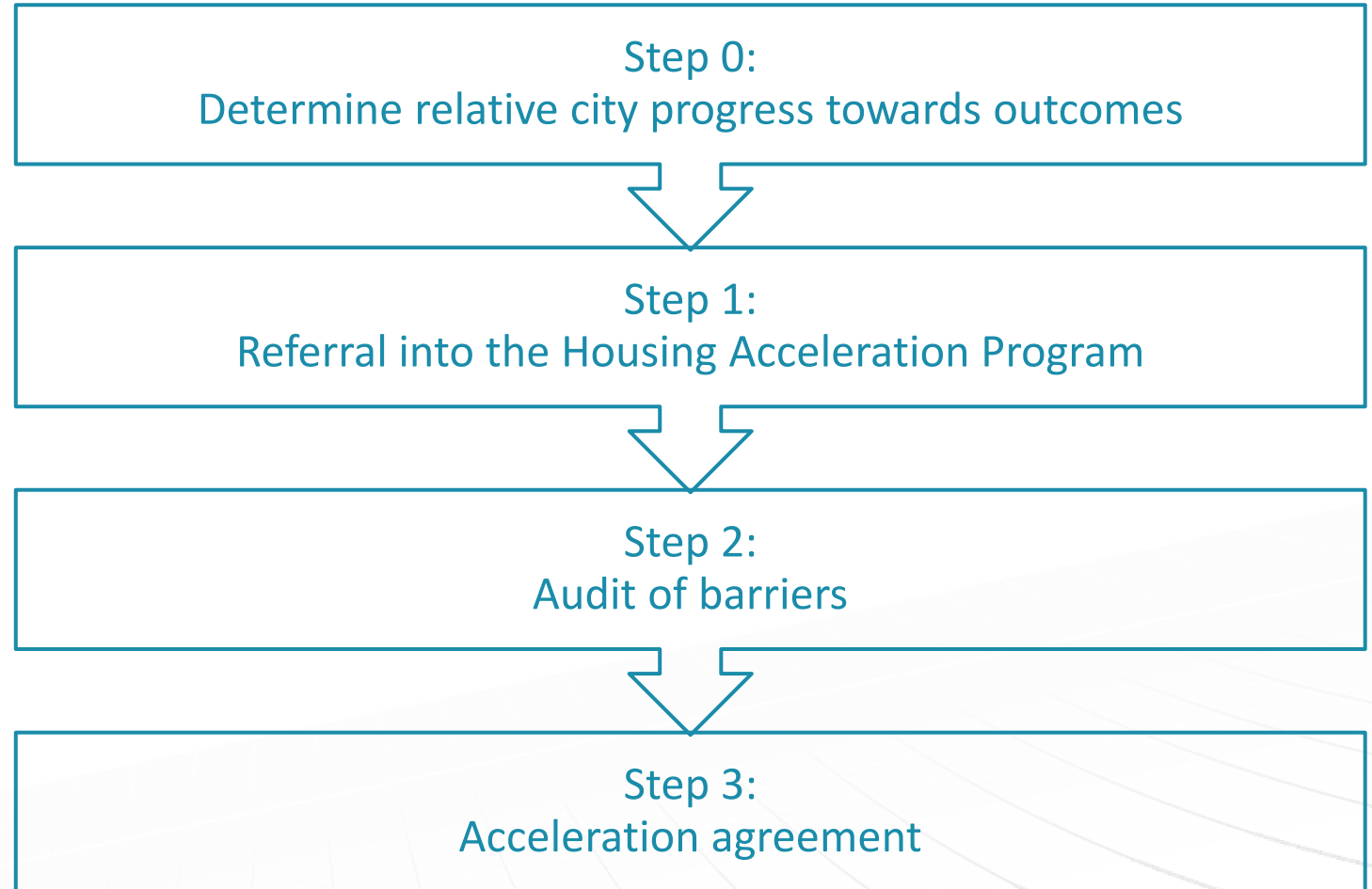
Housing Acceleration Program



How progress towards targets is used in OHNA policy:

DLCD will periodically audit some cities above 10,000 population to evaluate **local and state barriers** to production, affordability, and choice.

Legislative Intent: State and local governments take **actions within their control** to address need



OHNA Rulemaking (DLCD)



Learn more and get involved:

<https://www.oregon.gov/lcd/housing/pages/rulemaking.aspx>

Components of Need



Pilot Methodology vs. Current Approach



Pilot Methodology – 3 components

1

POPULATION GROWTH

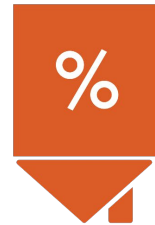
Units needed to accommodate future population growth over 20 years



2

UNDERPRODUCTION

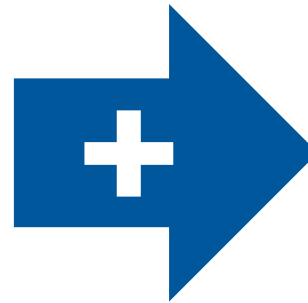
Units that have not been produced to date in the region, but are needed to accommodate current population
(often referred to as housing shortage)



3

HOUSING FOR THE HOMELESS

Units needed to house those who are currently experiencing homelessness



Current Methodology – 5 components

4

SECOND AND VACATION HOMES

Units that are expected to be lost to 2nd and vacation homes and will not be available for year-round occupancy



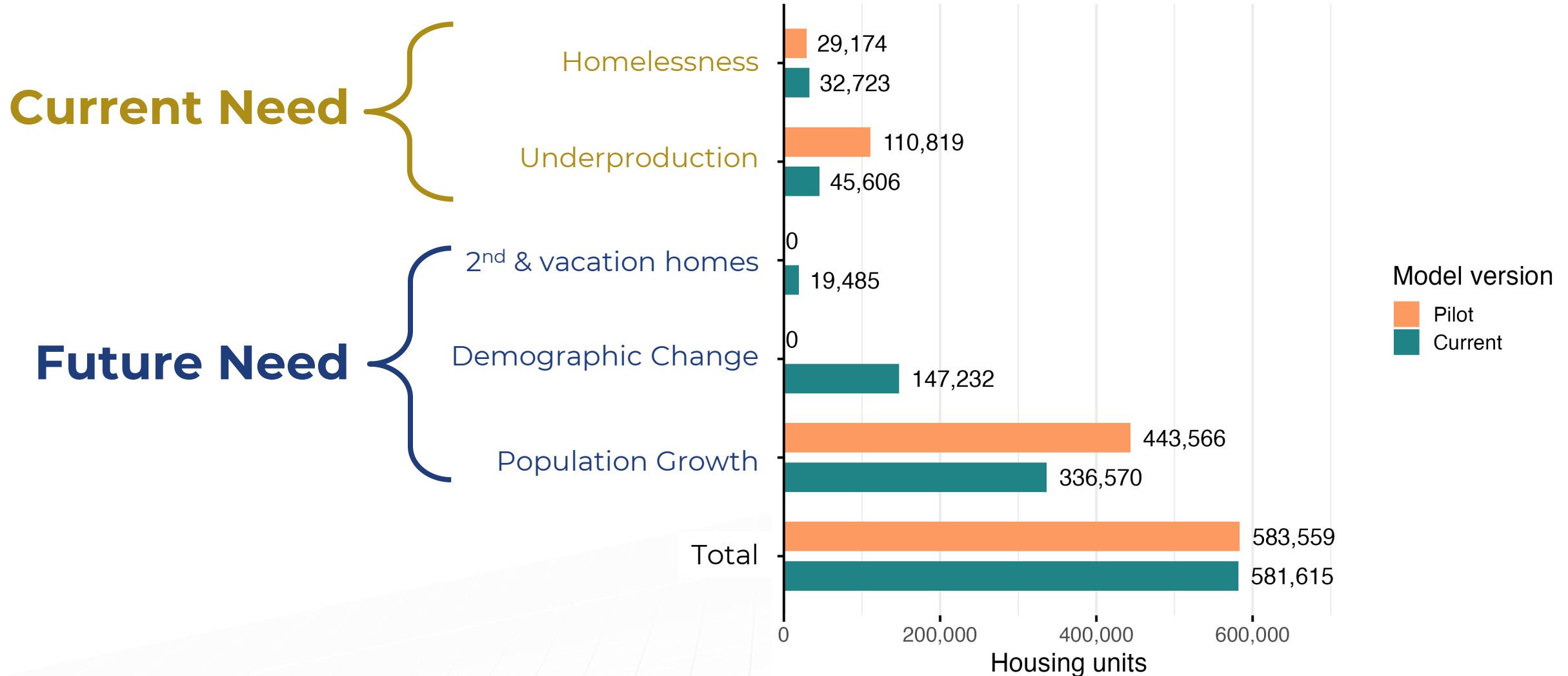
5

DEMOGRAPHIC CHANGE

Household size is forecasted to decrease, the same number of people will require more units of housing in the future



Statewide Components of Need Compared to Pilot Results





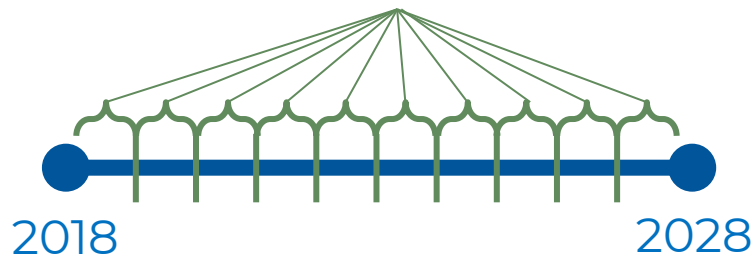
Statewide and Regional Targets

- Policy objective is to prioritize and front load the current need as a 10-year target
 - 78k units statewide of current need = 7,800 units per year
- Remaining future need of 503k is distributed over 20 years, for a target of 25k a year

CURRENT NEED

78,000 units over 10 years

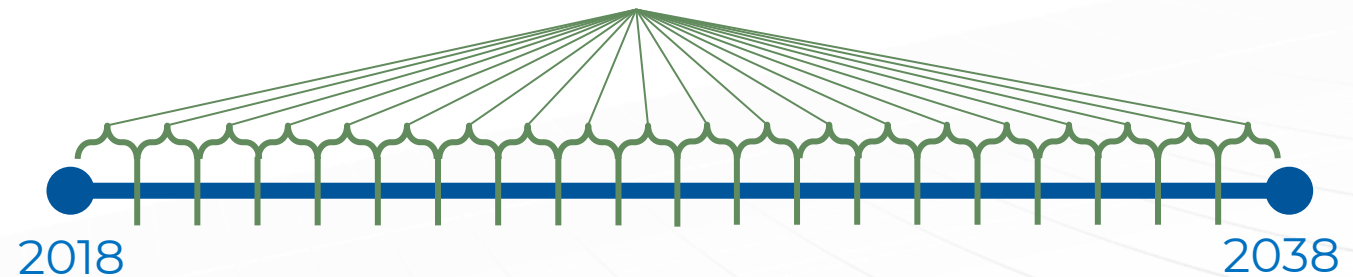
7,800
units per year



FUTURE NEED

503,000 units over 20 years

25,000
units per year



CURRENT TOTAL ANNUAL STATEWIDE TARGET IS 33K UNITS

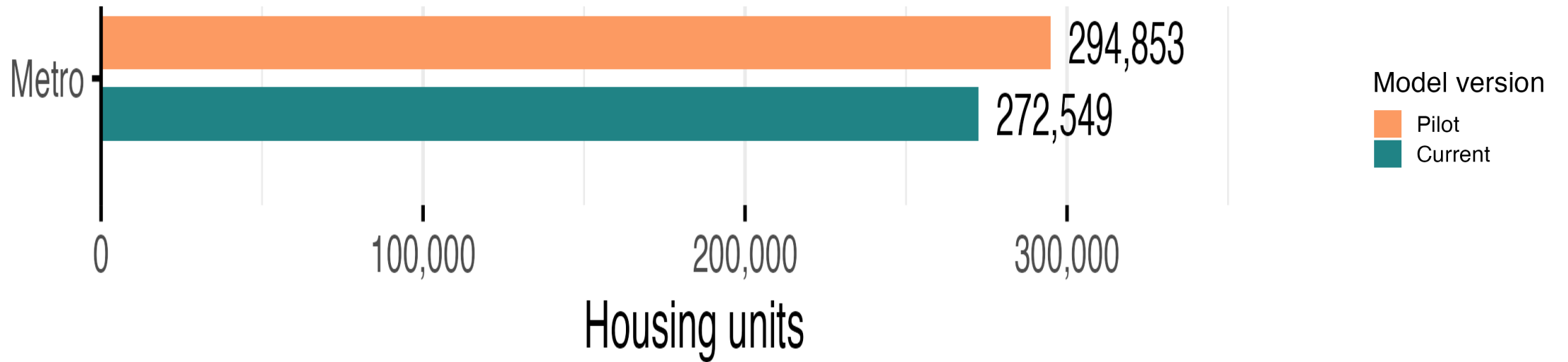
(Pilot methodology annual target was 36k)

Updating regional and local allocations



- In order to help produce estimates that do not jump around from year to year, the regional totals are expected to be smoothed using the past few years of data
- This is challenging currently due to the change in PUMA regions in 2022 as well as 2020 data not being available due to unreliability
- Options will be explored and refined once the first statewide official total is produced using 2023 data

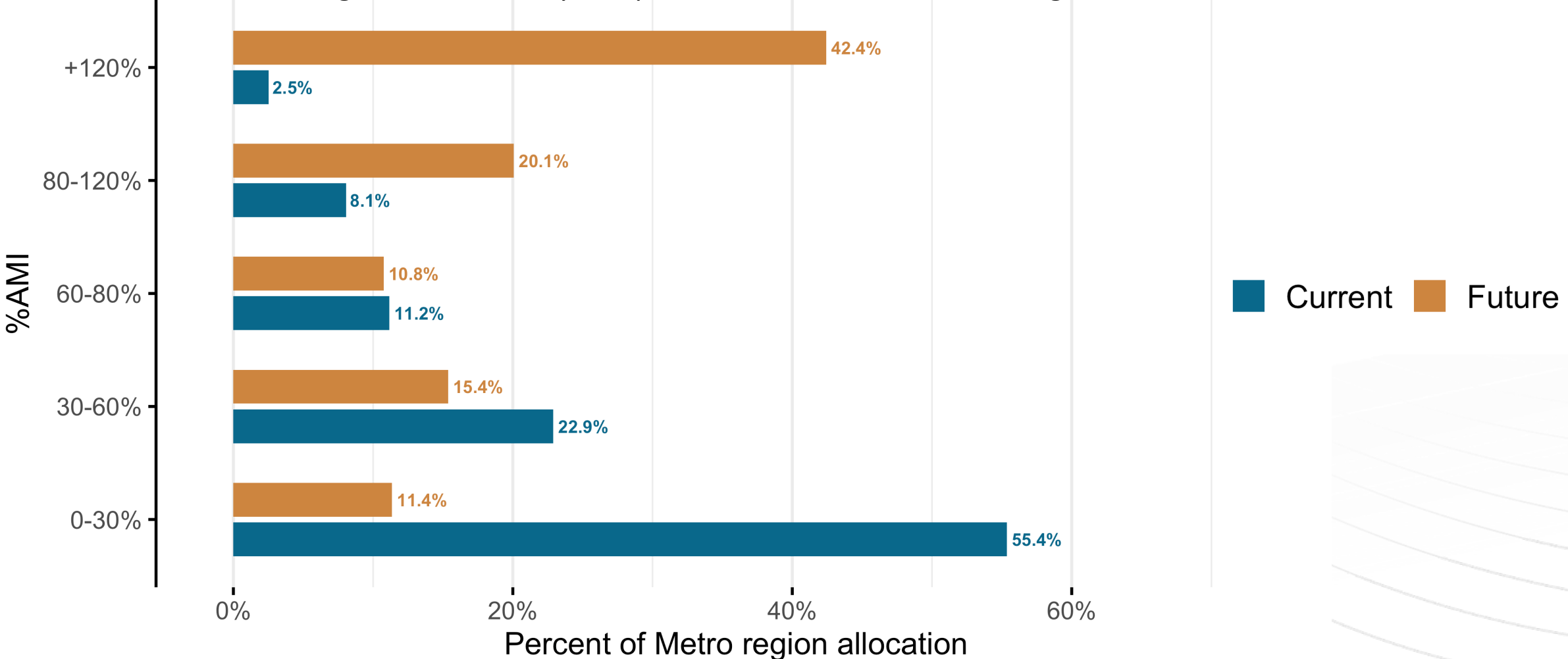
Current Metro Total Compared to Pilot



Income distribution is different for current and future need



Income target distribution by component of need for the Metro region



Allocating Regional Need to UGBs and Cities inside Metro



Step 1. Regional Need Inside vs. Outside UGBs



1. Future population growth outside of UGBs is determined for each of the regions over 20 years
2. Units are removed for population growth, demographic change, and 2nd and vacation homes from the regional total
3. The remaining units are then allocated to UGBs inside the region

Step 2. Distributing Regional Need to UGBs



Each component of need is allocated from the regional total (after excluding areas outside of UGBs) to each of the UGBs in the region using a set of policy variables and weights

Current Need

UNDERPRODUCTION

Current Population – 50% weight
Current Jobs – 50% weight



HOMELESSNESS

Current Population – 50% weight
Current Jobs – 50% weight



Future Need

POPULATION GROWTH

Population Growth Forecast – 50% weight
Current Jobs – 50% weight



DEMOGRAPHIC CHANGE

Current Population – 50% weight
Current Jobs – 50% weight

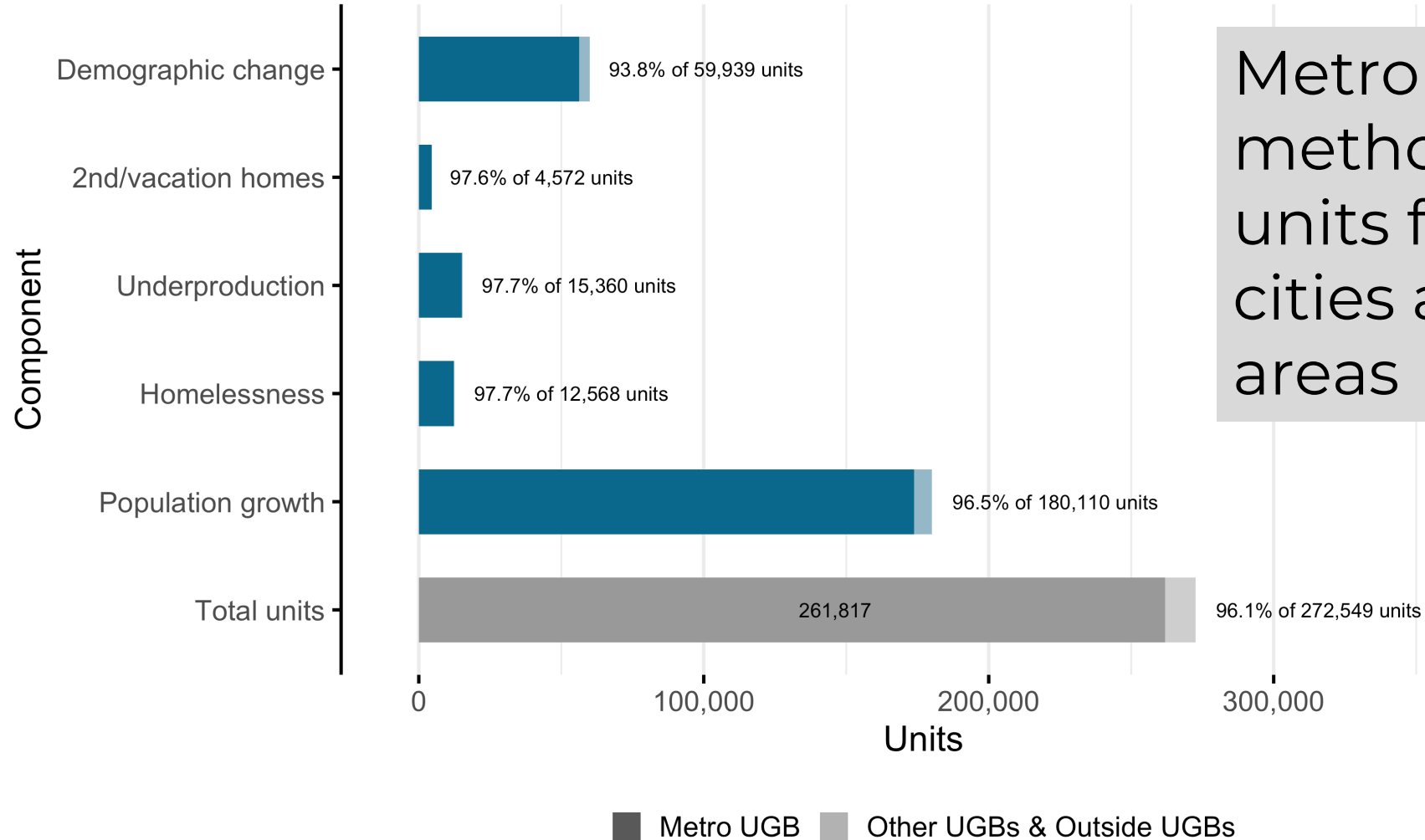


UNITS LOST TO 2ND AND VACATION HOMES

Allocated based on each UGBs
current share of the regional total



Allocating from Metro UGB to Cities

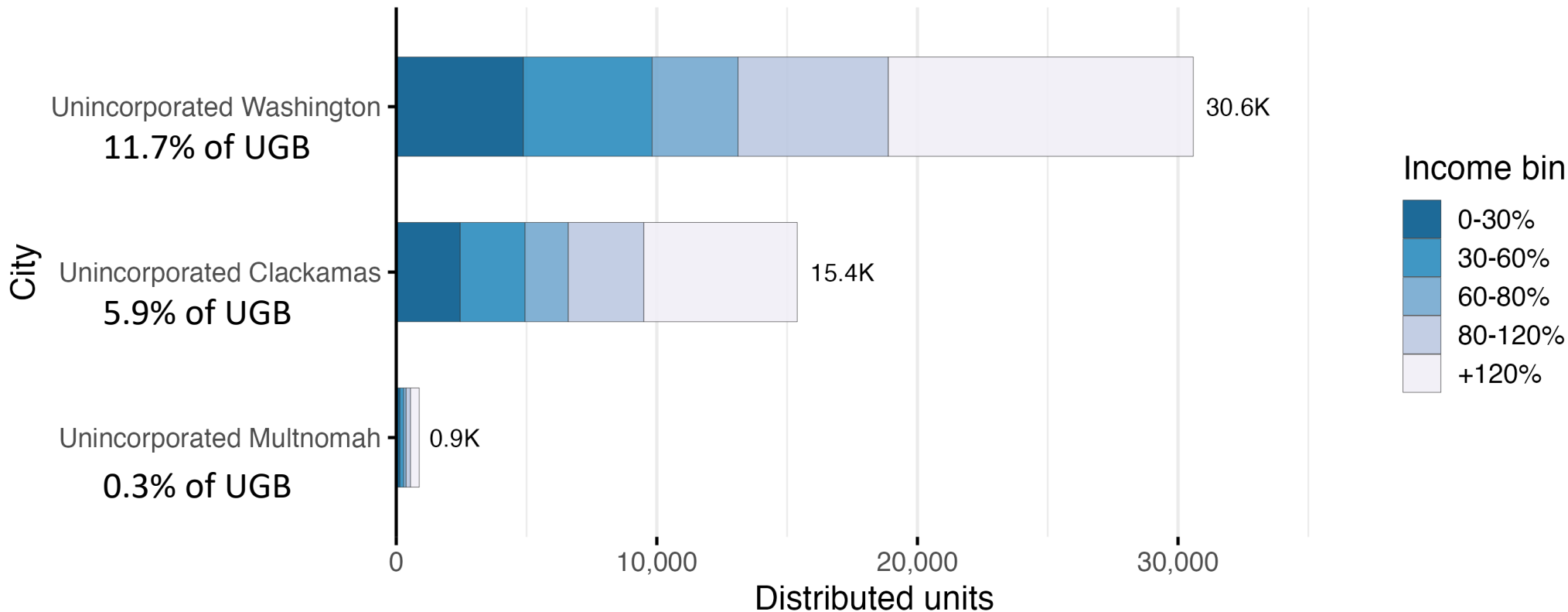


Metro will have its own methodology to distribute units from the UGB to cities and unincorporated areas

Step 3- Unincorporated areas within Metro UGB



The total UGB units (by income) are then allocated to the unincorporated areas of each county based on their current share of housing units (18% of UGB), the remaining units are allocated to cities within the Metro UGB



Step 4. Allocate Units to Cities



Areas of concern using statewide allocation methodology:

- Metro forecast is development capacity constrained
- Are jobs in a city the best measure for prioritizing housing location at the city scale?
- Do cities get “credit” for historically producing above average amounts of housing?
- Is there some measure of “corrective action” for cities that have not produced sufficient amounts of affordable housing in the past

Allocating Current Need (11% of total)



50% Weight – Housing Production- “Credit for previous production”

- Production is the average share of permits issued over last 5 years (2018 to 2022) as a percentage of the current stock for all of the cities in the UGB
- Each city below the Metro average share of productions receives its weight of the “deficit of units” compared to the UGB

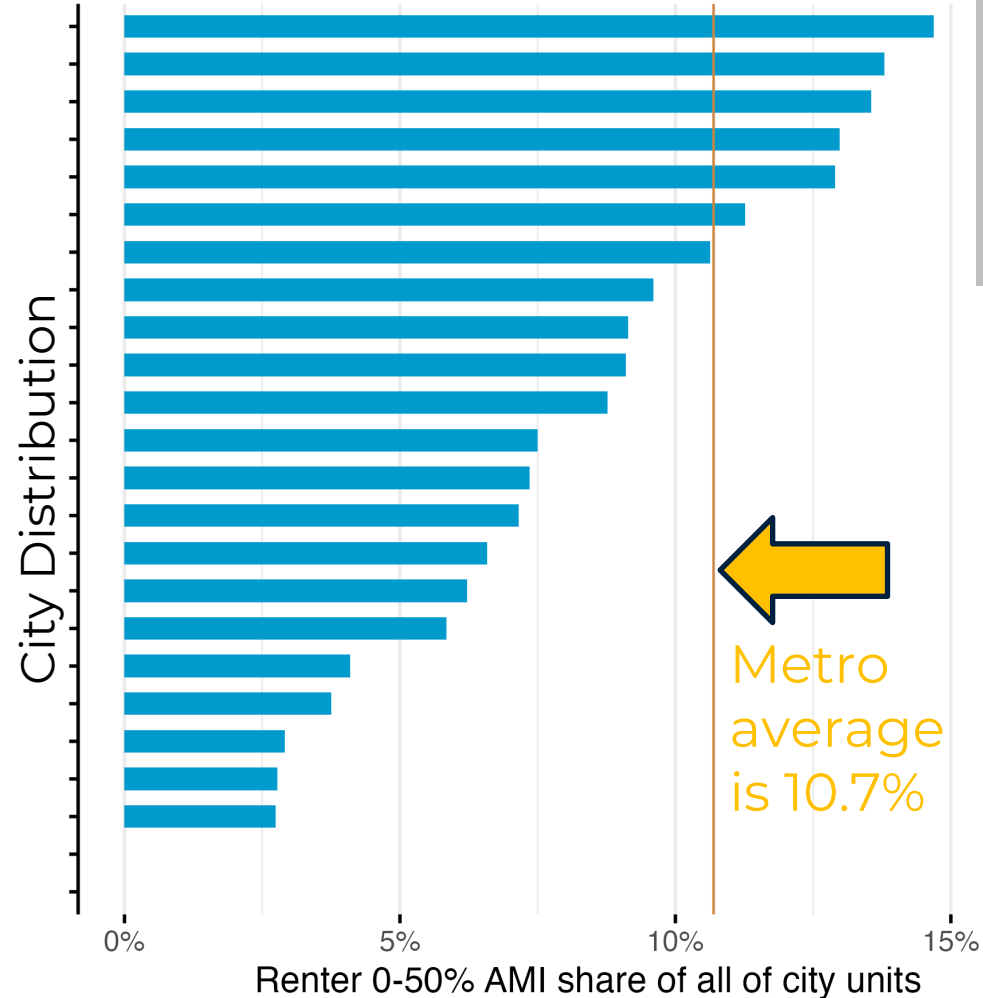
50% Weight – Housing Affordability – “Corrective action”

- Affordability measures the number of rental units affordable to households earning 50% or less of AMI (CHAS) as a share of the total stock (ACS)
- Each city below the Metro average share of affordable units receives its weight of the “deficit of units” compared to the UGB



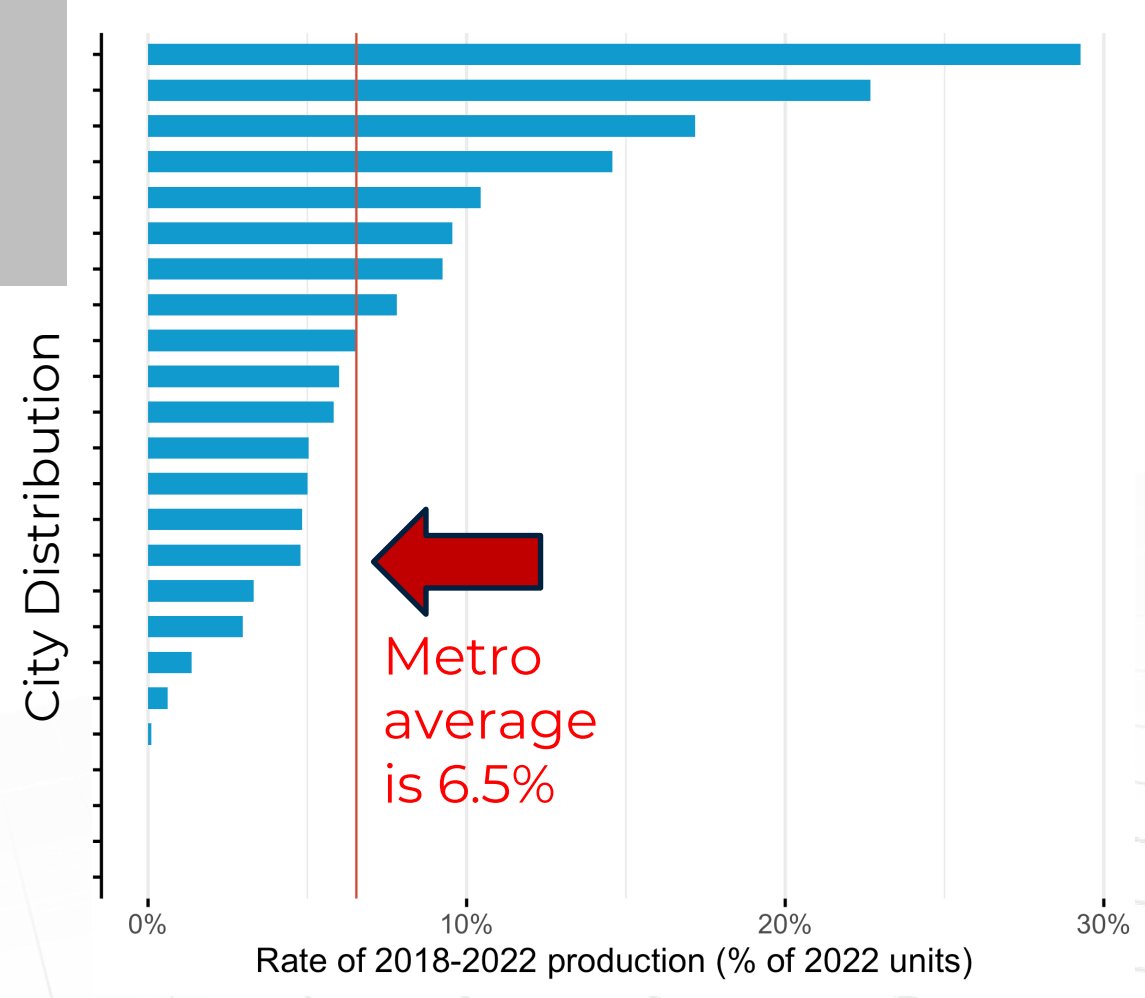
Cities below the regional average for affordability or production receive an allocation for current need

Affordability Distribution



Cities below the average are effectively pulled closer to the regional average

Production Distribution



Allocating Future Need to Cities

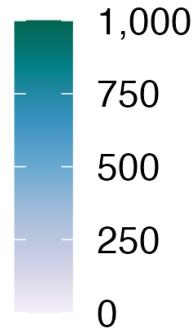
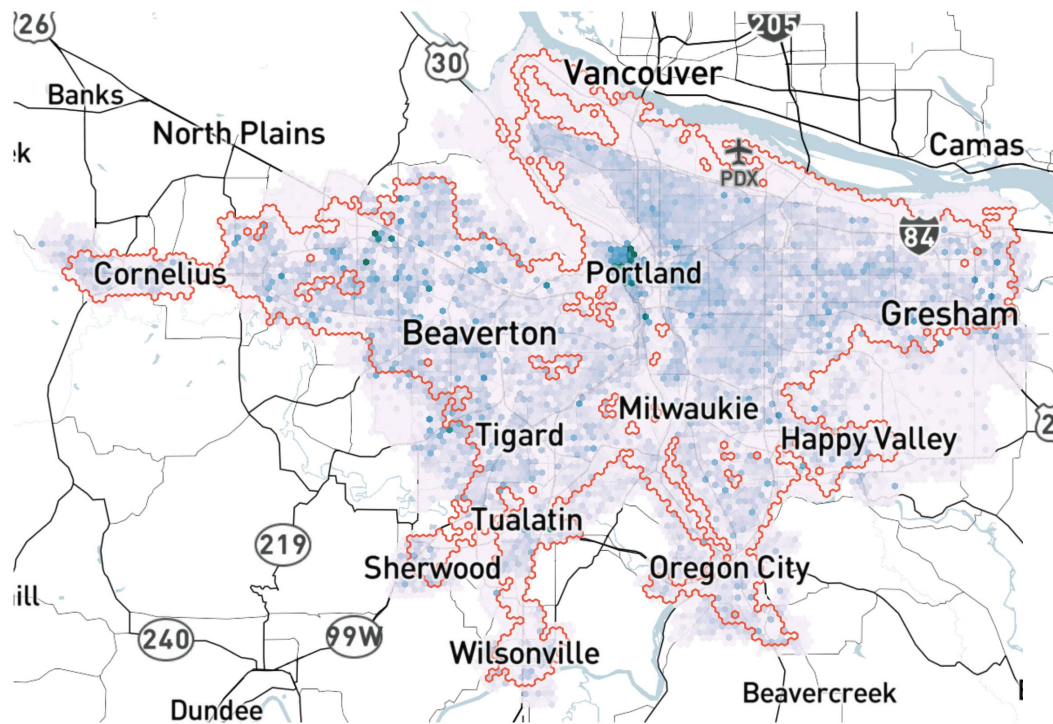


- Population Growth and Demographic Change
 - 50% weight for household growth using Metro forecast
 - 50% weight for job accessibility
- Loss of units to 2nd and vacation homes
 - Replicate statewide methodology
 - Current Location of 2nd and vacation homes

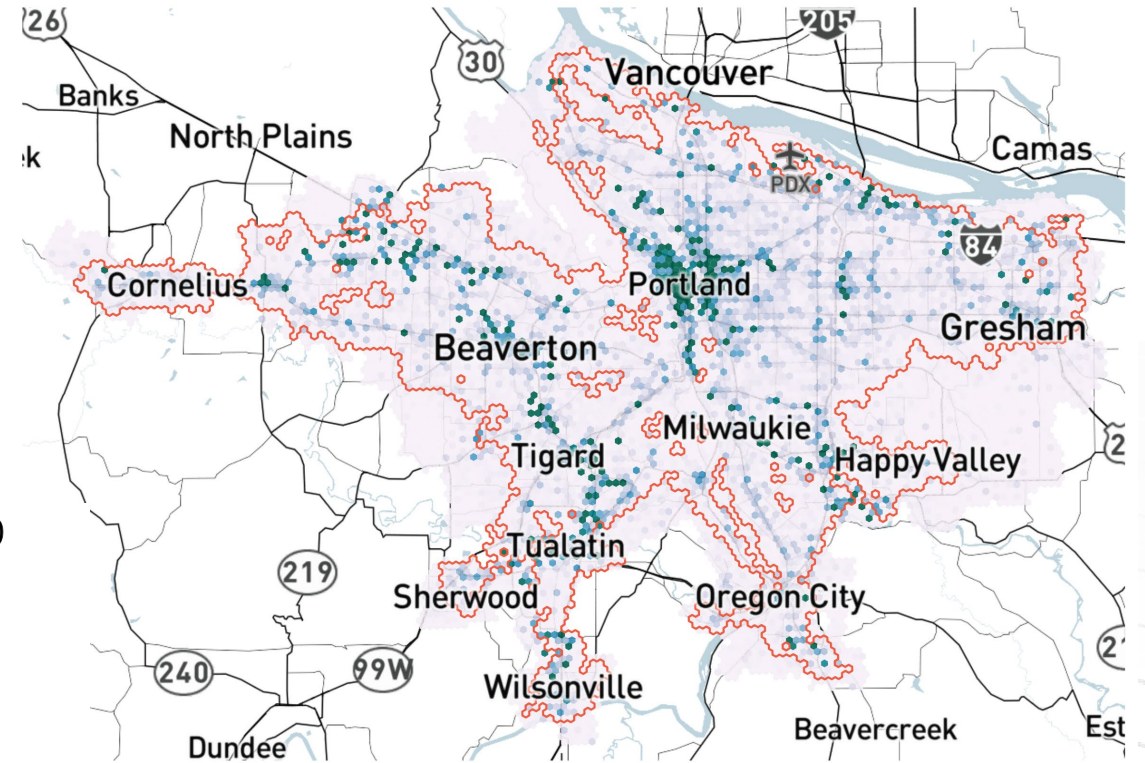
Measuring access to jobs via walk/transit in 60 minutes



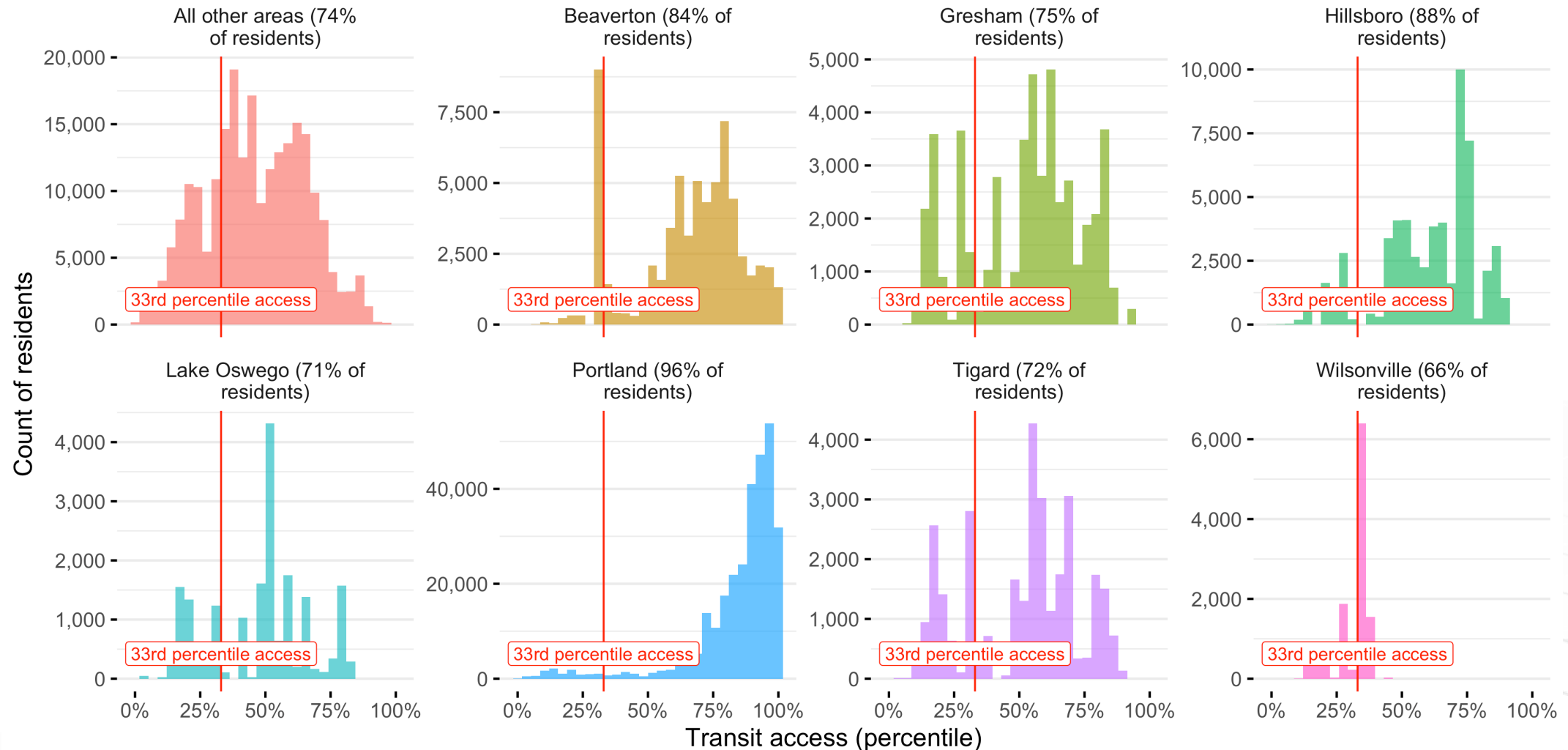
Total Residents



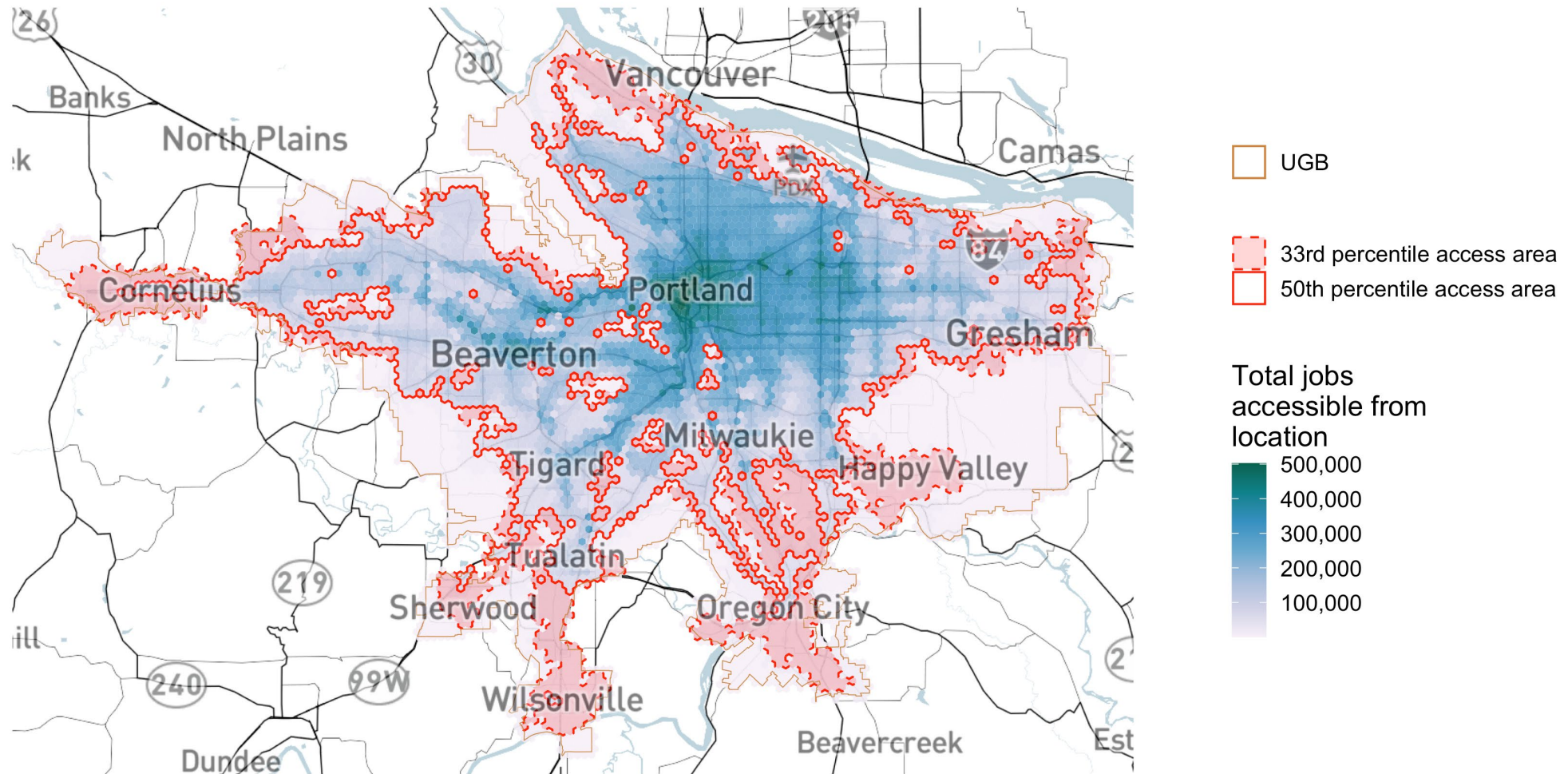
Total Jobs



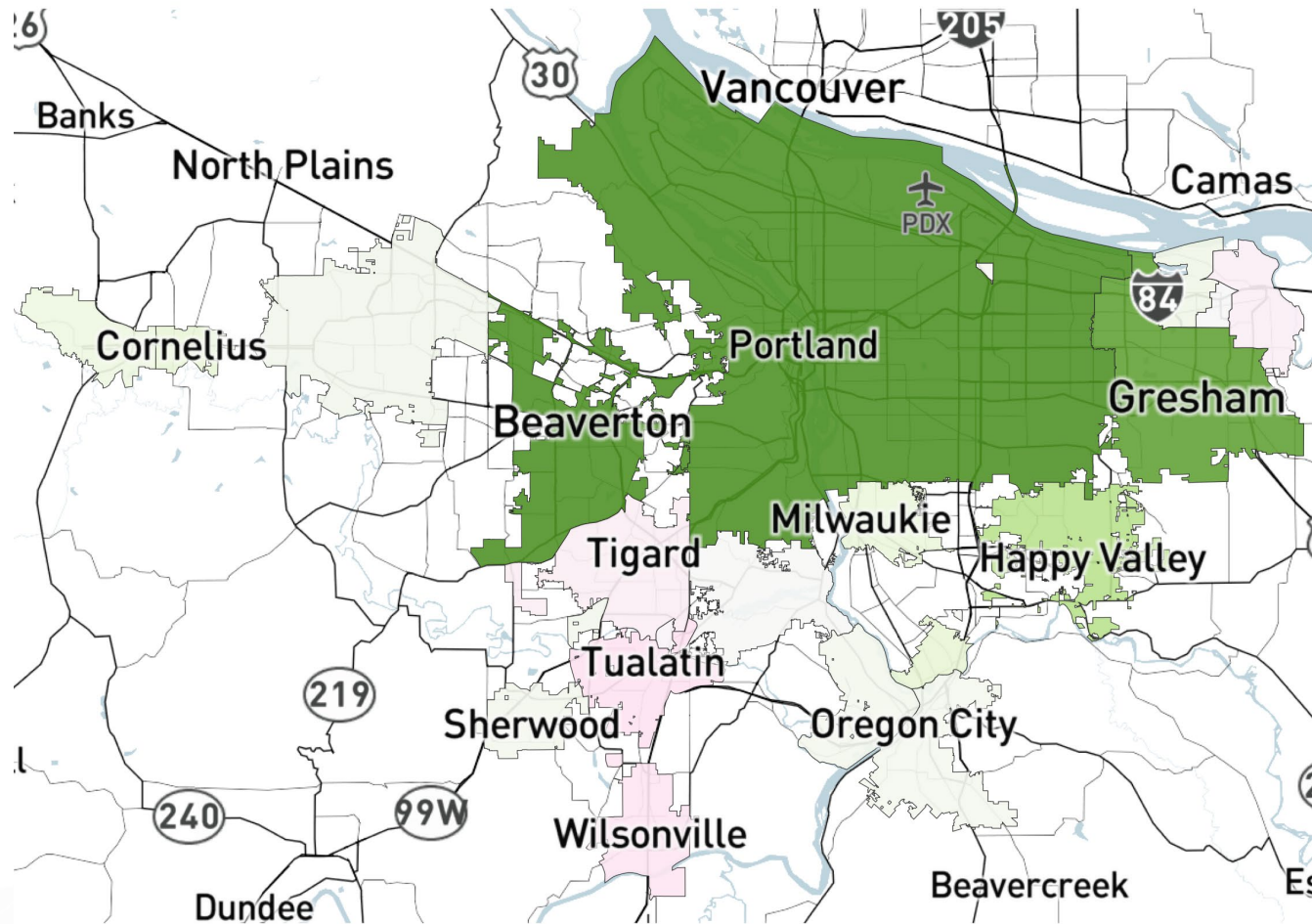
How many residents in each city have access to jobs within 60 minutes (walk/transit)



Using the 50% percentile would shrink the area of access



City level impact of using accessibility vs. job count



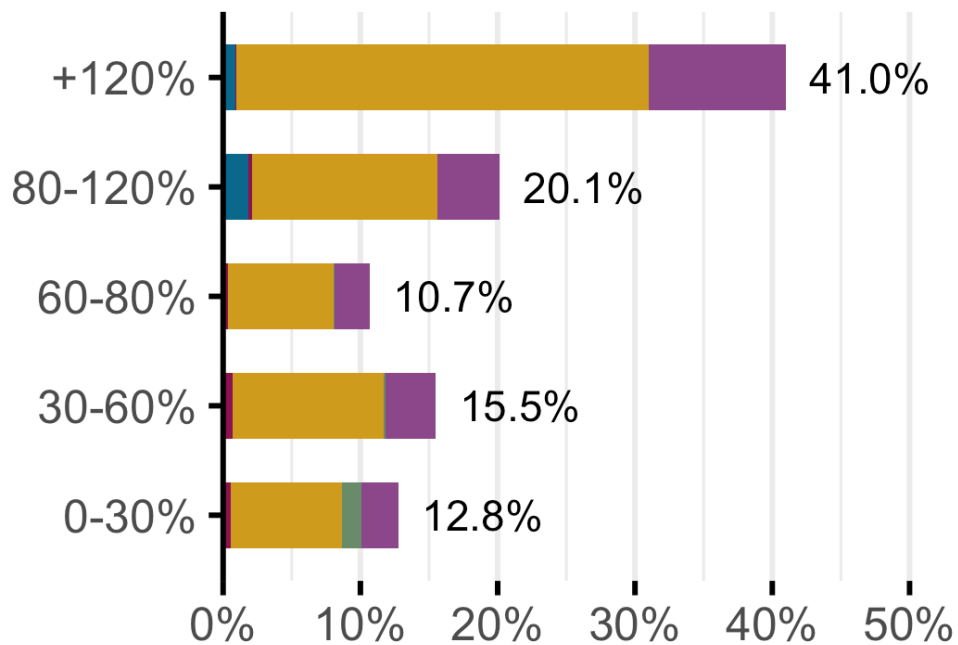
City Allocations within Metro



A range of outcomes based on component parts



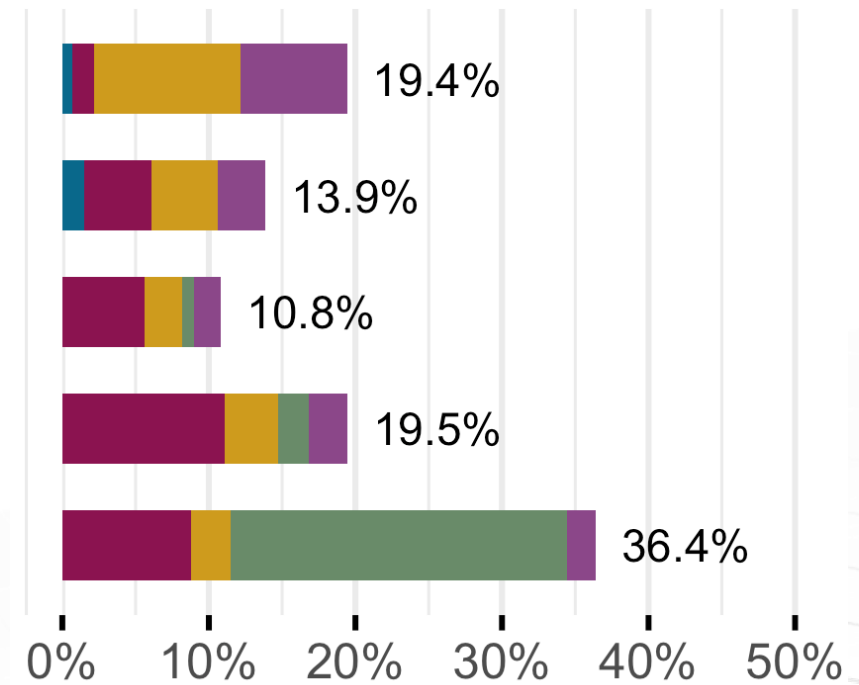
Cities with lower share of affordable units and recent production



Example City A

Component

- Demographic Change
- Homelessness
- Population growth
- Underproduction
- 2nd/vacation homes

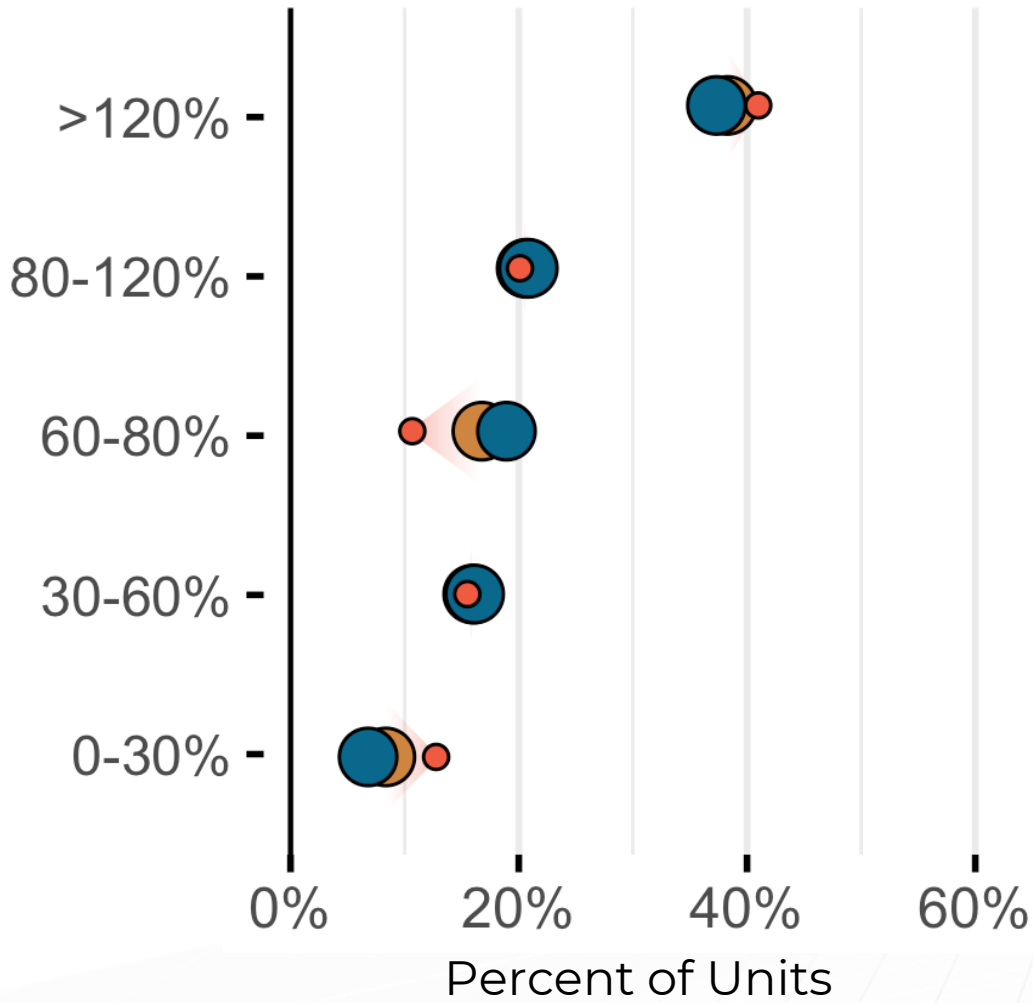


Example City B

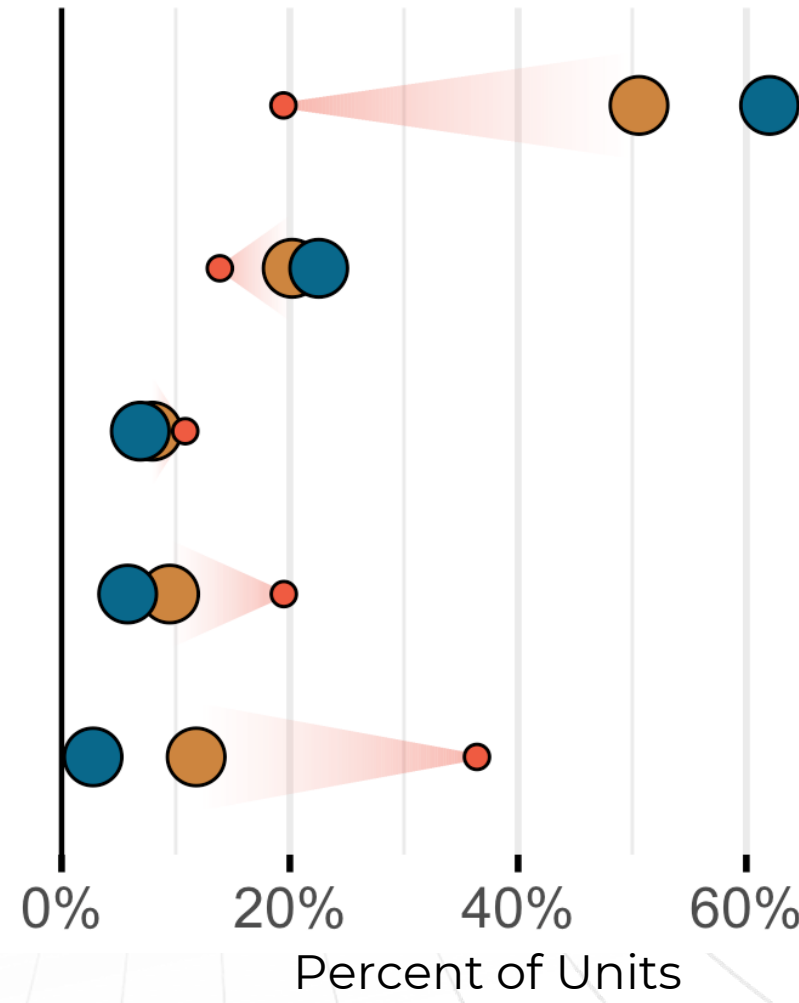
Impact of achieving target over 20 years on the distribution of affordability



Example City A



Example City B

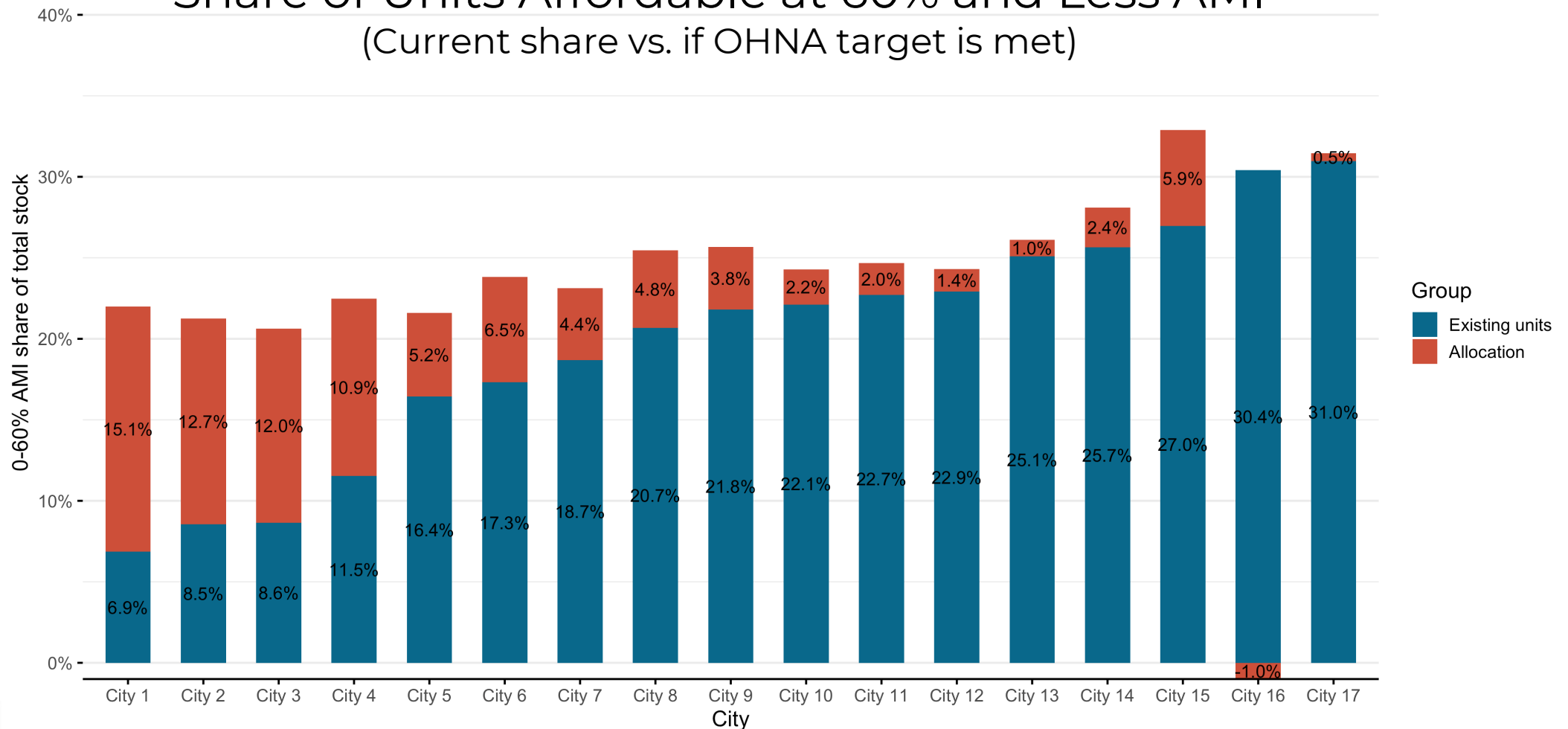


- Allocation
- Future units
- Existing units

If cities achieve their allocations, share of affordable units will increase



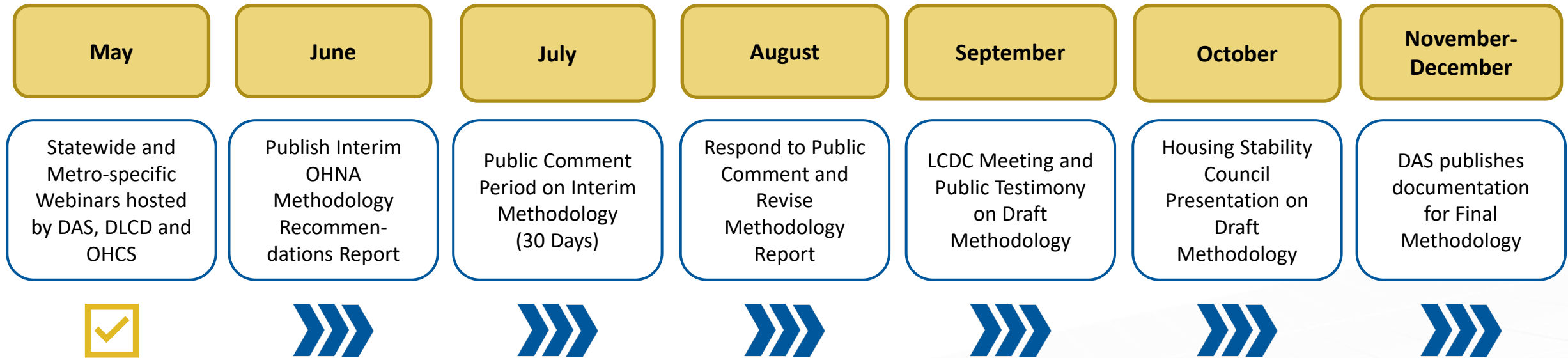
Share of Units Affordable at 60% and Less AMI (Current share vs. if OHNA target is met)



Next steps



Timeline for Methodology



*survey link for feedback on methods will be sent post-webinar

HCS.OHNA@hcs.oregon.gov to provide public comment