

# HB 2003 (2019): Finalizing Regional Housing Needs Analysis Version 2

July 7, 2020



# Process agreements

- **Share airtime:** Everyone deserves to be heard, and everyone has a piece of the truth. Challenge yourself to engage in ways that honor the voices and thinking space of others. Practice “W.A.I.T”: ask yourself, Why am I talking? Or Why aren’t I talking?
- **Practice “Yes, and”:** Look for opportunities to affirm shared values and intentions by building on and expanding ideas; avoid “no, but.”
- **Lead with curiosity:** Test assumptions and inferences, seek to understand, balance clarifying questions with positional advocacy.
- **Accept and expect non-closure:** We don’t all have to agree. We might not find all the answers in one meeting. It’s okay to raise issues for attention even if we can’t agree or solve the problem today.
- **Virtual engagement:** To the extent that you are able we encourage active virtual participation which includes keeping your screen on, actively using chat, raising your hand, responding to polls, and minimizing multitasking.

# Purpose of meeting

Receive and respond to feedback on:

- How the context of RHNA as one element of housing planning system impacts its design
- How equity lens of project relates to technical considerations
- Final revisions to RHNA

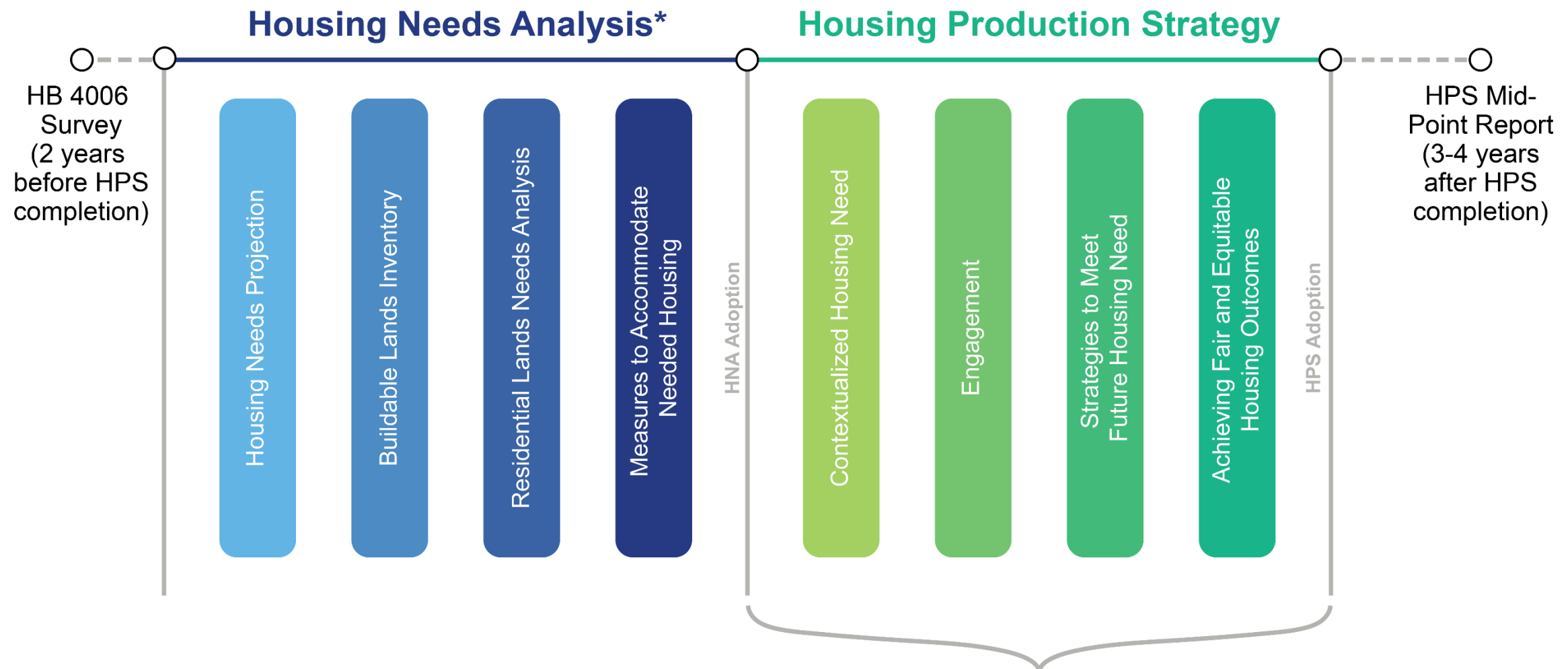
# Agenda

- Welcome & grounding
- Look at bigger picture: RHNA + HPS + BLI + Local HNAs
- Increasing equity in housing outcomes
- Review finalized RHNA “version 2”
- Next steps

# Housing planning in Oregon - DLCD

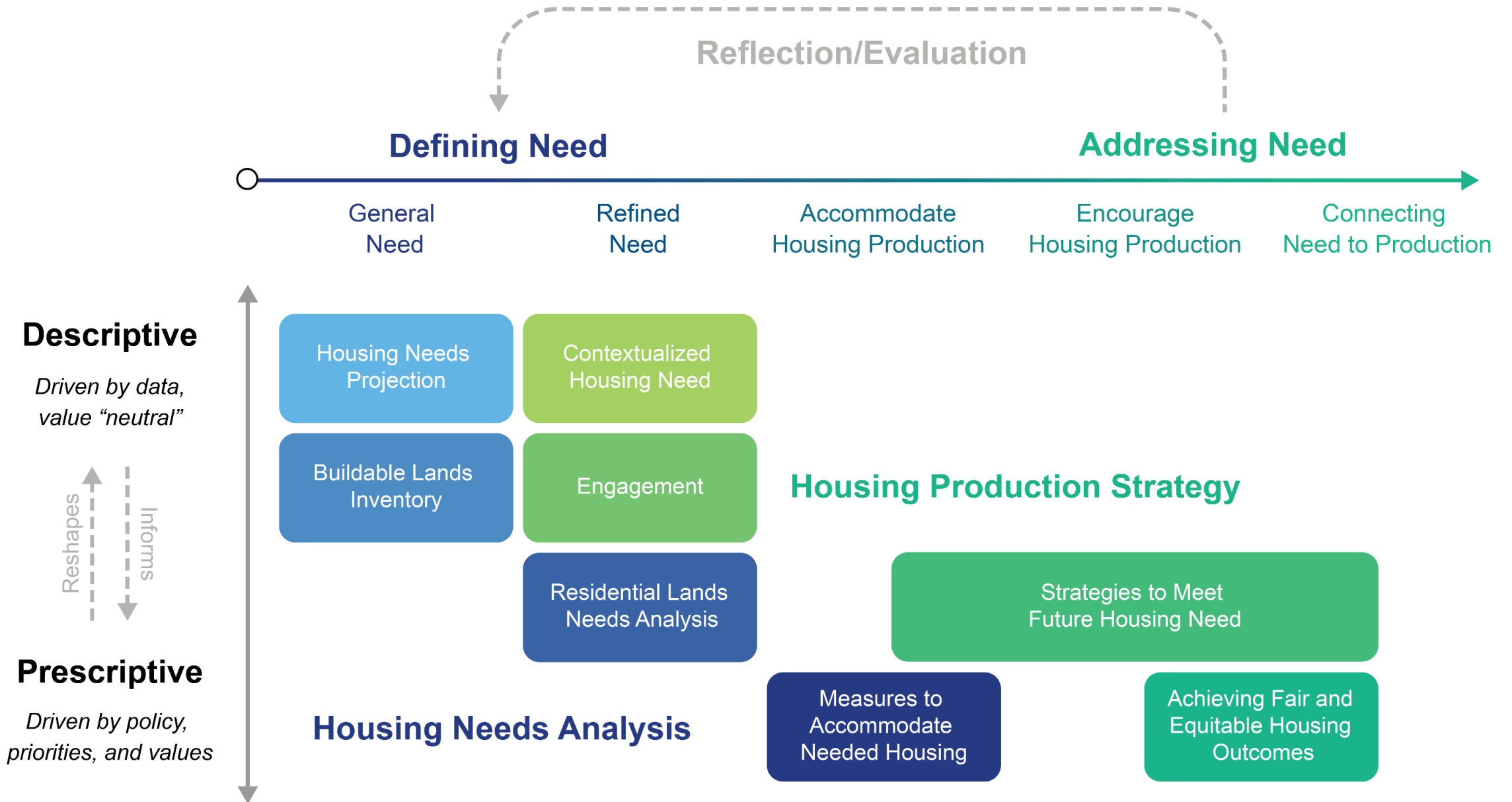
- Before HB 2003
  - Local HNA
    - Housing Needs Projection
    - Buildable Lands Inventory
    - Residential Lands Need Analysis
    - Measure to Accommodate Needed Housing
- Added with HB 2003
  - Housing Production Strategy
  - RHNA (pilot)

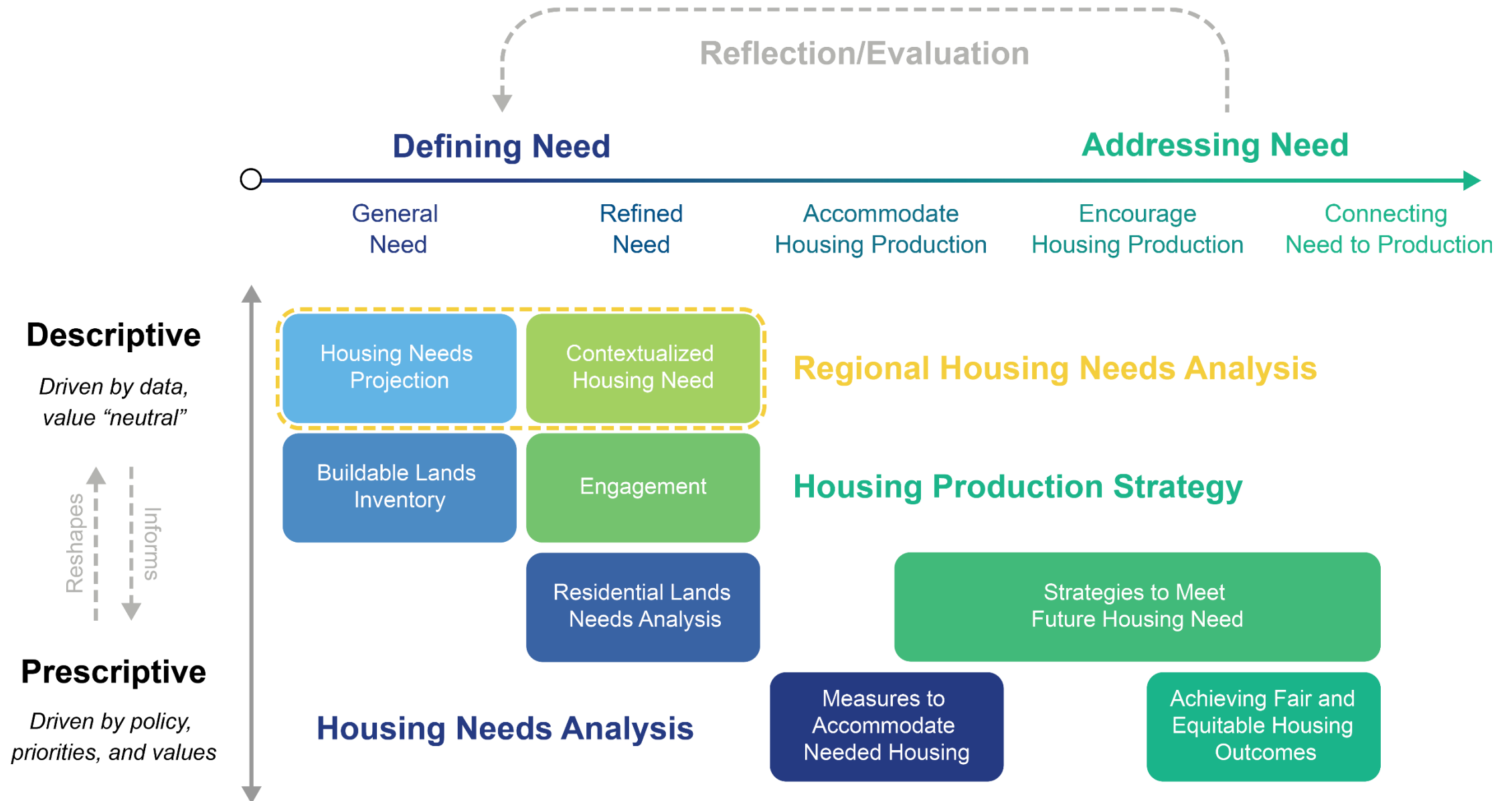
# Housing Needs Analysis and Housing Production Strategy Timeline for Cities



\*Cities within Metro are required to update HNAs every six years, cities outside Metro must update every eight years.

Must complete within one year of HNA Adoption







# RHNA in housing planning system

- RHNA should support a comprehensive view of housing planning system
- RHNA is useful for Housing Needs Projection but missing key elements like BLI to get to housing type

# Clarifying questions

- Will there be unit types in the allocations?
- If the data is shared w/local jurisdictions, what real value does a "regional" HNA have rather than investing in a local HNA?
- Could this method be adapted for local use?

# What does RHNA offer

- Unified, transparent methodology
- Break from patterns of planning for existing residents
- Equitable distribution of affordable housing
- Data on disproportionate distribution of need
- Populations experiencing homelessness
- Jobs-housing balance
- Equitable distribute all needed housing across geographies and income brackets

# Broader Equity Issues in Housing Planning System

Imagining the RHNA and the system as a whole

*O, let America be America again—  
The land that never has been yet—  
And yet must be—the land where every man is free.*

...

*Out of the rack and ruin of our gangster death,  
The rape and rot of graft, and stealth, and lies,  
We, the people, must redeem  
The land, the mines, the plants, the rivers.  
The mountains and the endless plain—  
All, all the stretch of these great green states—  
And make America again!  
- Langston Hughes*



# Where OHCS started

- Original legislation: intent to increase equity by addressing issues of affordability across geographic locations
- + examination of how unmet housing need differs across varying demographics\*

## Housing Need

- Rent (and severe) burden
- Housing type
- Tenure
- Homelessness\*\*
- Household income distribution

## Demographics

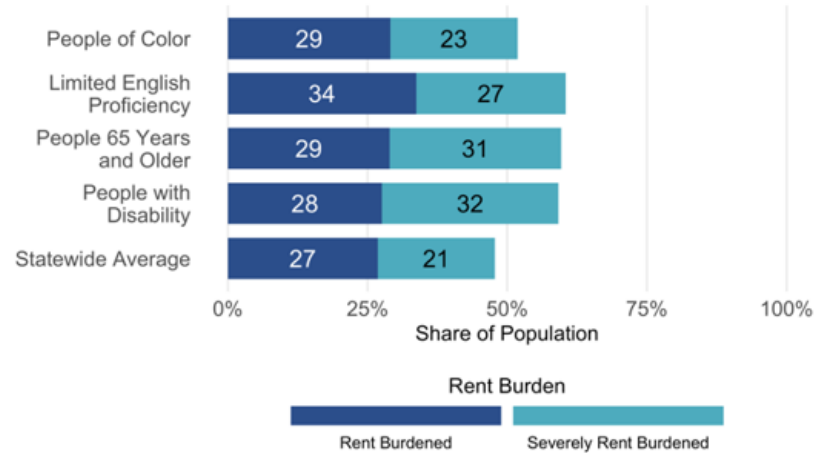
- Race/ethnicity
- Limited English proficiency (LEP)
- Seniors 65+
- People with a disability
- Household type
- Family size

# Examples of analysis (full report in progress)

Summary  
comparison  
across  
demographic  
categories

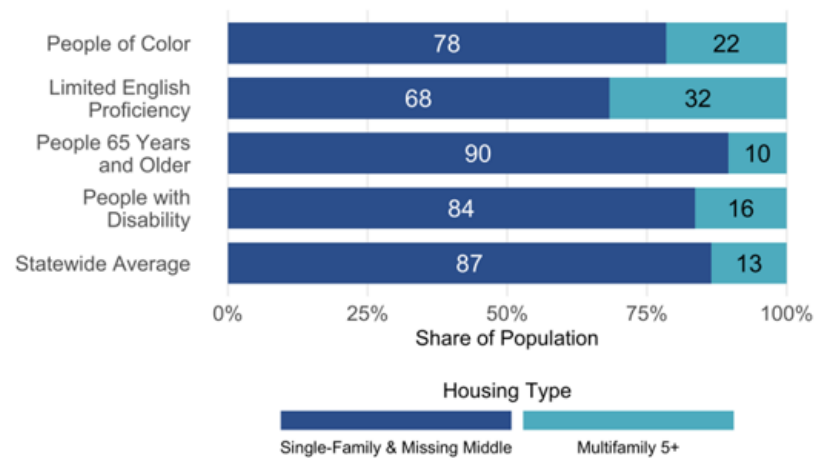
Report will have  
this at statewide  
level, and for  
each region:

Exhibit 1. Rent Burdened and Severely Rent Burdened, 2018



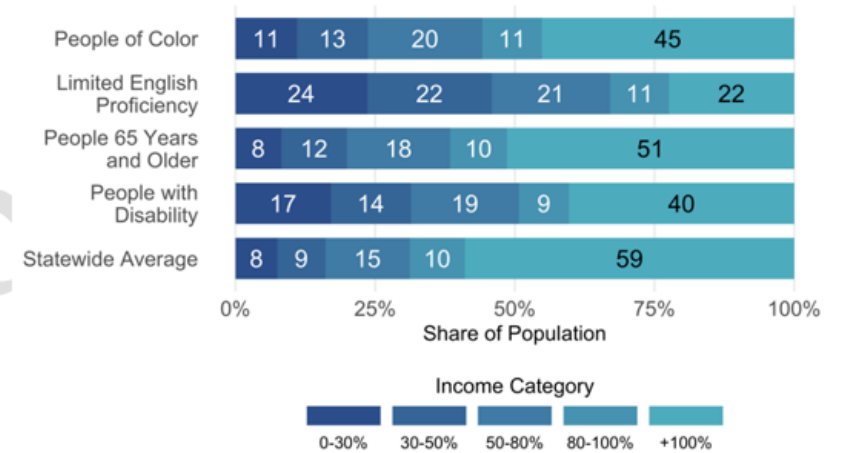
Source: U.S. Census PUMS, 2018

Exhibit 3. Housing Type, 2018



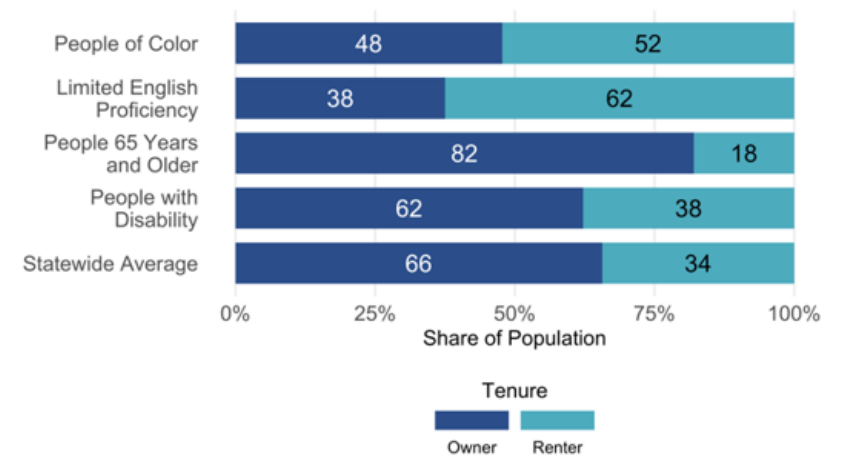
Source: U.S. Census PUMS, 2018

Exhibit 2. Household Income Distribution, 2018



Source: U.S. Census PUMS, 2018

Exhibit 4. Tenure, 2018



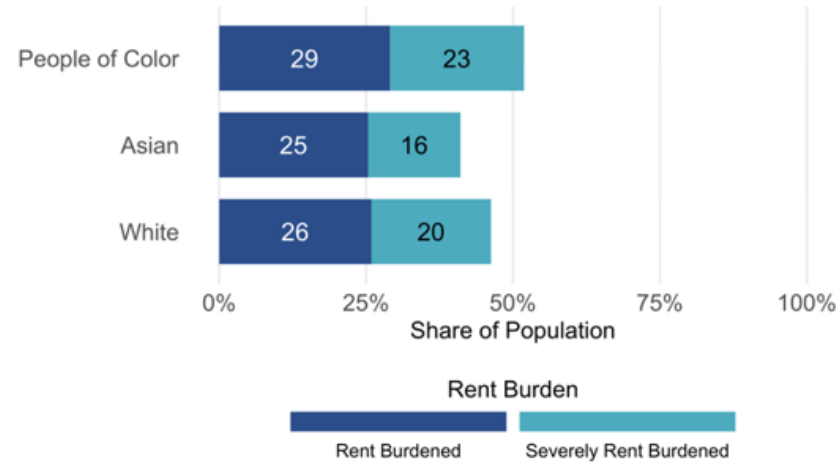
Source: U.S. Census PUMS, 2018

# Further examples (full report in progress)

Comparison within each demographic category: e.g. people of color (pictured here), LEP, seniors, family type etc.

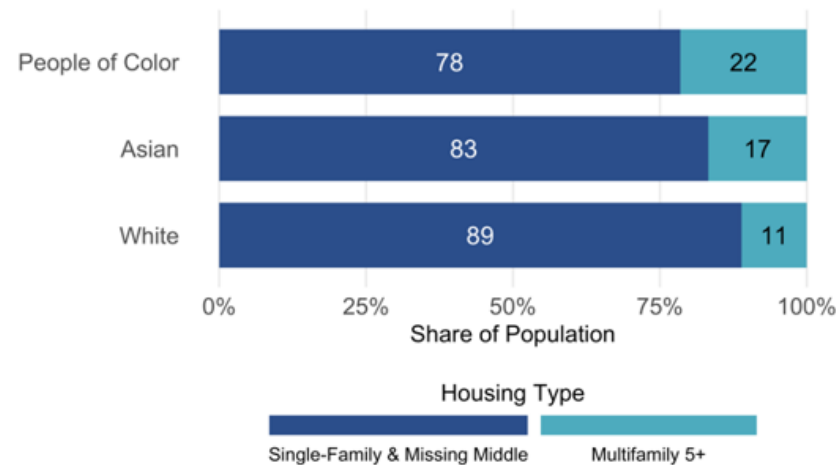
At statewide level, and for each region

Exhibit 33. Rent Burdened and Severely Rent Burdened, 2018



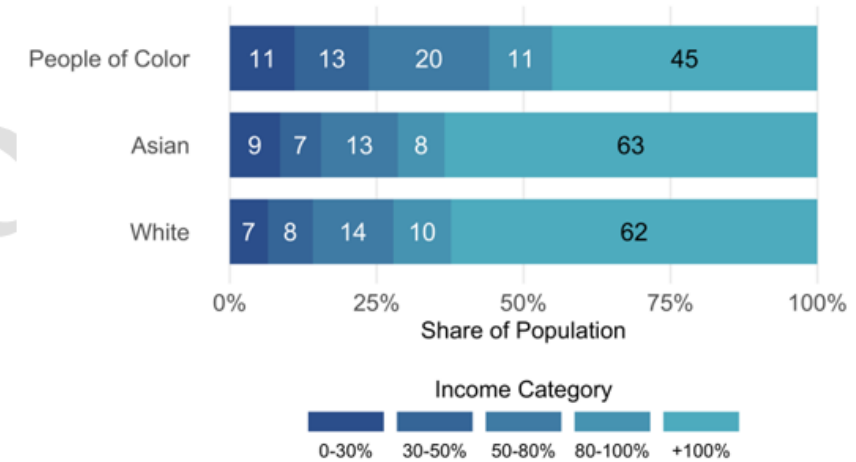
Source: U.S. Census PUMS, 2018

Exhibit 35. Housing Type, 2018



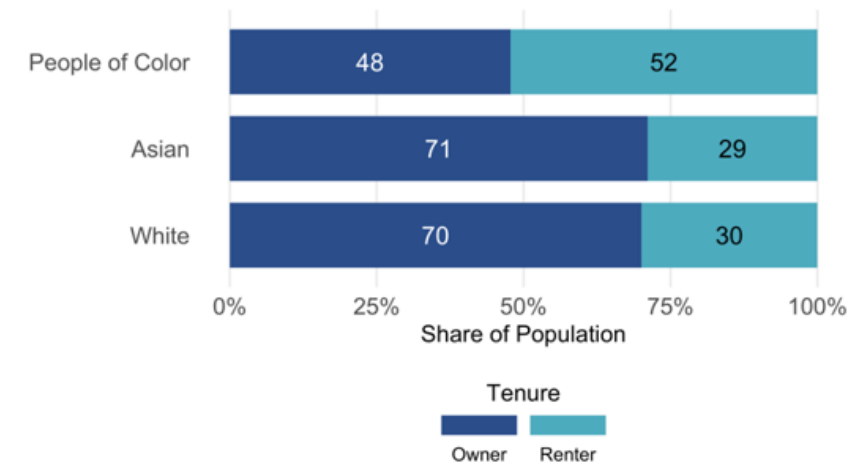
Source: U.S. Census PUMS, 2018

Exhibit 34. Household Income Distribution, 2018



Source: U.S. Census PUMS, 2018

Exhibit 36. Tenure, 2018



Source: U.S. Census PUMS, 2018

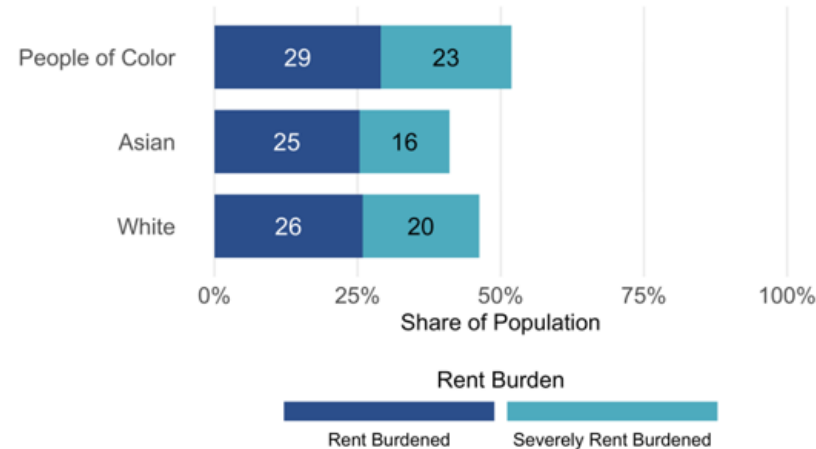
# Further examples (full report in progress)

Report for each race/ethnicity at the statewide level

Will also have this broken down across “Asian” subgroups at statewide level

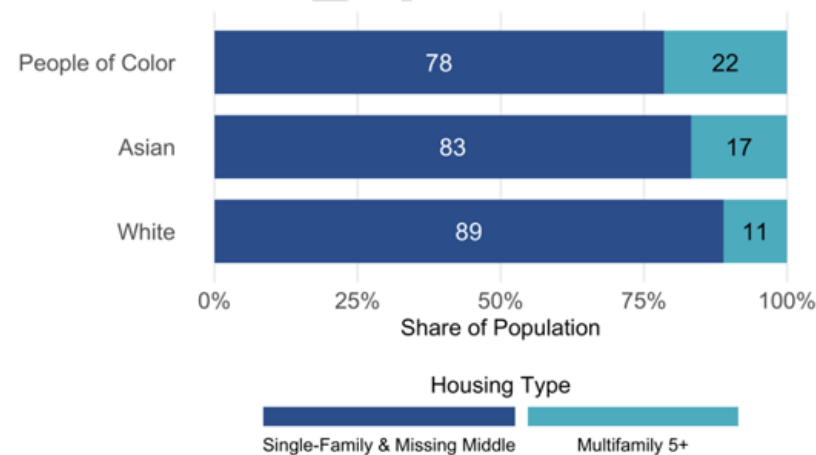
And for each race/ethnicity that is available at the regional level

Exhibit 33. Rent Burdened and Severely Rent Burdened, 2018



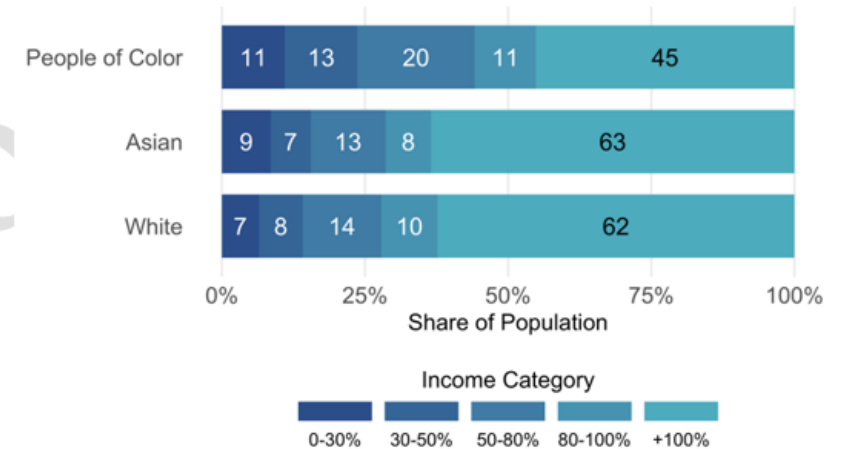
Source: U.S. Census PUMS, 2018

Exhibit 35. Housing Type, 2018



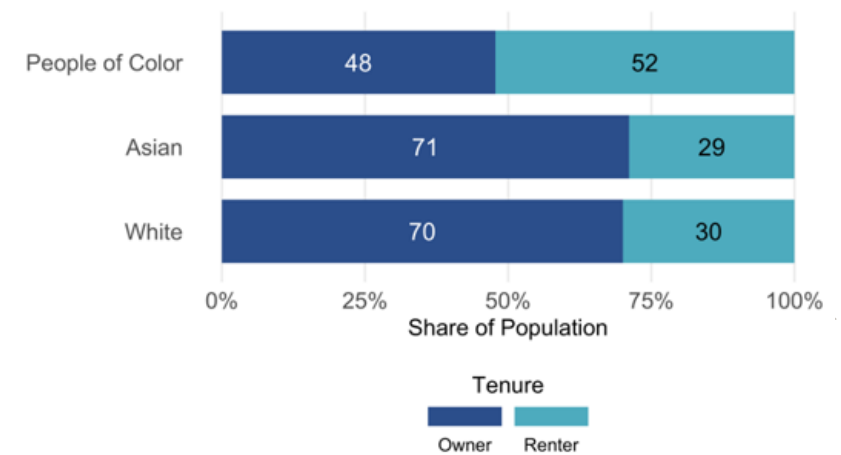
Source: U.S. Census PUMS, 2018

Exhibit 34. Household Income Distribution, 2018



Source: U.S. Census PUMS, 2018

Exhibit 36. Tenure, 2018



Source: U.S. Census PUMS, 2018



# Incorporating equity into RHNA

- Incorporating estimate of housing need for populations experiencing homelessness
- Household size adjustment
- Focus on getting the question of equitable distribution of all affordable housing within a region right
  - Not projecting past local trends in income distribution
  - Accounting for historic underproduction, and underproduction by income bracket

# Recommendations

- Including recommendations for better data to be able to account for:
  - Tribal housing needs
  - Accessible housing for people with disabilities
  - People experiencing homelessness (Improved PIT count, improved data management across all state providers)
  - Improvement of equitable distribution of affordable housing
- Agricultural workforce housing task force currently underway at OHCS to research needs

# Additional concerns we've heard

- Specialized housing needs for older populations
- Quality of housing
- Preservation of existing affordable housing
- Student populations
- People of color

# Equity in larger planning system

- If RHNA is only piece of system to incorporate equity, and RHNA does not end up being continued in future, that's the end of the inclusion of equity into housing planning
- DLCDD: equity in the larger housing planning system
- RHNA methodology's support of equity makes technical details important to equity outcomes

# Clarifying questions

- What are you doing to get accurate racial and ethnic data?
- How will fair housing and equity be reflected in the RHNA?

# Priority Feedback We Heard from Stakeholders

- Use revised regions
- Limit growth outside of UGBs
- Revise income distribution to reflect household size
- Revise estimates of homelessness
- Revise the allocation process
  - Focus housing for underproduction and people experiencing homelessness within UGBs
  - Allow for flexibility in the allocation methods
  - Allow for different allocations by region
  - Consider wages in the allocation methodology
- Focus on equity issues

# Version 2 Methodology Changes

Regions Updates

Household size income adjustments

Limit growth outside UGBs

Homeless Units

- Income target using EHA / SHAP data

Local allocation methodology

- Different allocation matrix for each component of the RHNA (Underproduction, Homelessness, Future Need)
- Income distribution varies for each component of the RHNA

Time period

- Only produce 20 year, but indicate the need to prioritize units in order to align with less than 20 year

Unit types

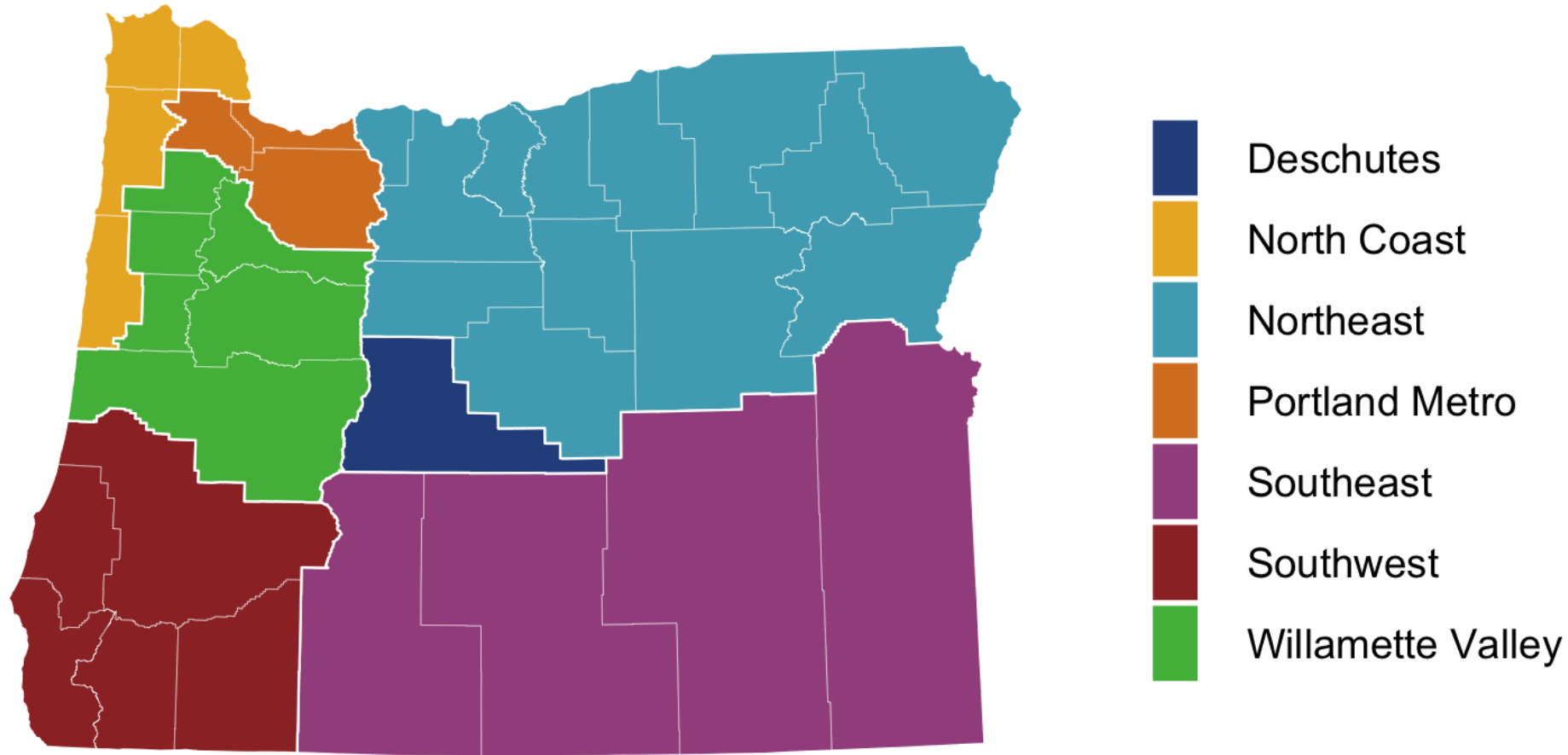
- Include unit type distribution
- Do not report unit type by income target

# Revisions to the RHNA Methodology



# Regions

# Regions for Version 2



We considered the linkages between the Salem area and the Portland Metro Region.

We choose not to make regional adjustments for that because the policy context in the Portland Metro Region is unique within Oregon.

# Growth outside UGBs

- Underproduction and units for people experiencing homelessness allocated only inside UGBs
- Only future need would be allocated outside of UGBs, based only on population forecast from PSU

# Limiting allocation outside of UGBs to future population growth

	Units outside UGB			
Region	Version 1	Version 2	Difference from V1	% of Region RHNA
Deschutes	10,119	7,261	(2,858)	13%
Metro	7,345	2,038	(5,307)	1%
Northeast	4,190	3,990	(200)	25%
Northern Coast	2,968	1,428	(1,540)	9%
Southeast	105	175	70	21%
Southwest	7,660	1,975	(5,685)	4%
Willamette Valley	12,460	2,519	(9,941)	2%
State Total	44,847	19,386	(25,461)	3%

# Household size income adjustment factor

# Income Distribution to Reflect Household Size and Unit type

- Household incomes adjusted per HUD guidance based on household size and unit type
- Adjusting household income aligns with OHCS unit affordability policy
- Adjustment factors for household size and unit type
  - 1 person = 70% AMI
  - 2 person = 80% AMI
  - 3 person = 90% AMI
  - 4 person = 100% AMI
  - 5 person = 108% AMI

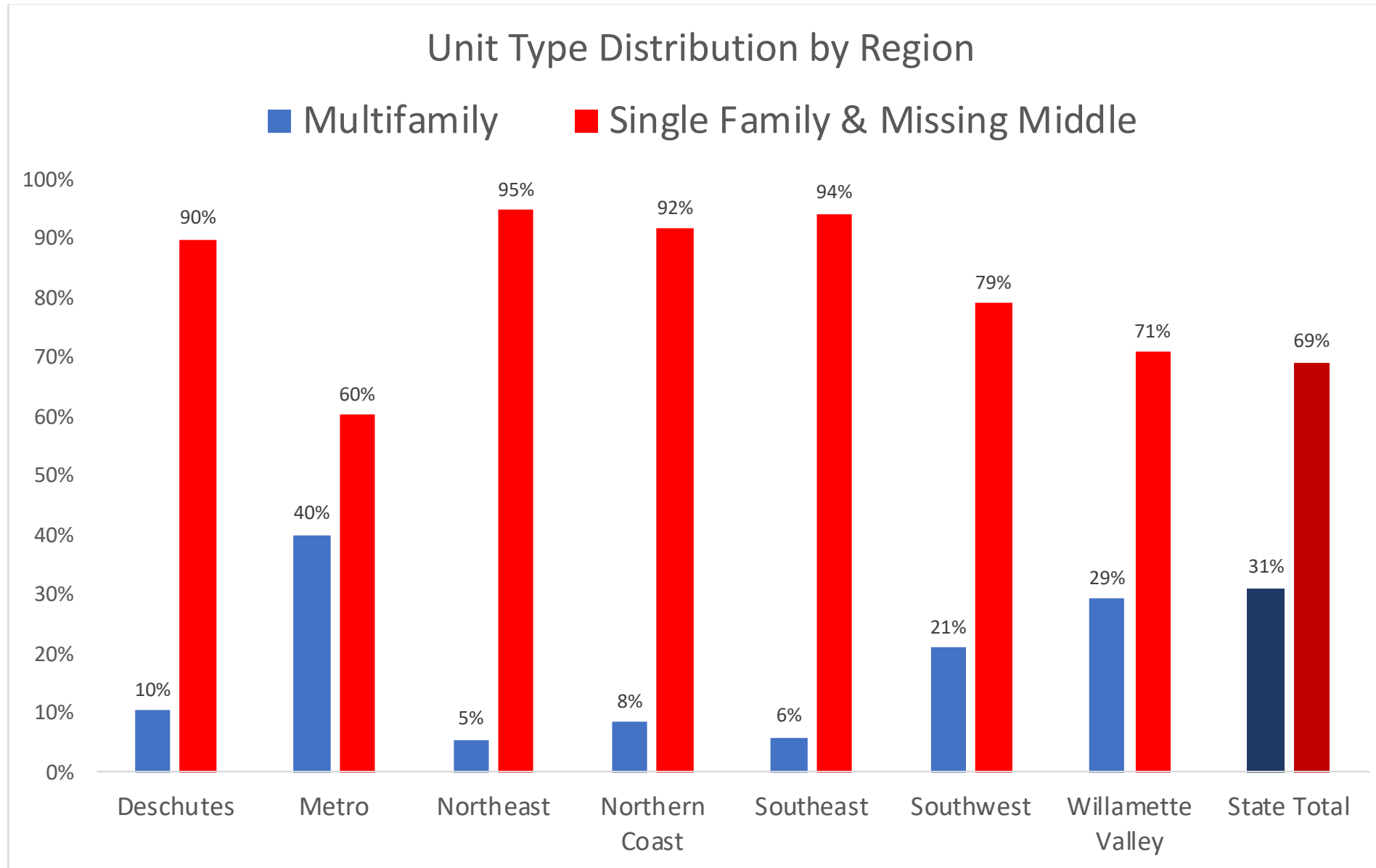
Studio = 70% AMI
One Bedroom = 75% of AMI
Two Bedroom = 90% of AMI
Three Bedroom = 104% of AMI

*Unit adjustment factors only apply to apartments*

# Unit type



# Unit type by Region



Calculated regionally by distribution of housing units built since 2010 using PUMS data

Applied to all components of RHNA and all income bins

# Revised Estimates of People Experiencing Homelessness

# People experiencing homelessness not observed in PIT or Census Data

	McKinney Vento Number of Children*	Average Child Per Household	Additional Homeless Households
North Coast	1,348	1.6	832
Portland Metro	6,184	1.7	3,638
Willamette Valley	5,176	1.7	3,099
Southwest	3,675	1.7	2,124
Deschutes	372	1.6	230
Northeast	825	1.9	439
Southeast	668	2.0	332
<b>Total</b>	<b>18,248</b>		<b>10,694</b>

McKinney Vento data counts the number of children in various categories of homelessness. Sheltered and Unsheltered are already in the PIT count, therefore only students doubled up and living in motel/hotels are included.

\*This is the number of students who are “doubled up” or live in “motel/hotel”

McKinney Vento overcrowding household count will be added to the estimate of homelessness in all regions as they are different populations.

# RHNA Unit Totals: Underproduction + Homelessness+ Future Need

# V2 RHNA Unit Totals by Region

Region	Underproduction	PIT Homeless HHs	MV HH Overcrowding	Future Need	Total Units
Deschutes	4,837	965	230	49,856	55,887
Metro	59,488	7,053	3,630	238,660	293,953
Northeast	-	461	438	16,731	16,211
Northern Coast	295	1,478	831	14,731	15,982
Southeast	-	206	332	965	827
Southwest	10,287	2,459	2,119	34,896	47,670
Willamette Valley	35,913	5,882	3,091	101,704	144,938

# V2 RHNA total as a share of the current regional stock of housing

Region	Current Stock of Housing	New RHNA Unit Total	RHNA Share of Current Stock
Deschutes	91,040	55,887	61%
Metro	775,565	308,831	40%
Northeast	110,906	17,630	16%
Northern Coast	94,907	17,335	18%
Southeast	54,219	1,503	3%
Southwest	230,053	49,761	22%
Willamette Valley	452,053	146,589	32%

# Changes to the Allocation Methodology

## Future need

- Based on the current distribution of household income  
*(adjusted by number of people in the HH)*

## Underproduction

- Calculates where there is a difference in the number of households compared to the number of units affordable at each income level
- Uses cost burdening as a proxy to identify current gap by income



# Unit Income Targets by Component - Underproduction vs. Future Need

region	Income Target	Future Need	Underproduction
Deschutes	0-30%	10%	22%
Deschutes	30-50%	10%	21%
Deschutes	50-80%	14%	22%
Deschutes	80-120%	20%	25%
Deschutes	120%+	46%	9%
Metro	0-30%	10%	24%
Metro	30-50%	10%	24%
Metro	50-80%	15%	29%
Metro	80-120%	18%	16%
Metro	120%+	47%	7%
Northeast	0-30%	8%	24%
Northeast	30-50%	10%	25%
Northeast	50-80%	15%	23%
Northeast	80-120%	19%	17%
Northeast	120%+	48%	11%

# Version 2 Example: Methodology Changes



# Local Unit Allocation - V1 vs. V2

Version 1 = 50% current jobs, 25% current population, 25% population growth

Version 2= Underproduction and Homelessness (50% current jobs, 50% current population)  
Future Need (50% current jobs, 50% population growth)

UGB	Version 1	Version 2	Change %
Beaverton	13,150	14,324	9%
Bend UGB	33,670	35,917	7%
Eugene UGB	24,043	27,123	13%
Gresham	11,377	12,434	9%
Hillsboro	17,940	19,462	8%
Hood River UGB	1,186	1,377	16%
Portland	123,433	133,661	8%
Roseburg UGB	3,806	4,824	27%
Salem/Keizer UGB	37,940	42,136	11%
Tigard	10,633	11,518	8%
West Linn	2,005	2,205	10%

# Version 2 Local Allocation by Income (and unit type)

Region's MFI Bins	Total RHNA	Total Units
120% +	38%	15,872
80 - 120%	19%	7,892
50 - 80%	16%	6,788
30- 50%	11%	4,519
0 – 30%	17%	7,064

## Willamette Valley Region **Salem/Keizer**

*42,136 total units*

70% Single Fam. & MM  
30% Multifamily

Region's MFI Bins	Total RHNA	Total Units
120% +	43%	6,547
80 - 120%	16%	2,340
50 - 80%	16%	2,370
30- 50%	10%	1,443
0 – 30%	16%	2,365

## Southwest Region **Medford**

*15,065 total units*

80% Single Fam. & MM  
20% Multifamily

Region's MFI Bins	Total RHNA	Total Units
120% +	46%	60,990
80 - 120%	17%	23,015
50 - 80%	15%	19,814
30- 50%	10%	12,841
0 – 30%	13%	17,001

## Metro Region **Portland**

*133,661 total units*

60% Single Fam. & MM  
40% Multifamily

Region's MFI Bins	Total RHNA	Total Units
120% +	45%	613
80 - 120%	18%	247
50 - 80%	14%	191
30- 50%	10%	140
0 – 30%	14%	187

## Northeast **Hood River**

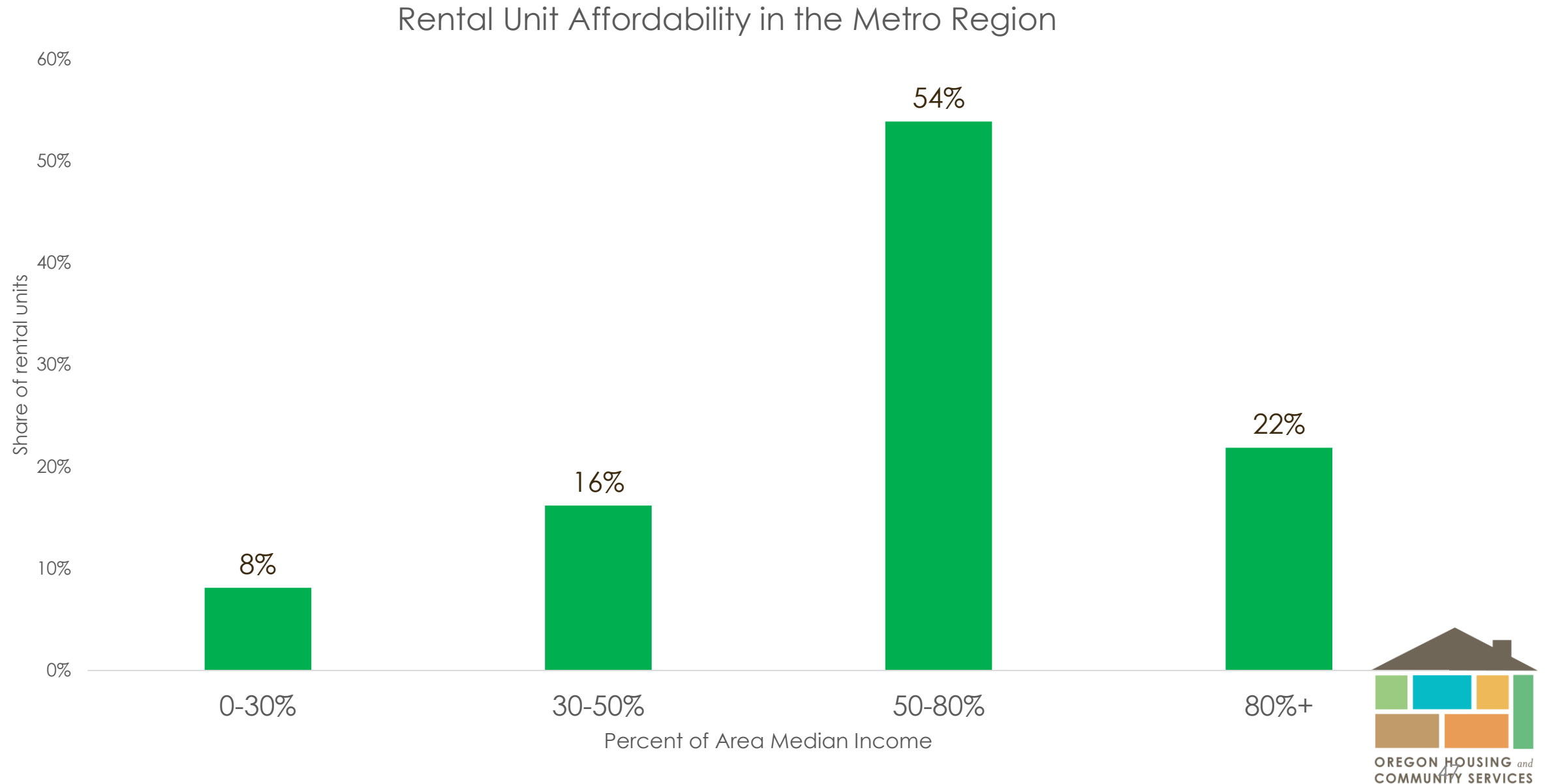
*1,377 total units*

95% Single Fam. & MM  
5% Multifamily

# Equitable Distribution of Publicly Supported Housing

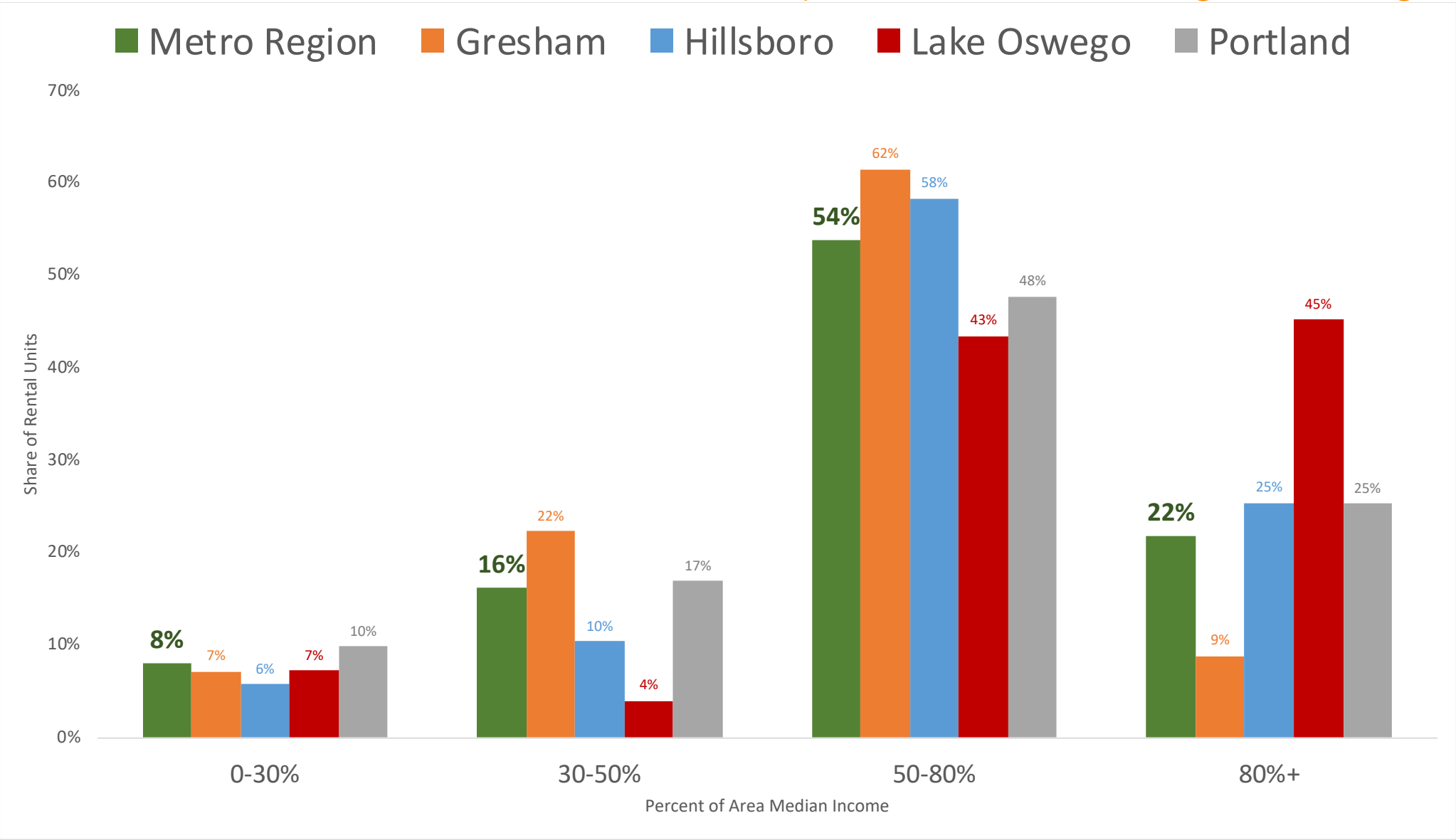


# Distribution of Rental Units by Income in the Metro Region



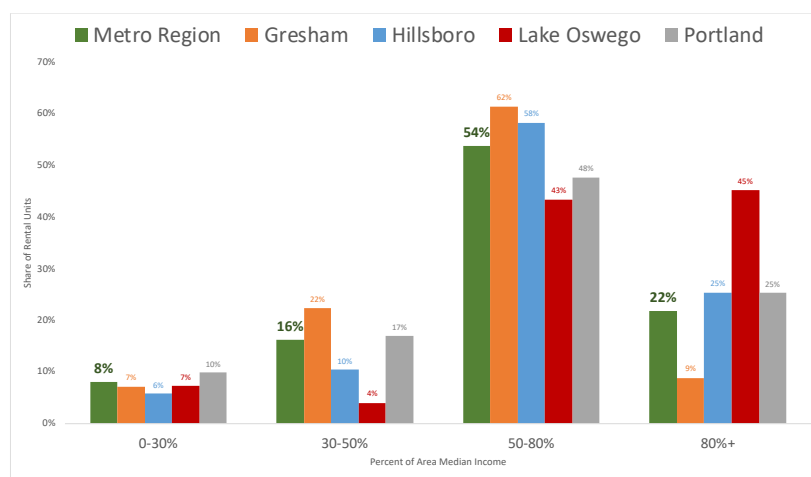
# Distribution of Rental Units by Income in the Metro Region

Distribution of rental unit affordability relative to Metro Region average



# Equitable Distribution of Housing by Income

The distribution of all housing impacts  
the equitable distribution of publicly supported  
housing



Current distribution  
within a region

Most equitable  
distribution



# Approaches to allocation of units to local jurisdictions

## *Allocation Approach A*

- Uniform approach in all regions and for each city in a region
  - Units are allocated based on weighting factors (population, jobs, etc.)

## *Allocation Approach B*

- Uniform approach in all regions and for each city in a region
  - Units are allocated based on weighting factors (population, jobs, etc.)

## *Allocation Approach C*

- Different local allocation within a region
  - The income distribution could vary for each city within the region
  - The unit type distribution could vary for each city within a region
  - *Unit affordability and type would sum to the regional control total*

# Allocating Units: Equitable Distribution of Housing by Income

## Allocation Approach A (version 1)

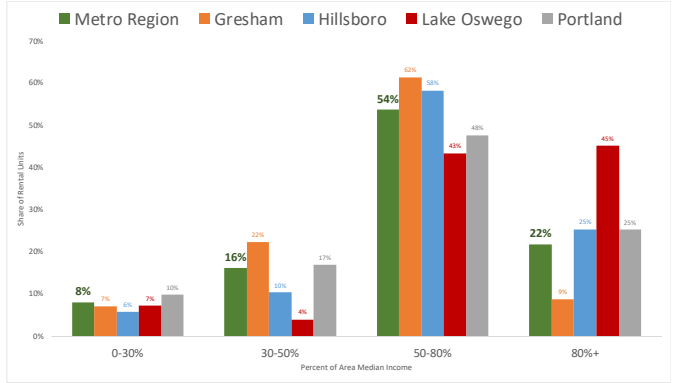
All Cities  
in a  
region

Region's MFI Bins	Total RHNA
120% +	40%
80 - 120%	19%
50 - 80%	17%
30- 50%	12%
0 - 30%	14%

## Allocation Approach B (version 2)

All Cities  
in a  
region

Region's MFI Bins	Underp. units
120% +	7%
80 - 120%	17%
50 - 80%	29%
30- 50%	24%
0 - 30%	24%



Current distribution  
within a region

Equal distribution of  
units within the region  
according to regional  
incomes

+ Equal distribution of  
underproduction units  
within the region  
according to cost  
burden

Most equitable  
distribution

# Allocating Underproduction: Equitable Distribution of Housing by Income

## Allocation Approach B

All Cities  
in a  
region

Region's MFI Bins	Total RHNA
120% +	7%
80 - 120%	17%
50 - 80%	29%
30- 50%	24%
0 - 30%	24%

## Allocation Approach C

City X:

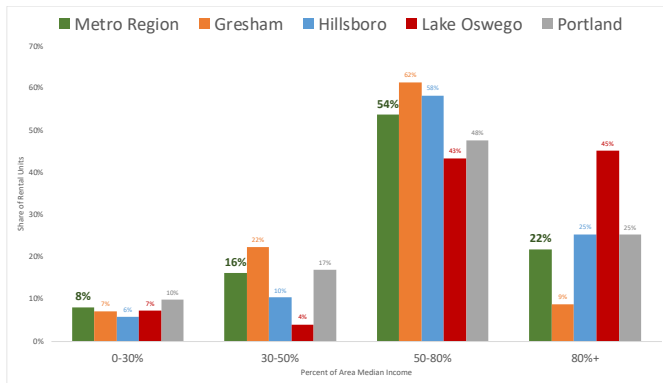
Less  
affordable  
than *region*  
average

Region's MFI Bins	Total RHNA
120% +	0%
80 - 120%	0%
50 - 80%	20%
30- 50%	40%
0 - 30%	40%

City Y:

More  
affordable  
than *region*  
average

Region's MFI Bins	Total RHNA
120% +	25%
80 - 120%	25%
50 - 80%	20%
30- 50%	15%
0 - 30%	15%



Current distribution  
within a region

Equal distribution of  
future need and  
underproduction units  
within the *region*

Changing  
distribution based on  
*local* variable input

Most equitable  
distribution

- Poll in Zoom on allocations

# Further questions

- How does the RHNA address the need for variation in approach by regions?
- Other questions...?

# Next steps

- Re-running RHNA for all regions and cities (early July)
- Writing up report of methodology and results (June – Aug)
- Reviewing report with stakeholders & joint engagement w/DLCD (Sept – Oct)
  - Conversations on the key messages for the legislature
- Survey of local jurisdictions (Sept – Oct)
- OHCS Summary of Findings and Recommendations (Sept – Dec)
- OHCS submits report to legislature with results (March 2021)
- DLCDC submits report to legislature with recommendations (March 2021)