

OHCS HB 2003 work on Regional Housing Needs and Shortage Analysis

In late January 2020, OHCS convened stakeholders for a pair of meetings to review the technical work being done at OHCS following the requirements of the agency in HB 2003. The purpose of the meetings was to review the project requirements and seek feedback on the scope of work. Given the size and technical complexity of the project, as well as the mandate by the legislation to develop a methodology and turn in statewide results by September 1, 2020, OHCS is limited in its capacity to incorporate stakeholder feedback into modifications of its current work plan. However, the bill's construction of this analysis as a sort of pilot project and its associated request for both analytic output and a set of recommendations from OHCS and DLCDC has allowed us to construct the project work plan to incorporate stakeholder input into our evaluation and resulting recommendations.

The following is a summary of stakeholder comments from the January Portland and Salem stakeholder engagement meetings addressing HB 2003 and the development of a regional housing needs analysis (RHNA) and shortage analysis methodology.

It should be noted that DLCDC is leading the work of HB 2003 on Housing Production Strategies, the Housing Needs Analysis Schedule, Affordable Housing on Public Lands and next to Places of Worship, and Technical Assistance to Local Governments. DLCDC was in attendance at both meetings and close coordination between DLCDC and OHCS is an essential part of our work plans on this project. Much of the feedback received by stakeholders was more relevant to the work DLCDC is leading on Housing Production Strategies, but is still incorporated in the summary of comments below.

The Portland meeting held on January 27, 2020 included 22 participants who signed in, a few more who didn't sign in, but attended in person, and at least 3 call-in participants. The Salem meeting held on January 28, 2020 included 18 participants who signed in and at least 3 call-in participants. Additional OHCS and ECO Northwest staff engaged in each meeting, and Tim Hicks was the facilitator.

Generally, throughout the meetings and at the end of each, participants expressed appreciation for:

- the transparency of OHCS's process;
- the challenge of carrying out the mandate;
- the approach the team is taking to the project;
- the use of multiple data sets;
- the intention to include in the report to the legislature an alert to the challenges and requirements to produce a robust and effective methodology.

Participants also expressed recognition of and concern about the short timeline within which OHCS is to produce the methodological recommendation report to the legislature.

Participants asked about and expressed a desire for reports/updates and additional opportunities for engagement and feedback during the process of developing the report, in addition to the planned Fall 2020 meetings.

The following lists key points made during the meetings and important themes. No attempt was made at the meetings to gauge level of agreement, support, or consensus among the participants for any of the expressed concerns, ideas, or questions. That said, there were no significant disagreements expressed and much affirmative head nodding in response to most of what follows here.

Responses from the OHCS team ranged from yes, agree, don't know, will look into, thanks for that, to detailed explanations. The following is intended to capture the main points and themes from the participants but not the responses from staff.

Some participants emphasized the importance of having an aspirational or goal expression (what we want the future to look like) as policy direction and guidance upon which to base the methodological approach, while keeping in mind the balance between the aspirational and the achievable. Some expressed that policy direction should forcefully include the equity aspect.

Additionally, one participant expressed the importance of including renter, rural, low income, BIPOC communities, and other under-represented communities in the stakeholder engagement group.

Regarding the subject of data upon which a methodology will be based:

- There is a need for new data sets.
- Use existing data that have been gathered for other purposes, for eg: already completed housing needs analyses; childhood homelessness data from Department of Education; private real estate data; Public Housing Authorities data; etc. Multiple sources can help to triangulate and provide basis for better decision-making.
- Important to include additional factors that have not been part of existing housing needs analyses in order to not find ourselves in the same position we're now in.
- The challenge and importance of getting accurate data on particular populations, eg for seniors, people with disabilities, homeless population.
- How to take into account second homes and rental homes?
- Capture employment, migration, and demographic trends data.
- Greenhouse gas emissions and sustainable use of land need to be considered.
- Important to collect data on results and outcomes in order to be ultimately successful.
- Let the data define a region, but operate with flexibility in terms of allocation.
- Look for opportunities to use qualitative data when available and useful.

Regarding region definition and jurisdiction issues:

- What is the best way to divide Oregon regionally for analysis purposes and how to take into account the variations among and within regions?
- The challenge of taking into account
 - cross-boundary housing markets
 - within boundary dissimilarities
 - cross-jurisdictional migration and inter-regional commuting for jobs and housing
 - regional and community differences
 - eg Hood River/Bend
 - large city/small city
 - Margin of error risk with smaller cities
 - creating a methodology that will apply well to jurisdictional variation
- How to define housing markets
- Make sure that legislature is given and understands the reasons for the regions presented.

Regarding allocations:

- What factors will be considered in determining allocations - housing type, bedroom size, income distribution, cost or rent burden, commuting, demographics, economics, local services, overcrowding, homelessness, cultural community dynamics, ownership structure, long-term affordability, land availability, infrastructure limitations, influence of zoning laws, the need for temporary or transitional housing?
- Important to avoid the problem of basing allocation on past trends and current housing stock when those do not take into account current and future needs, resulting in the perpetuation of historical problems and shortages.
- Give weights for transit/transportation, job location, high and low opportunity zones to insure equity and low-income access.
- Importance of taking into account historical shortages and past under-production.
- Important to define not only global housing needs, but finer detail—what *kinds* of housing and for whom, the type of units needed, who needs to be housed in those units, and the affordability of those units.
- What will cities be held accountable for under RHNA in relationship to their own local housing needs analysis?
- The challenge of predictions with a 20-year horizon.
- Need to allow local municipalities to implement in a way that works for them. Build a principle for flexibility when it comes to allocation strategy.

Regarding housing production:

- If communities/cities are to be responsible for housing production, there must be capacity-building funding.

- Having periodic (every two years?) updates on production levels and how they match or do not match allocation goals would be helpful.
- How do market forces and dynamics play into allocation and production expectations?
- Redevelopment needs to be addressed in some way.
- Will there be regulatory requirements for private developers as there are for non-profit developers?
- Certain cities may not have developer, labor, banks, etc. necessary to achieve sufficient housing production. Need to make sure all elements causing the housing crisis are considered.

Additionally, the following issues were captured as “parking lot” issues to be addressed:

- Incorporating the influence of WA state on housing
- Info/data about disabled populations
- Senior housing needs change about every 5 years after 75 years old
- Can the Oregon methodology account for "marketsheds"?
- Spend more time on allocation vs. regional boundaries
- Is any part of the analysis appealable?