

HB 2003: Expert Advisory Committee

April 21, 2020



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Introductions and Ground Rules

- Introductions
 - Please enable your video and unmute to say hello
- Ground Rules for Committee:
 - Mute when not speaking
 - Raise hand in Zoom to speak (Margaret is keeping track of order)
 - Chat only to host
- Ground Rules for Listeners:
 - You can use Q&A for us to flag topics for follow-up 4/24
 - You can upvote and comment on others' questions in the Q&A

Objective of the Presentation and Discussion

- Brief Committee on project approach and analysis to date
- Gather feedback on approach and initial findings
 - What works well for what we're trying to accomplish?
 - What doesn't seem like the best we could do within project scope?
 - ⇒ What do we keep and move forward with?
 - ⇒ What do we leave behind and try to improve upon?

Agenda: Project Approach and Analysis to Date

- Introduction
- Data sources and regions
- Methodological components
 - Decisions made
- First RHNA results
 - Acknowledgement of areas for improvement
- Discussion
 - What to take forward with us and what to leave behind

Introduction to HB2003

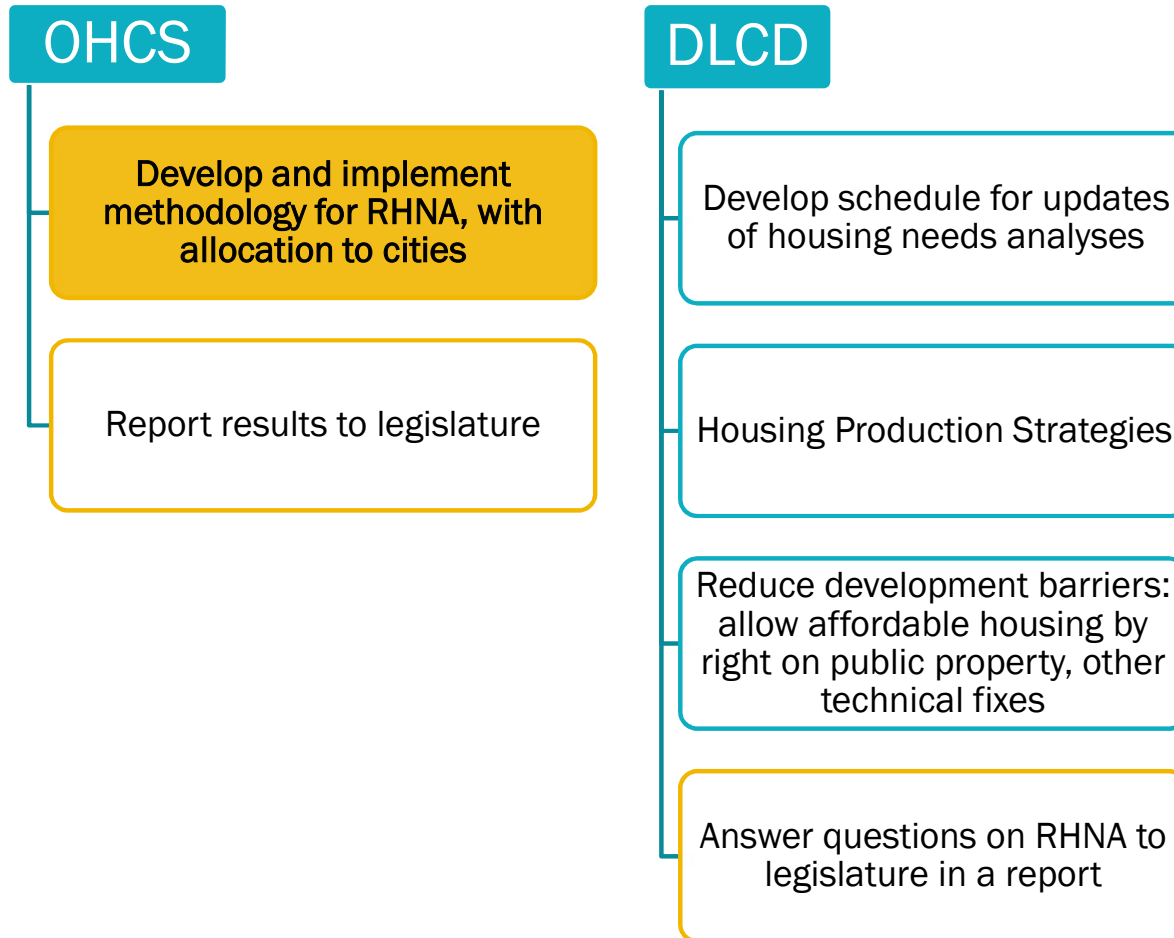
HB2003 Policy Purpose

“As a brief reminder, this bill is designed to improve our implementation of Goal 10, our statewide housing goal, so that we live up to its intent. Implementation of this goal requires that we “provide for the housing needs of citizens of the state,” and “...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.”

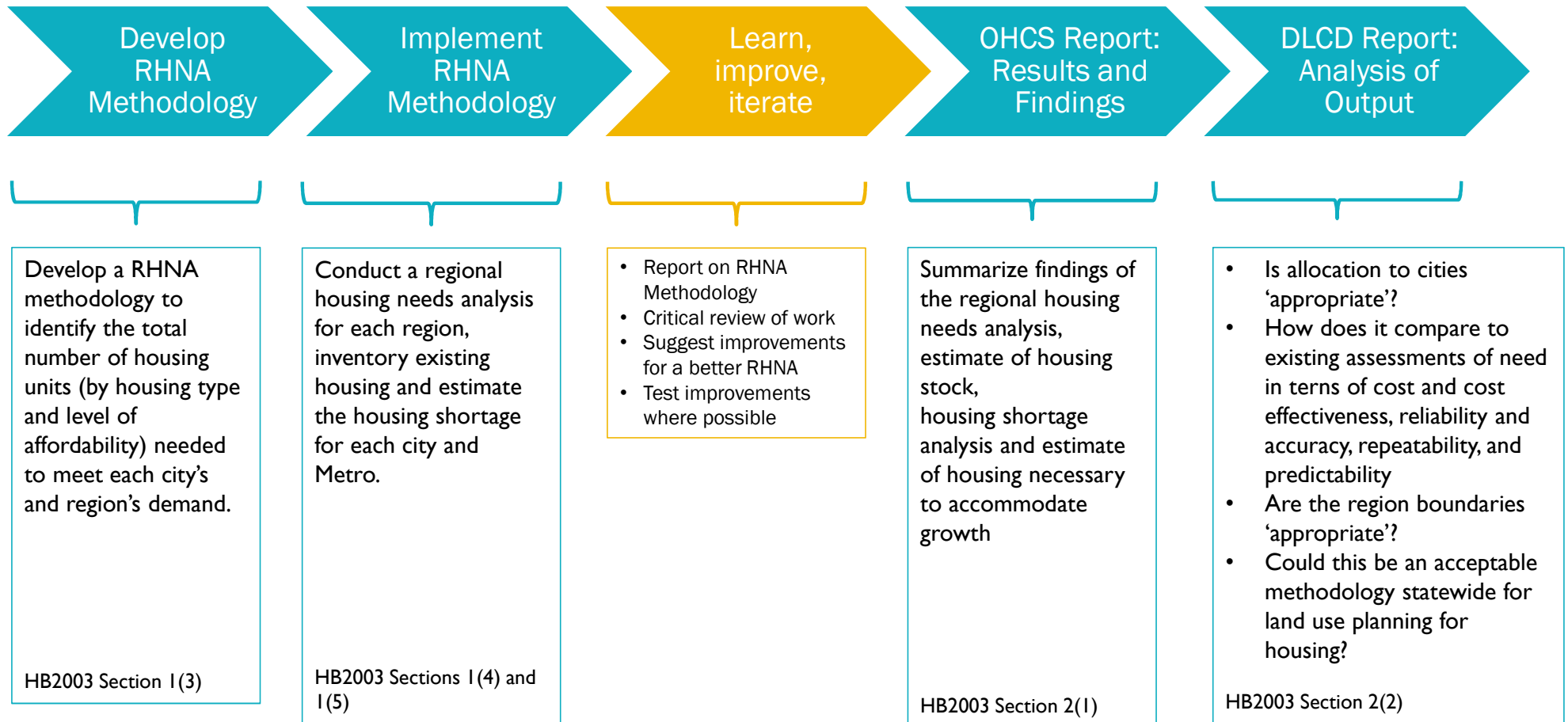
House Bill 2003 would help our state reach its housing supply needs as envisioned by our land use system, while providing local jurisdictions the resources they need to accommodate future growth.”

-Tina Kotek, Testimony in Support of House Bill 2003, April 2, 2019

Components of HB2003



RHNA Methodology Development Phase



Project Schedule

Tasks	2020												2021	
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Task 1: Project Kickoff and Project Management														
Task 2: Implement RHNA & Allocation Methodology														
Task 3: RHNA & Allocation Report						Draft Due		Final Due	DLCD takes over for report due on March 1					
Task 4: Develop Oregon Methodology														
Task 5: Oregon Methodology Report							Draft Due	Final Due	DLCD takes over for report due on March 1					
Task 6: Summary of Findings and Recommendations														Final Due
Task 7: Communication with Stakeholders	Meetings								Meetings to Review Results					

Unmet Housing Needs across Demographic Categories: A Few Examples

Approaches to Understanding Unmet Housing Need across Demographic Categories

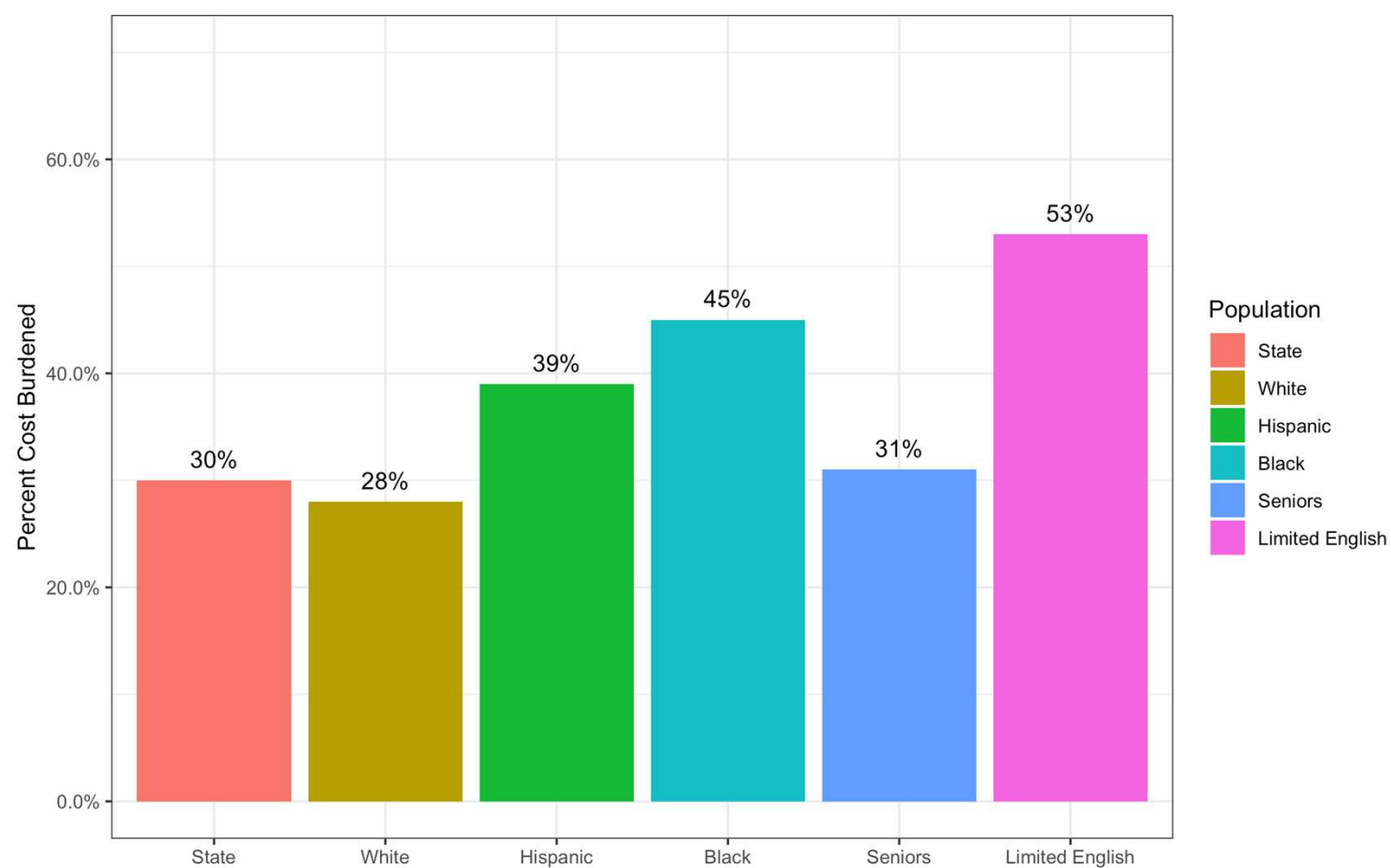
Demographic Groups

- Racial and ethnic groups
- Seniors, 65+ years
- Limited English proficiency
- Family size
- Household types
- People experiencing homelessness

Indicators of Unmet Need

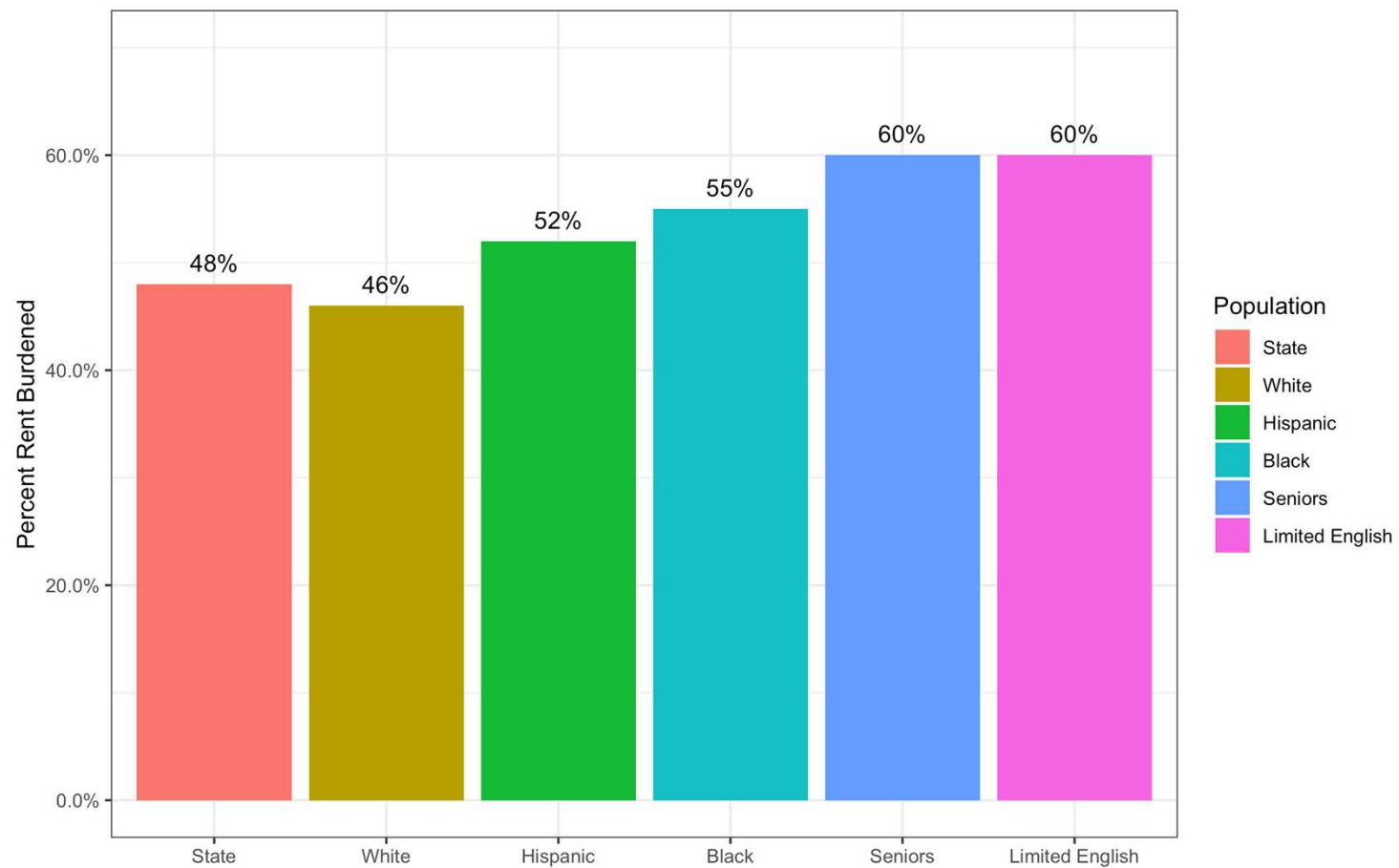
- Cost burden; severe cost burden
- Rent burden; severe rent burden
- Income levels
- Housing type
- Tenure

Statewide cost burdening by population group



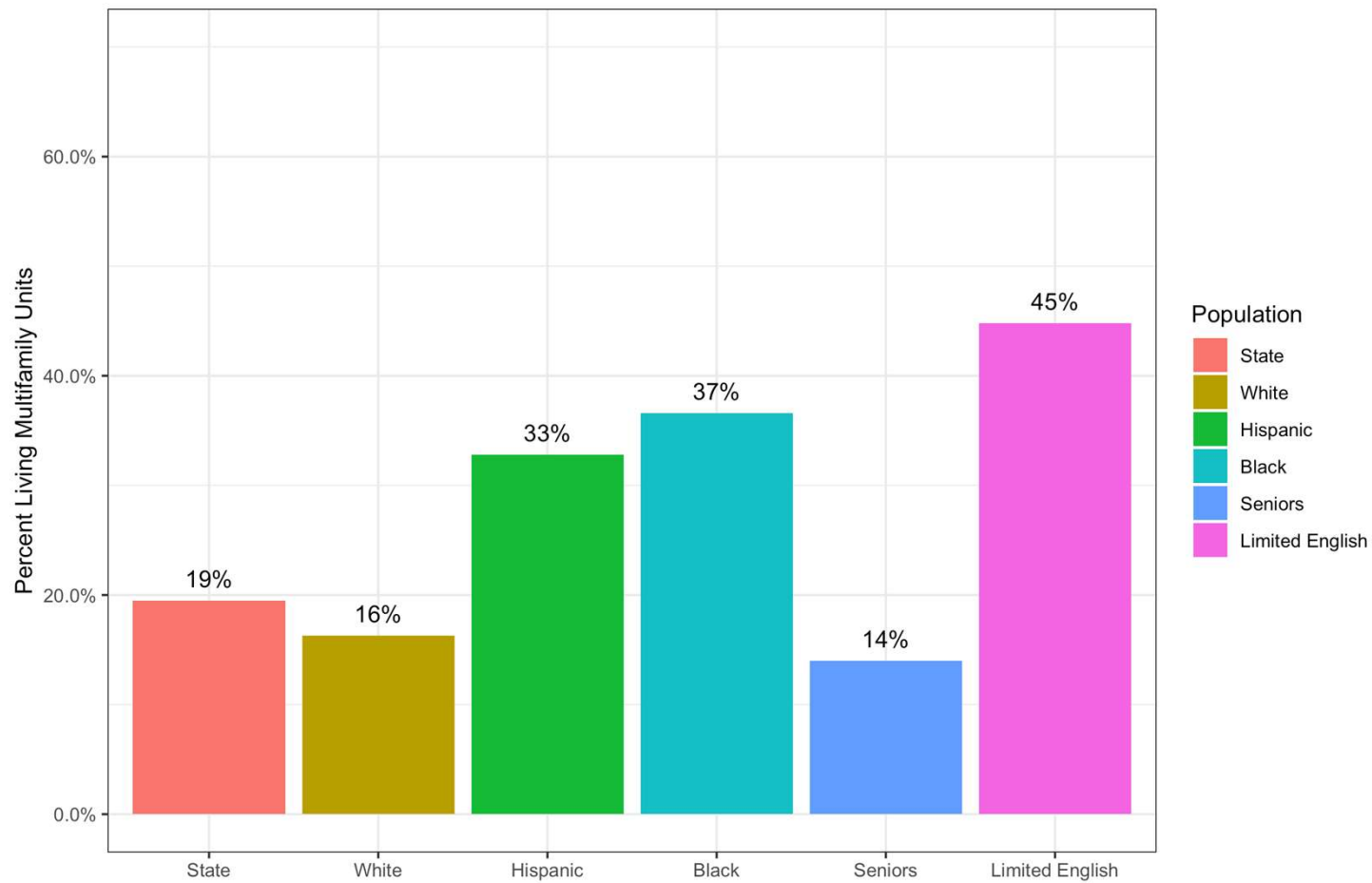
Source: PUMS 2018 (Person Data)

Statewide renter cost burdening by population group

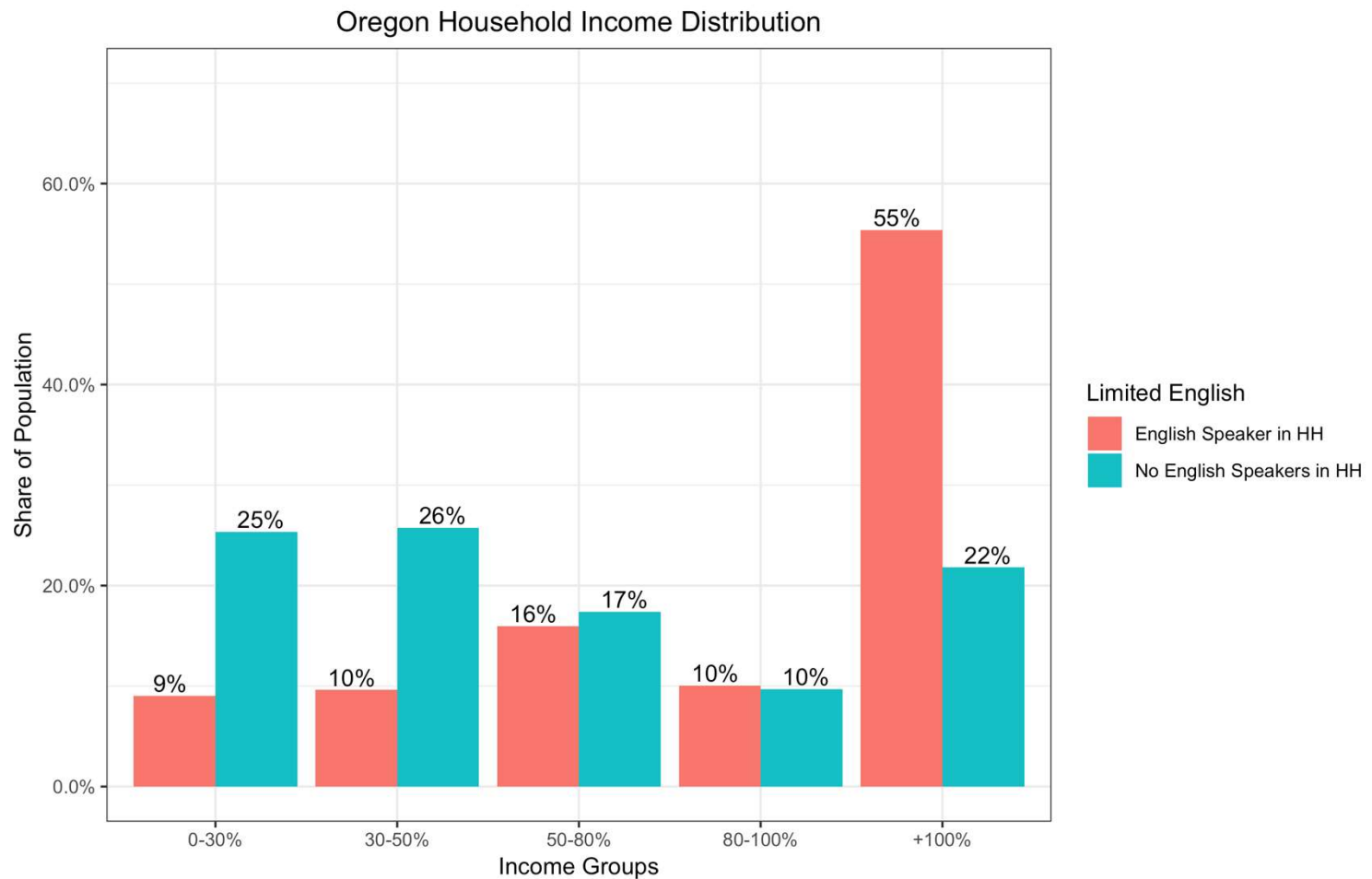


Source: PUMS 2018 (Person Data)

Statewide multifamily unit type by population group



Statewide income distribution by LES



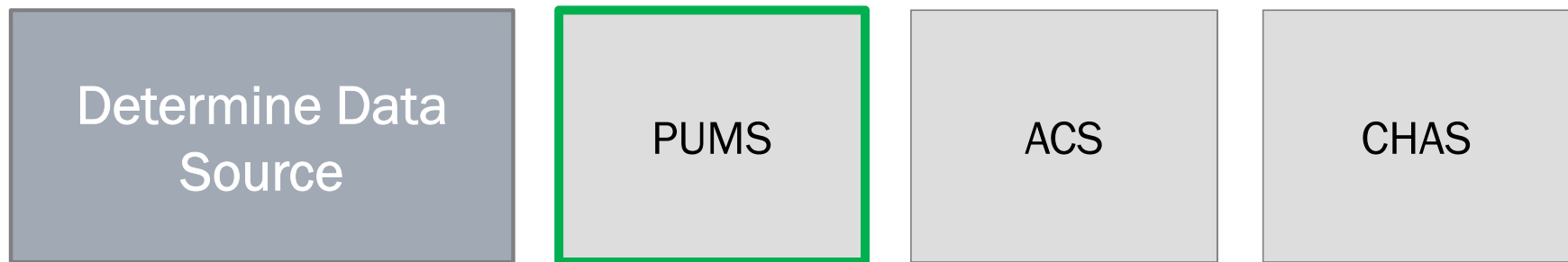
Source: PUMS

Data Sources and Regions

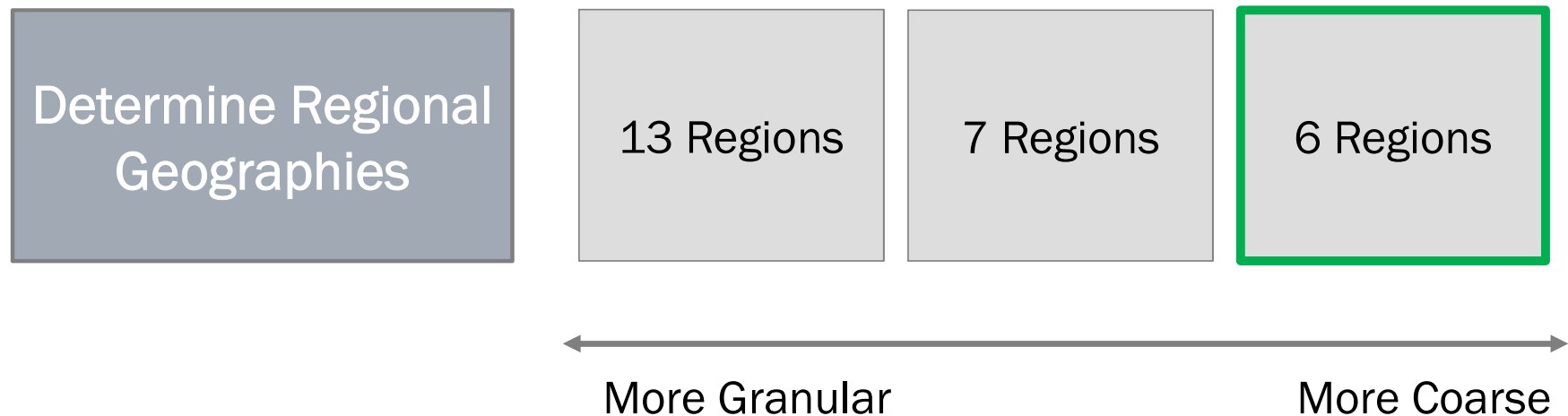
Underlying Assumptions:

- Prior to conducting RHNA, early decisions were needed to:
 - Determine Primary Data Source
 - Define Regions

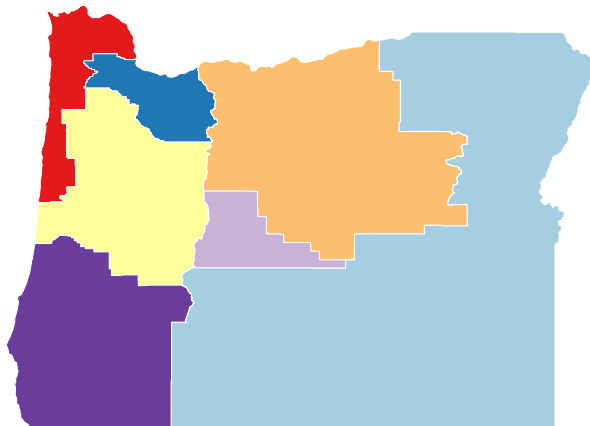
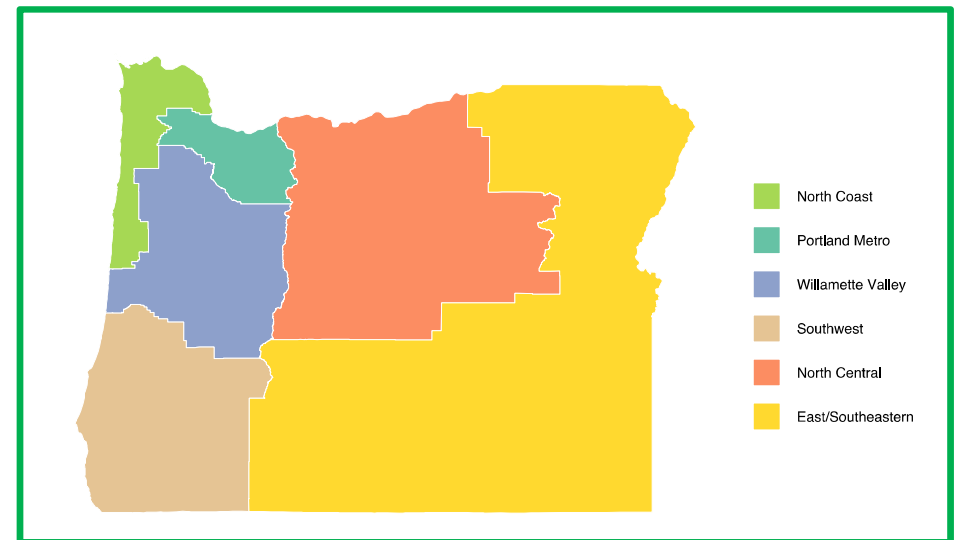
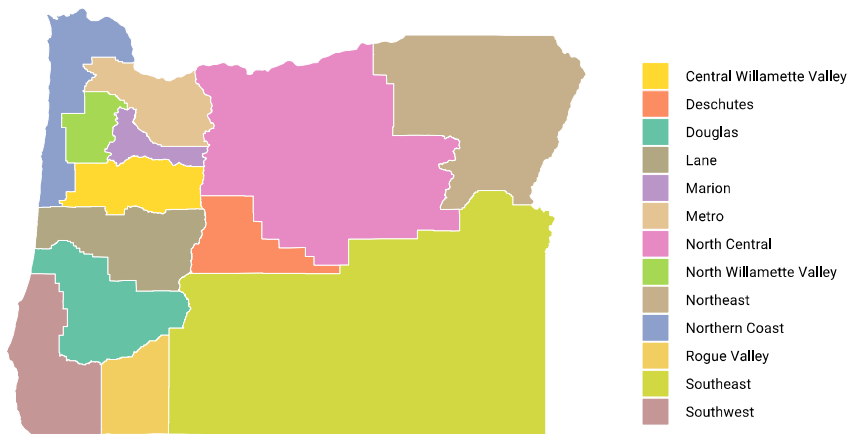
Underlying Assumptions Step 1: Determine Data Source



Underlying Assumptions Step 2: Define Regions

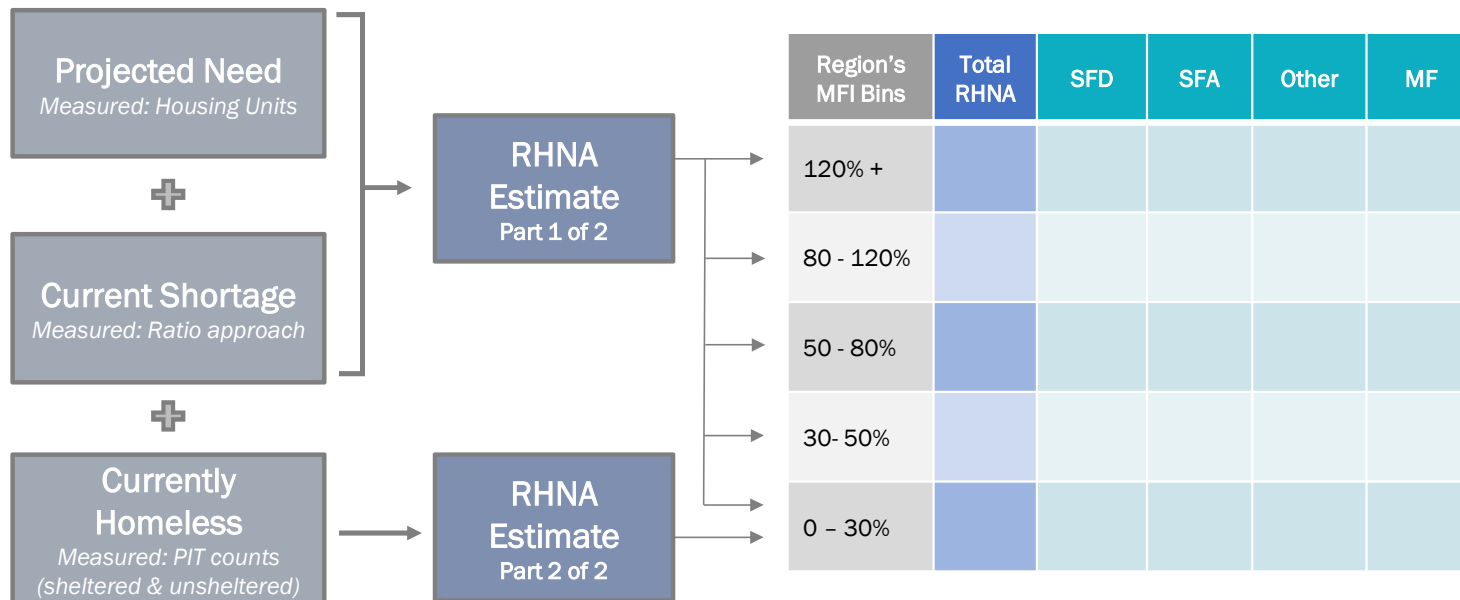


Regions Considered (and Selected) in the Analysis:



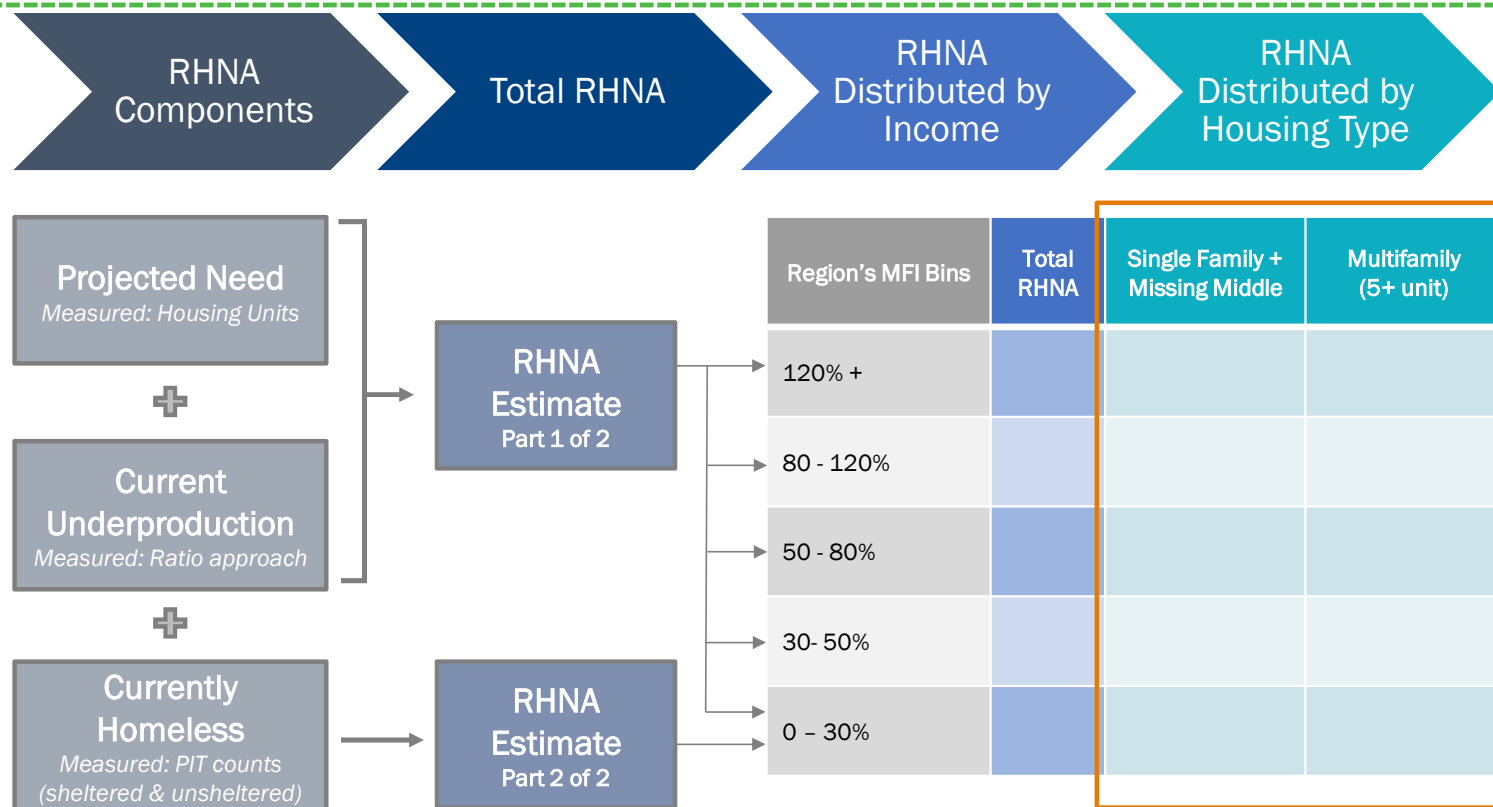
Regional Housing Needs Analysis (RHNA)

RHNA Methodology



Local
Allocation

RHNA Methodology



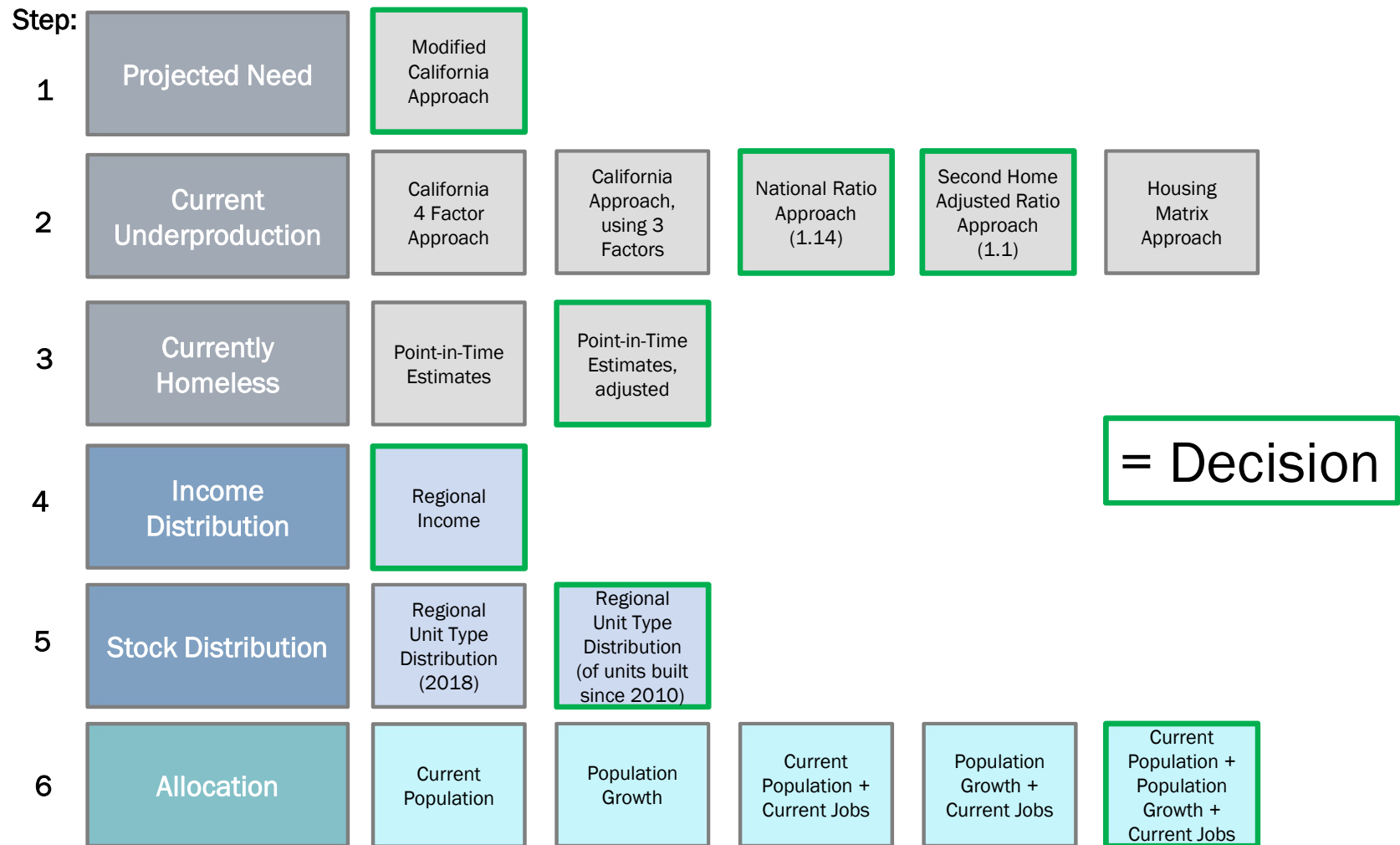
We suggest changing housing types:

- Data about housing types is often poor quality
- House Bill 2001 will change the way we plan for housing types
- Increases implementation flexibility

Regional

Local Allocation

RHNA Methodology Decisions



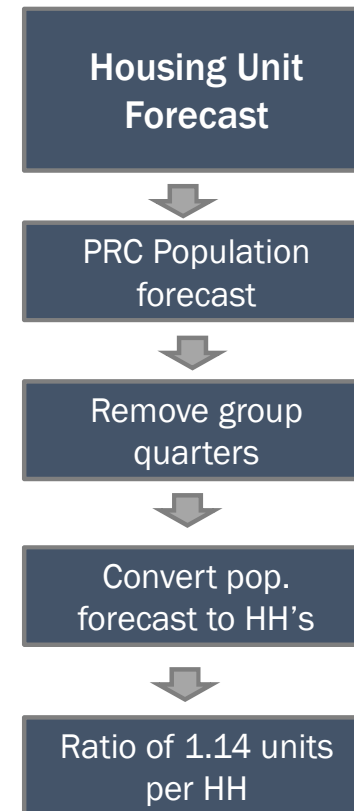
Step 1: Projected Need

Projected Need

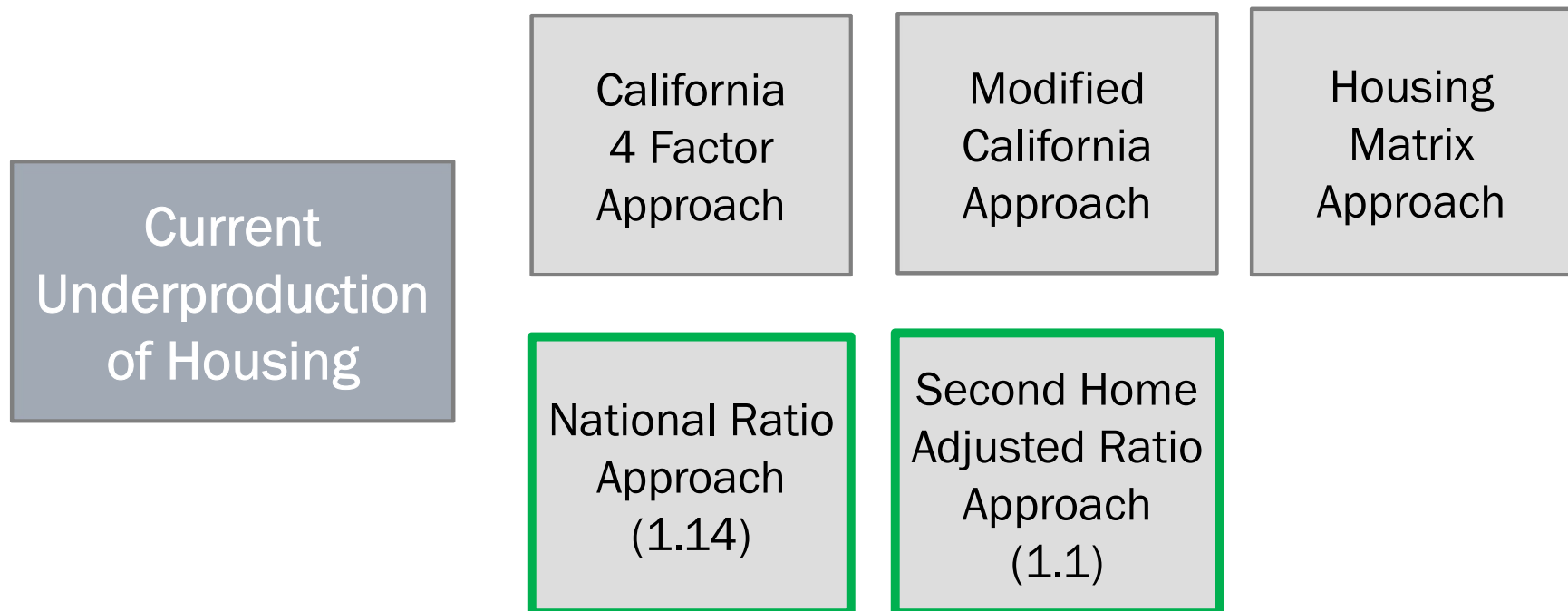
Modified
California
Approach

RHNA Step 1: Projected Need Approach

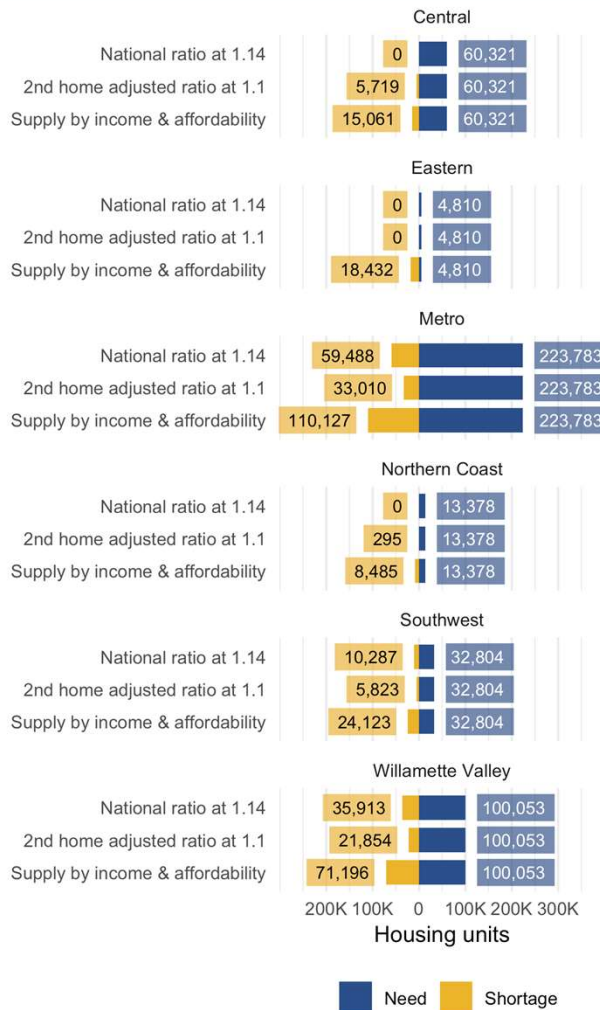
- PSU's population forecast to convert to households.
- Set target ratio of 1.14 new units required per new household formed
 - (California uses 1 unit)



Step 2: Underproduction Methodology Approaches



RHNA Step 2: Underproduction - Preferred Approaches



Comparison of Underproduction Totals

Ratio @ 1.14 = 106k units

Ratio @ 1.1 = 67k units
(removes 2nd/vacation homes)

Housing Supply by income & affordability= 247k units

Housing Supply by Income and Affordability

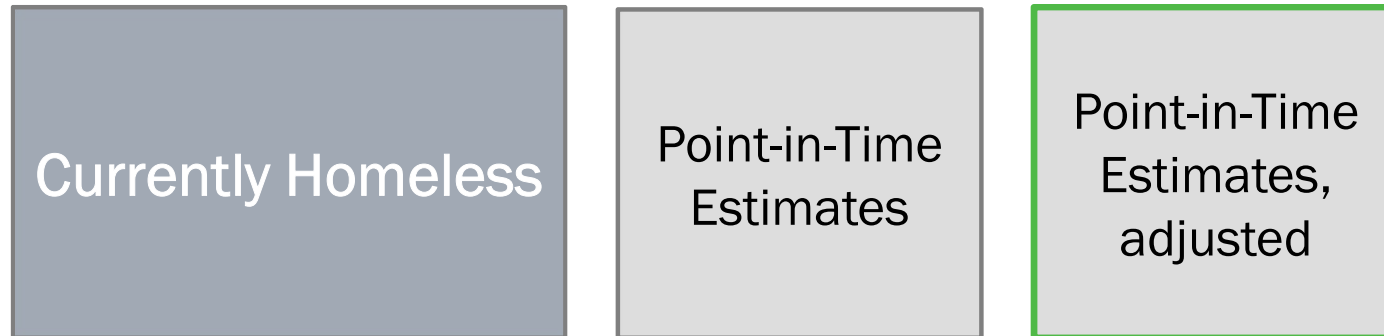
This is an example of the type of analysis of housing shortage called for as a part of HB 2003.

City	Unit Affordability	Household Income		
		0-50% HAMFI	50-80% HAMFI	+80% HAMFI
Portland city	0-50%	23,570	6,405	7,130
Portland city	50-80%	26,149	17,850	31,124
Portland city	+80%	11,615	11,790	86,295

Cost Burdened

Renting /
Buying Down

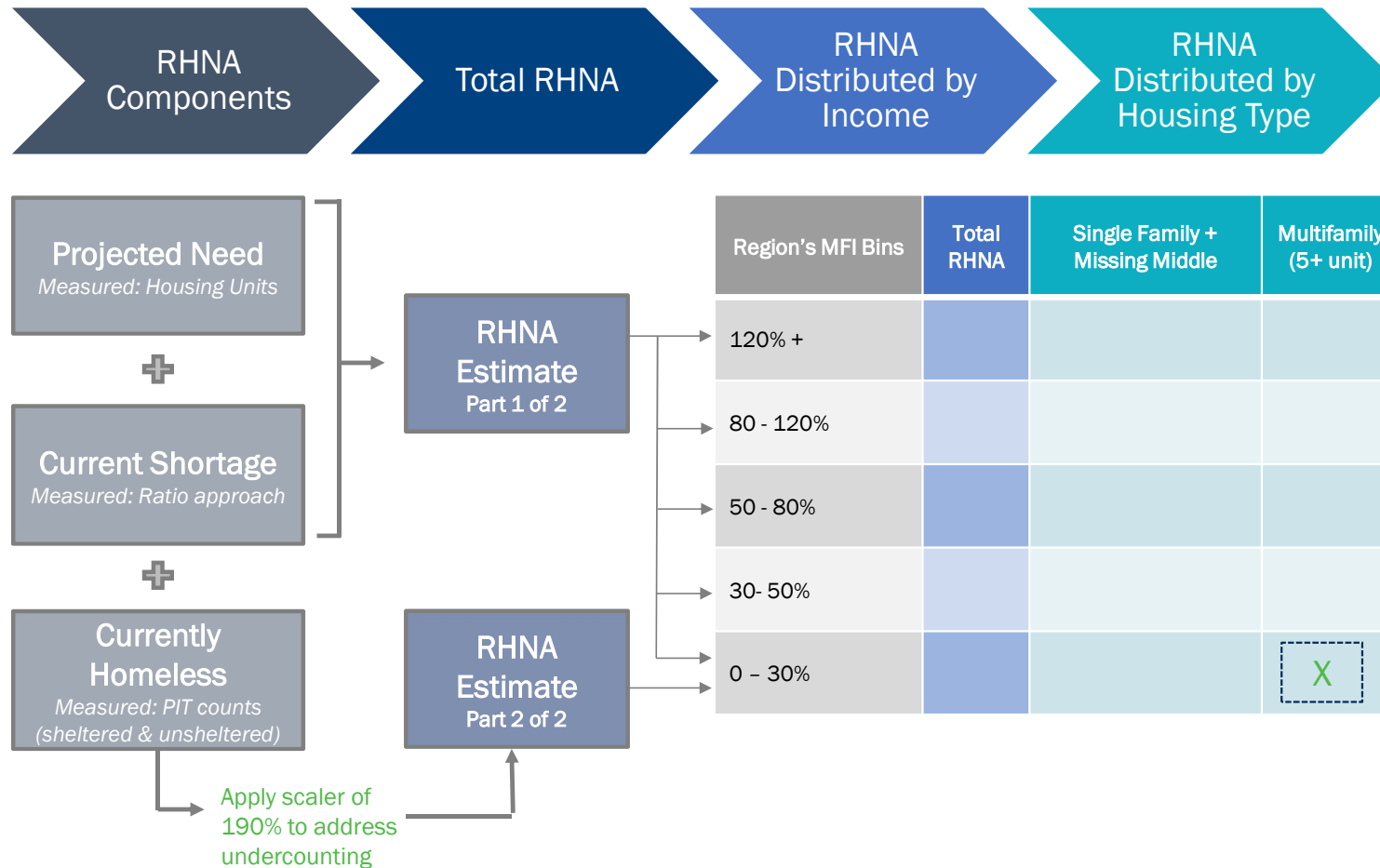
Step 3: Currently Homeless



RHNA Step 3: Currently Homeless - Dataset Options

- **Point-in-Time Estimates:** a count (taken one day per year) of the number of and characteristics of (e.g., race, veteran status) individuals and families experiencing homelessness by county, categorized as sheltered and unsheltered.
- **Adjustment Factor:** apply a scaler of 190% to address undercounting homeless households. Apply equally to all regions
Based on analysis from the Joint Office of Homeless Services

Approach to allocating homeless households



Allocate homeless units entirely into the Multifamily unit type

Apply 190% scaler to all county level PIT data

Total Units for 20 years

Future Need + Current Underproduction of Housing + Homeless = Total Units (20-years)

Region	Future Need	Current Underproduction of Housing	Underproduction Ratio (target)	Homeless	Total Units (20-years)
Central	60,321	5,719	1.05 (1.1)	1,423	67,463
Eastern	4,810	-	1.21 (1.14)	515	5,325
Metro	223,783	59,488	1.06 (1.14)	8,375	291,646
Northern Coast	13,378	295	1.09 (1.1)	1,756	15,429
Southwest	32,804	10,287	1.09 (1.14)	2,920	46,011
Willamete Valley	100,053	35,913	1.06 (1.14)	6,984	142,950
TOTAL	435,149	111,702		21,973	568,824

RHNA Step 4: Income Distributions

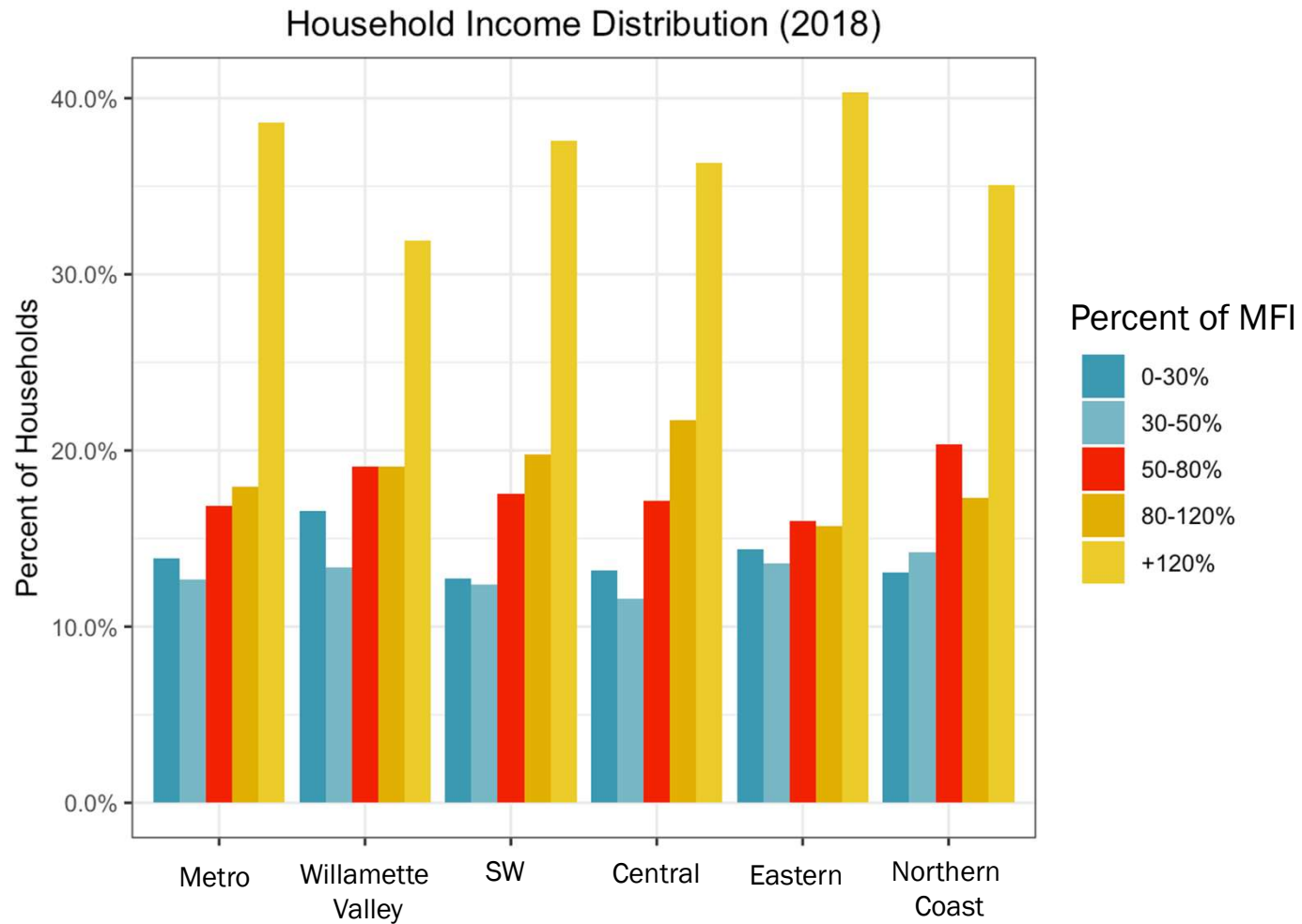


The diagram consists of two rectangular boxes. The left box is solid blue and contains the text 'Income Distribution'. The right box is light blue with a thick green border and contains the text 'Regional Income'. The boxes are positioned side-by-side, suggesting a comparison or relationship between the two concepts.

Income Distribution

Regional
Income

Approach to Distribute RHNA by Income



RHNA Step 5: Distribute RHNA by Housing Type

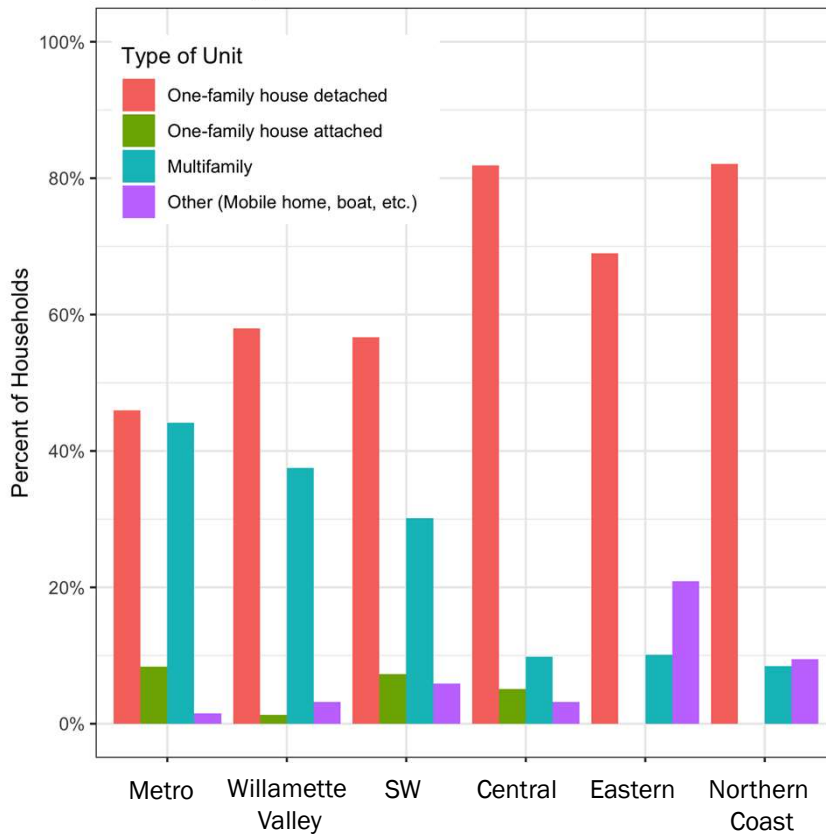
Stock Distribution

Regional
Unit Type
Distribution
(2018)

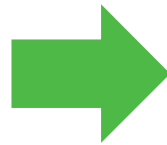
Regional
Unit Type
Distribution (of
units built since
2010)

Consolidated Approach to Distribute RHNA by Unit Type

Unit Type Distribution of Units Built Since 2010



Consolidate
single family
detached and
attached,
manufactured,
and other



Unit Type Distribution of Units Built Since 2010



RHNA Step 5: Portland Metro RHNA x Income x Housing Type Matrix

Region's MFI Bins	RHNA %	Single Family + Missing Middle	Multi Family
120% +	40%	29%	11%
80 - 120%	19%	9%	10%
50 - 80%	17%	6%	11%
30 - 50%	12%	4%	8%
0 - 30%	14%	4%	10%
	Total	51%	49%

Initial approach to addressing requirement to have an equitable distribution of publicly supported housing

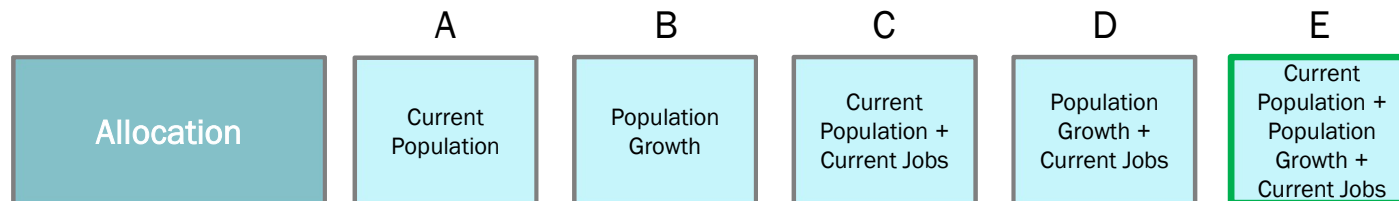
Partially publicly supported*

Nearly all publicly supported*

100% publicly supported, shelter, & other*


* Including Housing Choice Vouchers

RHNA Step 6: Local Allocation Approaches



- A: Allocate based on current population
- B: Allocate based on 2040 population growth
- C: Allocate based on current population (50%) and based on current jobs distribution (50%)
- D: Allocate based on 2040 population growth (50%) and based on current jobs distribution (50%)
- E: Allocate based on current population (25%), based on projected population growth (25%), and based on current jobs distribution (50%)

Sample City Allocation Approach Comparison

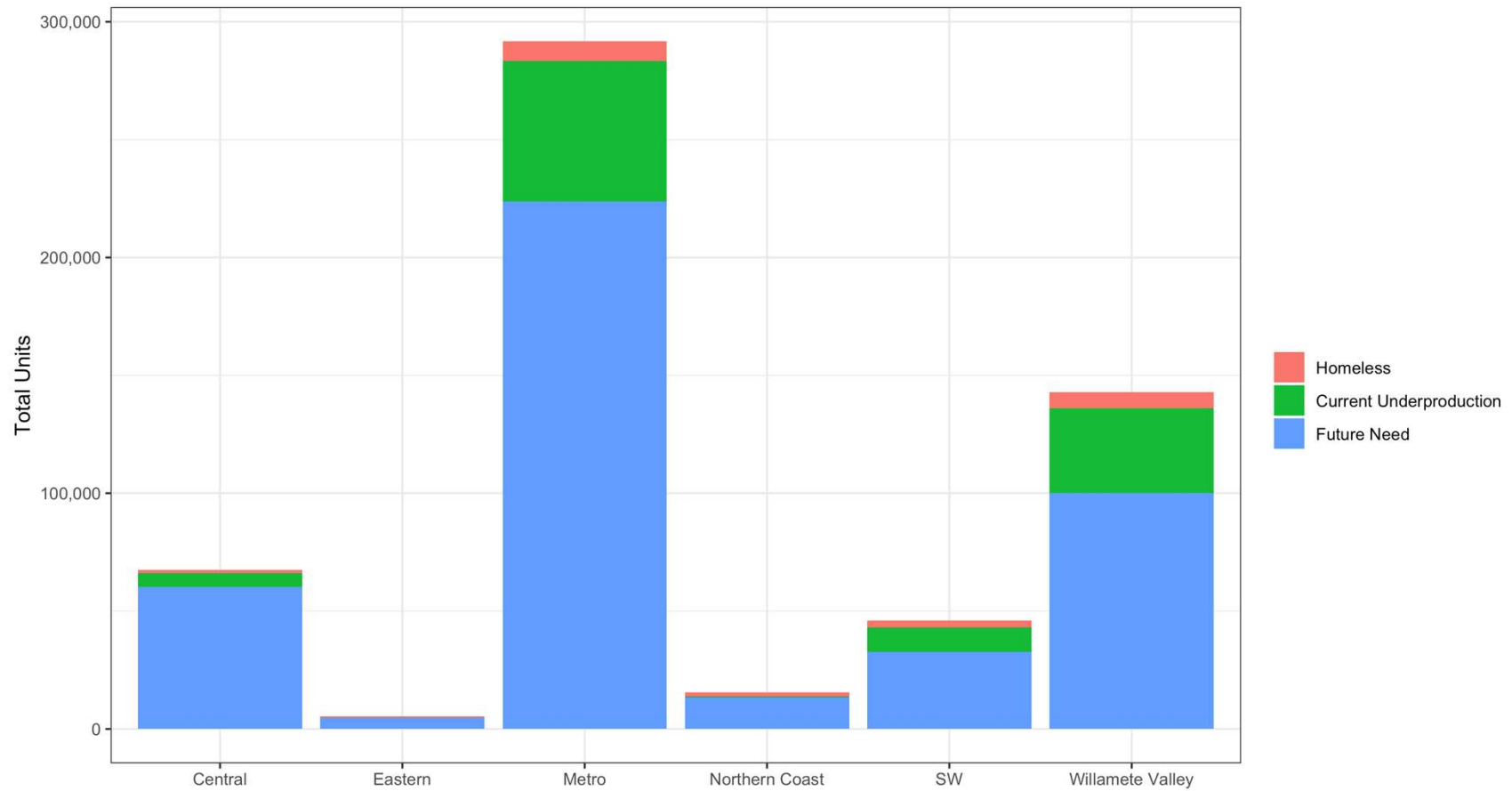
E						
UGB	Current Population, Population Growth, and Current Jobs	Difference from reference approach 	A	B	C	D
			Current Population	Population Growth (2040)	Current population and Current Jobs	Population Growth and Current Jobs
Beaverton	13,200		20%	-30%	30%	5%
Bend UGB	29,300		-30%	14%	-14%	8%
Eugene UGB	24,200		0%	-15%	15%	7%
Gresham	11,400		59%	-29%	29%	-14%
Hillsboro	18,000		-9%	-12%	12%	11%
Hood River UGB	2,400		-13%	-25%	25%	21%
Portland	124,000		-17%	2%	-2%	7%
Roseburg UGB	3,800		-29%	3%	0%	16%
Salem/Keizer UGB	38,200		-16%	9%	-9%	4%
Tigard	10,700		-22%	-8%	7%	15%
West Linn	2,000	115%	-45%	45%	-35%	

Comparison - Number of Units Allocated Outside of UGBs

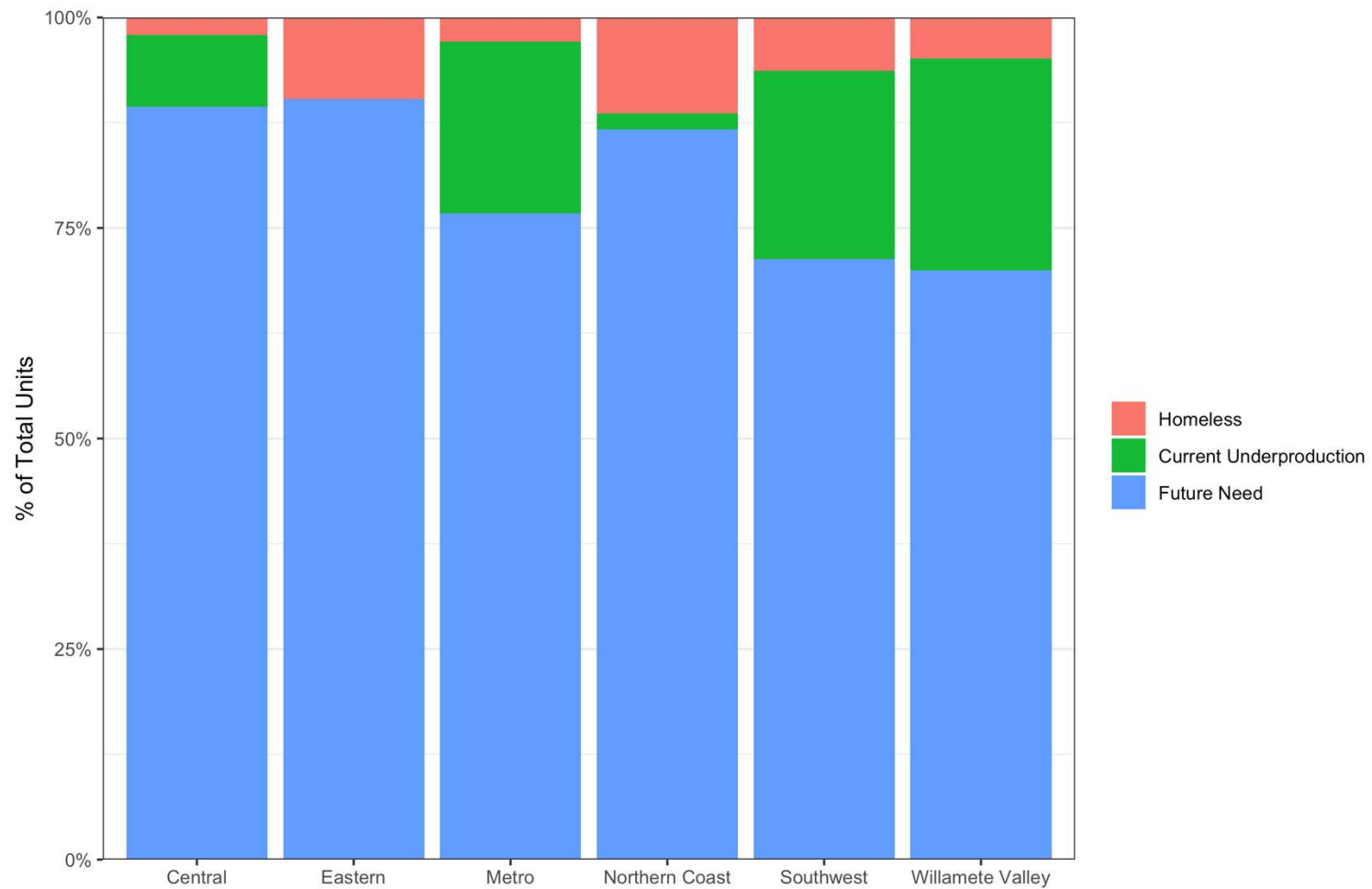
Region	<div> <div>E</div> <div>B</div> </div>		
	Current Population, Population Growth, and Current Jobs	Population Growth	Difference
Central	15,348	12,494	2,854
Eastern	764	170	594
Metro	7,379	2,491	4,888
Northern Coast	3,023	1,496	1,527
Southwest	7,737	2,604	5,134
Willamete Valley	12,557	3,540	9,017

RHNA Regional and Local Allocation Results

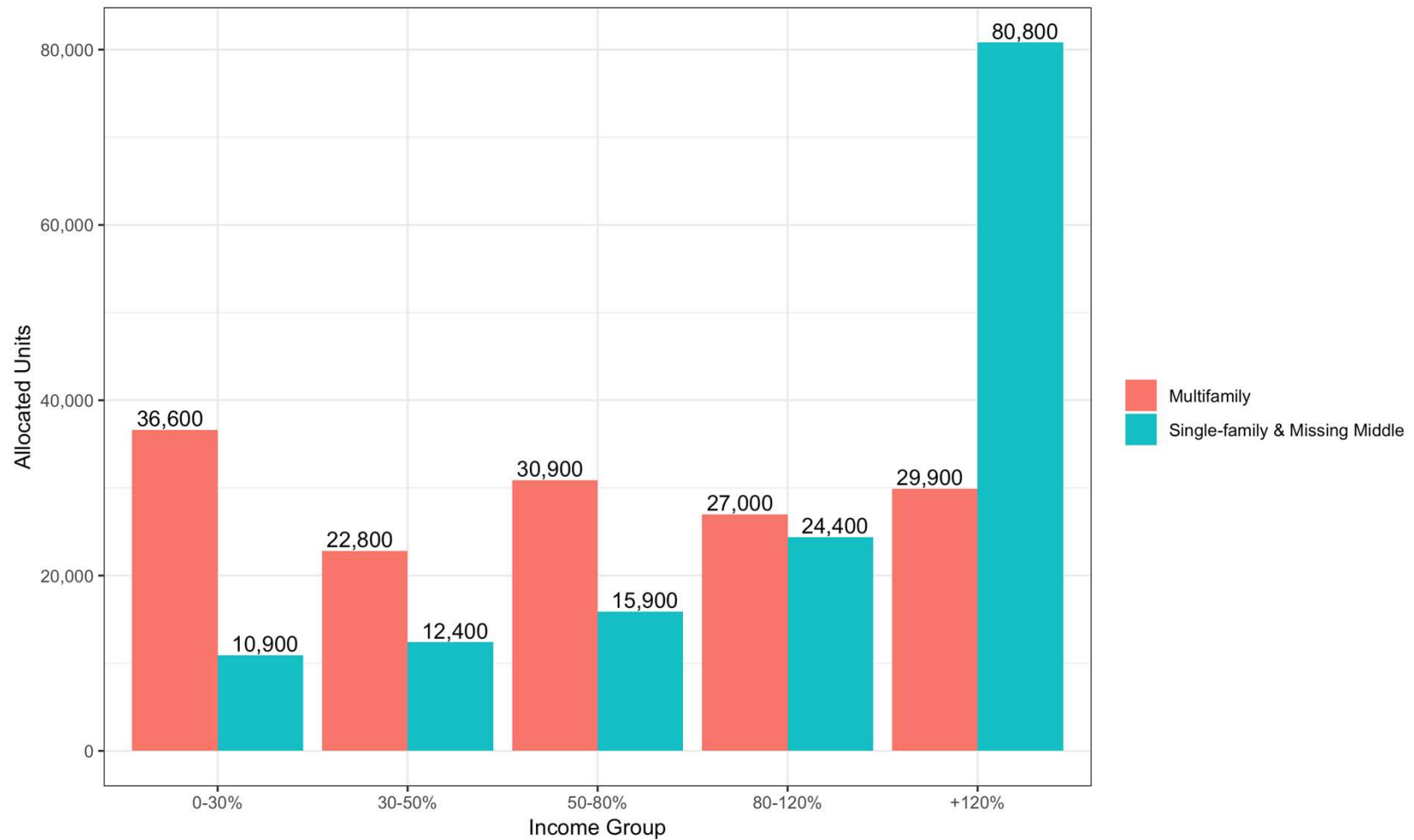
Total Units by Source of Need for 20 years



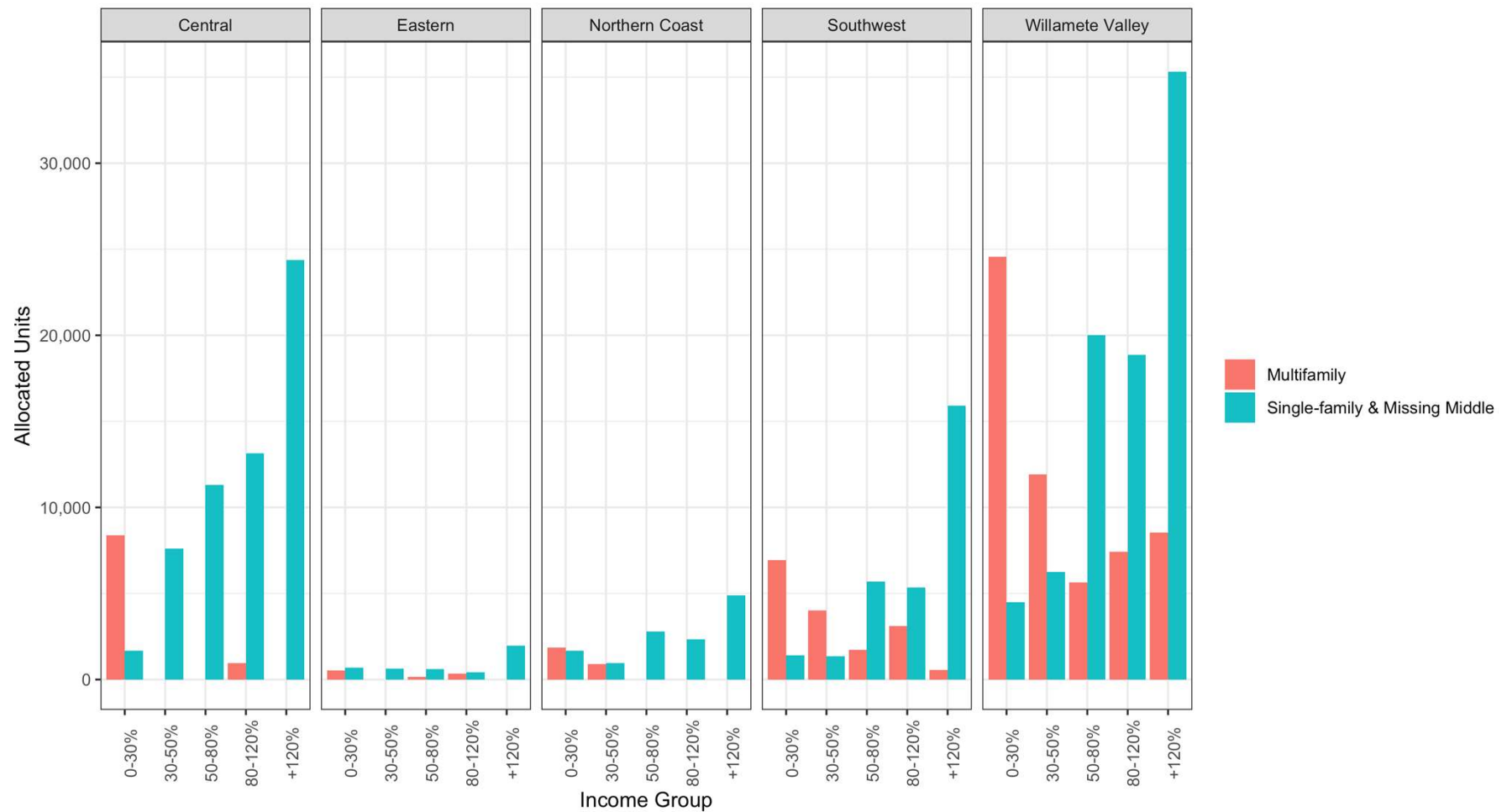
Total Units by Source of Need as a Percent of Total for 20 years



RHNA complete example-- Metro Region- by income and unit



RHNA complete example-- other regions- by income and unit



Summary of Areas We Want to Improve in the RHNA

- Regions may not represent housing markets accurately
- Results in a large number of units needed at below market rate rents
- Approach to allocating unit types may not reflect actual or desired unit type allocation
- Underproduction approach does not make up for historical underproduction of affordable units
- Approach to addressing equitable distribution of publicly supported housing
- One-size fits all approach
- Does not reflect changes in affordability over time (filtering)
- No consistent approach to remedying housing inequities

Implications for the Oregon Method

Discussion Questions

Of the analysis we just presented...

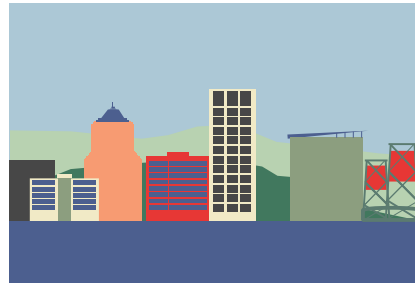
- What seems to work well and should be continued into development of the Oregon Method?
- What does not seem to work well and should be changed or dropped from development of the Oregon Method?

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Eugene



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