



Oregon Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100
www.ohcs.oregon.gov

Report to the 81st Legislative Assembly: HB 2003 (2019) Regional Housing Needs Analysis

March 1, 2021

Full report: <https://www.oregon.gov/ohcs/about-us/Documents/RHNA/02-21-2021-ECONW-OHCS.pdf>

[House Bill 2003](#) (2019) suggests a transformation of Oregon’s approach to planning for and meeting housing need by turning local attention toward housing production. This legislation requires cities to develop and adopt Housing Production Strategies (HPSs), which outline the policies and actions they will take to meet housing need. The bill then asks OHCS to create a methodology to conduct Oregon’s first statewide Regional Housing Needs Analysis (RHNA). It assigns DLCD the task of evaluating this RHNA to determine if such a RHNA could help Oregon better support Goal 10, the state’s housing land use goal and one of 19 statewide land use goals. Implementation of Goal 10 requires that Oregon “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.” This final report, a companion to our technical report, summarizes our experience, the results, and lessons learned.

The new Regional Housing Needs Analysis

The RHNA is a foundation for needed system reform. It provides a transparent, consistent, standardized methodology that can be applied statewide and improved over time as better data and methods become available. It starts with a more complete accounting of total housing need that includes future population growth, current housing underproduction, and housing for people experiencing homelessness, then projects this at the regional level. The methodology asks all cities within a region to plan for their share of total regional need by determining housing affordability based on regional, not local, incomes. This approach stops the current cycle of planning for future housing need based on past development trends, which has led to affluent communities planning for fewer low-income households, and equitably distributes needed affordable housing. Other differences from current planning methods are that it uses the regional job market to help determine where housing is needed and provides data about inequities in unmet housing need to support local planning efforts. OHCS’s high-level findings are clear: it is possible to create a methodology that estimates housing need in a way that improves upon local planning efforts for equitable housing implementation.

Needed work ahead to change housing outcomes in Oregon

Over the next 20 years, the RHNA calculates Oregon will need to build about 584,000 total new homes. Nearly one quarter of these units (about 140,000) are needed to address our housing



shortage across all income groups, and nearly half (over 270,000) must serve the needs of households under 80% of median family income now and in the future. The pressure on Oregon's housing market is growing, particularly for affordable units. Yet the RHNA's ability to calculate housing need more accurately is not enough to change outcomes. The current planning system cannot help us make progress toward the equitable recovery that is needed after the events of 2020 exacerbated Oregon's ongoing housing crisis. Our report details how maintaining the status quo will only reinforce the existing inequities in our system.

Our report further notes that change will require elected officials, state government, non-profits, developers, planners, and fair housing and renters' rights advocates to be united through an integrated and comprehensive *housing planning implementation framework* that centers the housing needs of low-income households, communities of color, older Oregonians, those with disabilities, and other marginalized populations. The RHNA provides a critical piece of this framework by providing clear data and analysis about housing need. *What is still pending are renovated mechanisms to connect it to a commitment to meet that need in land use plans and housing policies.* The RHNA drives a new focus on the equitable geographic distribution of affordable housing. However, it was legislated as a pilot project and now further action must be taken to integrate the RHNA into an updated housing system that can pursue outcomes that will meet the housing needs identified in the RHNA.

Recommended Next Steps

To advance this work and build on HB 2003's accomplishments, OHCS recommends the following. Further detail is provided in the full report in the attached appendices:

- Adopt the RHNA as part of a comprehensive housing implementation framework that includes regulatory, funding, and administrative capacity.
- Establish a Task Force to recommend legislation for an effective and comprehensive implementation framework to integrate the RHNA into local planning processes. Our report explains in detail a work plan for this Task Force.
- The Legislature should clarify policy intent on unit type. The language of HB 2003 asks specifically for findings on needed unit types, but OHCS found that data are not adequate, especially absent policy direction on the desired mix of units.
- Invest in improved data to better understand housing need in Oregon into the future, and to be able to improve the RHNA over time.

APPENDICES

Appendix A – [*Building on New Ground: Meeting Oregon's Housing Need*](#), Companion Document to the Regional Housing Needs Technical Report

Appendix B – [*Implementing a Regional Housing Needs Analysis Methodology in Oregon*](#), Technical Report (originally published August 2020, revised February 2021)