

Housing Underproduction in Oregon: Missing Middle Housing

House Committee on Human Services and Housing

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ECONNorthwest

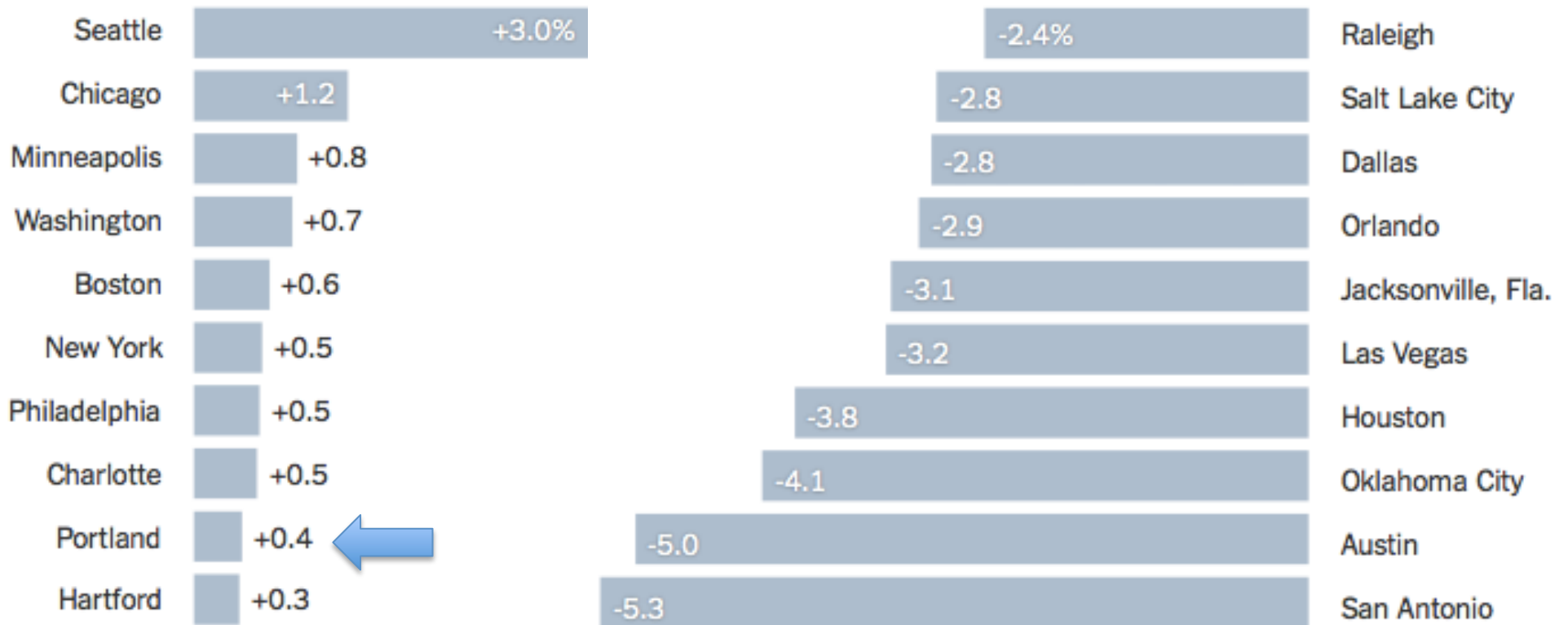
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Oregon Underproduction Report Findings

- Long run affordability requires sustained production of housing units
- Building units at lower costs, in transit accessible, high opportunity neighborhoods key to improving equity in the region
- Leveraging existing infrastructure through smart growth is fiscally sustainable for local governments

Few metro areas nationally are increasing density

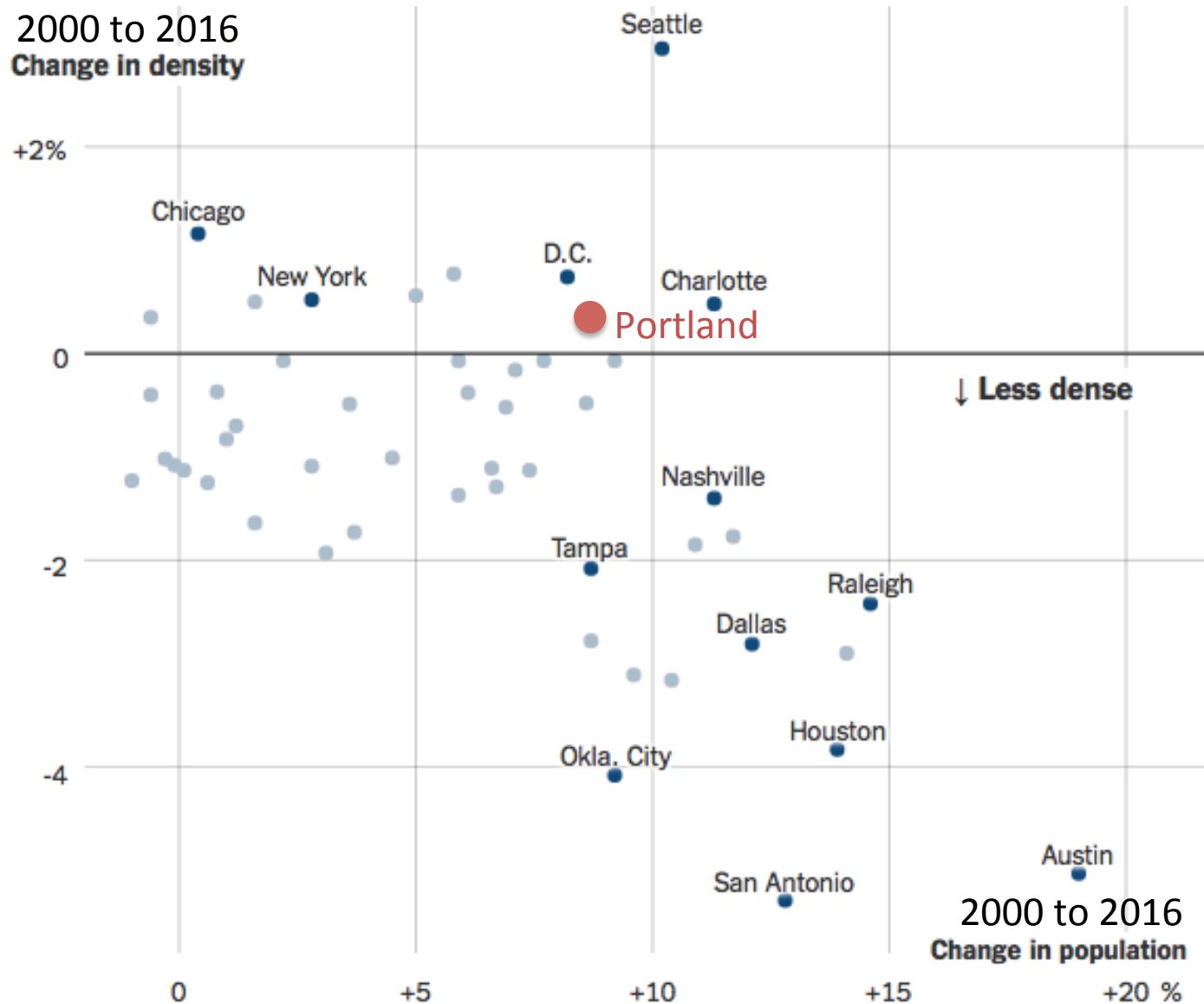
Change in Average Neighborhood Density from 2010 to 2016



10 of the top 51 Metros Increased in Density

Source: Jed Kolko, The Upshot, New York Times, May 22, 2017

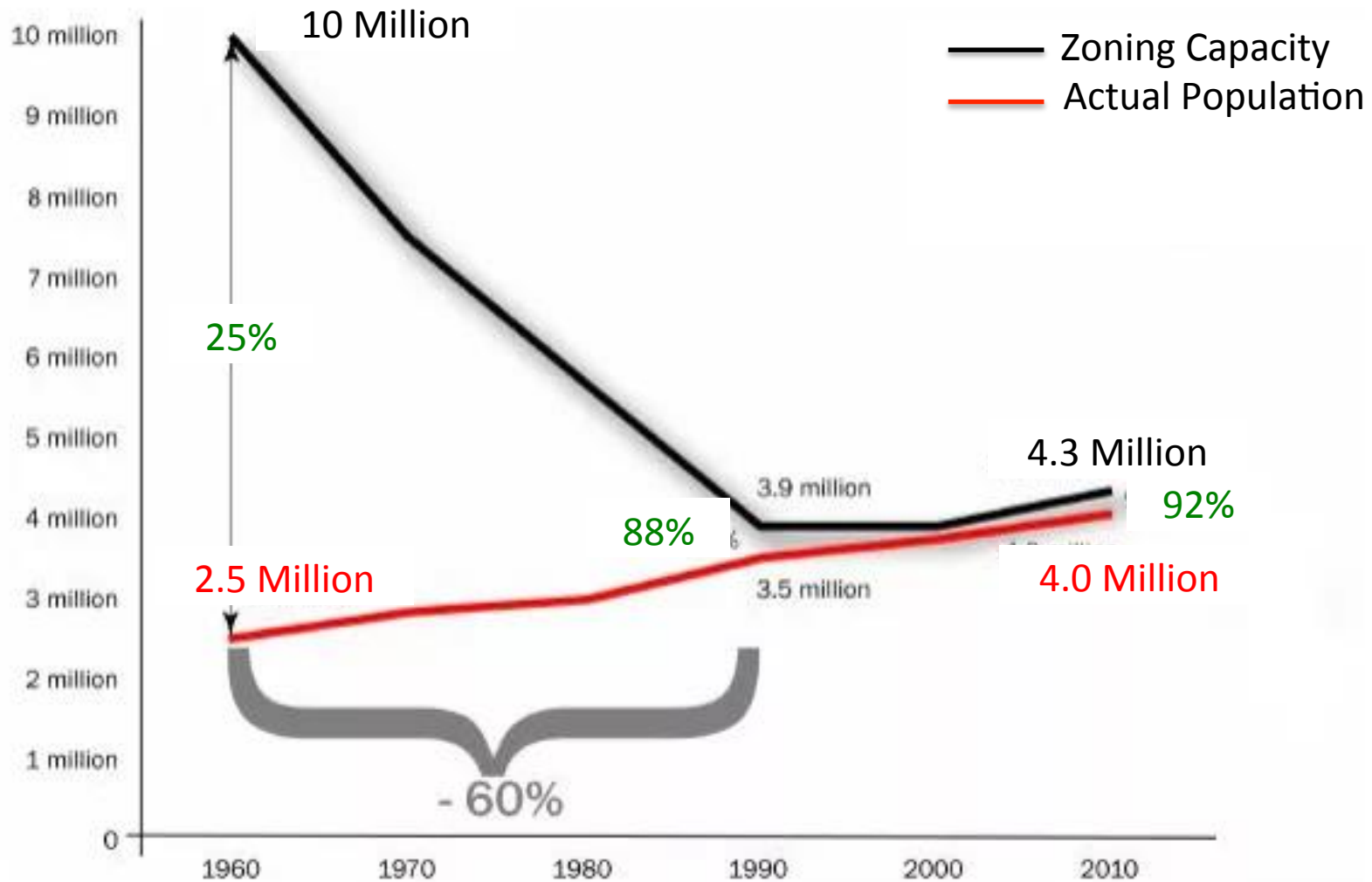
Fastest growing markets are becoming less dense



Source: Jed Kolko, The Upshot, New York Times, May 22, 2017

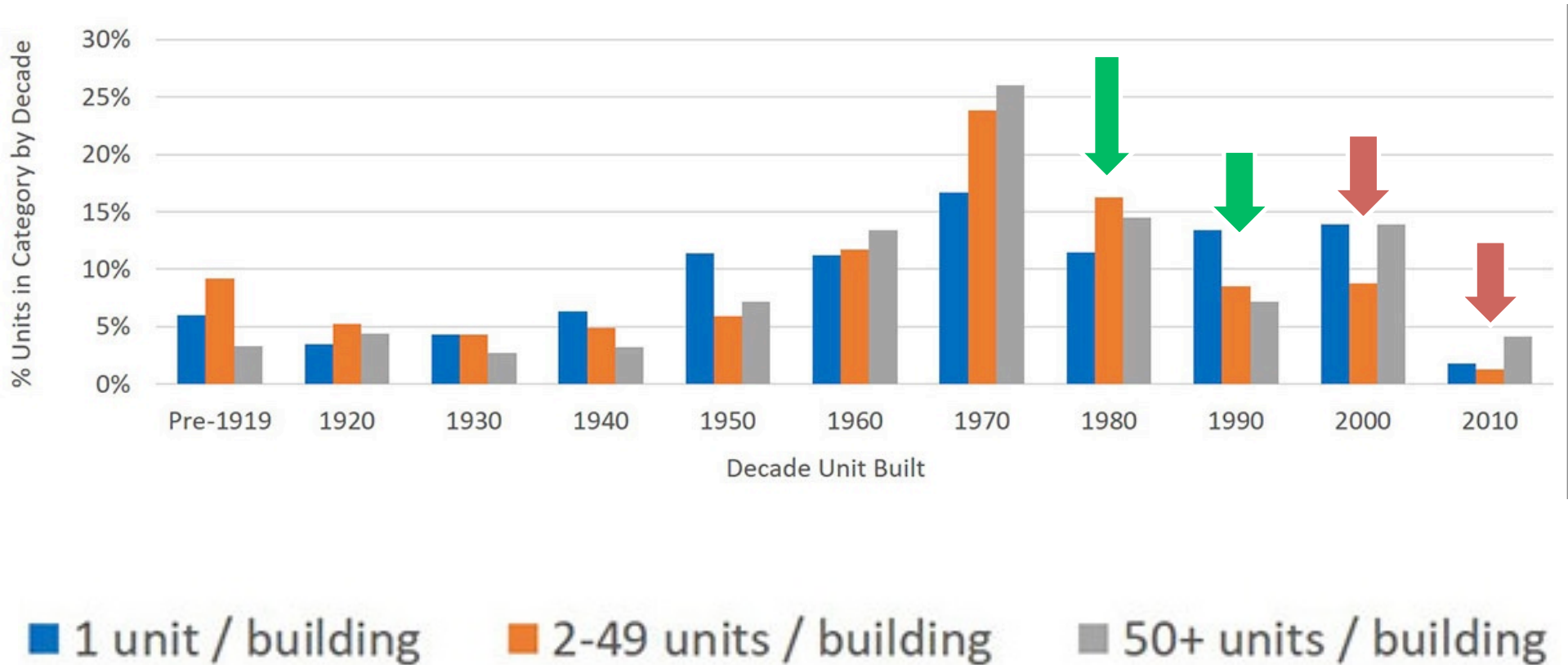
Single family zoning restrictions have decreased capacity

Los Angeles – Zoned Residential Capacity Over Time



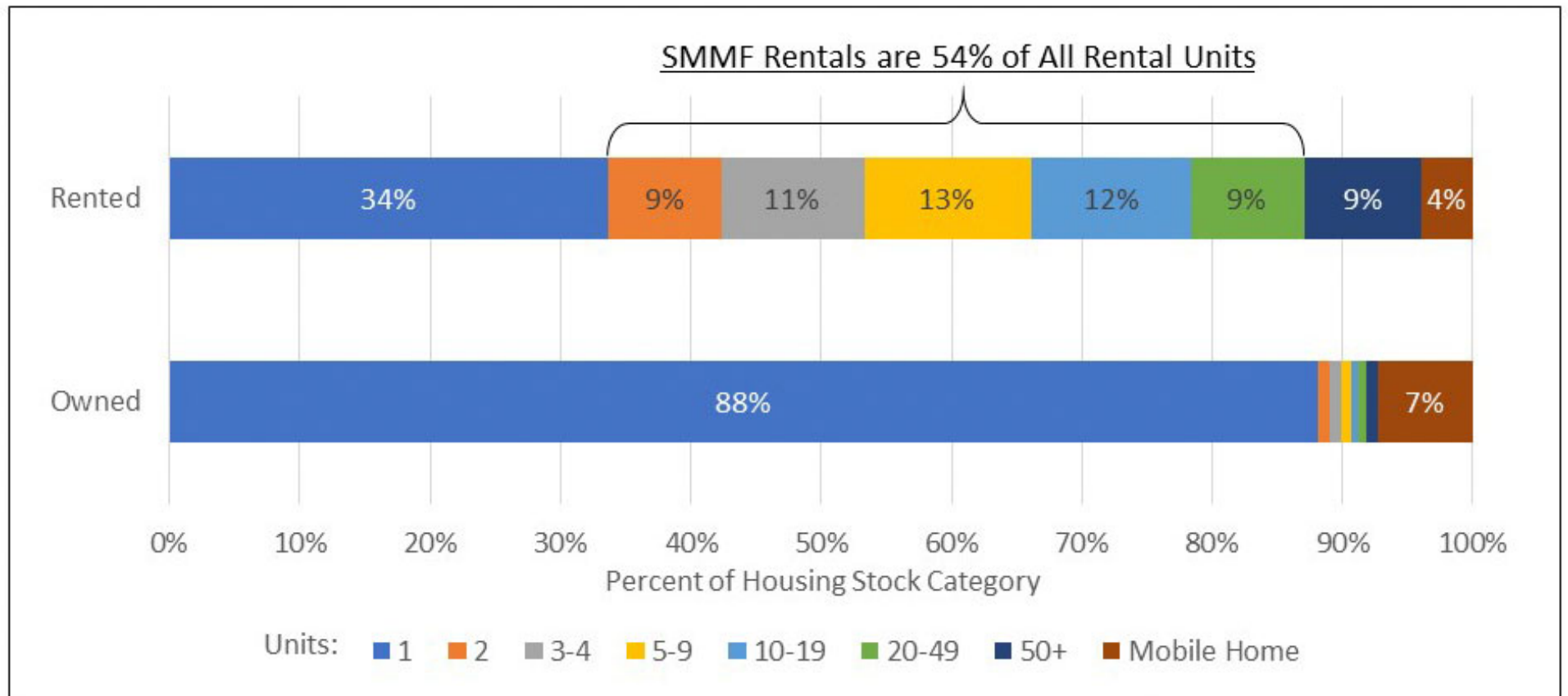
Source: Morrow (2016)

What is the Missing Middle?



Missing middle are buildings with 2 to 50 units

More than half of rental units nationally are missing middle



Missing Middle and Naturally Occurring Affordability

Portland Metro (3 County OR) Apartments 2018

Building Unit Count	Average Building Age	Units at 80% or less MFI	% of units at 80% or less MFI	Average 1 Bedroom Rent
less than 10	70	962	89%	\$ 849
10 to 20	57	3,048	80%	\$ 957
20 to 49	50	12,161	77%	\$ 1,062
50+	26	47,280	49%	\$ 1,281

Different Ways to Construct 155,000 Homes in Oregon

Scenarios Distributed as 3 Construction Types:



Single Family
5 Units per Acre



Medium Density
Up to 5 stories
120 Units per Acre

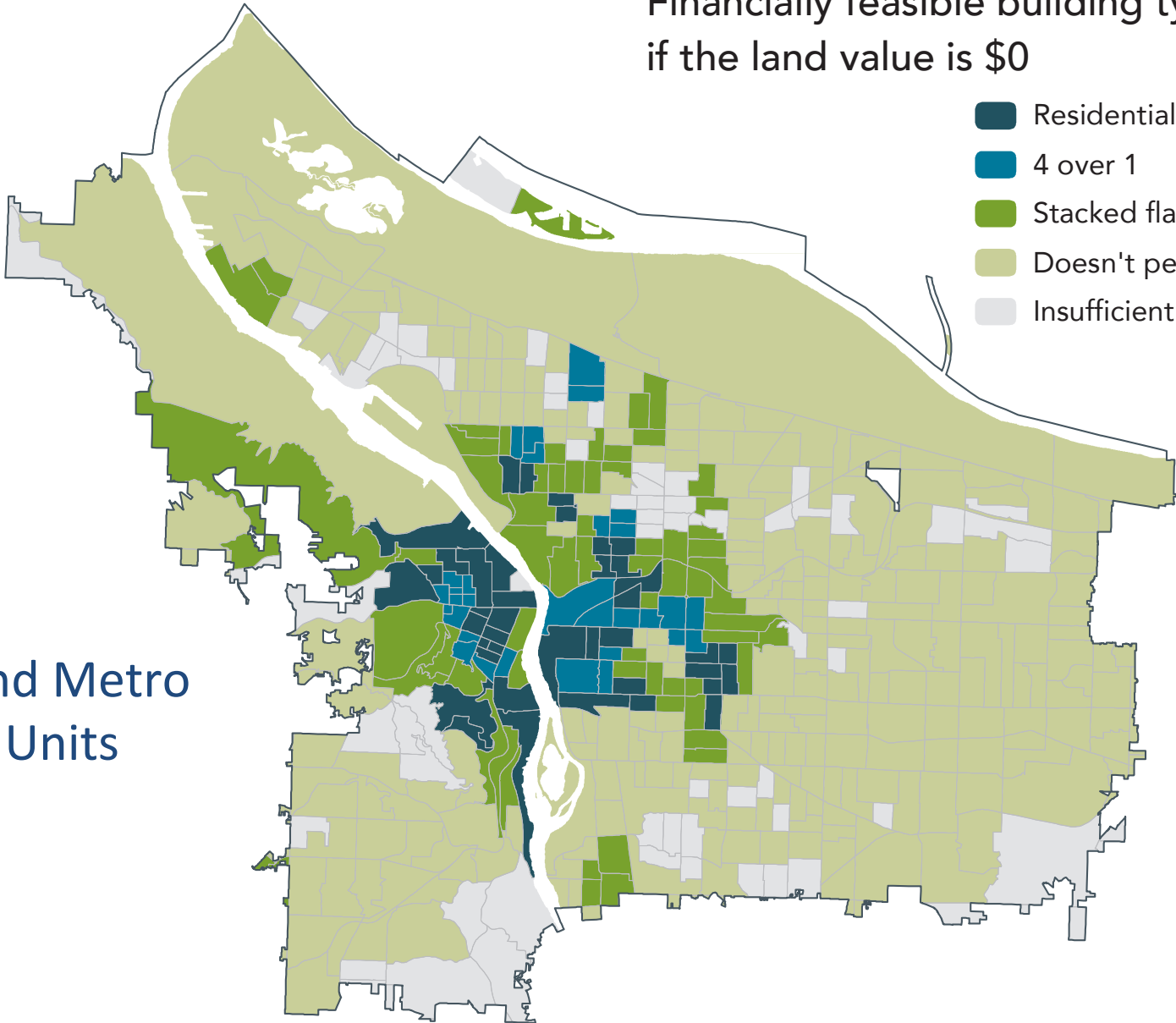
Tower
High Rise 6+ stories
240 Units per Acre



Construction costs limit the areas of financial feasibility

Financially feasible building types if the land value is \$0

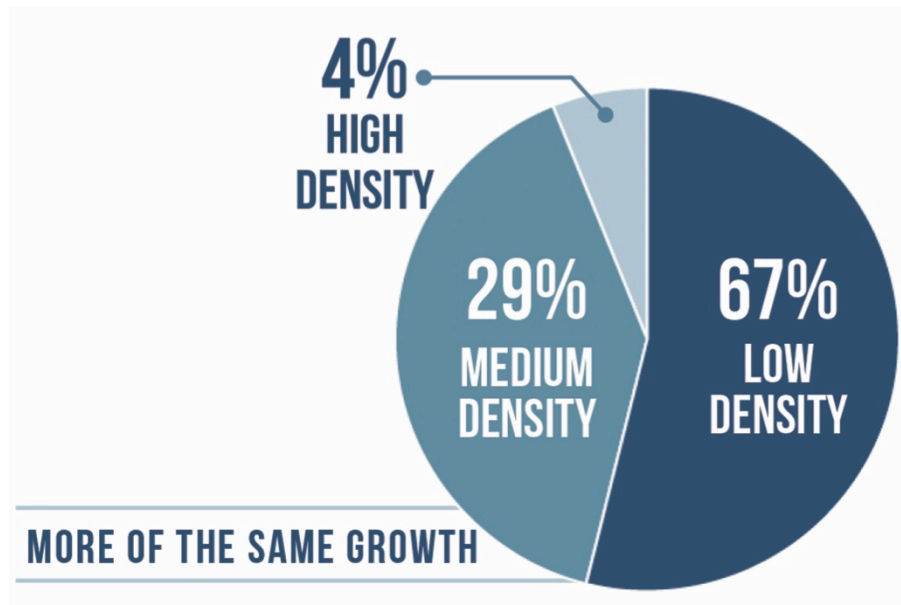
- Residential tower
- 4 over 1
- Stacked flats
- Doesn't pencil
- Insufficient data



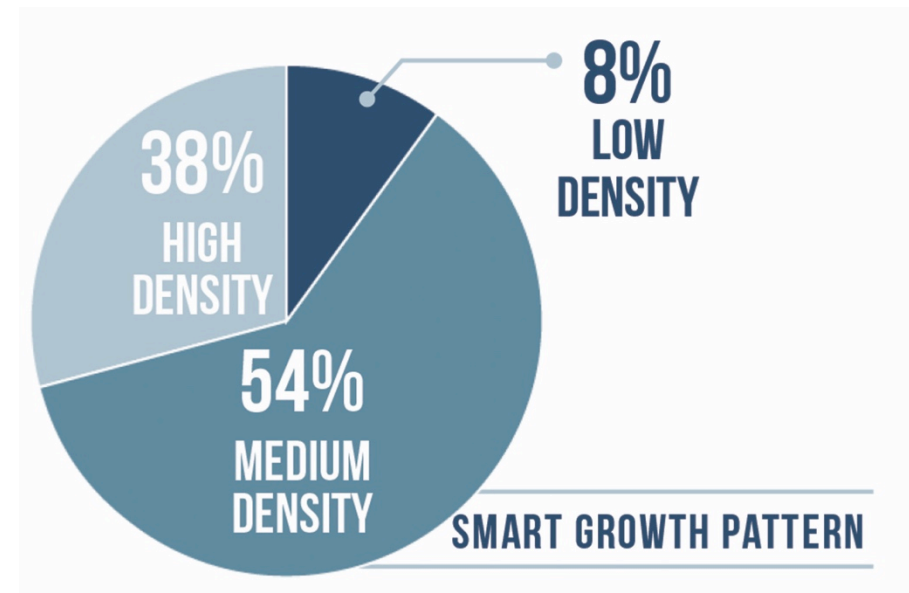
Portland Metro
Rental Units
2016

Smart Growth Changes Distribution of Housing Types

Current Growth Pattern in Oregon



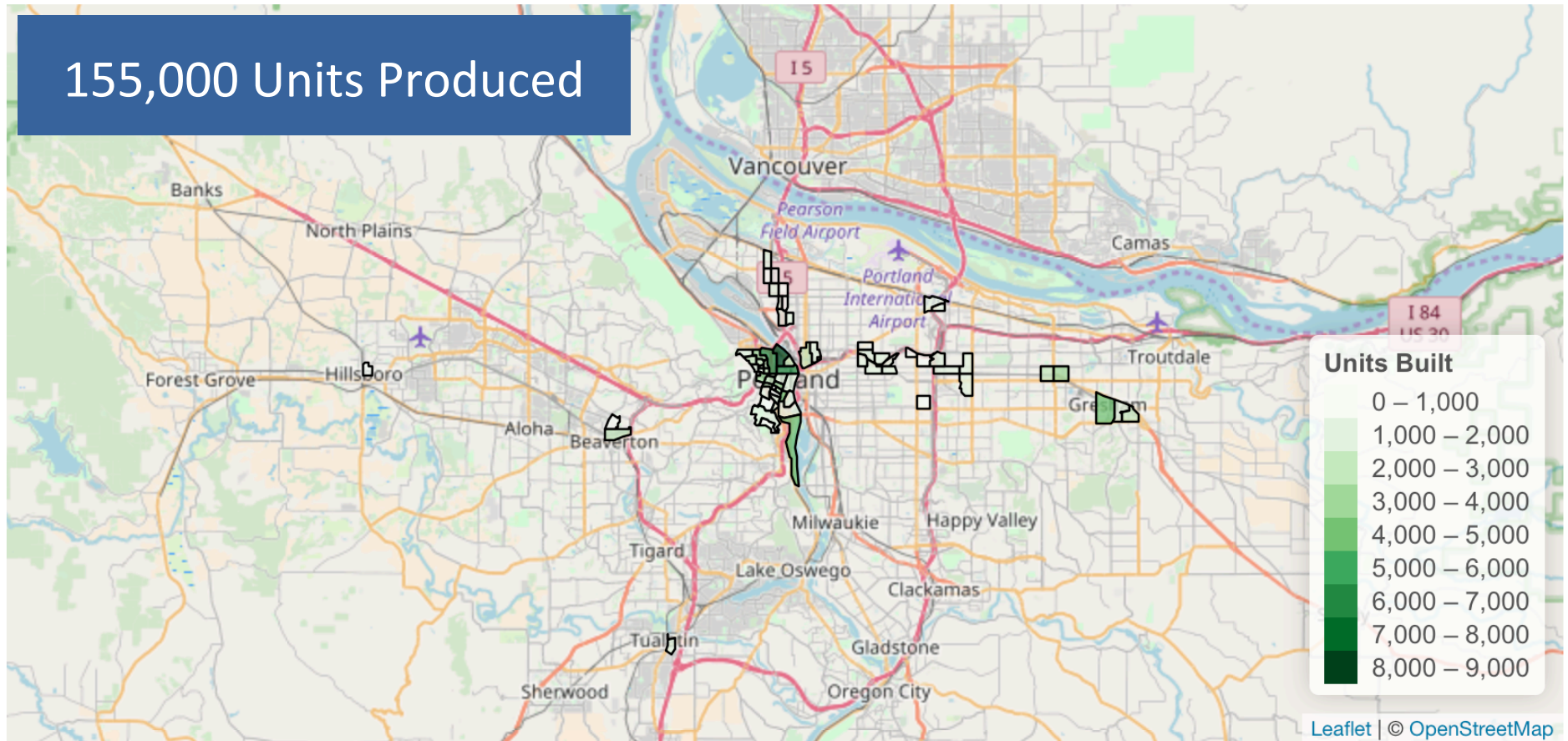
Incremental Development Smart Growth



Building Under Produced Units:
Target underutilized transit corridors, + high opportunity areas
with low vehicle miles travelled

Growth Scenarios – Portland Example

155,000 Units Produced



Prioritize low VMT transit stops

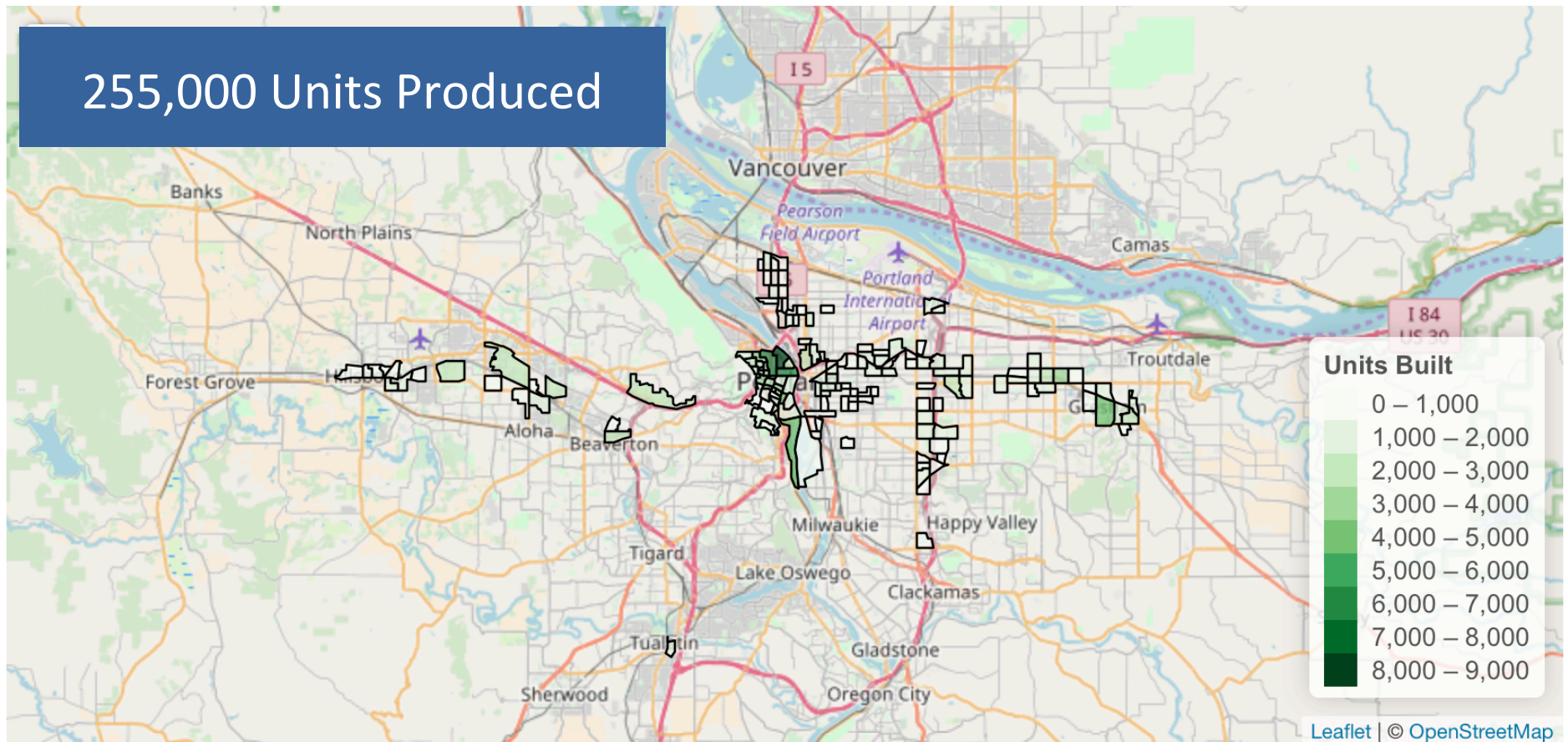
300% increase within ¼ mile of transit

200% increase within ½ mile of transit

99% of Units in ½ Mile Transit Corridor

Growth Scenarios – Portland Example

255,000 Units Produced



Prioritize low VMT transit stops

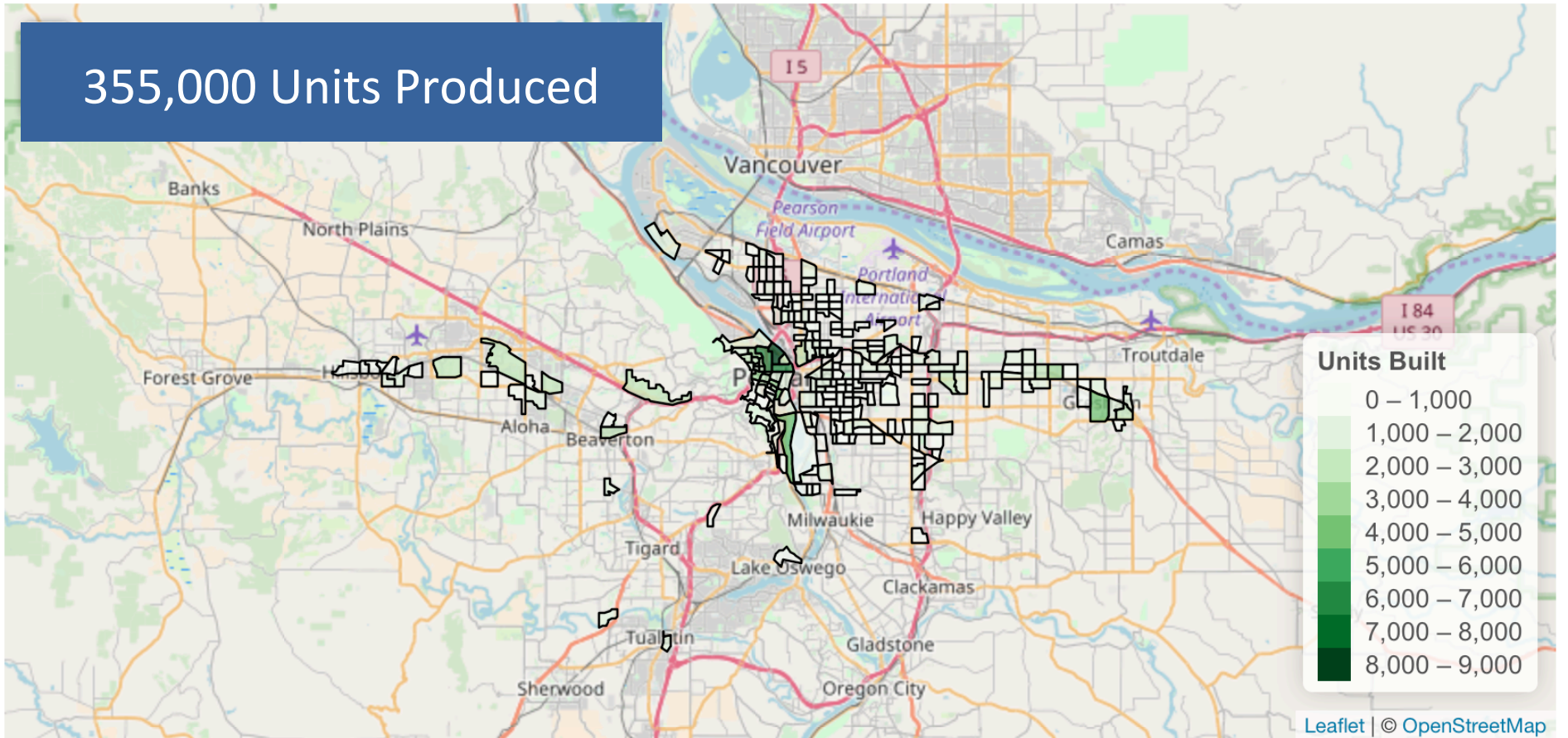
300% increase within ¼ mile of transit

200% increase within ½ mile of transit

83% of Units in ½ Mile Transit Corridor

Growth Scenarios – Portland Example

355,000 Units Produced



Prioritize low VMT transit stops

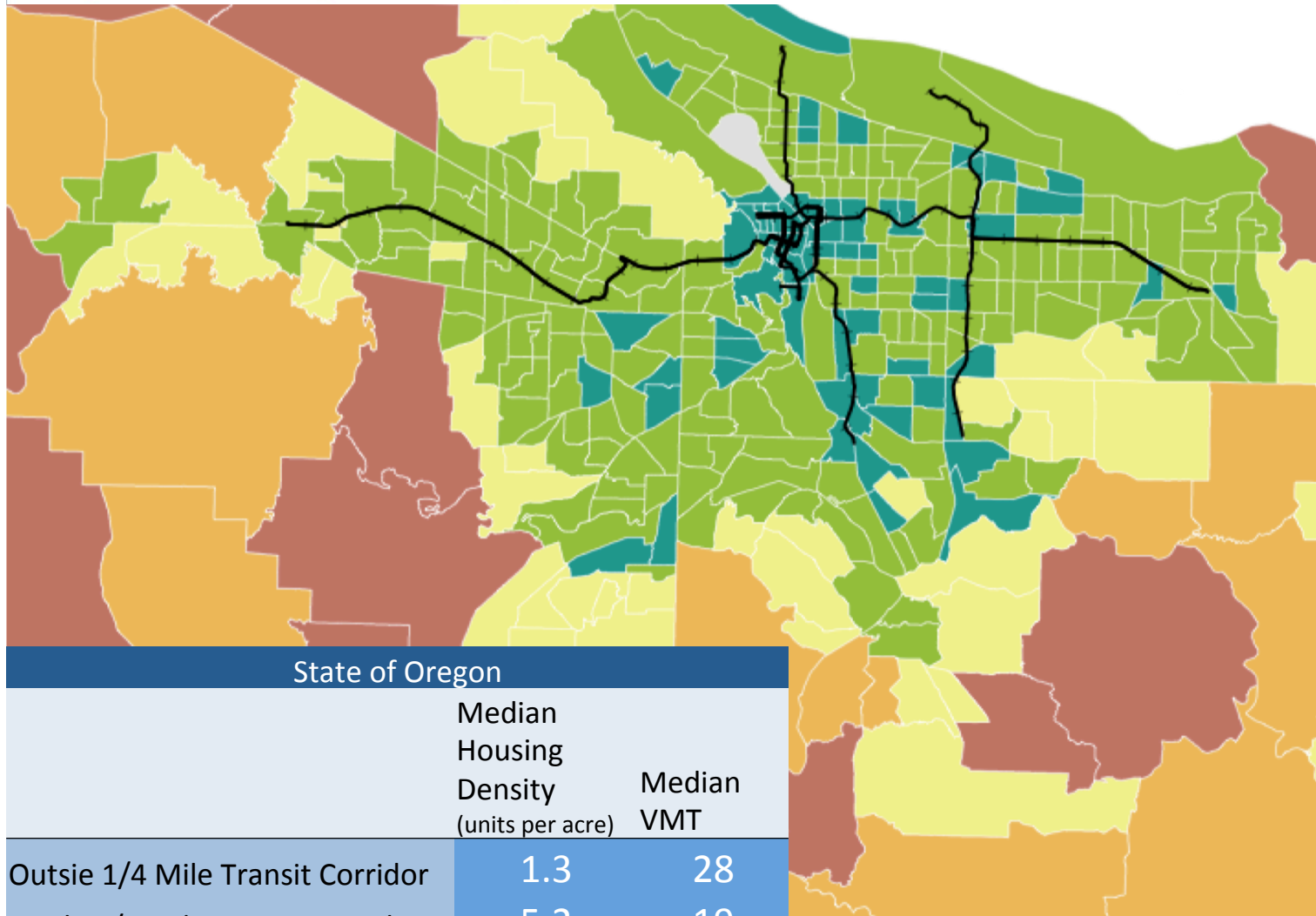
300% increase within ¼ mile of transit

200% increase within ½ mile of transit

60% of Units in ½ Mile Transit Corridor

Smart Growth Reduces Vehicle Miles Travelled by 36%

ENVIRONMENTAL IMPACT OF SMARTER GROWTH: LOWER VEHICLE MILES TRAVELED



HOME-BASED VMT PER HOUSING UNIT

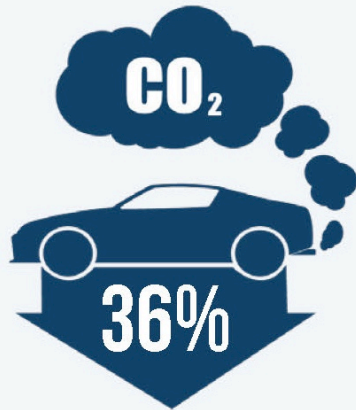
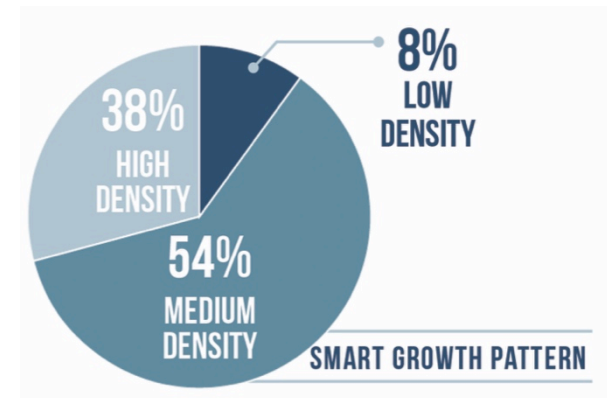
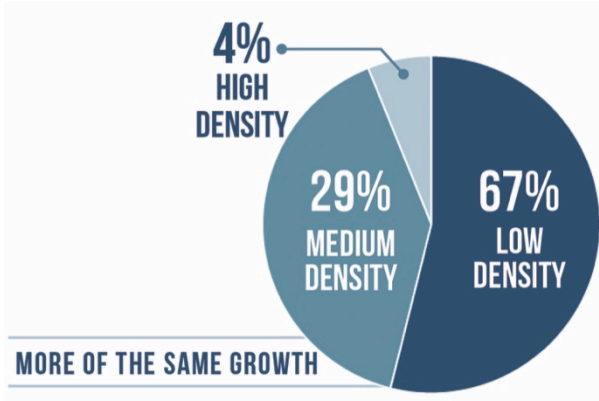

- Less Than 10
- 10-20
- 20-30
- 30-40
- 40-50
- Greater Than 50

State of Oregon		
	Median Housing Density (units per acre)	Median VMT
Outside 1/4 Mile Transit Corridor	1.3	28
Inside 1/4 Mile Transit Corridor	5.2	19

Source: U.S. Census, ECONorthwest Calculations

Benefits from increased housing production

155,000
UNDERPRODUCED



CLEAR SKIES AHEAD



GSP BOOST



TAX REVENUE BENEFITS

Smart Growth Requires 20% of the land and 11% of the infrastructure cost

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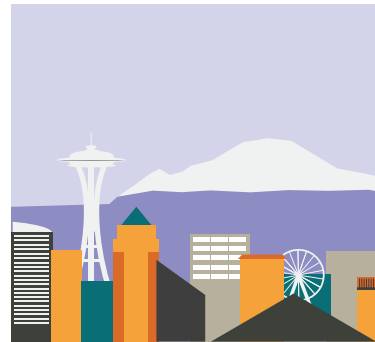
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Eugene



Portland



Seattle



Boise