



Oregon

Governor Kate Brown

Housing and Community Services

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March 28, 2019

Senator Shemia Fagan, Chair
Senator Dallas Heard, Vice-Chair

Senate Committee on Housing
900 Court Street NE
Salem, OR 97301-4048

Re: Additional information related to Oregon Housing and Community Services March 25, 2019 presentation

Dear Chair Fagan and Vice-Chair Heard,

Thank you for the opportunity to share the work we do at Oregon Housing and Community Services (OHCS) to better the lives of Oregonians. During our presentation, a number of questions were raised and we have provided additional information below.

Housing Burden Calculation

Senator Heard asked whether housing burden considers utility bills. The answer is yes. The calculation for housing cost burden is rent and utility costs divided by gross income. As noted during the presentation, this does not include a household's transportation costs. As housing prices increase in urban cores, more Oregonians are traveling longer distances to and from work.

Racial Disparities in Homeownership Methodology

A member of the public asked about the methodology used when examining racial disparities in homeownership. Homeownership rates by race or ethnicity are calculated by taking the number of homeowners of a particular race or ethnicity divided by the total number of people of that race or ethnicity in Oregon.

Construction Costs

During the presentation Senator Heard asked about construction costs. We look carefully at housing development costs. We have a Key Performance Measure that measures construction costs of our developments as compared to RSMeans data for the overall housing industry, and we report on this KPM regularly to the legislature. RSMeans data is a North America construction cost database used by construction professionals across the county. What we find is that our costs, at approximately \$177.20 per square foot for a new home, the market average is \$201.64. This KPM shows that our construction costs are 89% of costs for the market overall. If you consider just the state dollars contributed to these developments, we are spending just \$22,000 per home on average. Additionally, we are working to better understand cost drivers in in our portfolio. In compliance with [HB 4006 \(2018\)](#), we are commissioning a study to examine the cost drivers in the OHCS housing portfolio. We anticipate the study will be complete in late June.

What is an affordable rent?

Senator Monnes Anderson asked what an affordable rent is in Oregon. The table on the last page of this document details what rents are affordable based on income and county. I want to not that, according to data from the Oregon Bureau of Labor and Zillow Rental Listings, the median rent for a two-bedroom apartment in Oregon is \$1,400. You'll see below that a \$1,400 housing cost plus utility bills is out of reach for many Oregonians.

Please let us know if we can provide any additional information.

Sincerely,

Margaret Salazar
Oregon Housing and Community Services, Director

Affordable Monthly Housing Costs by County

| County | Median Family Income (MFI) | Affordable Monthly Housing Cost for | | Affordable Monthly Housing Cost for 80% | | Affordable Monthly Housing Cost for 60% | | Affordable Monthly Housing Cost for 30% |
|-------------------|----------------------------|-------------------------------------|----------|---|----------|---|----------|---|
| | | 100% MFI | 80% MFI | MFI | 60% MFI | MFI | 30% MFI | MFI |
| Baker County | \$54,748 | \$1,369 | \$43,798 | \$1,095 | \$32,849 | \$821 | \$16,424 | \$411 |
| Benton County | \$80,845 | \$2,021 | \$64,676 | \$1,617 | \$48,507 | \$1,213 | \$24,254 | \$606 |
| Clackamas County | \$87,858 | \$2,196 | \$70,286 | \$1,757 | \$52,715 | \$1,318 | \$26,357 | \$659 |
| Clatsop County | \$66,514 | \$1,663 | \$53,211 | \$1,330 | \$39,908 | \$998 | \$19,954 | \$499 |
| Columbia County | \$69,295 | \$1,732 | \$55,436 | \$1,386 | \$41,577 | \$1,039 | \$20,789 | \$520 |
| Coos County | \$50,265 | \$1,257 | \$40,212 | \$1,005 | \$30,159 | \$754 | \$15,080 | \$377 |
| Crook County | \$57,016 | \$1,425 | \$45,613 | \$1,140 | \$34,210 | \$855 | \$17,105 | \$428 |
| Curry County | \$55,784 | \$1,395 | \$44,627 | \$1,116 | \$33,470 | \$837 | \$16,735 | \$418 |
| Deschutes County | \$69,243 | \$1,731 | \$55,394 | \$1,385 | \$41,546 | \$1,039 | \$20,773 | \$519 |
| Douglas County | \$54,147 | \$1,354 | \$43,318 | \$1,083 | \$32,488 | \$812 | \$16,244 | \$406 |
| Gilliam County | \$55,625 | \$1,391 | \$44,500 | \$1,113 | \$33,375 | \$834 | \$16,688 | \$417 |
| Grant County | \$57,255 | \$1,431 | \$45,804 | \$1,145 | \$34,353 | \$859 | \$17,177 | \$429 |
| Harney County | \$50,182 | \$1,255 | \$40,146 | \$1,004 | \$30,109 | \$753 | \$15,055 | \$376 |
| Hood River County | \$67,481 | \$1,687 | \$53,985 | \$1,350 | \$40,489 | \$1,012 | \$20,244 | \$506 |
| Jackson County | \$59,053 | \$1,476 | \$47,242 | \$1,181 | \$35,432 | \$886 | \$17,716 | \$443 |
| Jefferson County | \$57,183 | \$1,430 | \$45,746 | \$1,144 | \$34,310 | \$858 | \$17,155 | \$429 |
| Josephine County | \$49,879 | \$1,247 | \$39,903 | \$998 | \$29,927 | \$748 | \$14,964 | \$374 |
| Klamath County | \$50,554 | \$1,264 | \$40,443 | \$1,011 | \$30,332 | \$758 | \$15,166 | \$379 |
| Lake County | \$42,071 | \$1,052 | \$33,657 | \$841 | \$25,243 | \$631 | \$12,621 | \$316 |
| Lane County | \$62,435 | \$1,561 | \$49,948 | \$1,249 | \$37,461 | \$937 | \$18,731 | \$468 |
| Lincoln County | \$52,530 | \$1,313 | \$42,024 | \$1,051 | \$31,518 | \$788 | \$15,759 | \$394 |
| Linn County | \$60,023 | \$1,501 | \$48,018 | \$1,200 | \$36,014 | \$900 | \$18,007 | \$450 |
| Malheur County | \$46,571 | \$1,164 | \$37,257 | \$931 | \$27,943 | \$699 | \$13,971 | \$349 |
| Marion County | \$62,694 | \$1,567 | \$50,155 | \$1,254 | \$37,616 | \$940 | \$18,808 | \$470 |
| Morrow County | \$59,521 | \$1,488 | \$47,617 | \$1,190 | \$35,713 | \$893 | \$17,856 | \$446 |
| Multnomah County | \$76,557 | \$1,914 | \$61,246 | \$1,531 | \$45,934 | \$1,148 | \$22,967 | \$574 |
| Polk County | \$69,799 | \$1,745 | \$55,839 | \$1,396 | \$41,879 | \$1,047 | \$20,940 | \$523 |
| Sherman County | \$65,417 | \$1,635 | \$52,334 | \$1,308 | \$39,250 | \$981 | \$19,625 | \$491 |
| Tillamook County | \$55,095 | \$1,377 | \$44,076 | \$1,102 | \$33,057 | \$826 | \$16,529 | \$413 |
| Umatilla County | \$59,295 | \$1,482 | \$47,436 | \$1,186 | \$35,577 | \$889 | \$17,789 | \$445 |
| Union County | \$55,483 | \$1,387 | \$44,386 | \$1,110 | \$33,290 | \$832 | \$16,645 | \$416 |
| Wallowa County | \$60,606 | \$1,515 | \$48,485 | \$1,212 | \$36,364 | \$909 | \$18,182 | \$455 |
| Wasco County | \$55,479 | \$1,387 | \$44,383 | \$1,110 | \$33,287 | \$832 | \$16,644 | \$416 |
| Washington County | \$85,993 | \$2,150 | \$68,794 | \$1,720 | \$51,596 | \$1,290 | \$25,798 | \$645 |
| Wheeler County | \$50,000 | \$1,250 | \$40,000 | \$1,000 | \$30,000 | \$750 | \$15,000 | \$375 |
| Yamhill County | \$66,732 | \$1,668 | \$53,386 | \$1,335 | \$40,039 | \$1,001 | \$20,020 | \$500 |

Source: 2013-2017 American Community Survey Estimates