

# Regional Housing Needs Analysis Interim Report

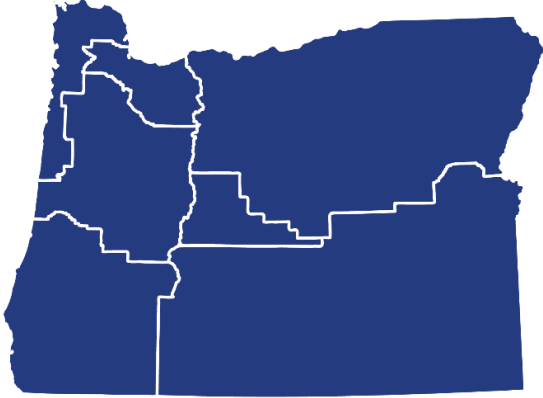
## House Committee on Housing

Emma Land, Legislative & Policy Coordinator  
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February 16, 2022

# Presentation Agenda

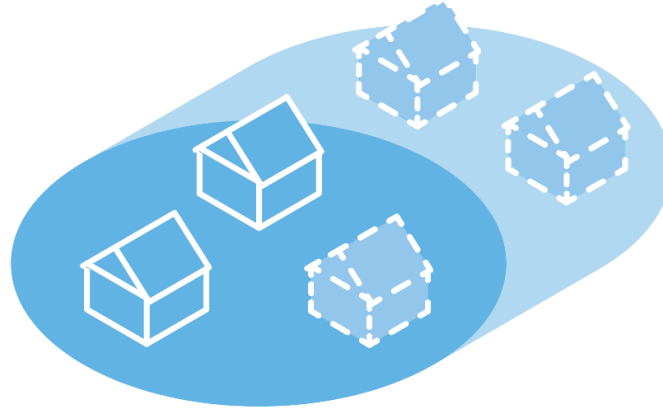
- Background
- Legislative Direction (HB 5006)
- Framework Report
  - 1) Why Modernize the Housing Planning System?
  - 2) Pathways to Implementation
  - 3) Conditions for Success
  - 4) Roadmap to 2023 Legislative Session
- Discussion

**Pilot a statewide  
housing analysis**



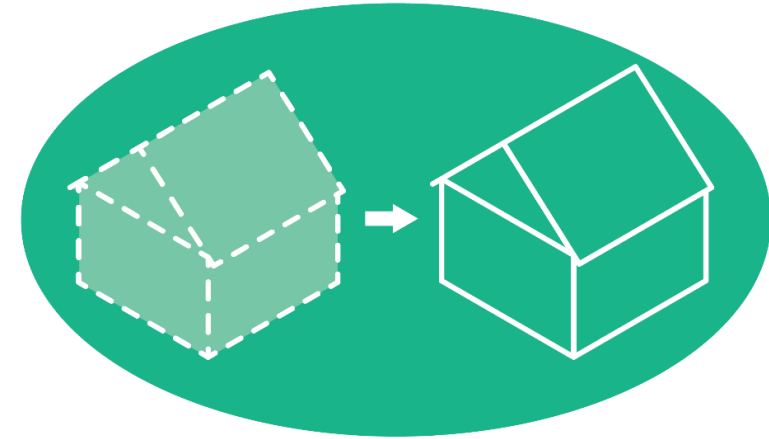
**Regional Housing  
Needs Analysis (RHNA)**

**Plan to accommodate needed  
housing on a regular schedule**



**Housing Needs/Capacity  
Analysis (HNA)**

**Promote the development  
of needed housing**



**Housing Production  
Strategy (HPS)**

# House Bill 2003

# Results by Unit Income

Median Family Income	New units for each of the following...			Total Units	% of Units
	Projected Need	Underproduction	Housing for the Homeless		
120%	201,656	7,725	-	209,381	36%
80-120%	82,796	18,326	-	101,121	17%
50-80%	70,013	30,574	875	101,462	17%
30-50%	44,400	26,119	2,334	72,852	12%
0-30%	44,701	28,076	25,965	98,742	17%
Oregon	443,566	110,819	29,174	583,559	100%
% of Units	76%	19%	5%	100%	

29% of units will require public support

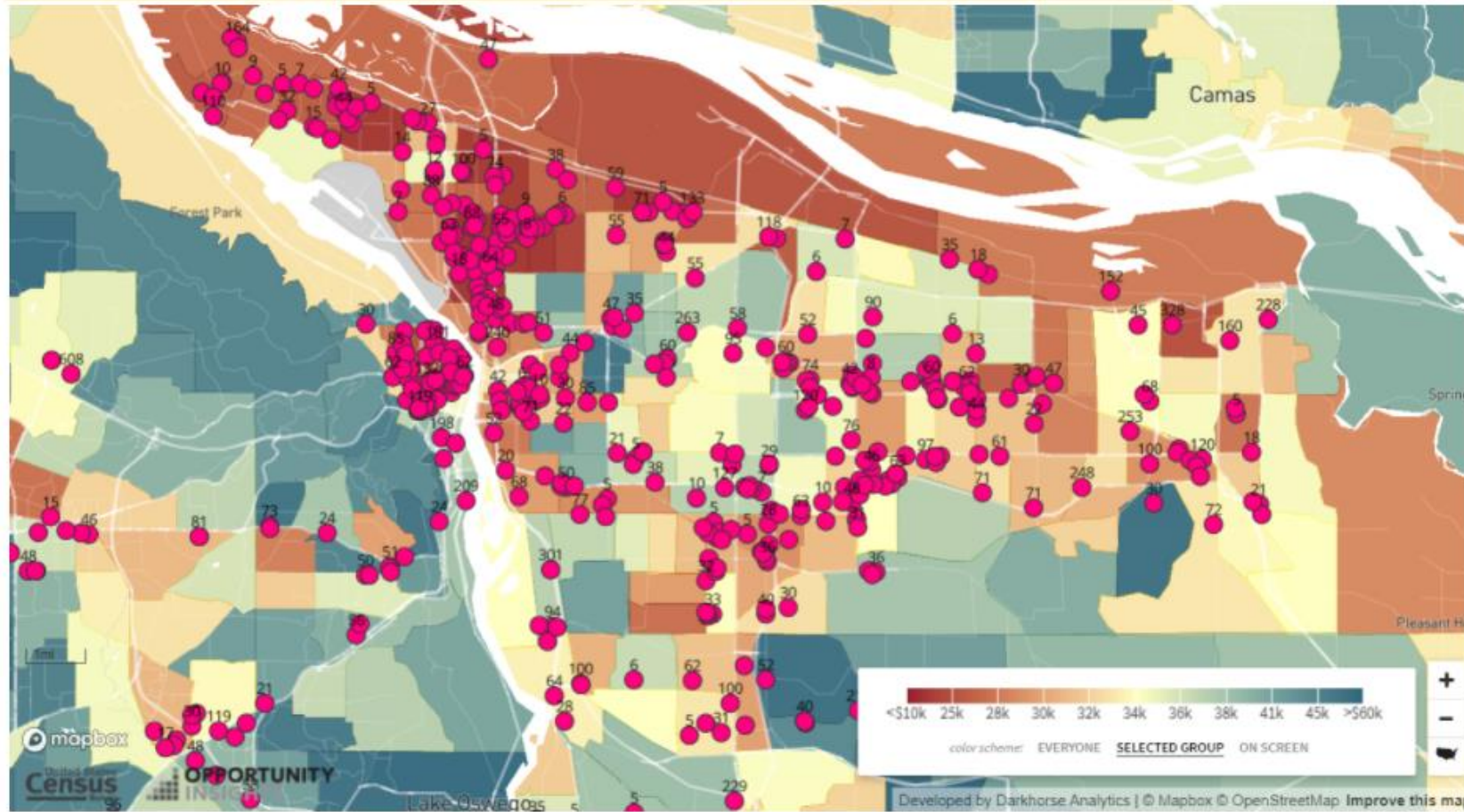
An additional 17% is likely to require public support



# Geographic (In)equity

*Affordable Units Are Located Throughout the Portland Metro, but Tend to be in Lower-Opportunity Areas*

Map scale shows the upward mobility outcome in dollars for people who grew up in low-income families in each census tract, dots reflect developments listed in the Oregon Affordable Housing Inventory



# Legislative Direction

HB 5006 budget note direction:

*OHCS and DLCD to provide a report by December 31, 2022 on “...efforts to develop a legislative proposal for incorporation of a regional housing needs analysis into future state and local planning processes.”*



# Framework Report

*Why Modernize?*

*Pathways to Implementation*

*Conditions for Success*

*Roadmap to 2023 Session*

## Meeting Oregon's Housing Needs: Next Steps for Equitable Housing Production

February 2022

Prepared for:  
Oregon Department of Land Conservation and Development  
Oregon Housing and Community Services

# The “Oregon Housing Needs Analysis” (OHNA)

- “RHNA” term borrowed from California
  - Reflects CA model of housing need allocated at regional level
- Oregon context: overall state need allocated to regions and local jurisdictions based on population and economic indicators
- Provides local data about racial and other disparities in housing outcomes



# *1) Why Modernize the Housing Planning System?*

# Context

## Problem statement:

- Oregon dramatically under-building housing, especially publicly-supported and affordable housing
- Households with lower incomes and communities of color are disproportionately impacted
- The existing system reinforces these dynamics – we do not fully account for need nor hold ourselves accountable to meeting it

# Getting to More Equitable Outcomes

Go beyond measurement to work towards outcomes:

- Increasing overall housing production
- Increasing publicly-funded and affordable housing production
- Creating more inclusive and integrated communities through increased focus on fair housing in production, and geographic housing equity.

## *2) Pathways to Implementation*

# Legislative Pathways

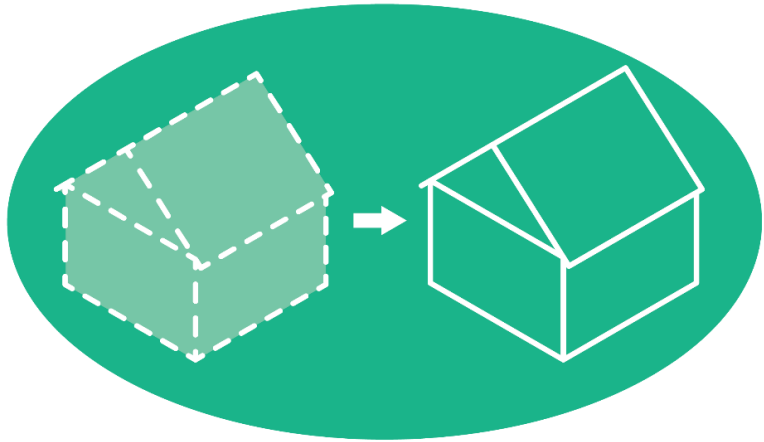
Two potential administrative and legal pathways:

1. Housing Production Strategies (HPS)
2. Housing Capacity Analyses (HCA)

Many variations and combinations of reforms are possible within these two pathways, both would require statutory changes.



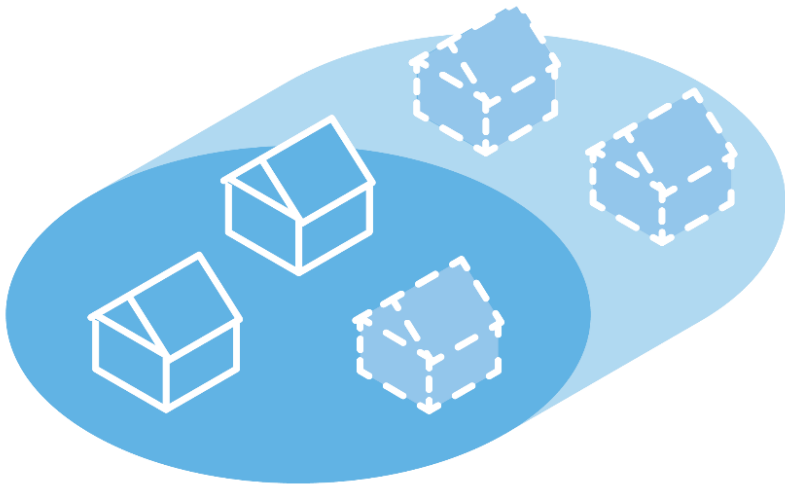
# Legislative Pathways



**Housing Production Strategy (HPS)**

- OHNA provides data and local production targets by income
- Assess progress on meeting targets and developing inclusive communities
- Without changes to land efficiency, HPS implementation would lead to land supply constraints

# Legislative Pathways



Housing Capacity Analysis (HCA)

- Replaces local projections with OHNA estimates and affordability thresholds
- Jurisdictions would be required to plan and zone based on share of:
  - Population and economic growth
  - Underproduction
  - Inequitable distribution of housing
- Without changes to HPS, focus remains on land capacity with insufficient focus on production

# Considerations

- Integrating OHNA projections will increase the need for zoned capacity, increasing pressure on future expansion decisions in some communities
- Both pathways intersect with Metro's unique housing planning model
- Only cities above 10,000 population must complete a regular HCA and HPS

Most importantly, other systemic changes are needed to achieve the outcomes.

# Challenges

Outcome	Pre-2019	Post- HB 2001 and 2003	Additional Reforms to Explore
Increase Total Unit Production	<ul style="list-style-type: none"><li>▪ Focused primarily on land capacity</li><li>▪ Incomplete assessment of housing need, no accounting for underproduction</li><li>▪ No focus on production</li><li>▪ Unclear accountability metrics</li></ul>	<ul style="list-style-type: none"><li>▪ Allowed missing middle, increasing land capacity for a variety of housing types</li><li>▪ New focus on housing production (HPS)</li><li>▪ Regular schedule for updating HCAs and HPSs</li></ul>	<ul style="list-style-type: none"><li>▪ Full accounting of total housing need in HCAs (including underproduction)</li><li>▪ Improved understanding of land efficiency measures to accommodate growth</li><li>▪ Clear targets for housing production</li><li>▪ Clarified accountability measures for jurisdictions that are not making progress toward HPS targets for total unit production</li></ul>

# Challenges

Outcome	Pre-2019	Post- HB 2001 and 2003	Additional Reforms to Explore
Increase Publicly funded and Affordable Unit Production	<ul style="list-style-type: none"><li>▪ Incomplete assessment of need for affordable units, with no accounting for housing needed for people experiencing homelessness</li><li>▪ No focus on publicly funded or affordable unit production</li></ul>	<ul style="list-style-type: none"><li>▪ Removed zoning barriers to missing middle, which allows for a range of smaller unit types</li><li>▪ New focus on affordable unit production and fair housing outcomes</li></ul>	<ul style="list-style-type: none"><li>▪ Full accounting of need for affordable units in HCAs (including for people experiencing homelessness)</li><li>▪ Binding targets for production of publicly funded units</li><li>▪ Increased focus on fair housing, supported with data</li><li>▪ Clear accountability measures</li><li>▪ Ties to new funding and programs to support affordable unit production</li></ul>



# Challenges

Outcome	Pre-2019	Post- HB 2001 and 2003	Additional Reforms to Explore
Inclusive and Integrated Communities	<ul style="list-style-type: none"><li>▪ Fair housing disconnected from Goal 10 land use plans</li><li>▪ Zoning that excludes certain housing types allowed</li></ul>	<ul style="list-style-type: none"><li>▪ Allows production of a range of unit types in all neighborhoods</li><li>▪ Requires consideration of fair housing in HPS and new tracking / reporting to DLCD</li></ul>	<ul style="list-style-type: none"><li>▪ Production targets that lead toward a more equitable housing distribution across jurisdictions</li><li>▪ Increased focus on fair housing, inclusive neighborhoods, and housing choice statewide, supported with data</li><li>▪ Clear accountability measures for jurisdictions that are not working to reduce racial and economic housing segregation</li></ul>

### *3) Conditions for Success*

# Conditions for Success

The OHNA can describe production targets, but achieving outcomes will require overcoming barriers to production beyond land use, including:

- **Accountability**, to ensure that governments are doing all they can to equitably meet growing need
- The amount and type of state-level **funding**, to better support the production of publicly-funded housing and affordable housing
- Administrative **capacity**, to enable comprehensive and sustained implementation efforts

## *4) Roadmap to 2023 Session*

# Roadmap to the 2023 Legislative Session

- Final Report and recommendations – December 2022
- Recommendations based on input from a working group and engagement with internal and external stakeholders
  - Detailed in the [Engagement Framework report](#)





**DLCD**



**OREGON HOUSING *and*  
COMMUNITY SERVICES**

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# Discussion