



Housing Production Advisory Council

September Legislative Days



Background

On January 10, 2023, Governor Kotek signed 3 executive orders to tackle Oregon's housing and homelessness crisis:

EO 23-02 - Declares a state of emergency due to homelessness in regions of the state that have experienced an increase in unsheltered homelessness of 50% or more from 2017 to 2022

EO 23-03 - Working in tandem with EO 23-02, EO 23-03 directs state agencies to prioritize reducing both sheltered and unsheltered homelessness in all areas of the state

EO 23-04 - Establishes a statewide housing production goal of 36,000 per year and creates the Housing Production Advisory Council (HPAC) to develop comprehensive budget and policy recommendations to meet that goal



EO 23-04

- Sets an ambitious housing production goal of **36,000 homes per year**. The annual housing production goal represents an **80% increase** over current annual trends.
- Requires that **50%** of the annual statewide production target of 36,000 homes **must be affordable to households making less than 80% of Area Median Income (AMI) to meet the need**.
- Establishes the **Housing Production Advisory Council (HPAC)** to develop comprehensive budget and policy recommendations to meet that goal.



HPAC Process

- **Five work groups** - engaging subject matter experts and developing potential recommendations
 - Availability of land, land development and permits, codes and design, workforce, financing
- **Potential recommendations** - referred to full council for consideration and public comment
- **Preliminary recommendations** - recommendations adopted after comment and any changes
- **Final report and recommendations** - to be developed and due by December 2023

Council anticipates that the Governor will support some recommendations, not support others, and those that she moves forward will require supplemental technical, budget, and legislative process.



Post HPAC Process

- **HPAC expectations on process after report is finalized**
 - Review by Governor and Legislators for areas of agreement and disagreement
 - Departmental review for policy, budget, and technical assessment
 - Additional stakeholder and subject matter expert involvement
 - For any recommendations that move forward, a full administrative and/or legislative process

- **HPAC process is the start to a longer process, not the end**



Oregon's Housing Crisis: Low Availability & High Prices

- Oregon ranks 4th in underproducing housing (behind California, Colorado, and Utah).¹
- Decades of underproduction have driven up home prices and rents.
- The people suffering most acutely from the housing shortage are disproportionately **lower income households** and **communities of color**.
- People are currently becoming homeless faster than the state has been able to rehouse people living outside. To address and prevent homelessness , the state must build more housing.
- A lack of affordable housing is exacerbating the state's workforce shortages, impacting healthcare, public safety, education, and business.

¹ [2022 Oregon Housing Needs Analysis Legislative Recommendations Report](#)



Oregon Housing Needs Analysis (OHNA)

The pilot Oregon Housing Needs Analysis (OHNA) estimated:

- Oregon's housing shortage at 140,000 homes across the state.
- A need to add more than 440,000 units over the next 20 years to keep pace with housing needs.
- 30% of those 440,000 units will need to house Oregon's lowest income community member, likely requiring public funding or subsidy.



Oregon Housing Needs Analysis (OHNA)

- Currently, the state produces an average of 18,000 units per year – only 55% of the Governor’s target.
- **Addressing the current shortage and keeping pace with annual housing needs will require the state to double its annual housing production.**



OPB | [Oregon has an extreme housing shortage. Here's what could be done](#) (July 26, 2023)

Across the state — from big and mid-size cities to small, rural towns — Oregonians are straining under the pressure of an increasingly unaffordable housing market... Renters are the hardest hit. More than half of renters in the state don't have enough money after paying rent to afford other basics, including food, child care, internet access and transportation. Because the state's housing inventory is so limited — Oregon simply doesn't have enough units for the number of people who need them.

Bend Bulletin | [In a perfect world, we would never leave': Bend's young families balance future need with high housing costs](#) (February 12, 2023)

If 20- and 30- and 40-somethings can't afford to live there, that's your workforce. And then if they're taking their kids with them somewhere else, that's your future workforce," Lehner said. "There certainly can be a demographic crunch where the labor force needed to support local businesses and local consumer demand is certainly inadequate without long commutes or things like that.



OPB | [As calls increase, staffing shortages mount for volunteer fire departments in Cannon Beach and Coos Bay \(April 23, 2023\)](#)

Fire Chief Marc Reckmann said many volunteers have retired or been priced out of the area's increasingly tight housing market. The ones that remain aren't always available to respond at a moment's notice.

Lund Report | [Hotel will become housing for health care workers on Oregon Coast \(March 16, 2023\)](#)

The problem hurts coastal residents' access to health care, said Mimi Haley, executive director of Columbia Pacific CCO, which operates in Clatsop, Columbia and Tillamook counties.

Bend Bulletin | [Nurses at St. Charles want more pay in part to cover sky-high cost of housing \(March 4, 2023\)](#)

St. Charles Health System nurses are asking for a 65% pay raise in part due to skyrocketing housing prices that they say are preventing the hospital system from filling dozens of vacancies



Timeline

- **January 10** - Governor Kotek signs EO 23-04
- **March 6** - Governor Kotek announces Housing Production Advisory Council (HPAC) members
- **March 10** - First HPAC meeting
- **April 25** - HPAC Releases Framework for Action Plan
- **December 31** - HPAC's recommendations are due no later than this date for a production plan that is equitable and affirmatively advances fair housing



Questions?