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Essential analysis amendments to HB 2001 (2023)

Paul Conte <paul.t.conte@gmail.com> Sat, Feb 25, 2023 at 8:28 AM
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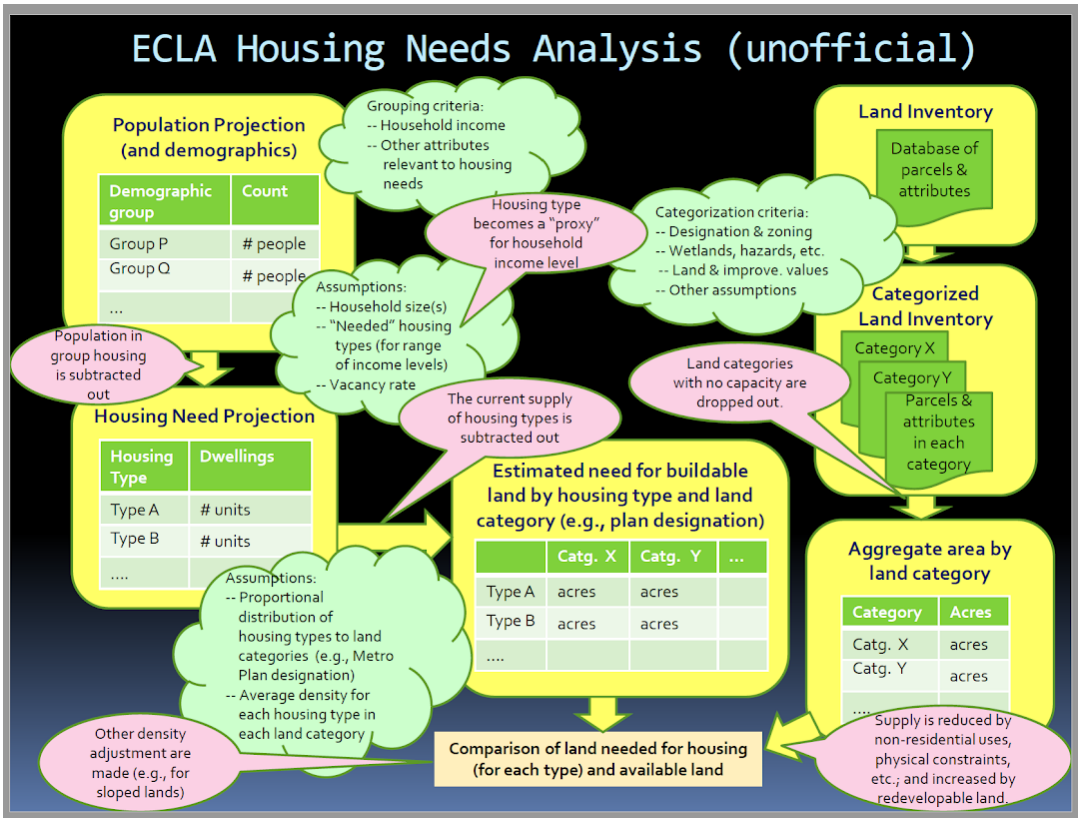
Honorable Representatives and Senators:

The old saying a picture is worth a 1,000 words is still true, despite "word inflation" in political circles.

Long before "Middle Housing" evolved from a marketing term created by a California consulting firm into a "meme," and long before "Anti-Exclusionary Zoning" became a YIMBY battle cry, I was on a citizen technical team working to determine Eugene's "buildable lands need" for housing.

In 2008-2010, with the help of others, I developed the following high-level diagram to illustrate a legitimate process to determine Eugene's residential land needs. (I was an appointed member of the **Eugene Comprehensive Lands Analysis** ("ECLA") "Community Advisory Team" ("CAC") that worked to develop a Eugene-specific response to HB 3337 (2007)).



The attached PDF document provides additional details and a comparison with the flawed "1999" (yes, ten years out of date) methodology pushed by ECONorthwest.

Unfortunately, the City staff person leading the ECLA project and the ECONorthwest consultants made numerous severe errors in their (outdated) methodology, which led to the Eugene City Council *declining* to adopt what was submitted as the "Final Report" by the statutory deadline in December 2009. The Eugene City Council did adopt a 2010 revised version, which was as fundamentally flawed as the 2009 version, but which papered over the issues and "cooked" significant assumptions. Consequently, Eugene relied on this flawed analysis to ignore the need for more substantial action, including increasing urbanized land for compact residential development. (In the end, the process above would have demonstrated that Eugene had a serious *deficiency* in land and policies to address housing that would be affordable to lower- and middle-income households.)

In the decade since 2008, the housing market and the role of major private equity funds in housing have created an even greater need to implement realistic analytic approaches to determining housing need, capacities, and evidence-based policies.

So now, like many Oregon cities, Eugene has a "housing crisis" but still doesn't actually know the scope and nature of households that are in a true crisis -- that is, household who don't have enough money after covering housing costs to pay for other essential human needs, such as food, medicine, etc.) All city officials seem to "know" is that single-family zoning is the problem, and deregulation will let the "free market" solve the problem. That understanding is dead-wrong.

Unfortunately, HB 2001 (2023) is woefully lacking in what's required, specifically in enumerating the details of factors to study in Section 2. (4) .

Without going into too much detail at the moment, forecasting the need for housing requires several factors utterly lacking in Eugene's 2009 analysis, the HB 2001 (2019) assumptions, and in HB 2001 (2023):

- Consideration of household compositions (e.g., number of adults and children) and corresponding minimum dwelling configuration for each household composition category (e.g., number of sleeping areas). HUD provides a good starting point for identifying these factors.
- Consideration of the local area cost of basic human needs in addition to housing (e.g., food) for various household configurations. OEA has begin to follow national research to develop this data.
- Household income ranges for various household configurations. The Census provides a starting point.

With these factors you can calculate a table of household counts for dwelling configurations in each cost range, based on "residual income" methodology.

HB 2001 Section 2. (4) needs to be revised to support a valid methodology to assess true housing need. We already have evidence from OEA and research that the "30% of Income" won't provide the right estimates, and ***without matching up dwelling configurations with household compositions, you're not going to know what type of housing needs to be built.***

Hint: "Middle Housing" is a crude marketing term and utterly irrelevant to creating a project of the types and costs of housing need. A solid analysis wouldn't tell you how many fourplexes or townhouses to build. It would tell you how many studios, 2-bedroom dwellings, single-room occupancy, etc. you need to build. (Think of "Middle Housing" as a meaningless "shiny object" that you can ignore if you want to actually address housing needs based on evidence.)

If you would get connected with credible housing justice analysts/advocates, you'd know that the simple-minded, one-sized fits all deregulation, leave it to the market strategy, like what HB 2001 (2019) implements, inexorably produces exactly what investors decide will optimize high profit and low risk.

The first step on the right track is to actually identify the true need for housing configurations and at what cost to households.

The next step is to realize that the market will never deliver what's needed, and the only solution is to *carefully* implement land value capture. Deregulation without land value capture will *exacerbate* housing-cost-burden for lower-income households.

I would be more than happy to discuss this more deeply and connect you with competent experts who know much, much more than I do about pragmatic housing justice strategies.

As it's going now, you're headed for another train wreck by relying on advice and, frankly, propaganda from such discredited sources as "Sightline Institute," and Thousand Fiends of Oregon, and the Homebuilders.

Thank you for your consideration.

Paul Conte
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P.S. Some of these concepts are addressed at on the "HHI" and "Burden" tabs at:
Housing-Facts.org

P.P.S. You ***must*** take time to view the video of Lydia Edwards. See the link on the "Voices" tab.

Earth Advantage Accreditations:
*** Sustainable Homes Professional**
*** Accessory Dwelling Unit (ADU) Specialist**

[Quoted text hidden]

Housing Needs Assessment overview diagram.pdf
134K

ECLA Housing Needs Analysis (unofficial)

Population Projection (and demographics)

Demographic group	Count
Group P	# people
Group Q	# people
…	

Grouping criteria:
-- Household income
-- Other attributes relevant to housing needs

Housing type becomes a "proxy" for household income level

Assumptions:
-- Household size(s)
-- "Needed" housing types (for range of income levels)
-- Vacancy rate

Population in group housing is subtracted out

Land Inventory

Database of parcels & attributes

Categorization criteria:
-- Designation & zoning
-- Wetlands, hazards, etc.
-- Land & improve. values
-- Other assumptions

Categorized Land Inventory

Category X
Category Y
Parcels & attributes in each category

Land categories with no capacity are dropped out.

Housing Need Projection

Housing Type	Dwellings
Type A	# units
Type B	# units
….	

The current supply of housing types is subtracted out

Estimated need for buildable land by housing type and land category (e.g., plan designation)

	Catg. X	Catg. Y	…
Type A	acres	acres	
Type B	acres	acres	
….			

Assumptions:
-- Proportional distribution of housing types to land categories (e.g., Metro Plan designation)
-- Average density for each housing type in each land category

Aggregate area by land category

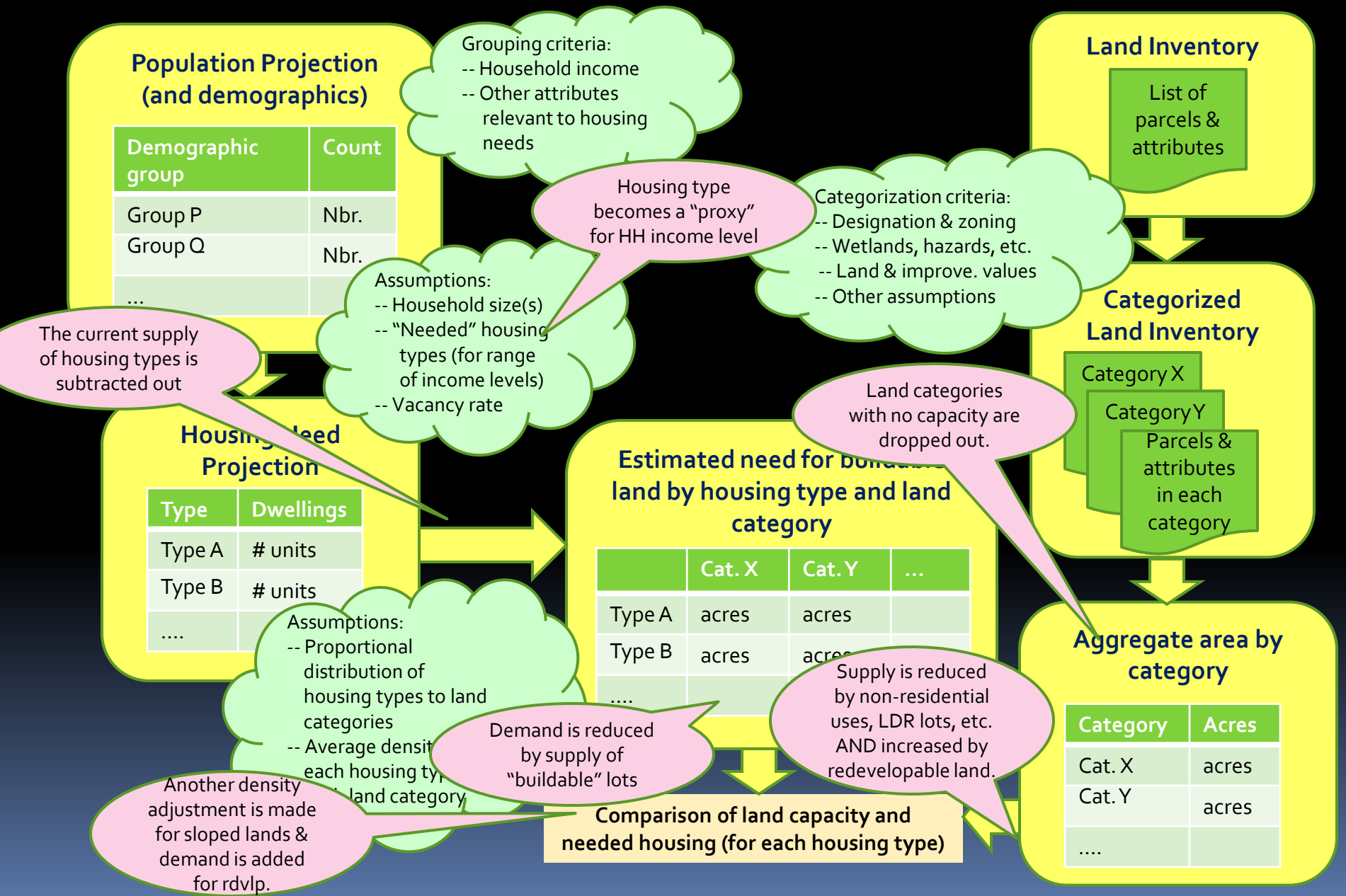
Category	Acres
Catg. X	acres
Catg. Y	acres
….	

Supply is reduced by non-residential uses, physical constraints, etc.; and increased by redevelopable land.

Other density adjustment are made (e.g., for sloped lands)

Comparison of land needed for housing (for each type) and available land

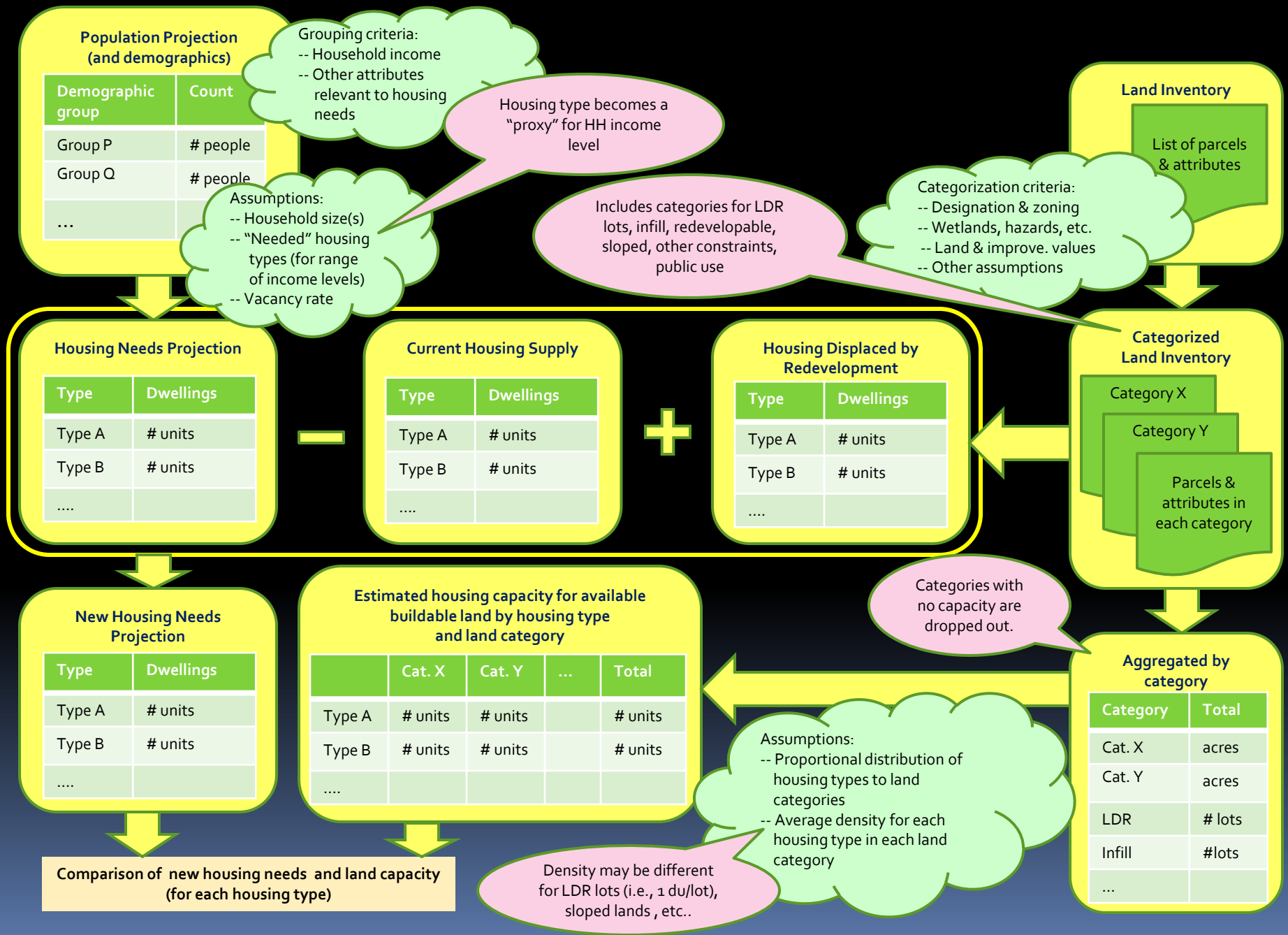
Flawed ECONorthwest 1999 Housing Needs Analysis



Notes on flawed 1999 methodology used by ECONorthwest

- Subtracts current housing supply from forecast need (demand), rather than adding into supply.
- Student (and other "group") population (apparently) were assumed to have no unmet demand for housing. (They're subtracted out before demand for dwellings is calculated.
- Comparison reduces LDR demand (in acres) by buildable lots. However, it mistakenly doesn't reduce demand at all for new "infill" lots created by lot divisions.
- Buildable land supply is reduced by anticipated other uses (schools, parks, etc.)
- p. 52 -53 in "comparison" no units allocated to commercial and mixed use due to State administrative rules
- In "comparison", a second density assumption is used for sloped land.
- In "comparison" demand is added for housing displaced by redevelopment

A "Rational" Housing Needs Analysis (simplified)



Notes on “rational” methodology

- Subtracts current housing supply from forecast need (demand), rather than adding into supply.
- Student (and other “group”) population (apparently) should be analyzed for demand above “group” facilities.
- Land categorization is where Goal 5 and 7 land is identified.
- LDR and infill lots are aggregated by “lots”, rather than acres, and assumed 1 dwelling per lot.
- There are categories for residential land allocated to other uses (schools, parks, etc.).
  (Alternately, this could be a reduction in the aggregate acreage for one or more categories.
- Should any capacity be assigned to commercial and mixed use lands?
- Different density assumptions account for sloped land (and other categories).
- Demand is increased by amount of housing displaced by redevelopment.