



What is a Housing Production Strategy?

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With staff from:
City of Hood River
City of Madras
City of Tualatin

Housing Analysis in Oregon

The Department of Land Conservation and Development (DLCD) illustrates the Goal 10 framework as follows:

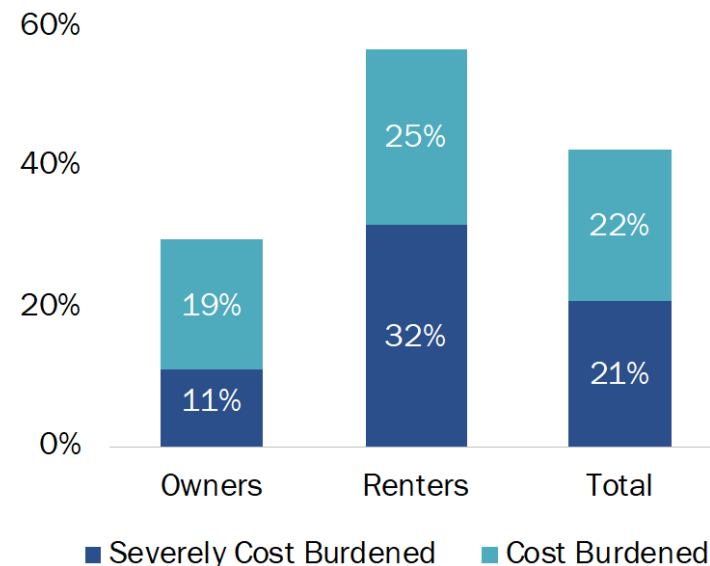


Source: DLCD, HB 2003 Webinar, September 9, 2021

Why should a City Conduct an HPS?

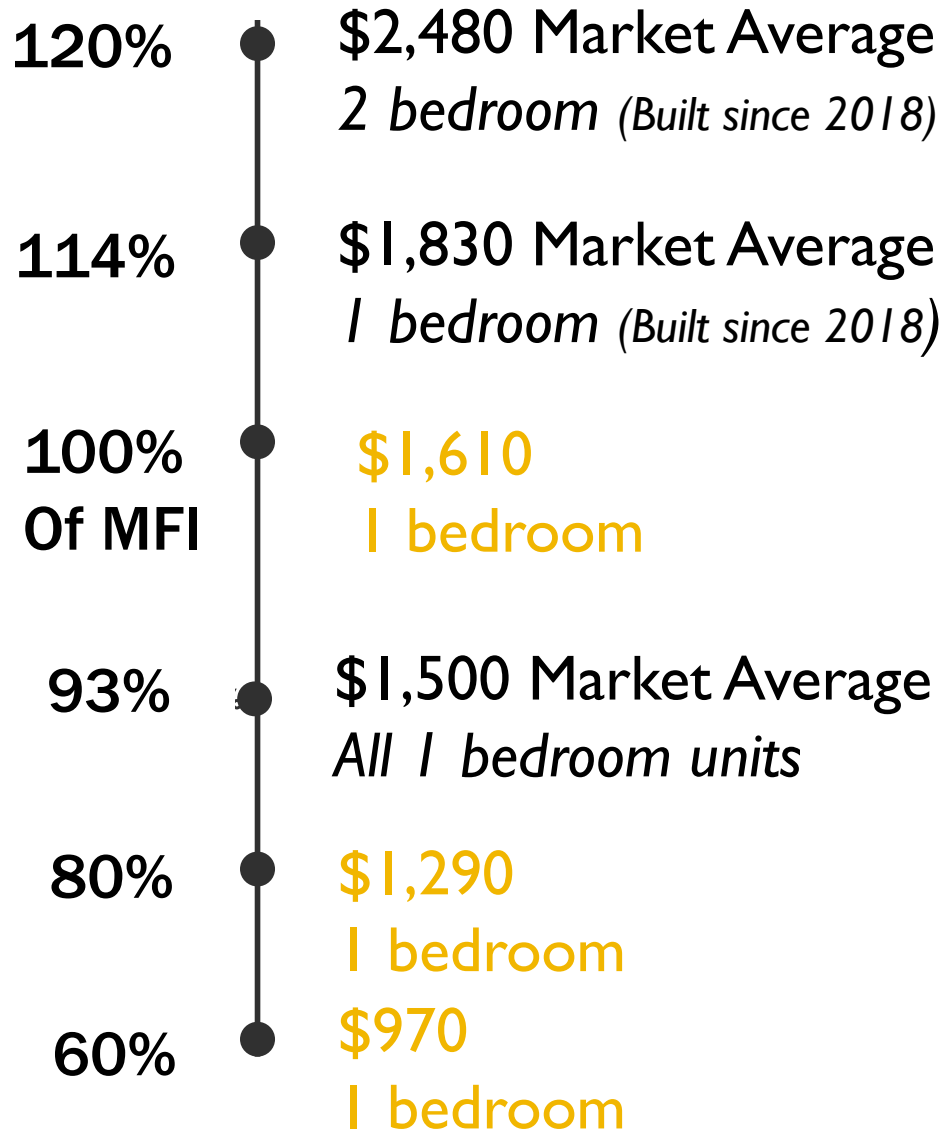
- Need for affordable housing is enormous across Oregon
- Build on efforts to meet the city's housing needs
 - Recent Housing Needs Analysis or other housing policy work
- The city is required to develop an HPS
 - OAR 660-008 describes the requirements of an HPS, starting with OAR 660-008-0050

Cost Burden by Tenure, Medford, 2014-2018



Source: 2014-2018 American Community Survey, U.S. Census

The market builds high-end housing



Example from Gresham

Rents in Gresham have not typically been high enough to support new market-rate construction.

That may be changing with development like Alta Civic Station.

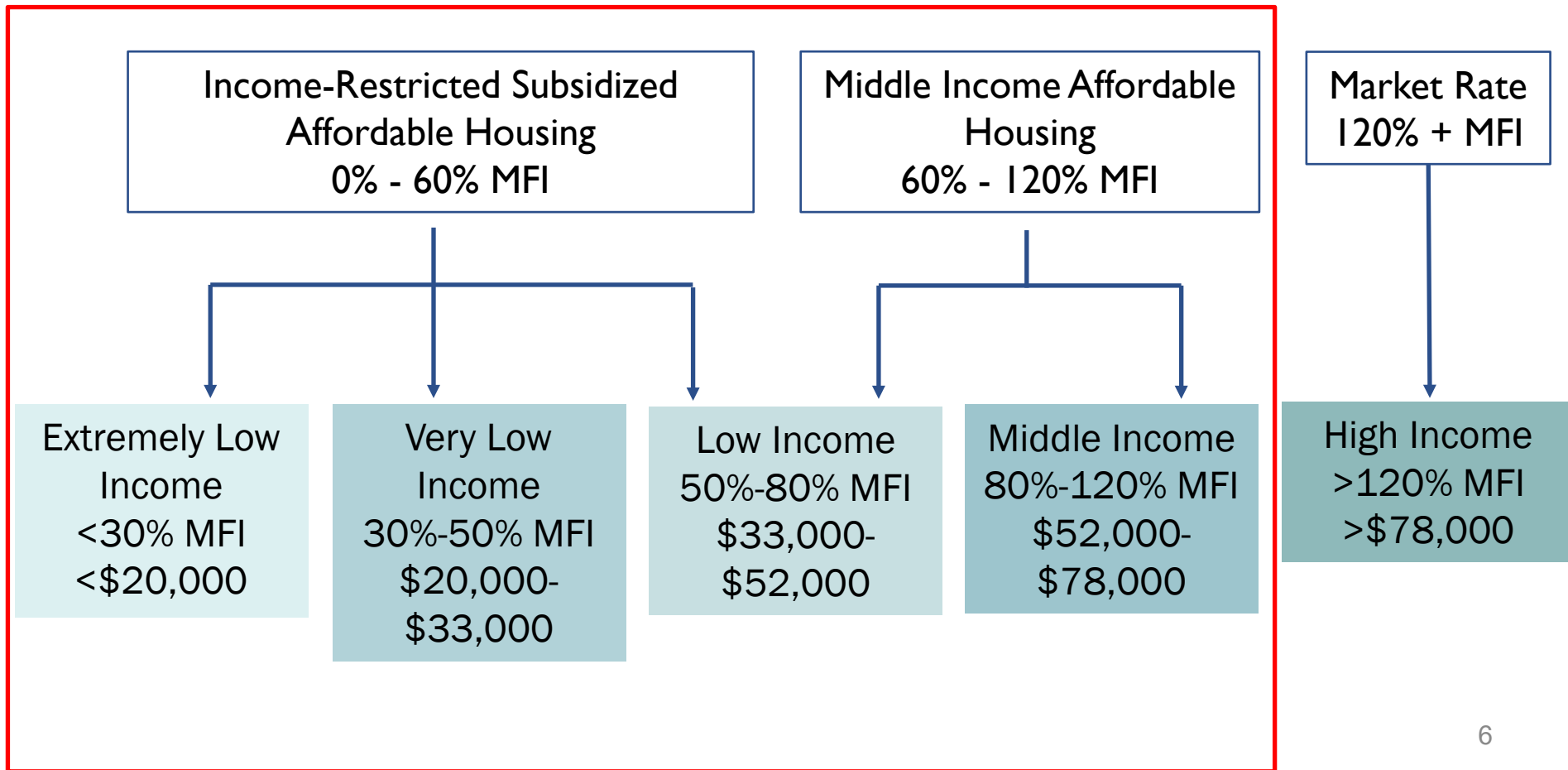
For the market rents (in black), information is based on Co-Star for the Portland Region and includes \$150 per month in utilities for a 2 bedroom unit and \$100 per month in utilities for a 1 bedroom unit.

What is Housing Need?

- Need for buildable land to accommodate housing development (determined in the HCA)
- Housing that is affordable based on income
 - Access to housing where housing costs are less than 30% of a households' gross income
 - HUD standard that does not account for wealth, debts, special costs
- Access to housing that meets the unique needs of a household
 - Size and household composition
 - Location relative to work and school, "high opportunity" areas
 - Characteristics of unit and neighborhood
 - Access without discrimination (Fair Housing)

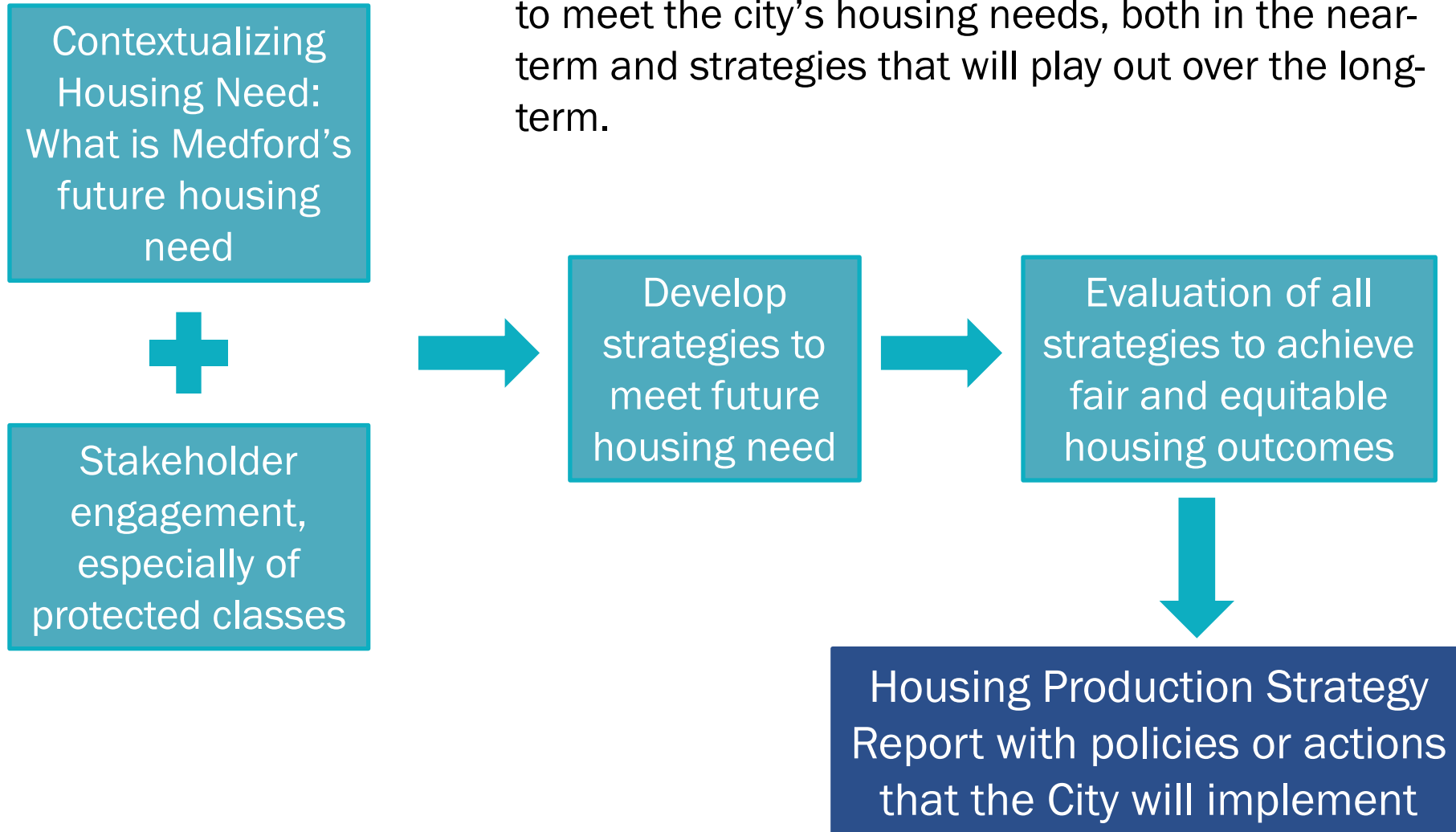
Housing Affordability by Income Levels

The housing market cannot produce income-restricted, subsidized affordable housing and often does not produce middle income affordable housing without subsidy.



A Housing Production Strategy is...

...a 6 or 8 year action plan that identifies strategies to meet the city's housing needs, both in the near-term and strategies that will play out over the long-term.



What is a city's role housing development?

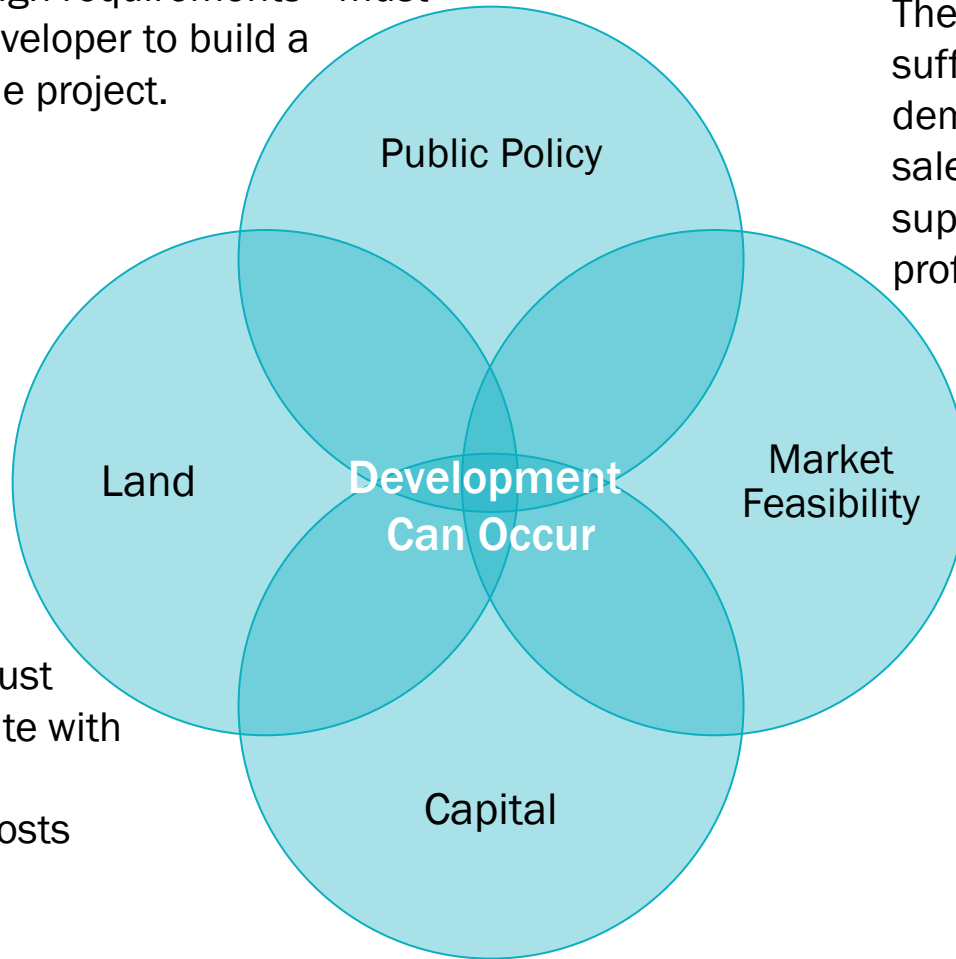
Policy—including zoning, density, and design requirements— must allow developer to build a profitable project.

There must be sufficient demand (rents, sales prices) to support a profitable project

Cities can directly influence public policy, land, and infrastructure.

Cities may have limited influence on market feasibility

Developer must control the site with reasonable acquisition costs



Developer must be able to access resources for investment (e.g., equity investment, bank loans)

Develop Strategies to Meet Future Housing Need

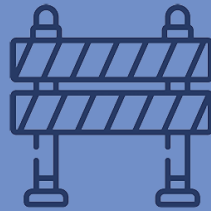
Types of Strategies to Support Housing Production



Produce
Informational
Resources



Partner to
Leverage Efforts
and Resources



Remove
Regulatory
Barriers



Waive or
Reduce Upfront
or Ongoing
Charges on
Development



Allocate
Funding



Land
Acquisition and
Disposition

Less Impactful

More Impactful

How to support dev. of housing that is affordable?

- Many approaches to addressing unmet housing need:
 - Supporting development of income-restricted housing
 - Support attainability of homeownership affordable to lower-income households
 - Preservation & rehabilitation of existing affordable housing, avoiding displacement
 - Identifying funding sources to support development of affordable housing
 - Regulatory and other changes
 - And other approaches
- Each city will have to identify solutions to address its housing needs (part of developing the housing production strategy)

The City's Commitments with the HPS

- For strategies identified in the final HPS, cities are expected to:
 - Commit to trying to implement each strategy
 - Be required to update DLCD on implementation progress, and be required to comment on its effectiveness in the future
- Monitor housing production, especially that resulting from the strategies in the HPS
- Strategies not identified in the HPS may still be implemented by the city

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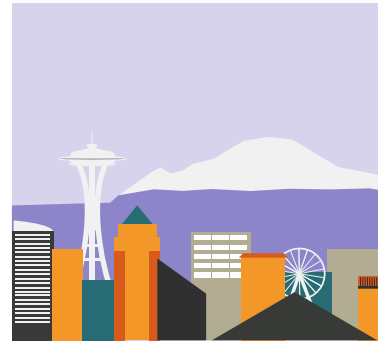
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