

Tualatin's Housing Production Strategy

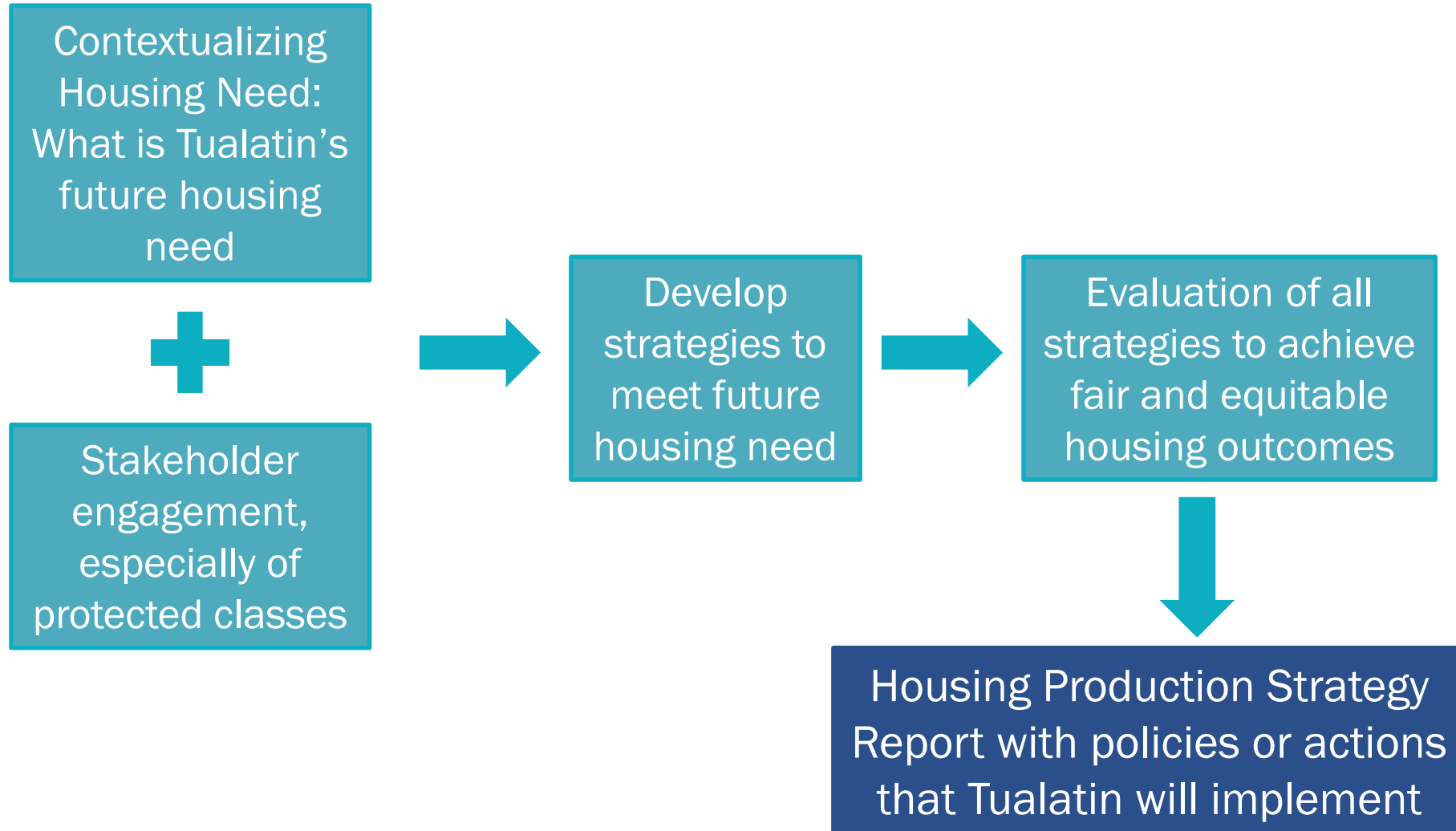
Planning Commission Meeting #1

December 10, 2020

ECONorthwest

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A Housing Production Strategy is a 6 Year Action Plan



How is the HPS Connected to the HNA?

Housing Needs Analysis

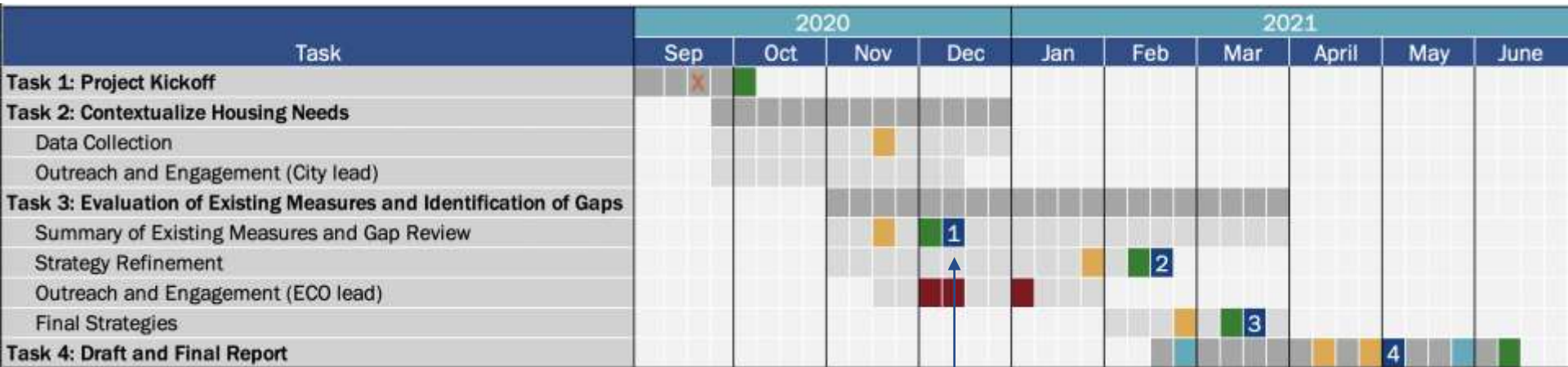
- Buildable lands inventory
- Housing market
- Demographics & socioeconomic characteristics
- Housing affordability
- Forecast of new housing
- Assessment of land sufficiency



Housing Production Strategy

- Refined understanding of housing need
- Evaluation of gaps in existing policies
- Identification of potential strategies
- Evaluation of new strategies
- Assessment of whether the strategies help achieve fair and equitable outcomes

Project Schedule and Primary Tasks



- X Project Kickoff Meeting
- Interviews
- Planning Commission Meeting
- Draft Deliverable
- City Council Meeting
- Final Draft Deliverable

We are here.

Housing Engagement Efforts

- Tualatin 2040 Efforts
 - 15 Interviews
 - Group stakeholder interview with Tualatin Aging Task Force
 - 4 Meetings with Technical Advisory Committee
 - 7 Meetings with Community Advisory Committee
 - Pop-up event and online survey
- Severely Rent Burdened Public Events
 - Under One Roof Luncheon (2019)
 - Our Home, Our Health Event (2020)

Upcoming Stakeholder Engagement

- Up to 6 interviews with housing producers and service providers, focusing on key housing needs
- Additional discussions with stakeholders if needed

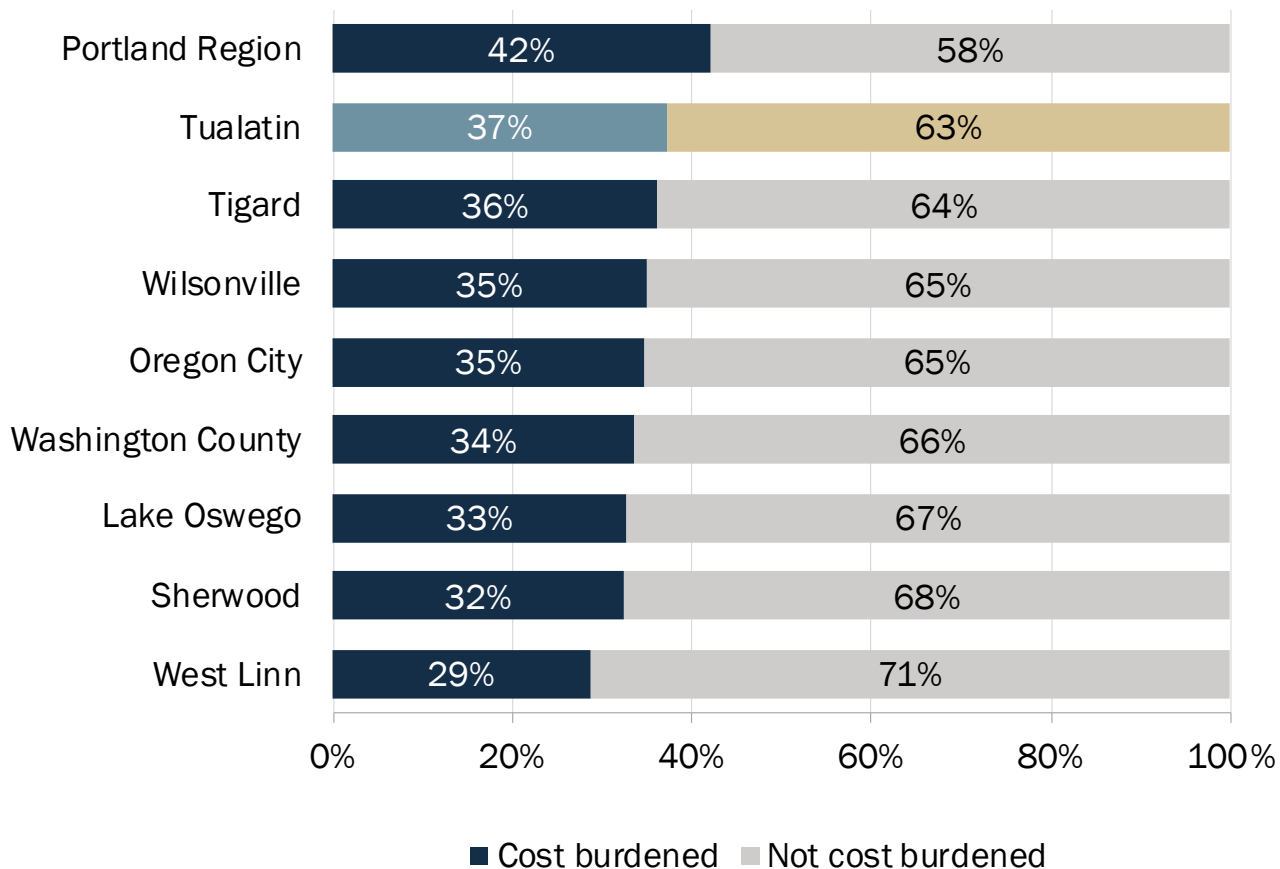


Key Housing Needs

Housing Affordability Concerns the Whole Region

Cost Burden, Tualatin, 2013-2017

A household is cost burdened if they spend more than 30% of their income on housing costs.

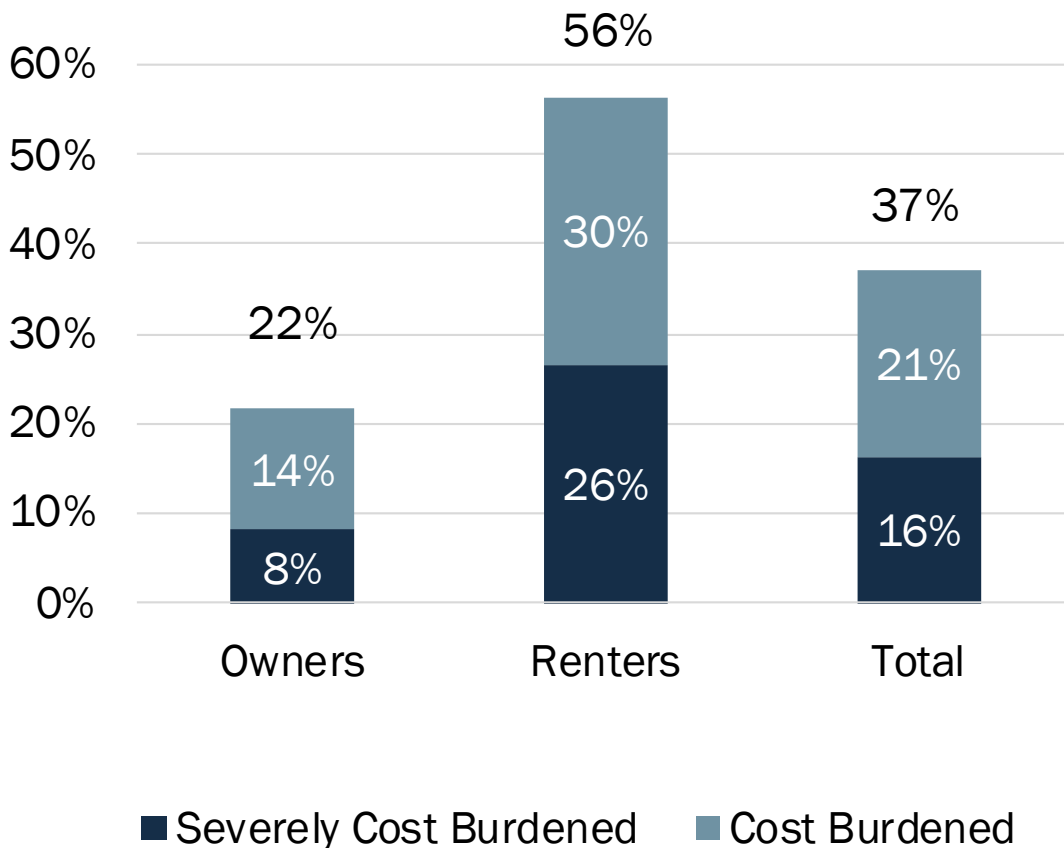


Renters Particularly Struggle to Afford Housing

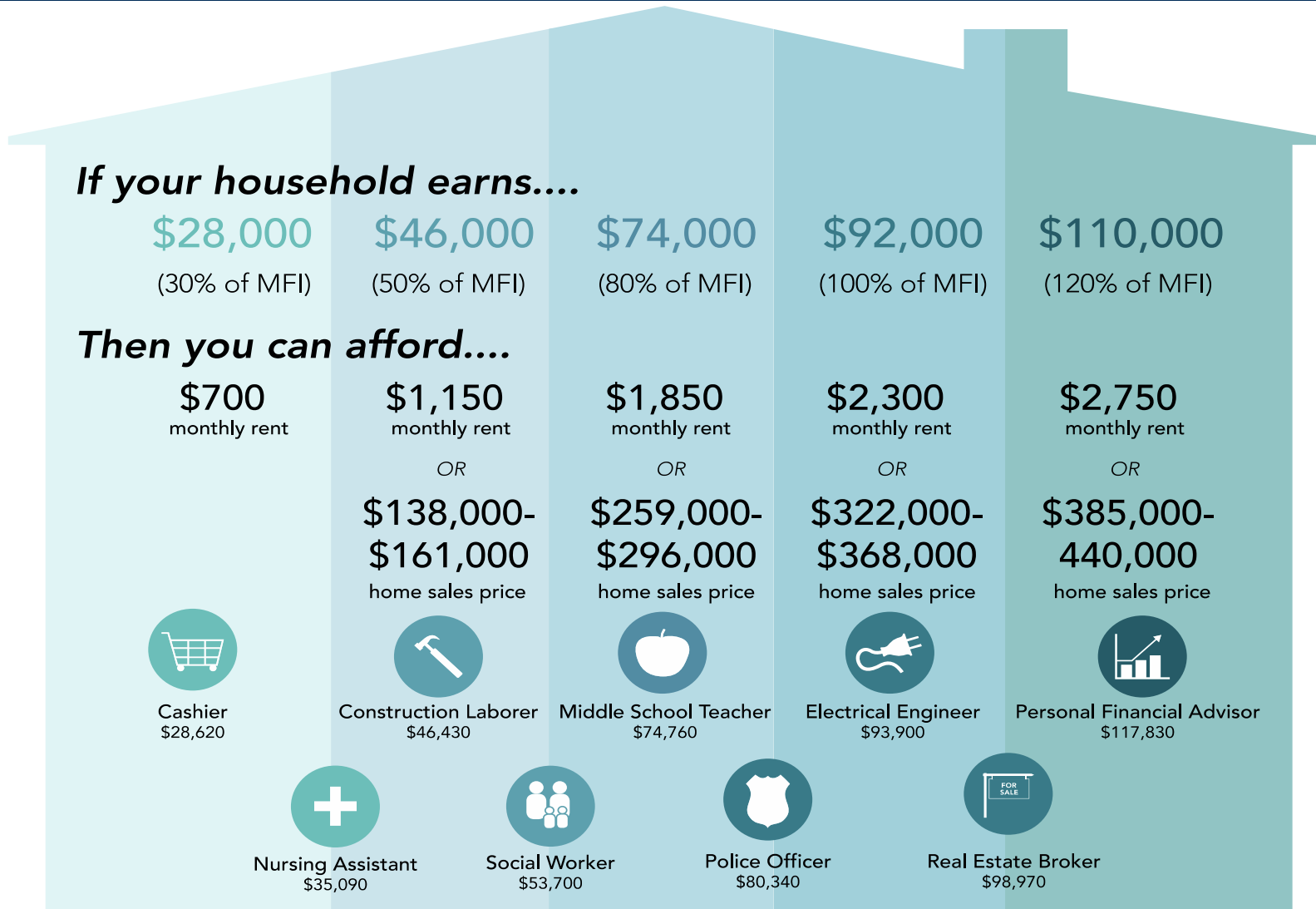
Cost Burden by Tenure, Tualatin, 2013-2017

Cost burdened:
spending more than
30% of income on
housing costs

Severely cost burdened:
spending more than
50% of income on
housing costs

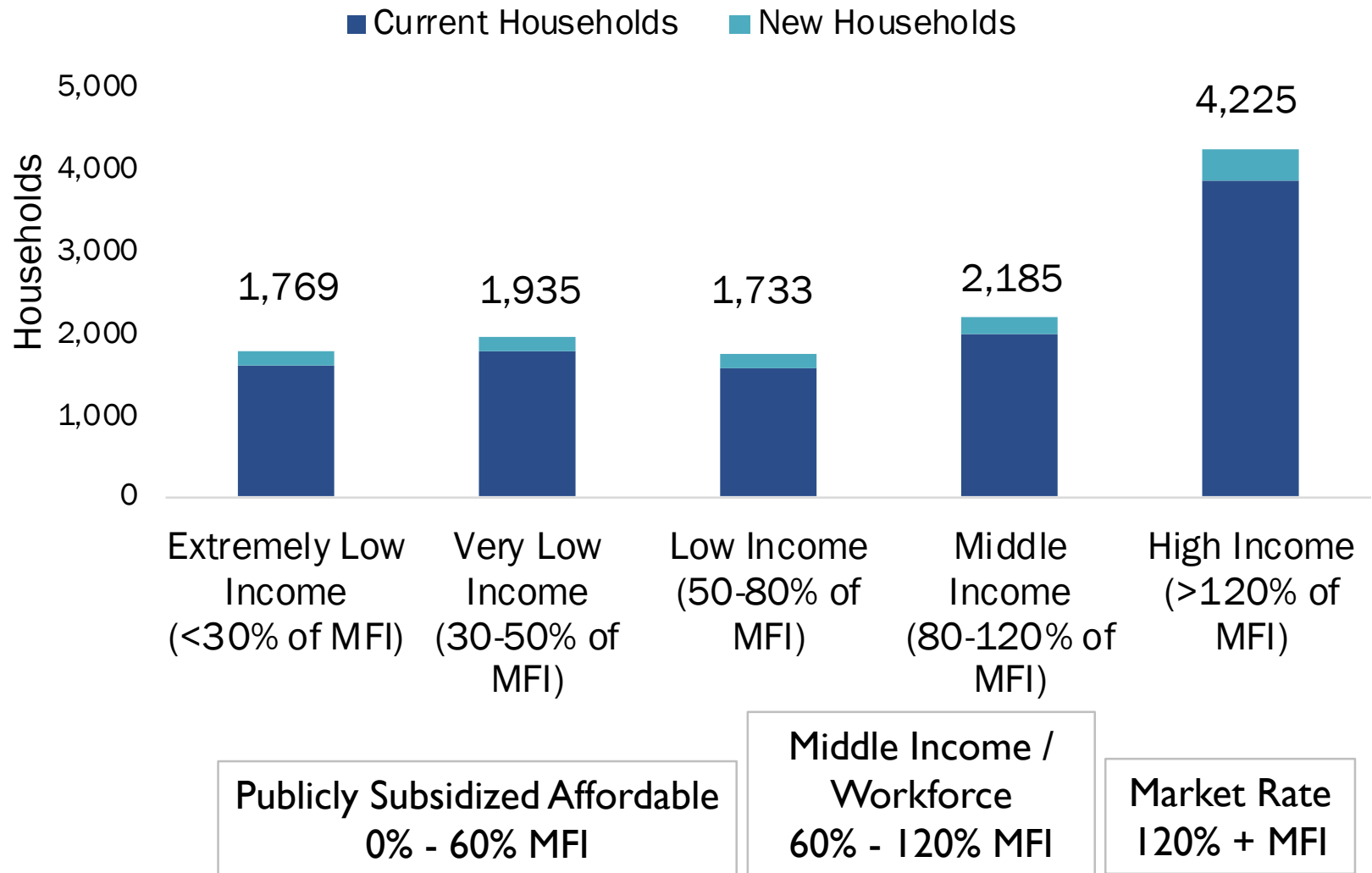


What's considered affordable?



Source: U.S. Department of HUD 2020. U.S. Census Bureau, 2014-2018 ACS Table I9001.
 Note: MFI is Median Family Income for a Family of 4.

Tualatin's Current & Future Households by Income

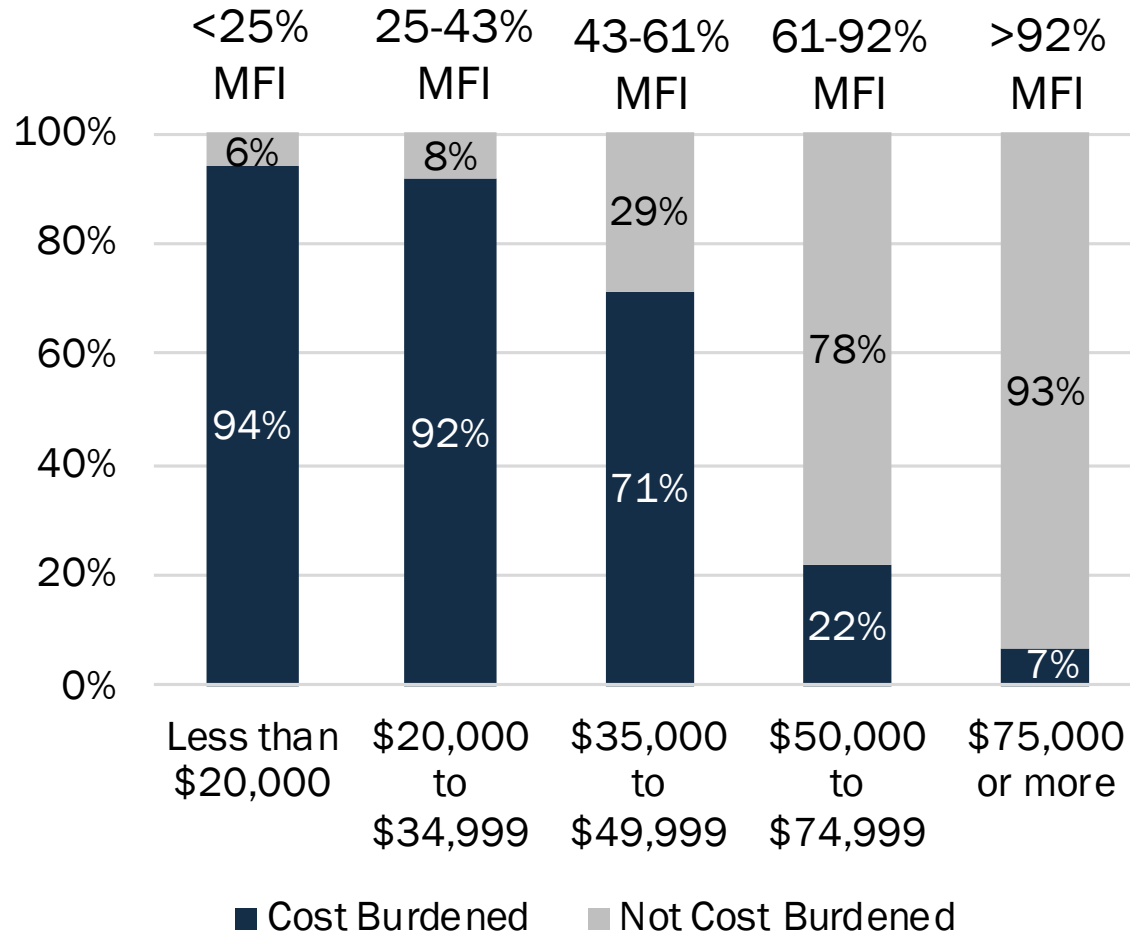


Source: 2014-2018 ACS, U.S. Census; PRC at PSU (2020-2040); and U.S. Department of HUD 2020 MFI.

Note: Median Family Income is estimated for a family of 4.

Low-Income Renters Struggle the Most to Afford Housing

Renter Cost Burden by Income, Tualatin, 2013-2017



Source: 2013-2017 American Community Survey, U.S. Census and U.S. Department of HUD (2018).
Note: MFI is median family income for a family of 4.

Rent Costs: Affordable for incomes above 60% of MFI

- A household would need to earn **\$58,000** to afford average multifamily rent of **\$1,450 for a 2-bedroom unit** (about 63% of MFI for a family of four)



Homeownership: Affordable above 120% of MFI

- A household would need to earn **\$112,000** to afford the median cost of a house at **\$461,000** (about 122% of MFI for a family of four)

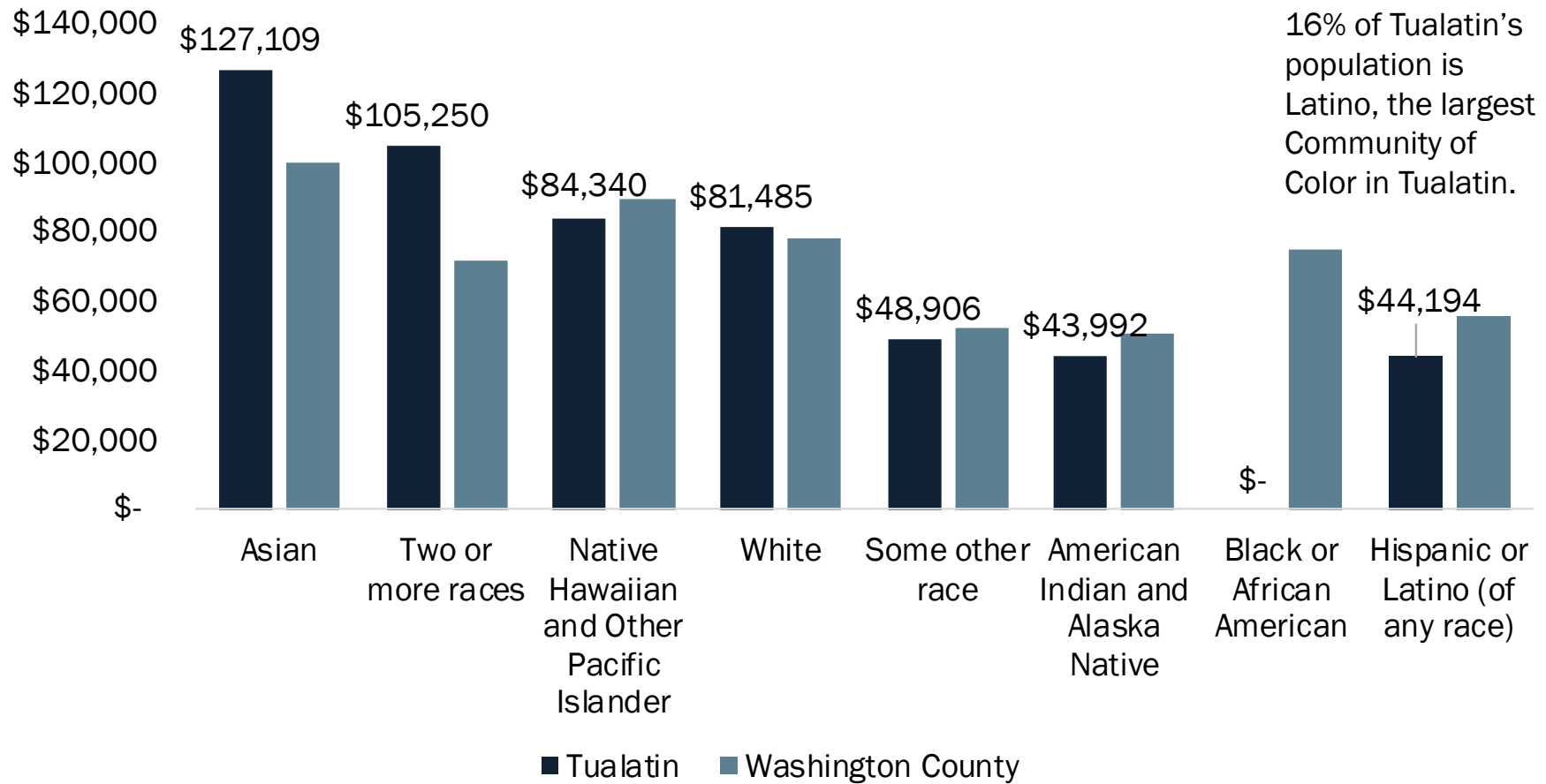


Housing Needs Often Differ by Group

- Racial or ethnic groups
- People over 65 years old
- People with disabilities
- People experiencing homelessness:
 - Temporarily or chronically
 - Alone or with children

Race/Ethnic Groups: Ability to Pay for Housing

Median Household Income by Race and Ethnicity, 2014-2018

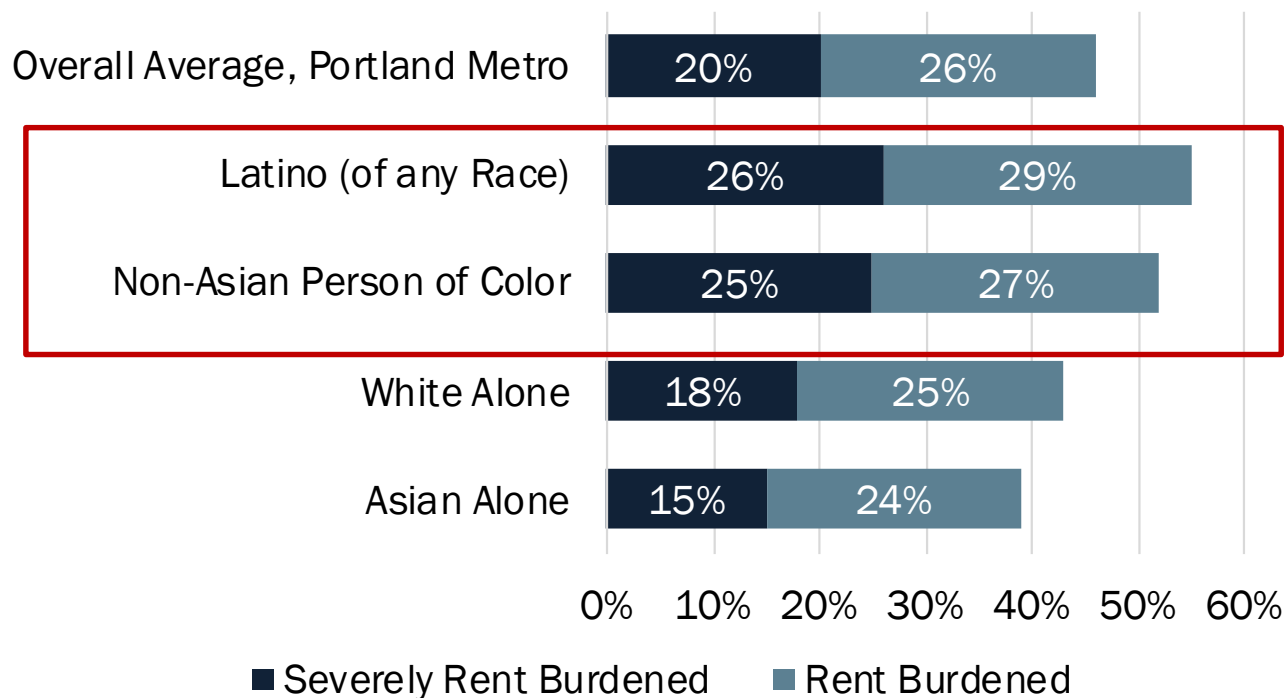


Rent Burden by Race/Ethnicity, Portland Region

Cost Burden of Renters by Race and Ethnicity, Portland, Region, 2018

Latino and Non-Asian People of Color are more likely to be rent burdened and severely rent burdened than other groups.

Latino and Non-Asian People of Color are more likely to rent than other groups.



Source: U.S. Census, 2018 ACS 1-year PUMS Estimates

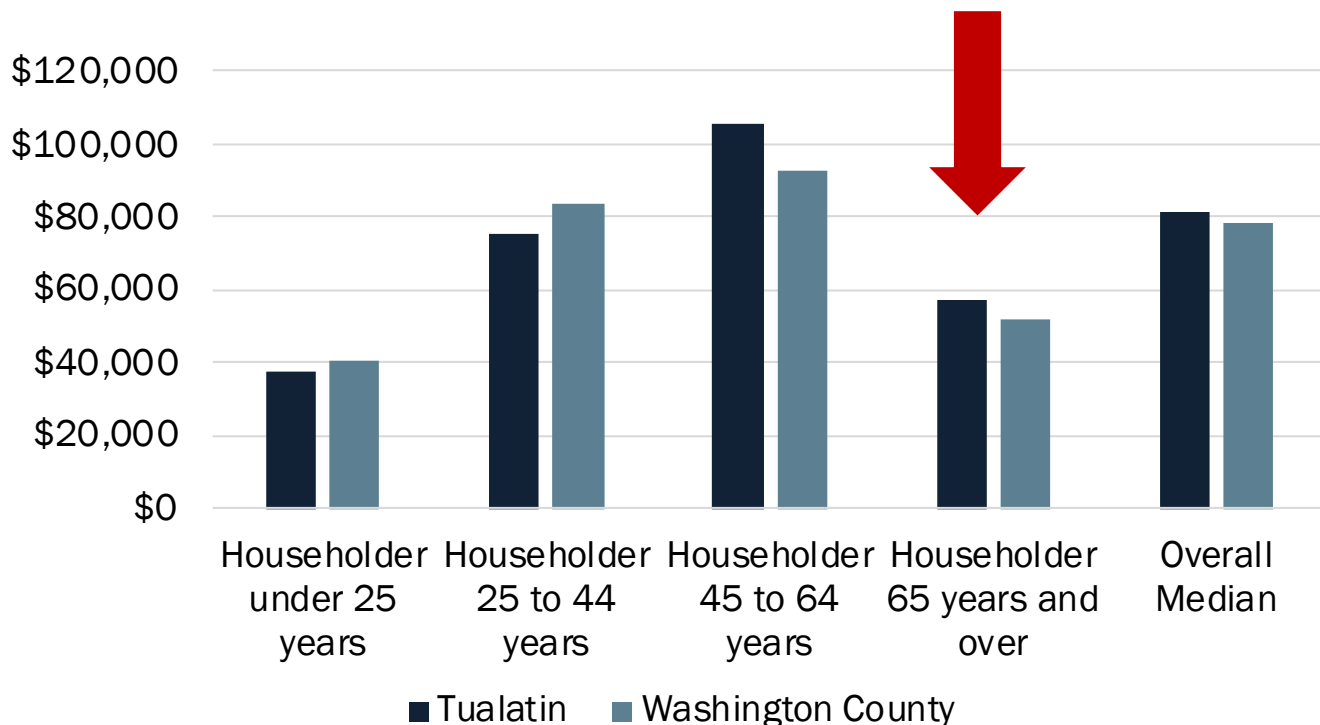
From the Report *Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations* by ECONorthwest, August 2020

Takeaway: Housing Need by Race and Ethnicity

- Racial and ethnic groups have disproportionate cost burden
 - 55% of households that identified as Hispanic or Latino and 52% of households that identified as non-Asian person of color are rent burdened
- Unique housing need
 - Access to affordable unit
 - Access to housing in locations with “high opportunity,” such as access to jobs, transit, services, or high-quality education
 - Access to housing without discrimination
- Uncertain housing preferences
 - Are household sizes larger for some racial or ethnic groups because of preferences (i.e., preference for multigenerational household) or because of lack of affordable housing?

People Aged 65 and Older: Ability to Pay for Housing

Median Household Income by Age, 2014-2018



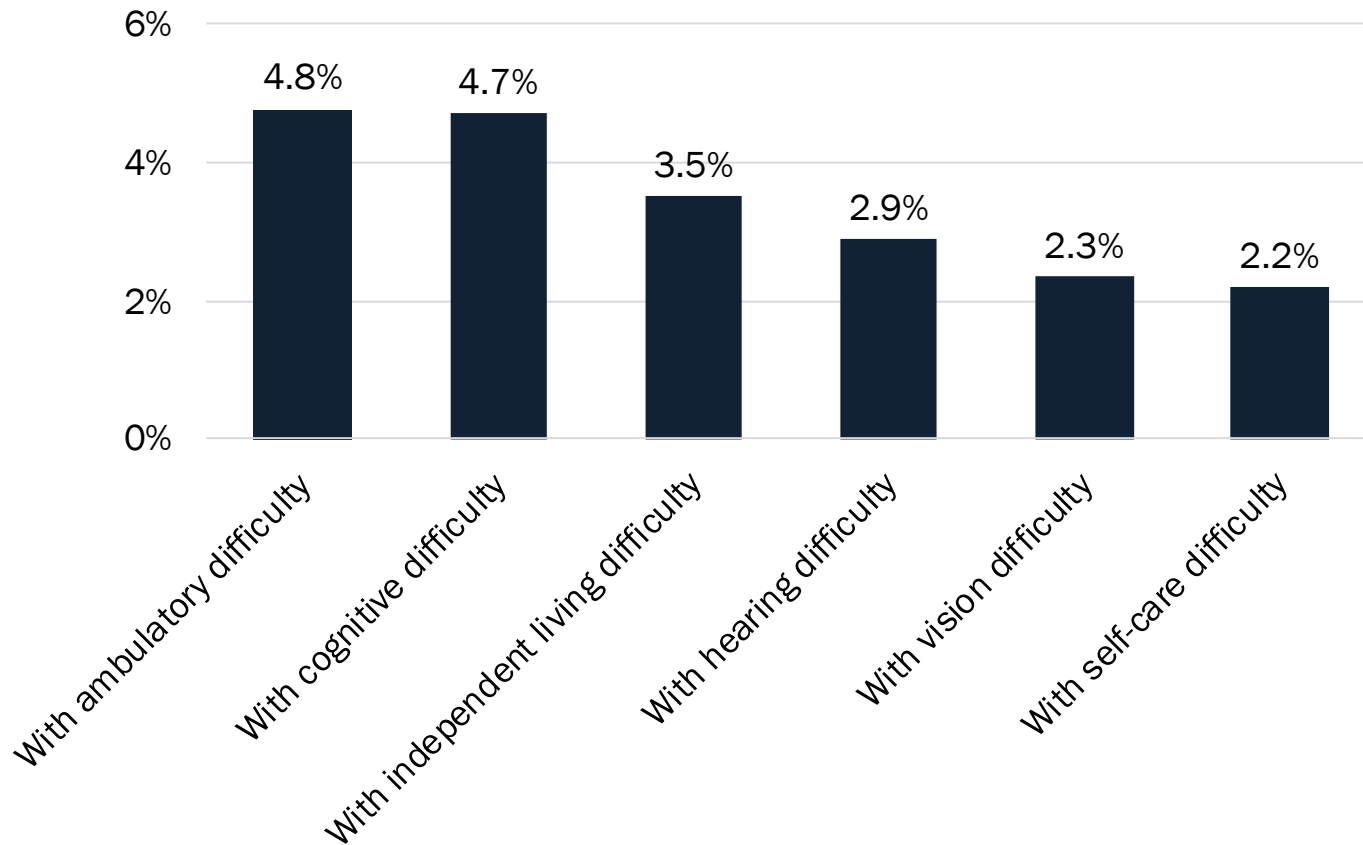
In Tualatin, income for people over 65 years is 70% of the overall average.

Takeaway: Housing Need for People 65 Years and Older

- People 65 years of age and older are disproportionately cost burdened
 - 62% in the Portland Region are rent burdened
 - 2,680 people are over 65 years of age in Tualatin and forecast to grow.
- Unique housing need that varies for seniors
 - Physically accessible housing
 - Access to affordable unit
 - Access to housing with needed services
 - Access to housing without discrimination

People with a Disability

Share of People with a Disability by Type (% of Total Population), Tualatin, 2014-2018



65% of people with a disability are rent burdened in the **Portland Region**, compared with an overall average of 46% rent burdened

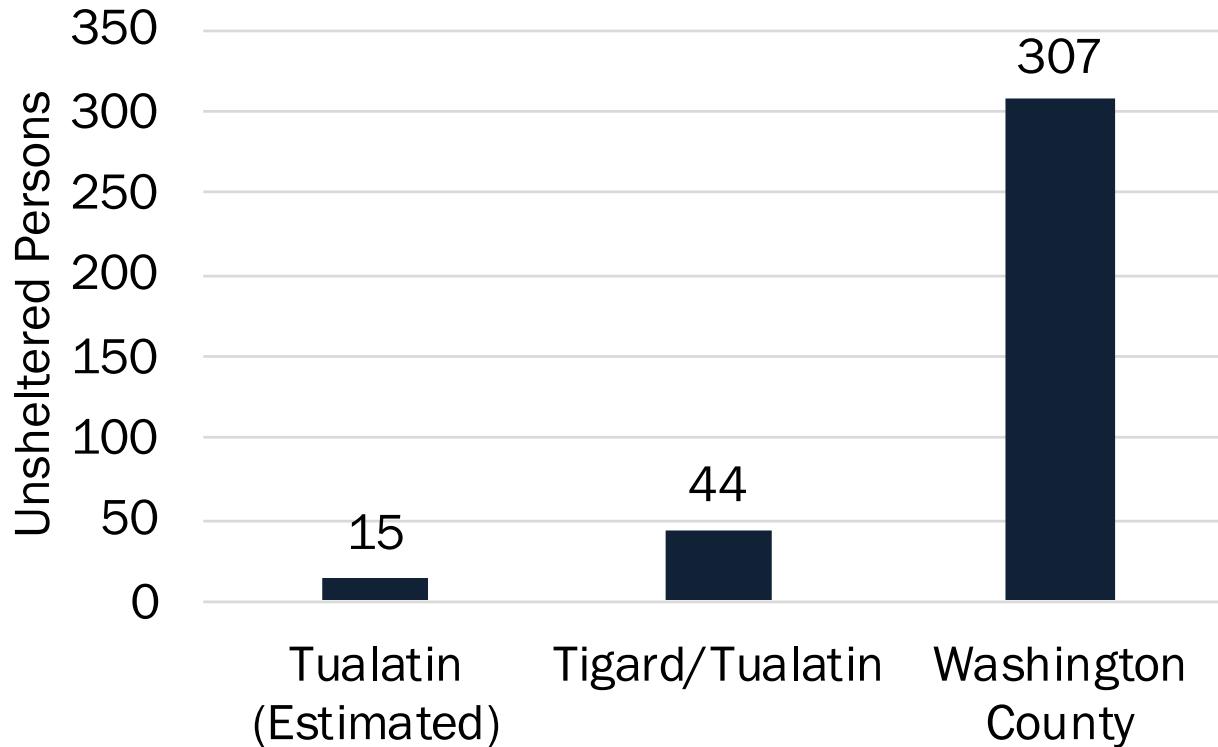
Takeaway: Housing Need for People with a Disability

- People with a disability have disproportionate rent burden
 - 65% in the Portland Region are cost burdened
 - In Tualatin, 2,762 residents have one or more disabilities and likely to increase with an aging population
- Unique housing need that varies by disability
 - Physically accessible housing
 - Access to affordable unit
 - Access to housing with needed services
 - Access to housing without discrimination

People Experiencing Homelessness

Unsheltered Homelessness

Homelessness is a regional issue, but Tualatin has a role to play.



Source: Washington County, Point-in-Time Counts.

Takeaway: Housing Need for People Experiencing Homelessness

- People experiencing homelessness are disproportionately affected by lack of affordable housing
 - 307 people were identified as homeless and unsheltered in Washington County (2020).
- Unique housing need that varies by reason for homelessness
 - Emergency assistance, including rent support
 - Permanent supportive housing, with services
 - Access to an affordable unit



Developing the Strategies

Factors that Influence Housing Development

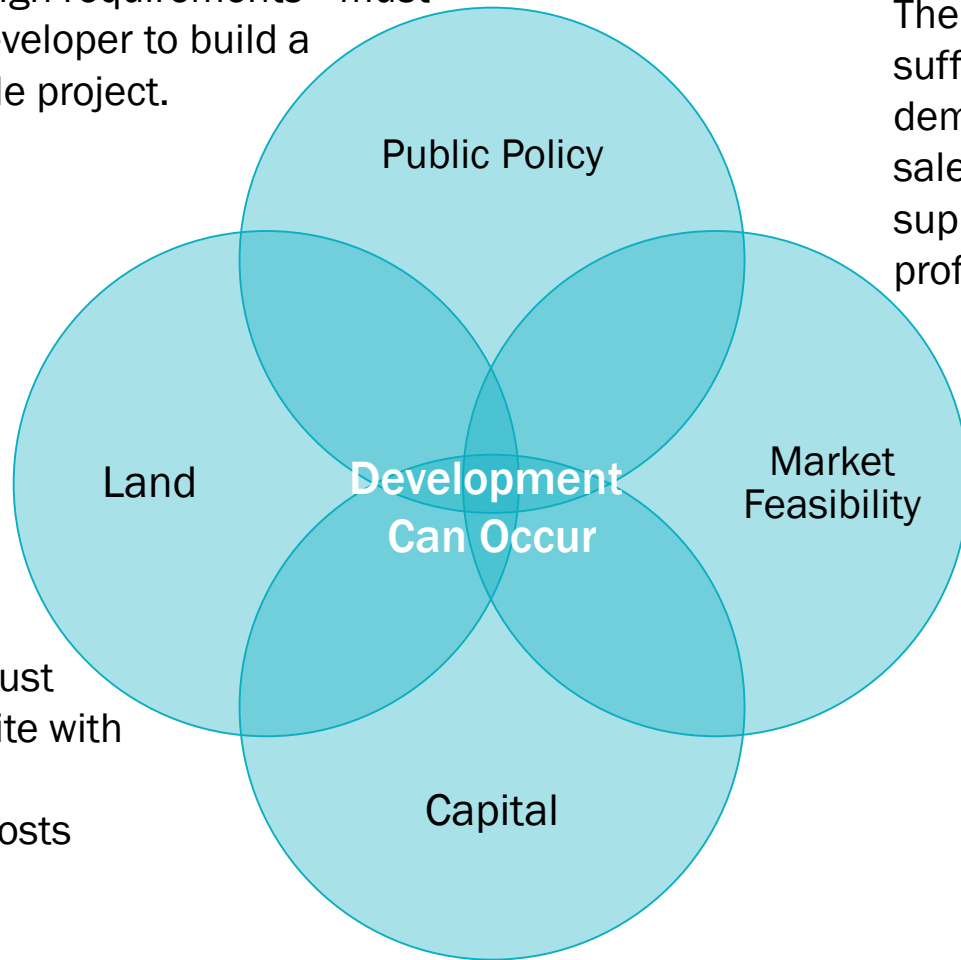
Policy—including zoning, density, and design requirements— must allow developer to build a profitable project.

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

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

Tualatin 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)

Evaluating the Strategies

Considerations
for each potential
strategy

- What housing need does it meet?
- What is the City of Tualatin's role in implementation?
- Who are the implementation partners?
- What level of staff effort is required?
- What is the potential impact?
- What is the relative cost?
- What is the timeframe for implementation?

What outcomes
will the strategies
achieve together?

- Do they affirmatively further fair housing?
- Do they facilitate housing choice?
- Do they create opportunities for production of affordable rental housing and homeownership?
- Do they increase housing stability?
- Do they help provide housing options for people experiencing homelessness?
- Do they strive to meet statewide greenhouse gas emission reduction goals?

- For strategies identified in the final HPS, the City of Tualatin will:
 - Commit to implementation.
 - Be required to update DLCDC on implementation progress and be required to comment on its effectiveness in the future.
- Strategies not identified in the HPS may still be implemented, but the City of Tualatin will not be held to specific action by the State.

Existing Strategies

- Prohibited single-family detached housing in most high-density zones in Tualatin.
- Allowed one or more ADUs in residential zones per lot.
- Applied density standards uniformly across zones that allow dwelling units on fee simple lots and on multifamily sites.
- Ensured decisions about housing is data-driven and focused on equitable outcomes.
- Removed open space/common amenity requirements for low density residential.
- Provided info to small, local developers to help them understand land use permitting processes and requirements.

Broad Categories of Strategies

- Affordable Rental Housing Expansion: Expand affordable rental housing stock to include long-term affordable housing.
- Preservation of Affordable Housing : Preservation of affordable housing stock to prevent displacement of existing residents.
- Houselessness and Housing Stabilization: Prevent and reduce houselessness.
- Workforce Housing Expansion: Expand development of workforce owner and renter housing to increase the jobs-housing balance.
- Housing for People with Special Needs: Expand development of housing for people with special needs and seniors.

Broad Categories of Strategies (continued)

- Housing for Diverse Populations: Housing to meet the cultural needs of diverse populations.
- Social and Racial Equity: Develop a lens for housing policy decision-making through consideration of social and racial equity.
- Regulatory and Zoning Change: Greater availability of a diversity of housing types.
- Mixed Use Development and Redevelopment: Encourage development and redevelopment of housing in commercial areas.
- Transportation and Public Infrastructure: Plan for and develop transportation and public infrastructure to support housing development.

Discussion Questions

- Are there any key housing needs missing from the PowerPoint? Are there any missing groups or people with special housing needs?
- Do you have feedback on the broad categories of strategies in the PowerPoint? Are there any additional categories of broad strategies that the City should consider be included?
- Are there measures, strategies, or actions that the City should consider that are not currently documented in the draft Memo "Existing Housing Measures and Potential New Measures"?
- Which strategy in the draft Memo do you most want to know more about?

- Continue to refine the measures and actions highlighted in the HPS
- Continue to interview housing producers

Mark your calendar!

The next Planning Commission Meeting

focused on the HPS is on:

February 18, 2021