

Urban Growth Report Roundtable

December 15, 2023

Meeting Notes

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Introduction and Activities

- Recap of the last meeting and overview of today's discussion about demand

Menti quiz for people to share what they know about the topics that will be discussed in the meeting.

- People shared surprise that single-family homes are the most popular types of homes in the region.
- People were surprised that 65% of houses in the region consist of 1 or 2 people.

“What types of homes have you lived in?”

In the back of the room, they had boards with different types of housing written on them: single detached homes, attached homes (plex or townhouse), small multi-family homes, and large multi-family homes.

- o Everyone put a post-it notes with which age they were when they lived in any of the types of housing described above.

Activity Comments:

- People thought it was interesting how many single-family detached homes were rented
- Someone mentioned that being houseless is missing from this.
- This set of data is coming from a mostly white, educated demographic.
- Even if there is a small single building, but with a community, it was missing from the available options
- There wasn't a clear option of a sorority house or dorm
- Someone put 0-20, which was an interesting thing to put down – this participant hadn't thought about the housing type they had lived in as a child

Presentation

Today they will be talking about the housing needs analysis component of the urban growth report with Becky Hewitt from ECONorthwest

Questions for presenter

Why isn't there a section for single parents with children?

- This household type blends in with the category “2+ with children” – does not differentiate if the 2 person household is two parents or 1 parent, 1 child

For folks who are doubled up or co-housing as adults, how does that look?

- 2+ with no children is how they are defined. This subset does not say if they are married, domestic partners, roommates etc.

What about blended families, with divorce? How are we counted if we have shared custody?

- It is calculated with however they filled out the census.

What is the geography of that?

- The public use microdata sample (PUMS) from the census created this data – Becky believes that is the 3 county region
- The population forecasts in coming roundtable meetings uses the 7 county MSA

Additional presentation notes:

- Next, Hewitt looked at the households today in relation to income. Noted that a lot of folks may like to own, but folks at higher incomes have a greater ability to make that choice.
- The standard is that people should only spend 30% of their monthly income on housing costs, but that is not the case for many people - what type of demand does that mean today and how do we want that demand to look in the future?
- Owners tend to spend a lower amount monthly for their home. The housing choices reflected in the data today is how people have sorted themselves into the units we have today.
- This may not be the right basis for decision-making going forward - Using a flat 30% for all income earners would overestimate the demand for high priced housing and underestimate need for lower priced housing

Additional Discussion

- Question: How is migration changing? Even in smaller towns to the region?
 - Demographers working on this
 - Latest trends show that migration out of the region is leveling out
 - Comment: The only way to have a viable workforce is to have viable housing.
- Request: When we get the demand data, please share it with us. That will be important for people who are investing in the region.
- Question: Are you looking at commute patterns for the region?
- Question: How are you considering consumer preference? Goes beyond the housing choice
 - What do you want to live in versus what is available to you at your income level
 - This will drive what the market produces
 - 92% of housing produced right now is market rate
 - How is this being captured in the scenario testing?
 - Consumer needs may differ from what the roundtable members might consider

- Comment: If you have more land available, the price of housing should go down. Given current policies, it is probably hard to forecast this.
- Question: How much weight are you putting onto telecommuting? Why isn't Becky doing the projections of growth as part of the housing needs analysis?
 - The information about the number of people and number of households is a necessary input to what the housing needs analysis requires. This work is happening in unison and interdependent. Staff coordinates heavily with PSU and does a peer review.
 - Desire to convert former employment lands to housing
 - What is the trend and what is the reality?
- Comment: Ability to pay
 - If the region chooses more subsidies and policies for global players - we are responding to a global economy - if Intel and Nike go through layoffs, we're going to get hit in response
 - How does the EOA (Goal 9) fit in to these projections?
 - Done at the local level - each jurisdiction responsible for their own
 - Metro needs to fit this in to the UGB discussion/consideration
 - Economic trends affecting ability to pay
 - What's our competitive advantage as a region, even apart from a single employer's trends
- Is future demand based on historic housing trends?
 - What we should have been based on what has been doesn't take into account the lack of availability or those who may have been forced into a choice they didn't necessarily want to make
 - This is how things are today, is not how it can be in the future. While this is how people have sorted themselves today, it does not mean that is what they would choose if they did not have the constraints they do today. The hard part is to ask what else it could look like. When you see people reveal preference, it is often when people have higher incomes. If someone's family income is 200,000 and they are renting, it is likely that they are renting because they want to be renting. There is a lot of disconnect in what people live in vs what people want to live in. The top income earners of the region are also not the perfect way to assume how people want to live.
- Not great survey on housing preference - our data is a bit old now
 - Preference revealed mostly when there is more agency (higher income)
 - But higher income households don't always share preferences with the rest of the region
 - More disconnect between what people live in and want to live in rather than differences amongst people with what they'd like to live in
 - Future need for a preference survey
- Please don't ignore what the community needs (versus what they want only)

- If we gave everyone a single family home - what are the environmental impacts, access to transit, etc.
- We need to think about our great grandchildren and the global warming impact of things and consider things other than just what would be exciting.
- Comment and Question: Someone shared that they are someone who experienced homelessness and it was not because I wanted to do what I wanted to do. We need to acknowledge that the dominant culture norms are captured in federal data. People are not houseless because they are doing what they want. We need to make sure things are accurate. We should look at lending conversations in the ability to pay. Jumbo loans have been increased, meaning people can get FHA loans with less of a down payment. The issue with housing in my age range, is the economy in a place where I can accrue wealth? Are those types of lending trends being looked at in the ability to pay? Choice is where people have wound up. This person clarified that what people want is not always available.
- Outmigration - highest earners leaving high taxes, lowest earners leaving because of affordability
- Downtown conversion pretty unaffordable without policy intervention - Portland Clean Energy Fund, TIF
 - Need a healthy mix of uses and housing
- Are lending trends included in the ability to pay conversation?
 - Gets at preference and choice
 - Choice is where people have wound up
 - Translation from monthly payment to purchase price - how do we get to housing type/size?
 - HH income might translate to one type of house, but big swing of resulting housing types based on interest rates - another variable
- Rental vs. ownership choice
 - Are we trying to reflect or influence the world? What's the influence of policy support?
- How are we thinking about climate change and removing green spaces? And purchasing homes in higher risk areas vs. renting (with increased flooding)
- General ownership is a policy-choice. There are many areas in the world where being a long-term renter is a possibility and normality. Home ownership should not be the only way to survive.