

Urban growth management: Preliminary housing needs analysis results

MPAC

April 24, 2024

Technical work and analysis:
Developing the urban growth report

- Buildable land inventory (BLI)
- Regional forecast
- Capacity analysis
- Employment trends and site characteristics
- Housing needs analysis
- Residential readiness analyses
- Draft urban growth report (UGR)

City expansion
proposals

- Letters of interest
 - Expansion proposals
- 2040 planning and
development grants
available*

Metro Council
decision

- Consider Metro staff and advisory group recommendations
- Public hearings
- Policy direction
- Final decision

Nov 2022 - July 2024

Dec 2023 - April 2024

Aug 2024 - Dec 2024

Residential
readiness
analyses

Capacity analysis -
begin BLI and regional
proforma model

Draft capacity
analysis available
for local review

Regional
forecast
updated

Housing
needs
analysis

Draft UGR public
comment period

Public
hearing

Letters of
interest due

Proposals
due

Advisory
group input

Final UGB
decision

You
are
here

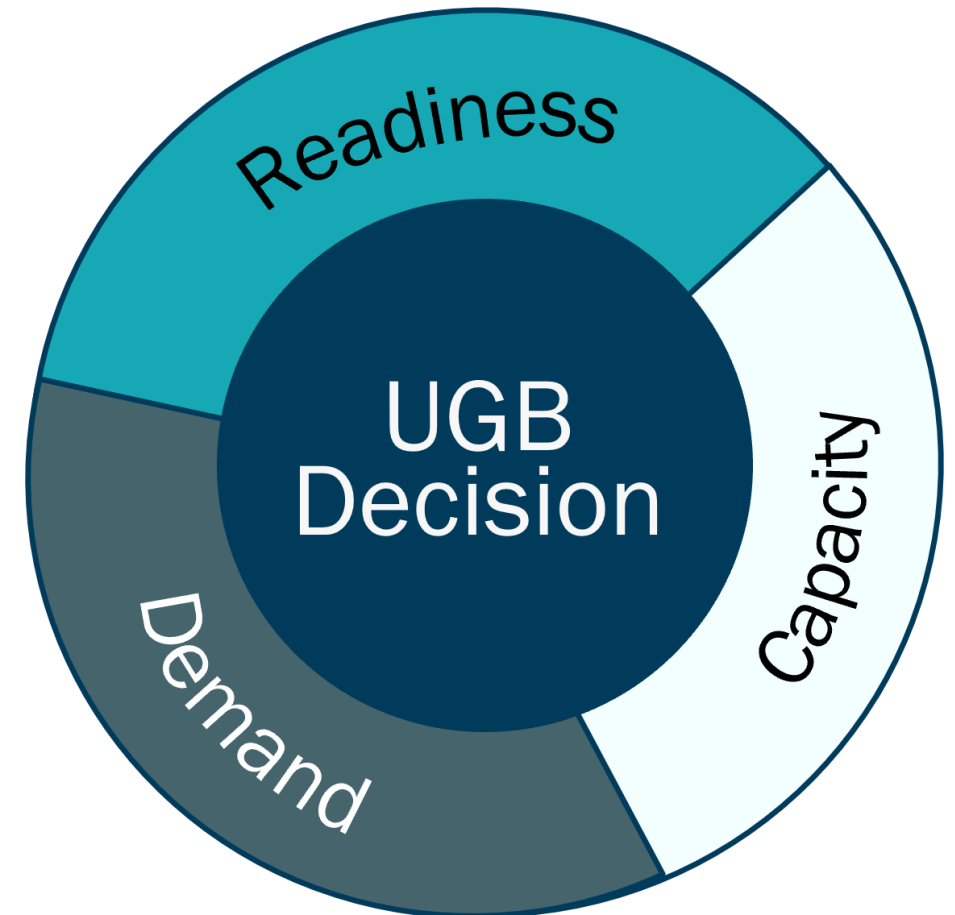
Engagement

- MTAC
- MPAC
- CORE
- Land Use Technical Advisory Group
- Jurisdictional outreach
- Urban growth report roundtable
- Youth cohort
- Interest group presentations

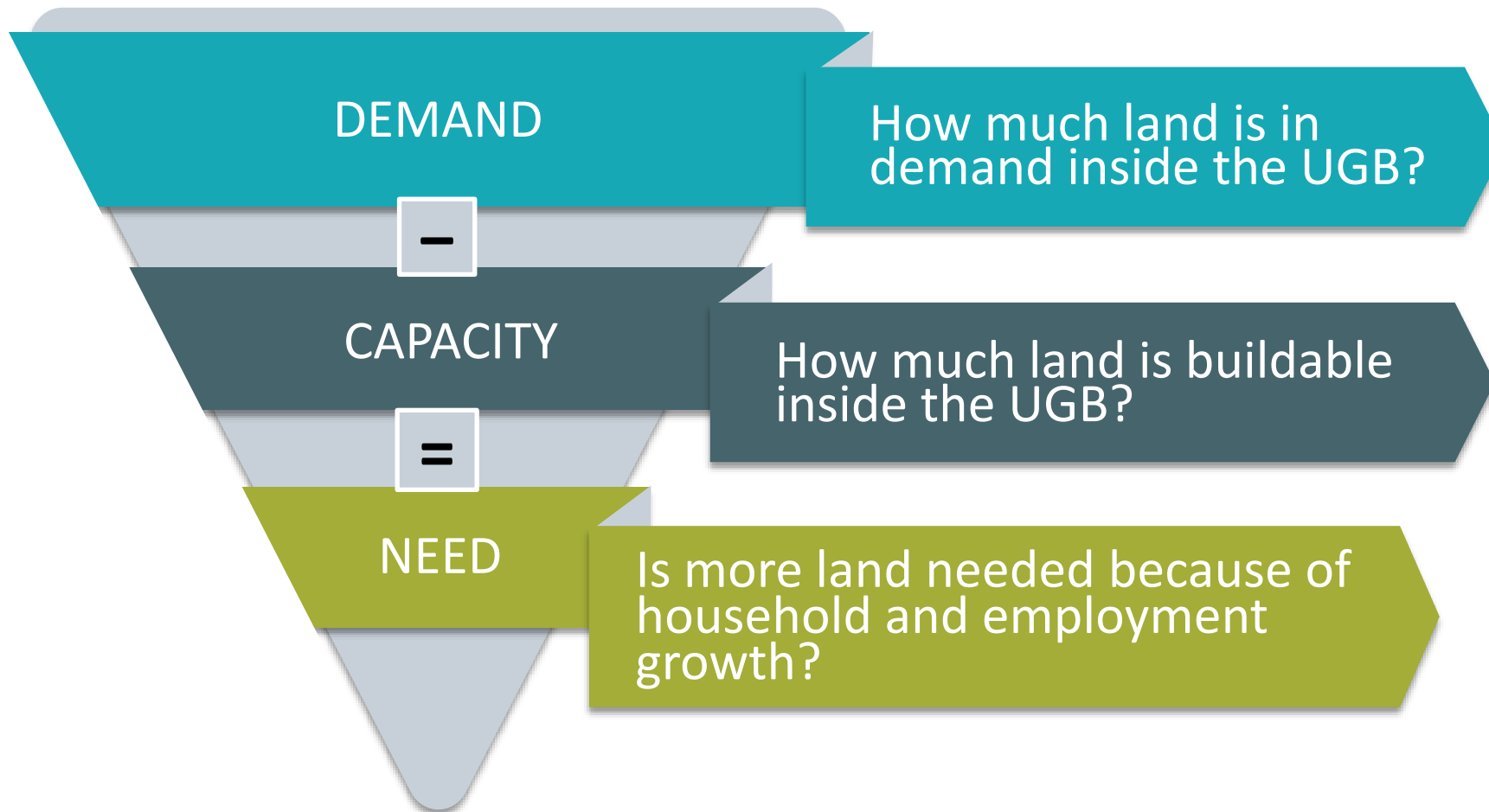
Project timeline

A decision support tool

The Urban Growth Report (UGR) is a decision-making tool for the Metro Council.

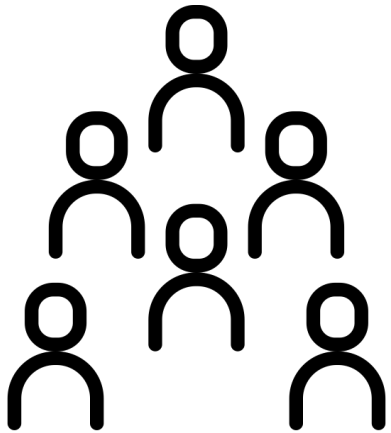


Back to the math equation



So how do we translate the household forecast into land demand?

People in
the region
in 2044



*Regional 7-county household
forecast x capture rate*

Household Characteristics



Income



Age



Household size



Presence of kids

&

Housing Characteristics

*What housing types are
needed to match the needs
and choices of the region's
households?*

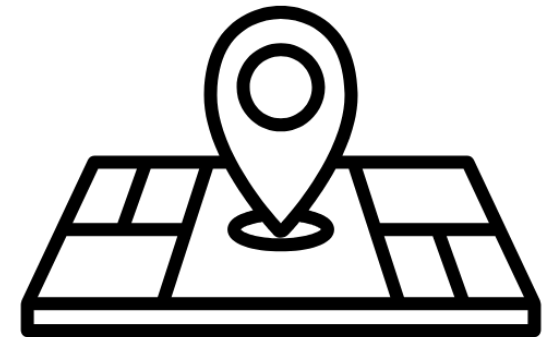
Single family detached

Middle housing

Multi-family

Housing needs analysis

Demand
for land



Preliminary 20-Year Housing Needs Projections

The housing needs analysis will include assessments of future and existing needs

FUTURE

20-year forecast

Housing demand based on:

Regional population forecast
&
Household forecast

EXISTING

Housing needed for those
experiencing houselessness
&
Historic underproduction - what is
the backlog of housing units to
date?

Future housing needs

MSA (7-county) forecast

- Total growth rate
- 20-year time horizon
- Peer reviewed

UGB capture rate

- Metro UGB vs. other areas
- Based on past trends

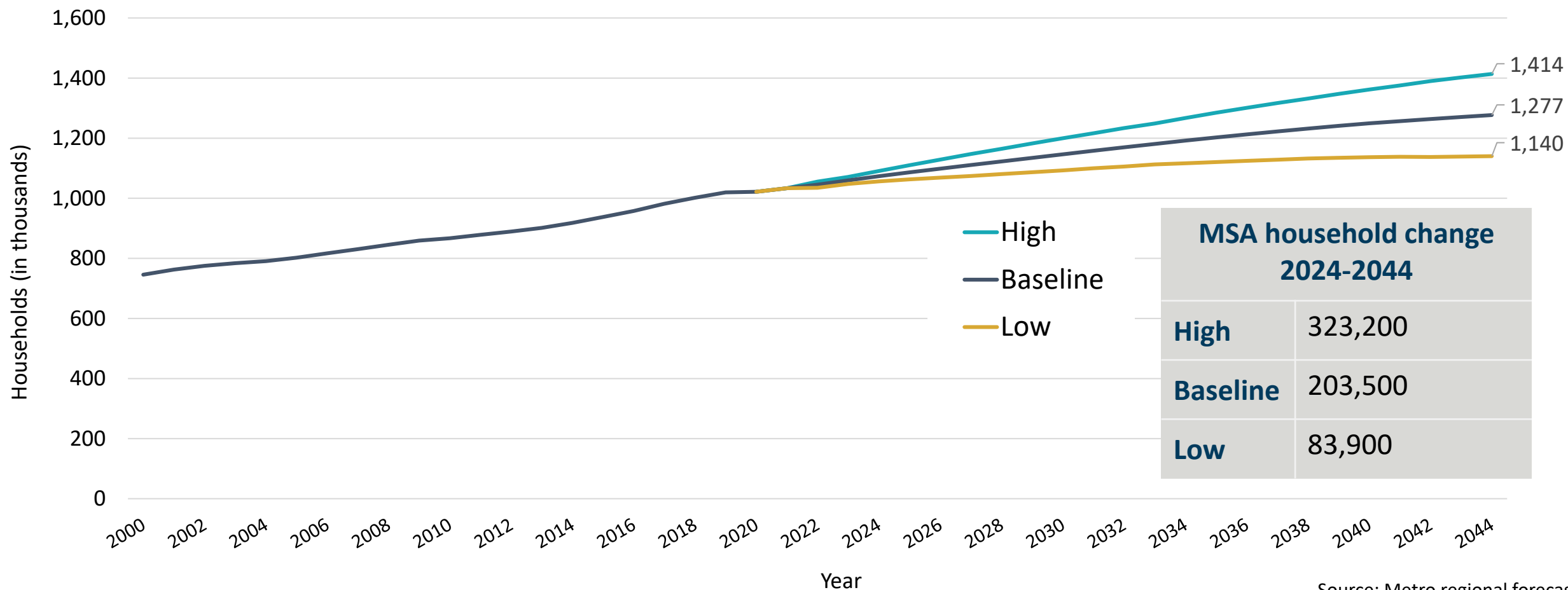
Demographics

- Age (of householder)
- Household Size (number of people)
- Presence of Kids (<18)
- Income

Housing needs

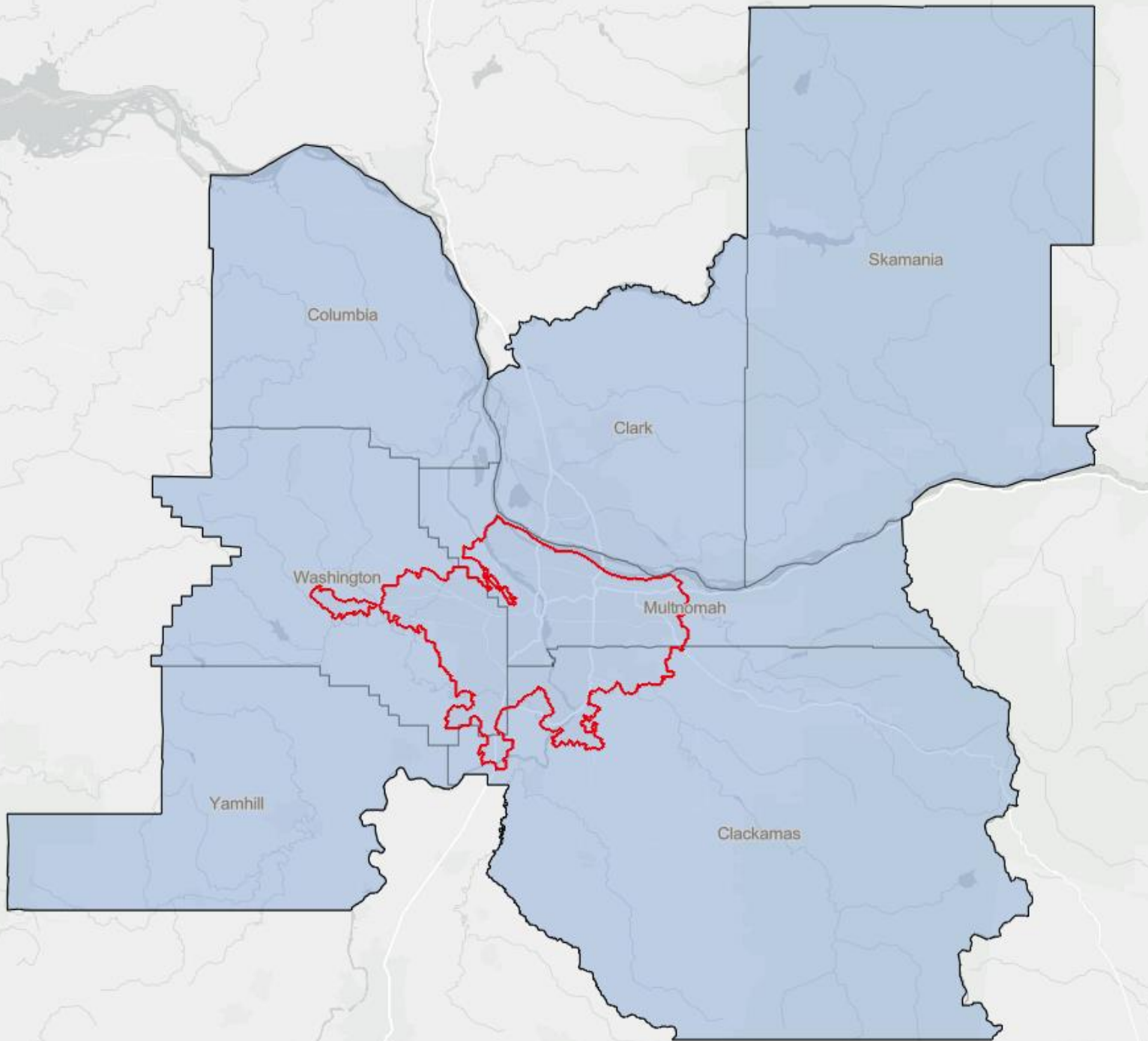
- Affordability / price point
- Housing type

MSA household forecast



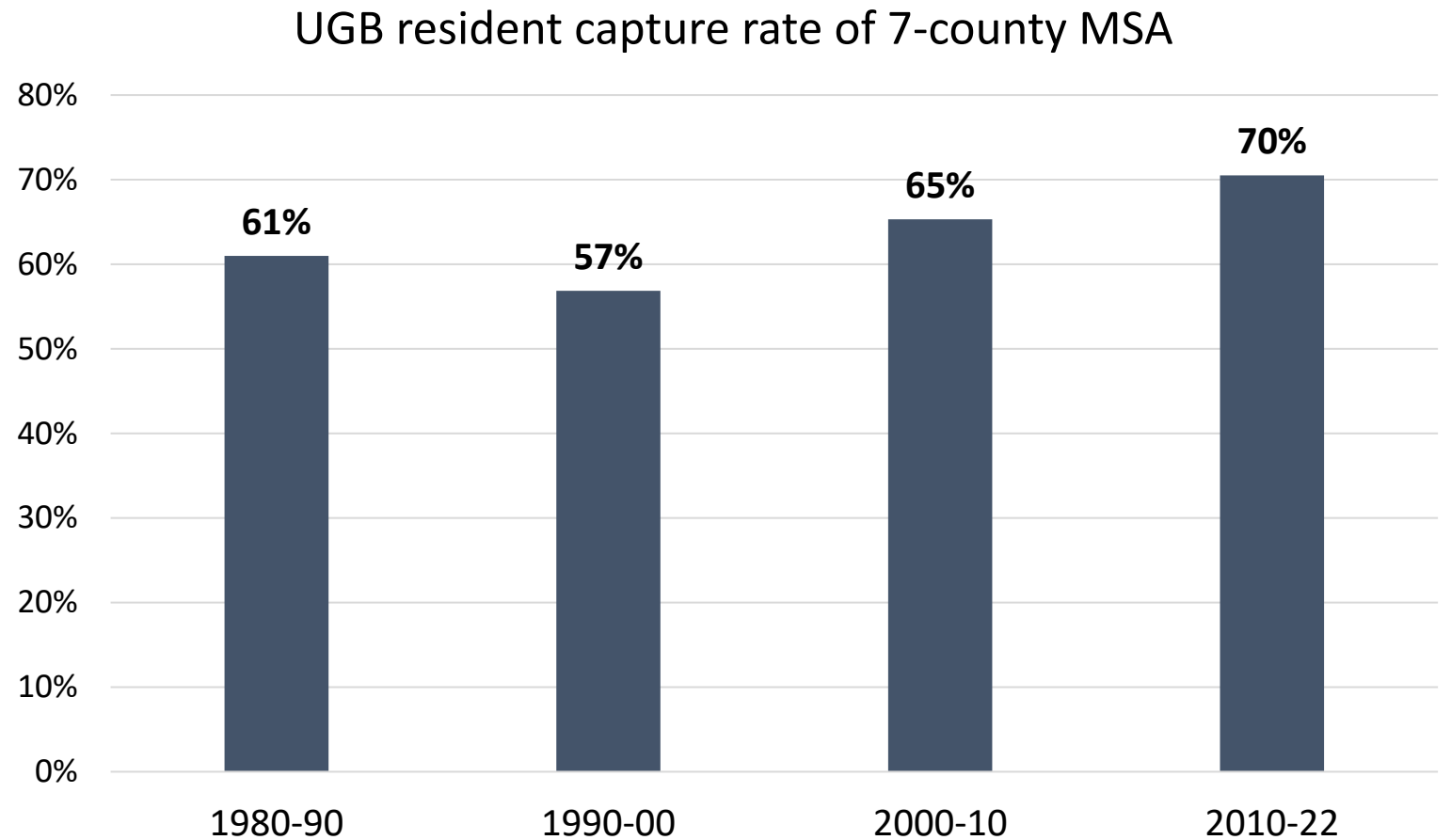
UGB capture rate

How much of the household forecast is expected to fall within the UGB compared to the overall MSA?



UGB capture rate

How much of the forecasted growth in the MSA will the Metro UGB “capture”?



UGB household forecast = (MSA forecast) X (capture rate)

UGB net additional households from 2024 to 2044

High

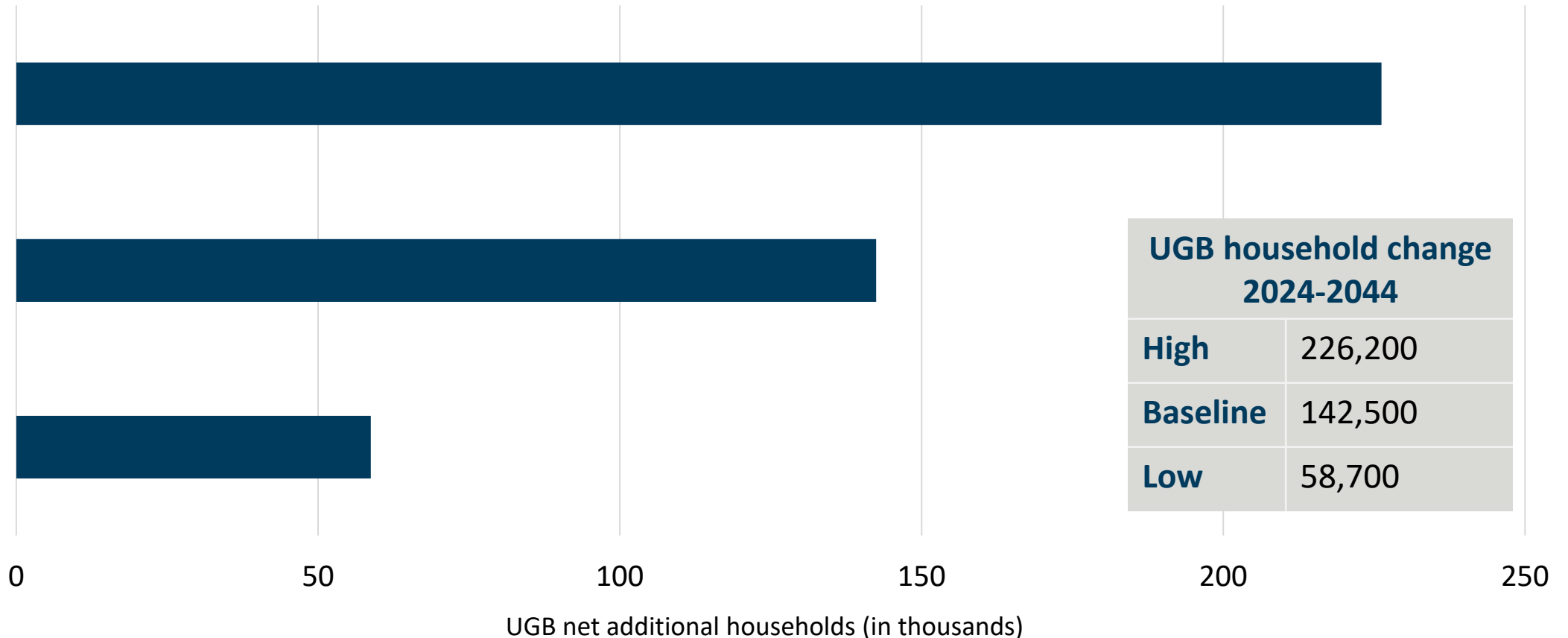
*MSA high forecast x
70% capture rate*

Baseline

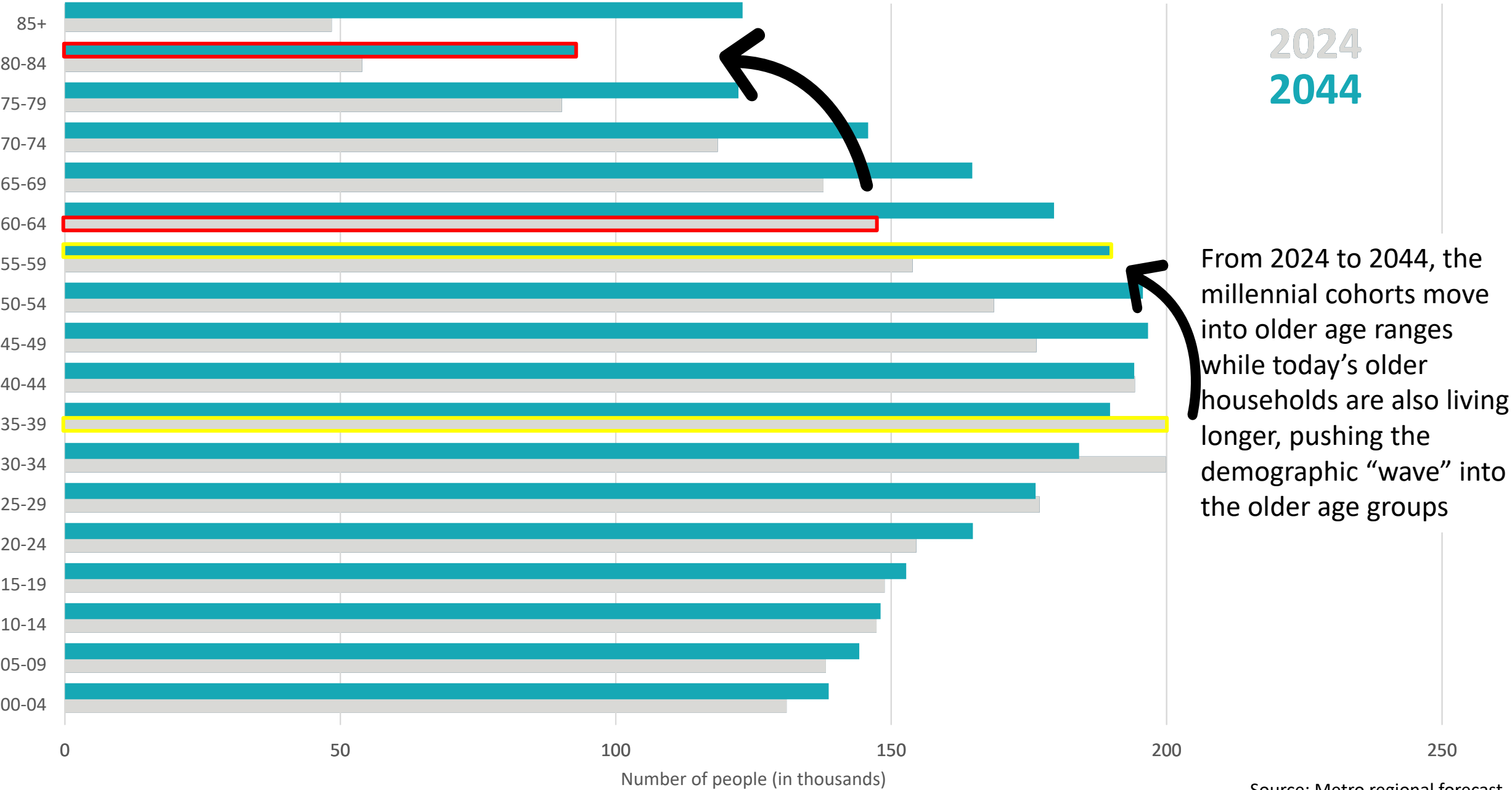
*MSA baseline forecast
x 70% capture rate*

Low

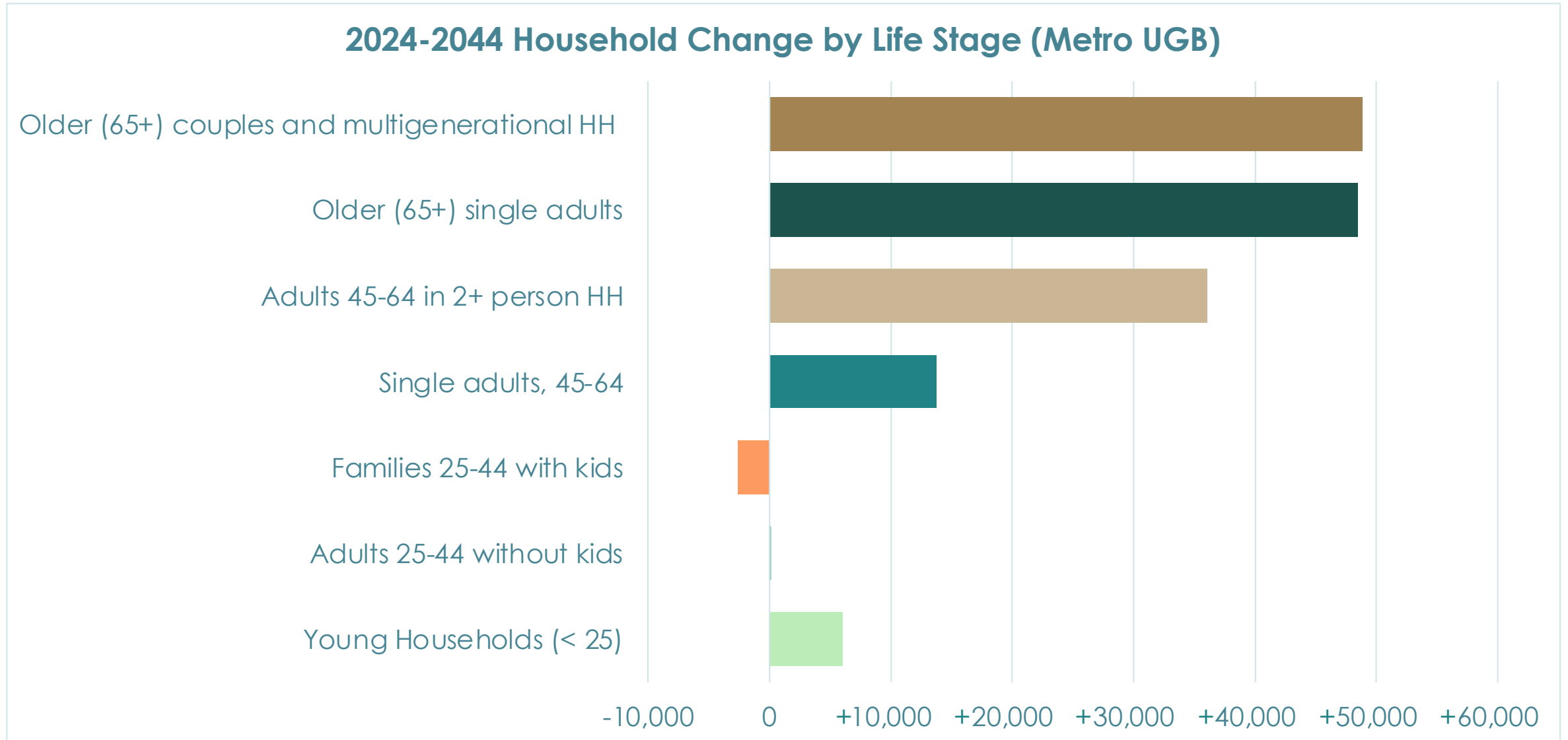
*MSA low forecast x
70% capture rate*



MSA population forecast by age cohort

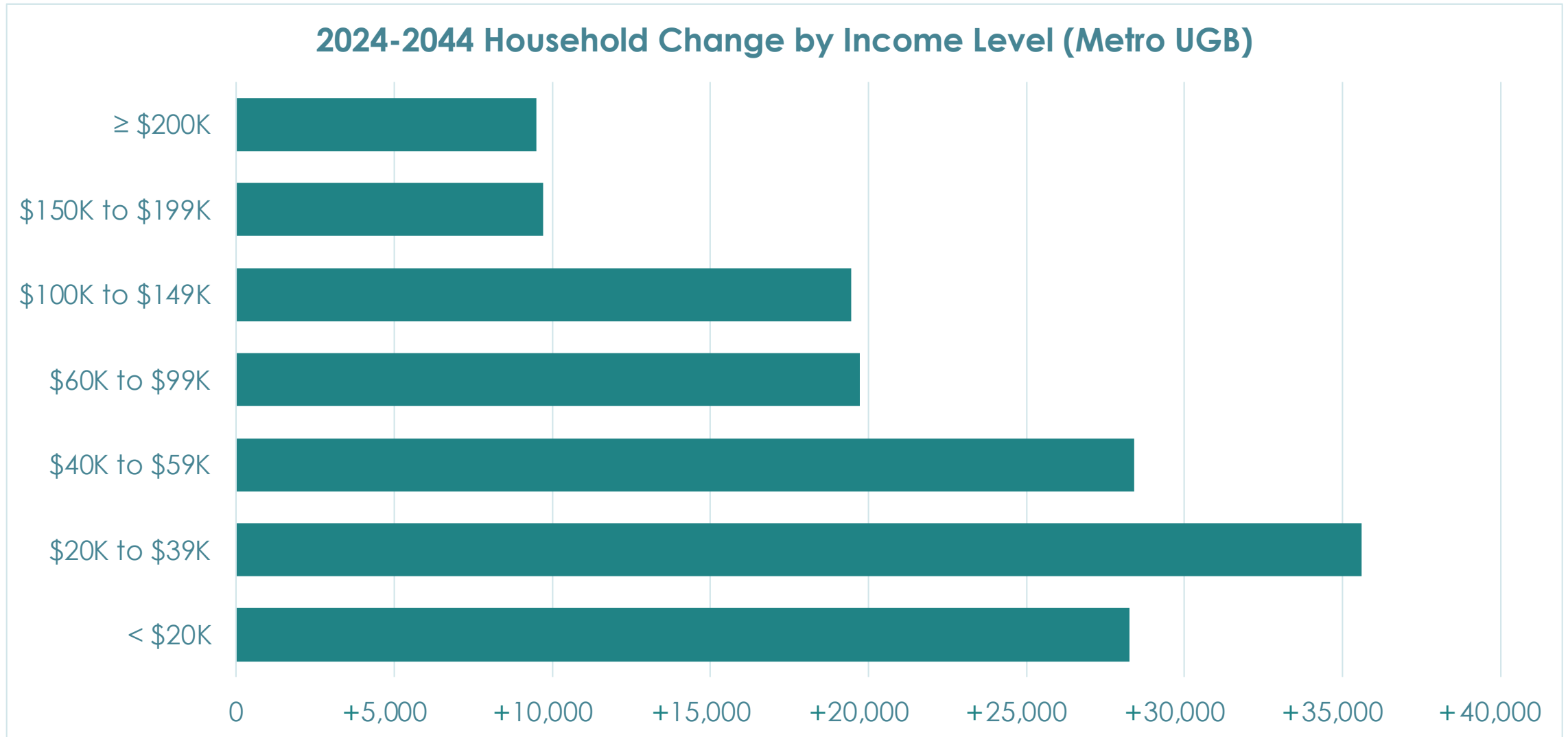


Net growth is in older households



Source: ECONorthwest analysis of Metro regional forecast

More retirees = lower incomes



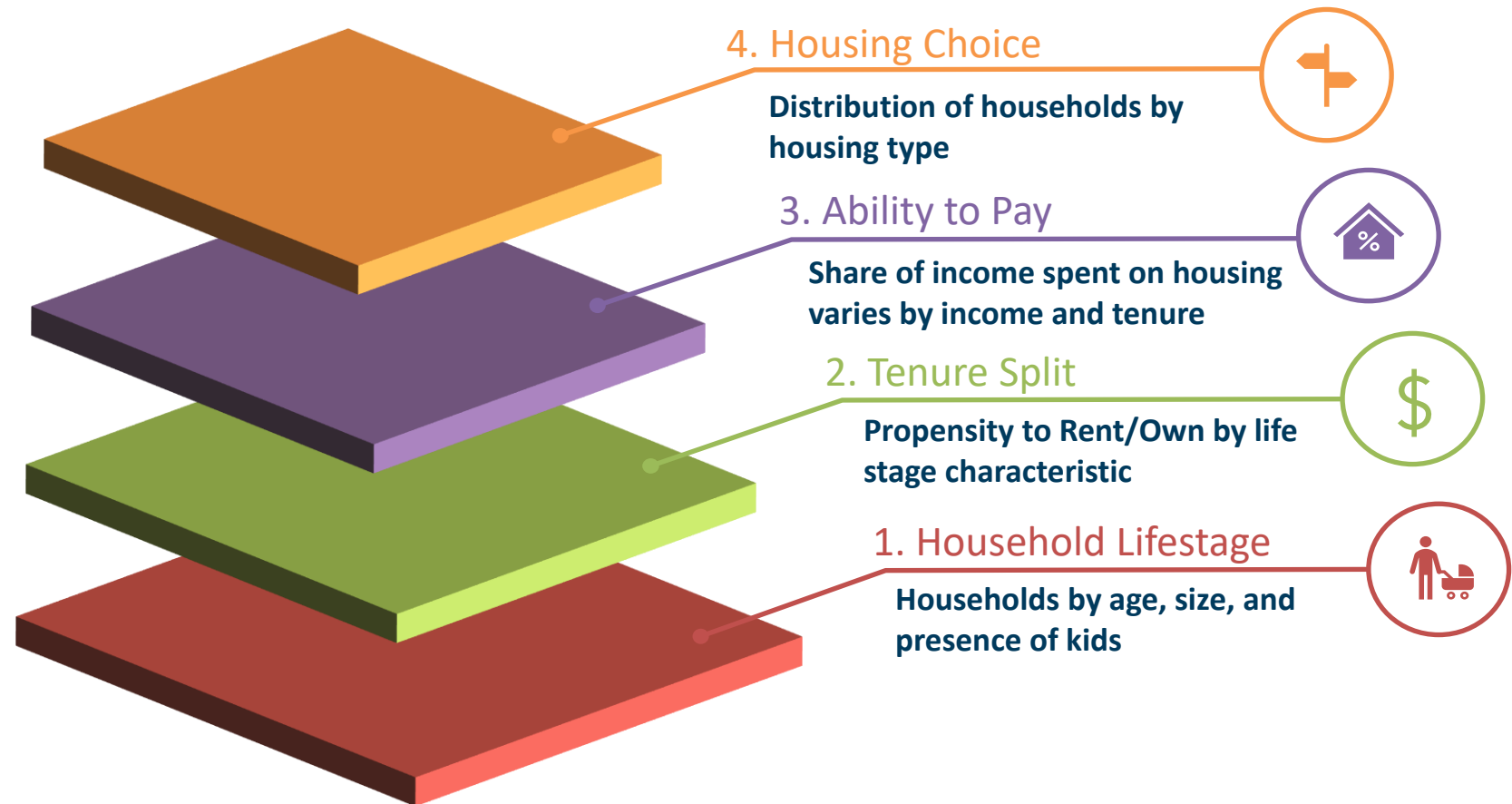
Households → housing units

Add margin for healthy vacancy rate to future household growth



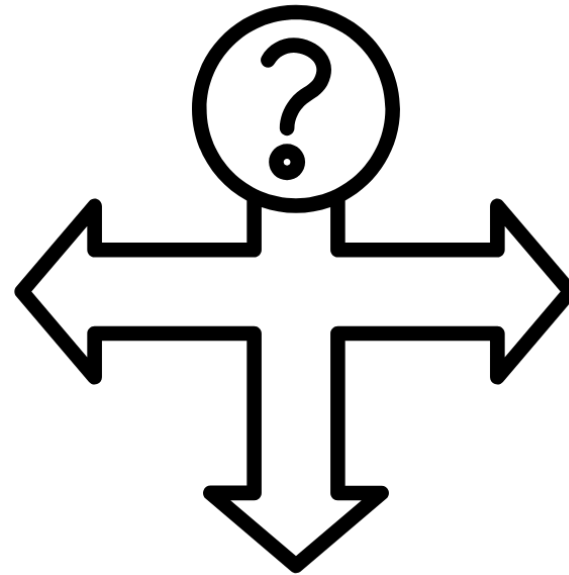
Future housing: Housing demand model overview

The demand methodology combines forecasts of households by socioeconomic characteristics (from Metro) with factors impacting housing choice to estimate housing demand by housing typology.



Housing demand scenarios

Following in footsteps: Housing choices at each life-stage remain constant – as current households age, their housing choices look the same as those of older households today.

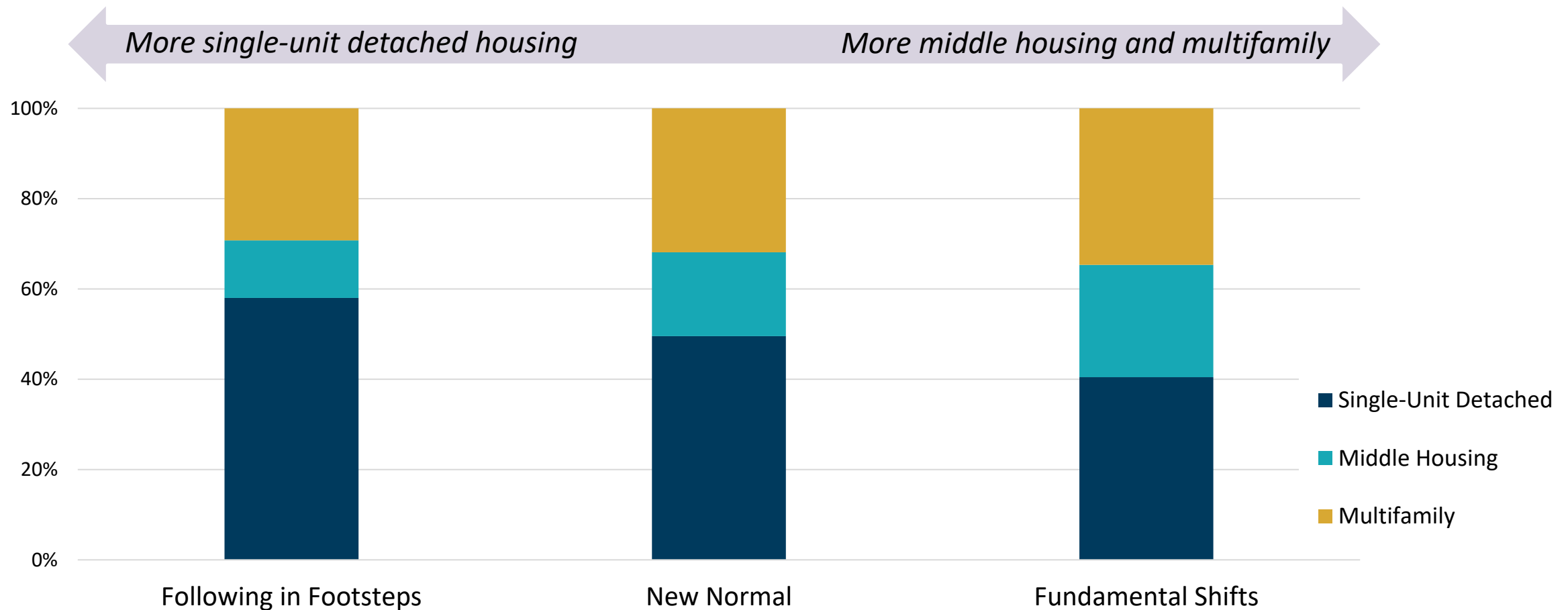


Fundamental shifts: Housing choices shift substantially towards attached housing based on affordability.



New normal: As households age, their housing choices shift towards those of older households today, but not to same extent.

Fundamental shifts mean more multifamily and middle housing

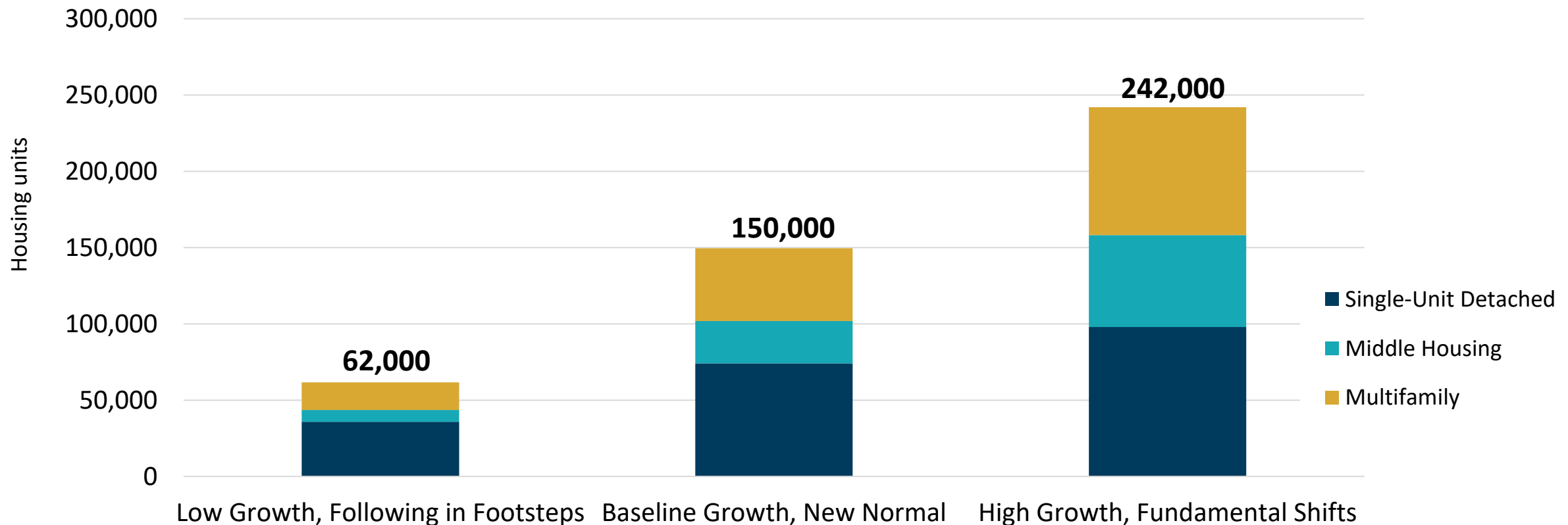


Source: ECONorthwest analysis using U.S. Census Bureau, 2021 ACS 5-Year Estimates, PUMS, for tri-county region

Putting it together – future demand by housing type

New Units Needed for Growth 2024-2044 by Type (Metro UGB)

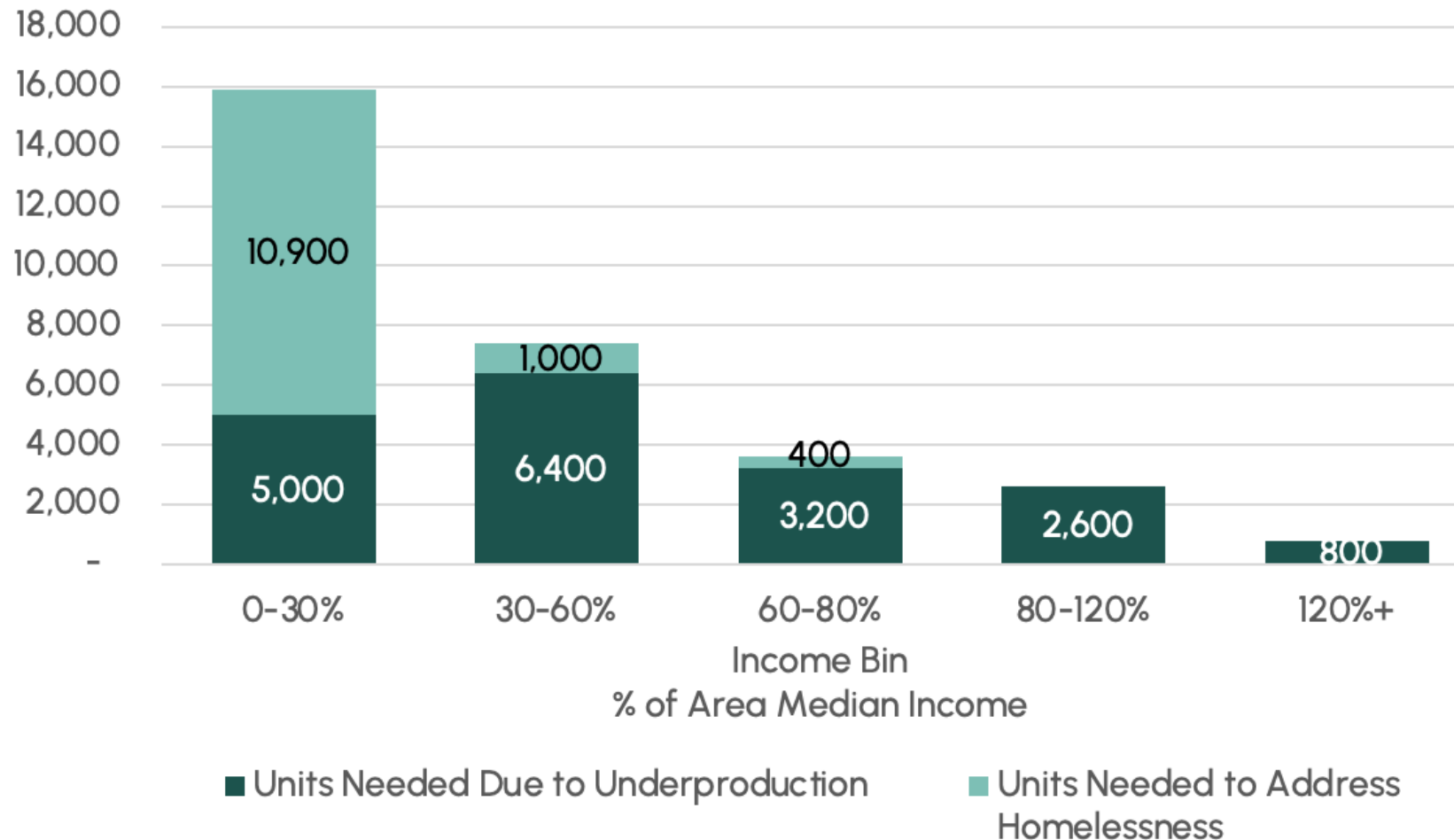
All assuming a 70% capture rate



Existing housing needs inside UGB



Existing needs are for lower incomes

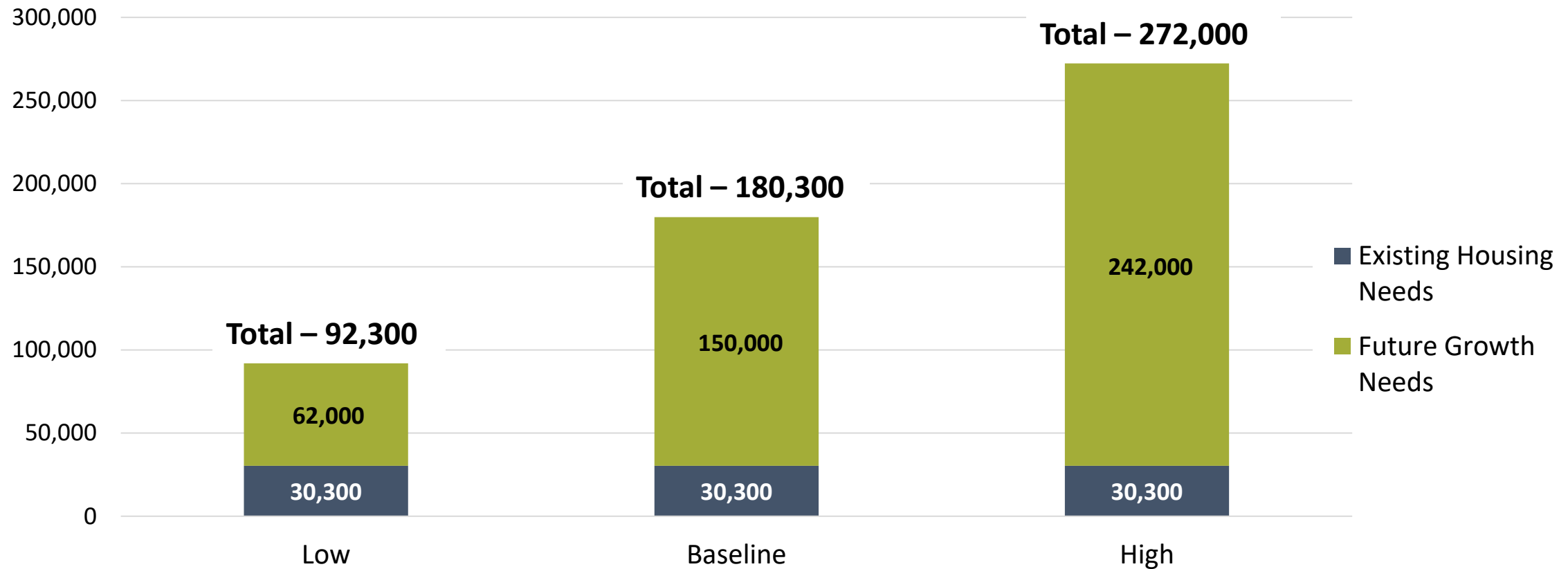


Area Median
Income (AMI) for a
family of 4 in the
Metro region:
\$114,400 (2023)

Total need

Total Additional Housing Units Needed in Metro UGB 2024-2044

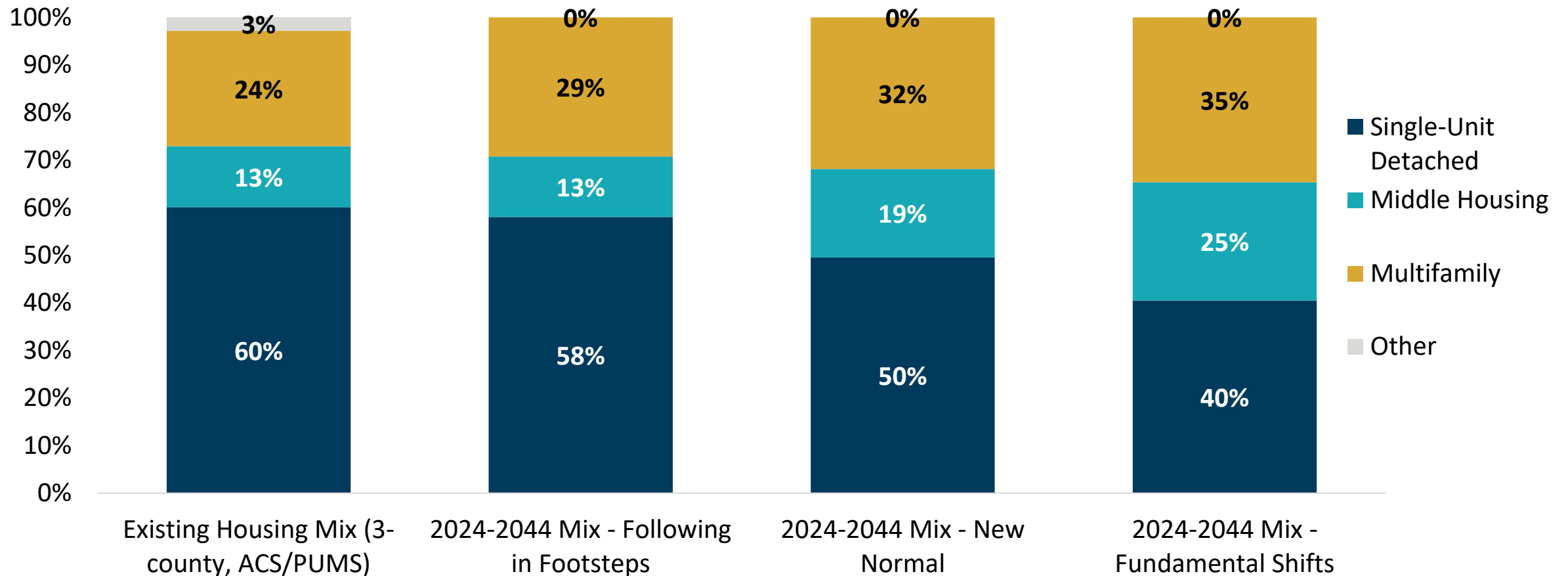
Assumes 70% capture rate



oregonmetro.gov



Fundamental shifts mean more multifamily and middle housing



Source: ECONorthwest analysis using U.S. Census Bureau, 2021 ACS 5-Year Estimates, PUMS, for tri-county region