

HB 4006 (2020)

Rent Burdened Households
December 16, 2020



HB 4006 (2020)

The intent of the legislation:

- Increase local awareness of rent burden causes and potential solutions in an effort to encourage local jurisdictions to take steps and/or communicate what support they need to address severe rent burden in their community;
- Collect housing related information to better understand the effectiveness of solutions; and
- Assist cities in housing planning efforts (technical assistance grants)

HB 4006 (2020)

Cities with populations over 10,000 where greater than 25% of renter households pay more than 50% of monthly income on rent must hold at least one public meeting to discuss rent burdens causes and potential solutions.

- Complete and submit a survey
- Report meeting minutes and attendees
- Report the number of permitted and produced residential units in several different categories

HB 4006 (2020)

Discussion Items:

1. Causes and consequences of severe rent burdens within the city.
2. Barriers to reducing rent burdens.
3. Possible solutions to reduce the rent burdened households.

BACKGROUND (2020)

Newberg share of households that spend more than 50% of income on rent

% Severely Rent Burdened	Population (2018)	# Severely Rent Burdened	Total Renter Households
28.4%	24,045	822	2,899

Source: 2014-2018 American Community Survey 5-Year Estimates, Table B25070 and PSU Certified Population Estimates as of July 1, 2019

BACKGROUND (2019)

Newberg share of households that spend more than 50% of income on rent

% Severely Rent Burdened	Population (2018)	# Severely Rent Burdened	Total Renter Households
28.6%	23,795	870	3,045

Source: 2013-2017 ACS 5-Year Estimates, Table B25070 and PSU Certified Population Estimates as of July 1, 2018

BACKGROUND (2018)

Newberg share of households that spend more than 50% of income on rent

% Severely Rent Burdened	Population (2018)	# Severely Rent Burdened	Total Renter Households
28%	22,749	790	2,853

Source: 2013-2017 ACS 5-Year Estimates, Table B25070 and PSU Certified Population Estimates as of July 1, 2018

BACKGROUND: What's Been Completed

1. Annexations (R-3/UGB Expansions/Annexation)
2. Accessory Dwelling Units
3. CDBG Manufactured Home Repair
4. Housing Needs Analysis Grant
5. Fee-in-lieu Parking Residential Downtown

BACKGROUND: What's Been Completed

6. HB 2001 (2019) – ADU Parking Requirements
7. Riverfront Master Plan
8. Residential Use First Floor in C-3
9. Construction Excise Tax
10. Adjust timing on payment of SDC

BACKGROUND: Housing Work Program – Nov 2020 – Ongoing items

- HB 4006 (2017) Rent Burdened
- Annual Trust Fund Notice of Funding Availability
- Yamhill County Affordable Housing Corporation
- Yamhill County Housing Solutions
- Workforce Housing Consortium

BACKGROUND: Housing Work Program – Nov 2020 - (FY 20/21)

- Establish vertical housing tax abatement district
- Evaluate potential for Urban Renewal District
- Infrastructure Time Based Extension
- Update Housing Needs Analysis BLI/Population
- Missing Middle Housing (duplexes in single family zones)
- Missing Middle Housing (triplexes/quadplexes/cottage clusters/townhomes)
- Conduct full analysis of land sufficiency within Newberg UGB (EOA/Public-Semi Public)

BACKGROUND: Housing Work Program – Nov 2020 - (FY 21/22)

- Code Audit Residential Housing Clear and Objective Standards
- Allow small/tiny homes
- Recreational Vehicles
- Car camping
- Allow sharing of utility lines (sewer and water) for more than one residential unit
- Lift restriction on second kitchens in a residence to allow for ‘in house’ ADUs

BACKGROUND: Housing Work Program – Nov 2020 - (FY 22/23)

- Housing Strategy Implementation Plan
- Evaluate establishing mandated maximum lot size standards
- Evaluate establishing minimum density standards
- Establish an affordable multifamily housing property tax abatement program
- Housing on Religious Institution Properties
- HB 2003 – Housing Production Strategy

BACKGROUND: Housing Work Program – Nov 2020 - (FY 23/24 & 24/25)

- Evaluate expanding density bonuses
- Reduce complexity, maintenance requirements and cost of storm water treatment
- Monitor impact of Short Term /Vacation Rentals on residential neighborhoods
- Decrease time from substantial completion of utilities to final plat approval
- Reduced / Waived Building Permit fee, Planning fees, or SDCs

BACKGROUND: Housing Work Program – Nov 2020 (FY 25/26 & Beyond)

- General Fund/General Obligation Bonds
- Housing Ombudsman (Education/Community Awareness)
- Subsidized Work and Living Spaces
- Expedited Review and Permitting
- Public Street Standards
- Lift building height restrictions outside of downtown
- System Development Charge Deferrals/Loans
- Manufactured Home/Mobile Home Park preservation
- Limit street lighting requirements for partitions
- Modify efficiency dwelling unit size for SDC reduction
- Vest SDC charge at time of land use application

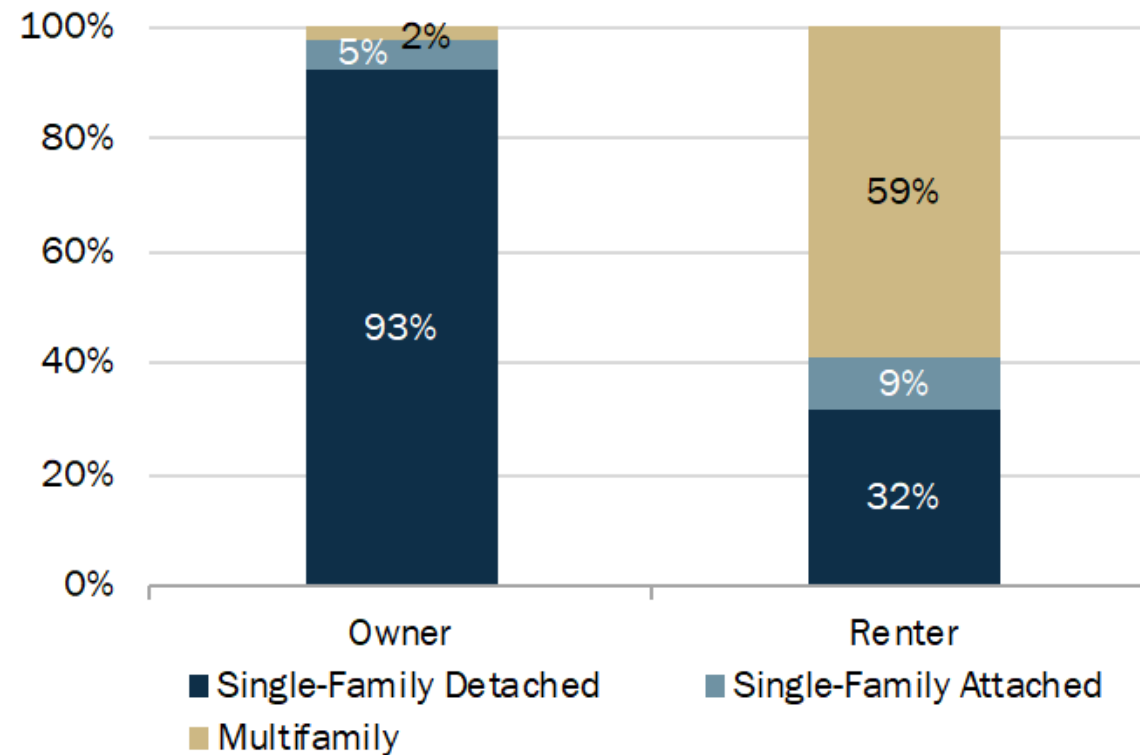
BACKGROUND

Income Guidelines Portland Metropolitan Statistical Area (MSA) - 2020
Median Household Income \$92,100

Family Size:	1	2	3	4
80% of Median	\$51,600	\$59,000	\$66,350	\$73,700
50% of Median	\$32,500	\$36,850	\$41,450	\$46,050
30% of Median	\$19,400	\$22,150	\$24,900	\$27,650

Exhibit 12. Housing Units by Type and Tenure, Newberg, 2012–2016

Source: U.S. Census Bureau, 2012–2016 ACS Table B25032.



Demographic and Socioeconomic Factors Affecting Housing Choice

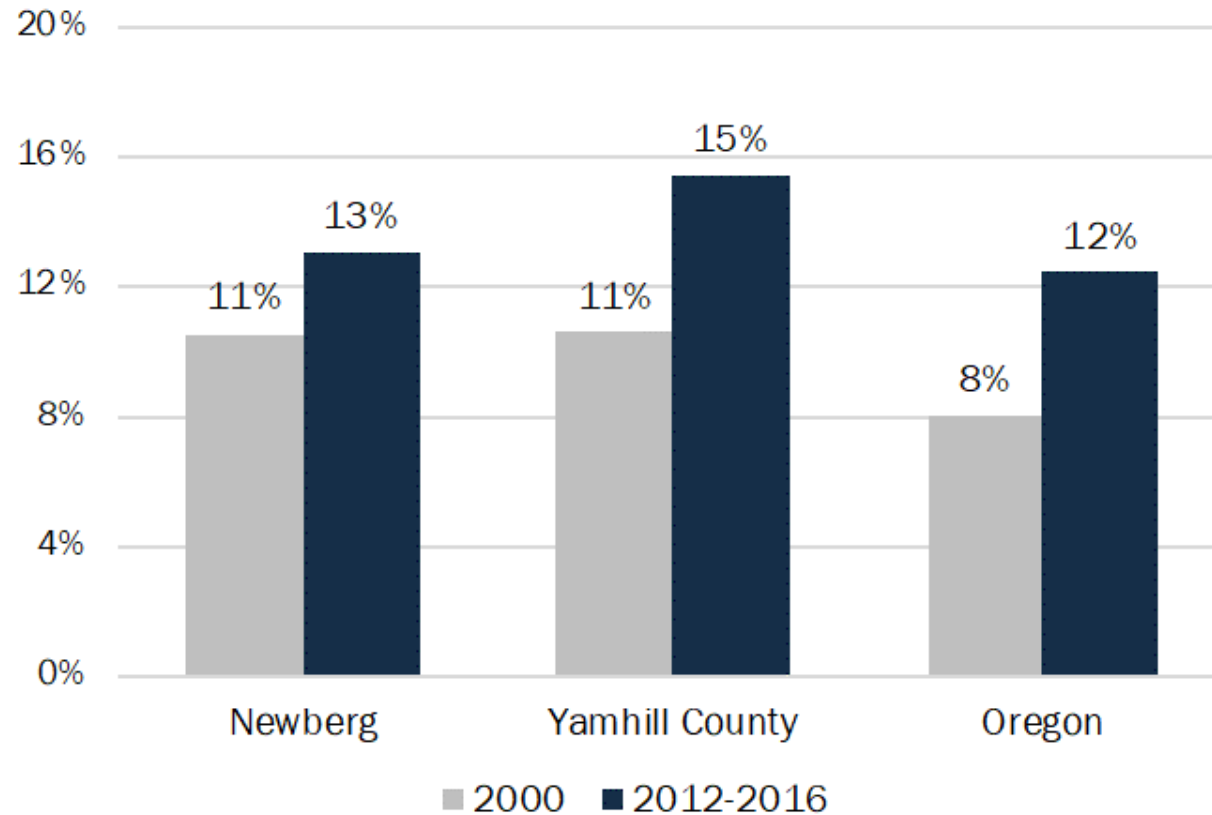
- Age of householder
- Size of household
- Income
- Diversity
- Larger multifamily units

Oregon's 2018 Statewide Housing Plan

- Equity and Racial Justice
- Homelessness
- Permanent Supportive Housing
- Affordable Rental Housing
- Homeownership
- Rural Communities

Exhibit 22. Hispanic or Latino Population as a Percent of the Total Population, 2000, 2012–2016

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2012–2016 ACS Table B03002.



2021 HNA Data

The median gross rent in Newberg is \$1,114.
Median rent in Newberg is higher than Yamhill County's and Oregon's median rents.

Renters are much more likely to be cost burdened than homeowners.
In the 2012–2016 period, about 56% of renters were cost burdened, compared to 32% of owners.

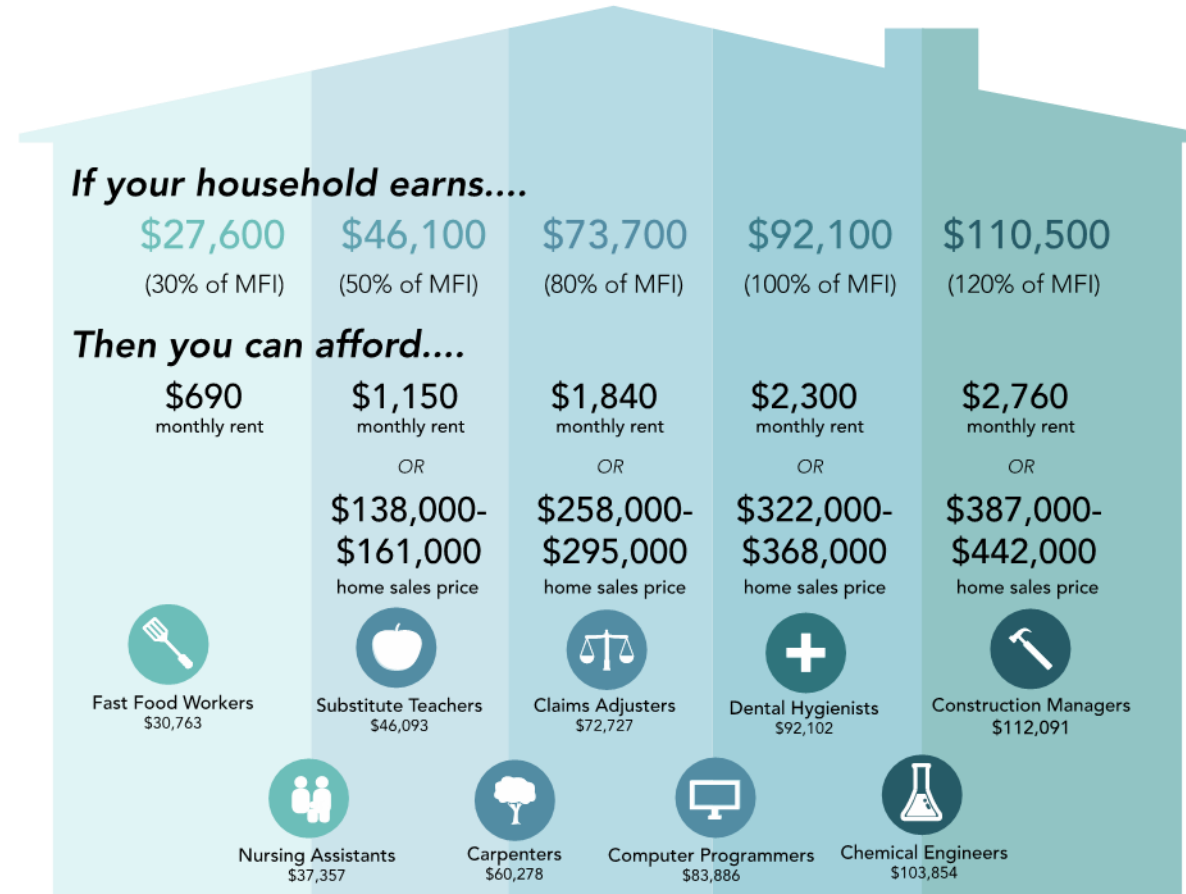
About 56% of renters in Newberg pay \$1,000 or more in rent per month.

About 41% of Newberg's renters pay \$1,250 or more in gross rent per month, a larger share than Yamhill County and the State.

Cost-burden rates also vary by income. Nearly all households that earn less than \$35,000 per year are cost burdened.

Exhibit 44 Financially Attainable Housing, by Median Family Income (MFI) for Yamhill County (\$92,100), Newberg, 2020

Source: U.S. Department of Housing and Urban Development, Yamhill County, 2020. Bureau of Labor Services, Portland MSA, 2020.



POSSIBLE BARRIERS (examples)

- ❖ Lack of economic opportunity (wages too low and/or too few jobs to support housing costs)
- ❖ Lack of funding for development of new affordable housing units
- ❖ Lack of housing vouchers
- ❖ Lack of affordable housing units
- ❖ Lack of affordable housing development in high opportunity areas
- ❖ Lack of family-sized affordable housing units

POSSIBLE BARRIERS (examples)

- ❖ Increasing demand for affordable housing units
- ❖ Infrastructure
- ❖ Land cost
- ❖ Construction Costs
- ❖ Land Supply
- ❖ Zoning Requirements
- ❖ Other barriers?
- ❖ System Development Charges
- ❖ Parking
- ❖ Permit Fees
- ❖ Neighborhood Opposition
- ❖ Financing

DISCUSSION ITEMS

1. Causes and consequences of severe rent burdens within the city.
2. Barriers to reducing rent burdens.
3. Possible solutions to reduce the rent burdened households.

Thank you for your participation