

Needs Assessment and Housing Market Analysis Updates

Updated Analysis of Affordability for Low-Income Renters

Housing market information for Multnomah County is captured through Portland-Vancouver Metropolitan Service Area (MAS) data. The major challenge facing low-income renters in the Portland-Vancouver Metropolitan Service Area (MSA) was a continuing tightening of the market. The most noteworthy indication of this has been the extremely low rental housing vacancy rate which the U.S. Census Bureau places at 3.4 percent. Other realtor surveys¹ place apartment vacancy rates at just 2.5 percent. Low vacancy rates have led to increased rents and limited rental availability. Strains on the rental market affect all households but disproportionately affect extremely low-income households.

In 2012 the fair market rent (FMR) for a two bedroom apartment in the Portland-Vancouver MSA increased from \$839 to \$891. The general standard of affordability endorsed by HUD is that a unit is considered affordable if the cost of rent and utilities totals no more than 30 percent of the renter's income. Thus to afford rent at \$891, the hourly wage a worker would have to earn to meet the HUD standard of affordability rose from \$16.13 to \$16.70. This is 189 percent of the minimum wage (\$8.80 per hour).

The housing wage was created by the National Low Income Housing Coalition (NLIHC) to show the hourly wage needed to afford the FMR. Since 1998, NLIHC has been issuing an annual report, "Out of Reach" comparing wages to rents. The recently published Out of Reach 2012 illustrates the tremendous growth of renter households in the wake of the worst economic downturn since the Great Depression. The report finds that nationally, renter households have increased by nearly 4 million between 2005 and 2012. This increase has created "the perfect storm of growing need and rising costs, and illustrates why it is more important than ever that we provide a supply of affordable rental homes at the scale that families require in the places that need them²."

In the Portland-Vancouver Metropolitan Service Area, the supply of affordable housing is inadequate to address the growing needs of low-income renters. Metro's recent Regional Inventory of Regulated Affordable Housing places the current four-county inventory of regulated affordable housing at 38,089 units. This constitutes 4.5 percent of the total housing stock (861,640 total housing units the four-county area³). There are currently 15,039 Housing Choice Vouchers (Section 8 Vouchers) in use in the four-county area.

Table 1. Regulated Affordable Housing by County (2011)⁴

| County | Number of Sites | Total Units | Unregulated Units | Regulated Units | Share of four-county regulated units | Total Housing Stock (2010 Census) | Regulated units as share of total housing stock |
|------------|-----------------|-------------|-------------------|-----------------|--------------------------------------|-----------------------------------|---|
| Clackamas | 285 | 3,735 | 16 | 3,719 | 9.6% | 156,945 | 2.4% |
| Clark | 150 | 5,975 | 769 | 5,206 | 13.4% | 167,413 | 3.1% |
| Multnomah | 783 | 24,333 | 1,338 | 22,990 | 59.1% | 324,832 | 7.1% |
| Washington | 256 | 7,030 | 40 | 6,975 | 17.9% | 212,450 | 3.3% |
| | 1,474 | 41,073 | 2,163 | 38,890 | | 861,140 | 4.5% |

In Multnomah County alone, HUD estimates there are 85,290 low-income renter households⁵. Thirty-five thousand of these households are estimated to be extremely low-income (ELI) renters. This means that for every 100 ELI household in Multnomah County in search of an apartment, there are roughly 50 regulated apartments available (at varying levels of affordability).

Table 2 shows a snapshot from Metro's Regional Housing Inventory of the number of vouchers in each of the four counties. Voucher numbers are not added to the total inventory of affordable units as in many cases vouchers are used in regulated affordable units (not increasing the total affordable inventory available).

Table 2: Snapshot of Housing Choice Vouchers by County (2011)

| County | Number of Housing Choice Vouchers (Snapshot) |
|------------|--|
| Clackamas | 1,569 |
| Clark | 2,523 |
| Multnomah | 8,510 |
| Washington | 2,437 |
| Total | 15,039 |

An additional way to measure the proportion of housing needs that are being met is to compare the number of households that fall in a given income range, with the number of units affordable to households within that income range. Table 3 below was derived using HUD's Comprehensive Housing Affordability Strategy (CHAS) data. Confirming earlier analyses, the affordability gap (expressed as the relation between the number of households within a defined income group and the number of housing units that would be, in theory, affordable to those incomes)

increases as income decreases. The greatest gap is for households in the lowest income category (0-30 percent of median). The affordability gap is greater than the table suggests, because households tend to remain in place even as their incomes increase.

Table 3: Comparison of Renter Households and Availability of Units, Multnomah County⁶

| Income Range | Renter Households (all sizes) | Renter Units Affordable | Percent of Need Met by Existing Stock | Surplus/ Shortage Units |
|----------------------------|-------------------------------|-------------------------|---------------------------------------|-------------------------|
| 0-30% of Median | 34,515 | 7,665 | 22% | -26,850 |
| 30-50% of Median | 22,240 | 32,005 | 143% | 9,765 |
| 50-80% of Median | 28,355 | 71,335 | 251% | 42,980 |
| Greater than 80% of Median | 34,555 | Not Available | | |
| Total | 119,845 | | | |

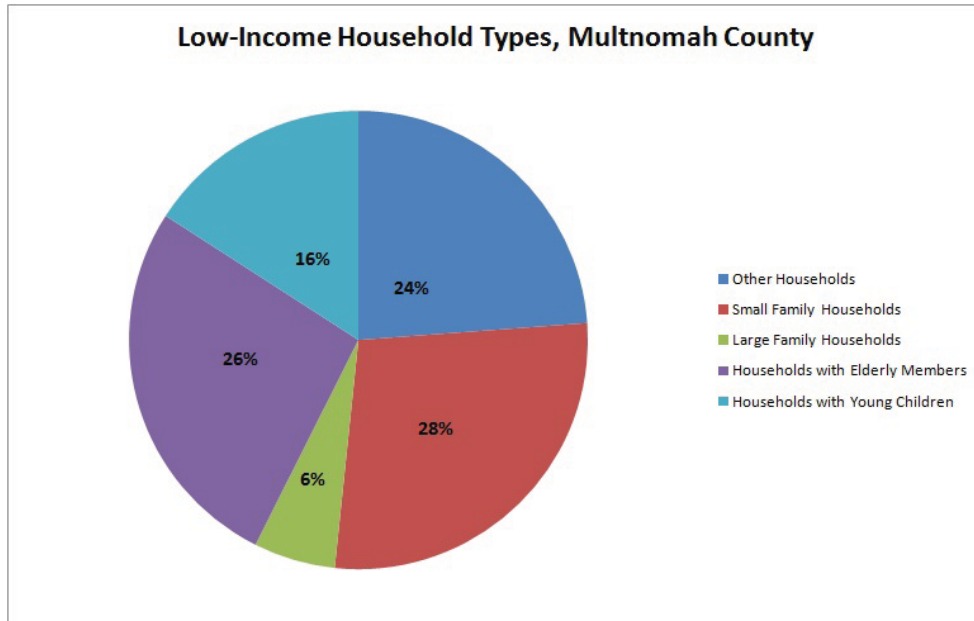
Updated Analysis of Affordability for Homeowners

As indicated earlier, the growth in the number of renter households in Multnomah County has exceeded the growth in number of homeowner households. Multnomah County's homeownership rate declined 4 percent from 56.9percent in 2000 to 54.6 percent in 2010. Reports issued by the Coalition of Communities of Color indicate that the decline in homeownership rates was not uniform. The decline was greater for minority groups than for white households. Table 4 confirms earlier analyses that people in Multnomah County are struggling to reach the income level needed to buy and maintain an affordable home.

Table 4: Comparison of Owner Households and Availability of Units, Multnomah County⁷

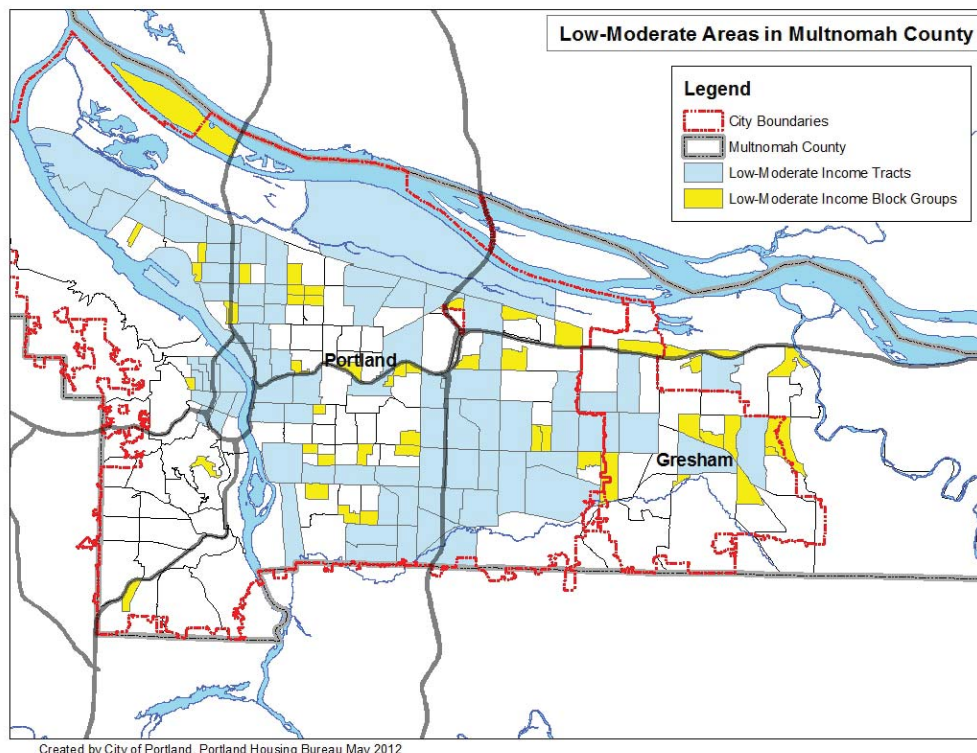
| Income Range | Owner Households (all sizes) | Owner Units Affordable | Percent of Need Met by Existing Stock | Surplus/ Shortage Units |
|----------------------------|------------------------------|------------------------|---------------------------------------|-------------------------|
| 0-30% of Median | 10,600 | Not Available | 28% | 8,980 |
| 30-50% of Median | 12,625 | 3,645 | 65% | 8,470 |
| 50-80% of Median | 24,760 | 16,290 | | |
| Greater than 80% of Median | 119,130 | Not Available | | |
| Total | 167,115 | | | |

Analysis of the CHAS data indicates that the majority of Multnomah County’s low-income households are small family households. To qualify as low-income, a household’s income must be 50 percent or less of the area’s median family income as established by HUD. Other household types that are predominant in the low-income population are households with elderly members and very young children.



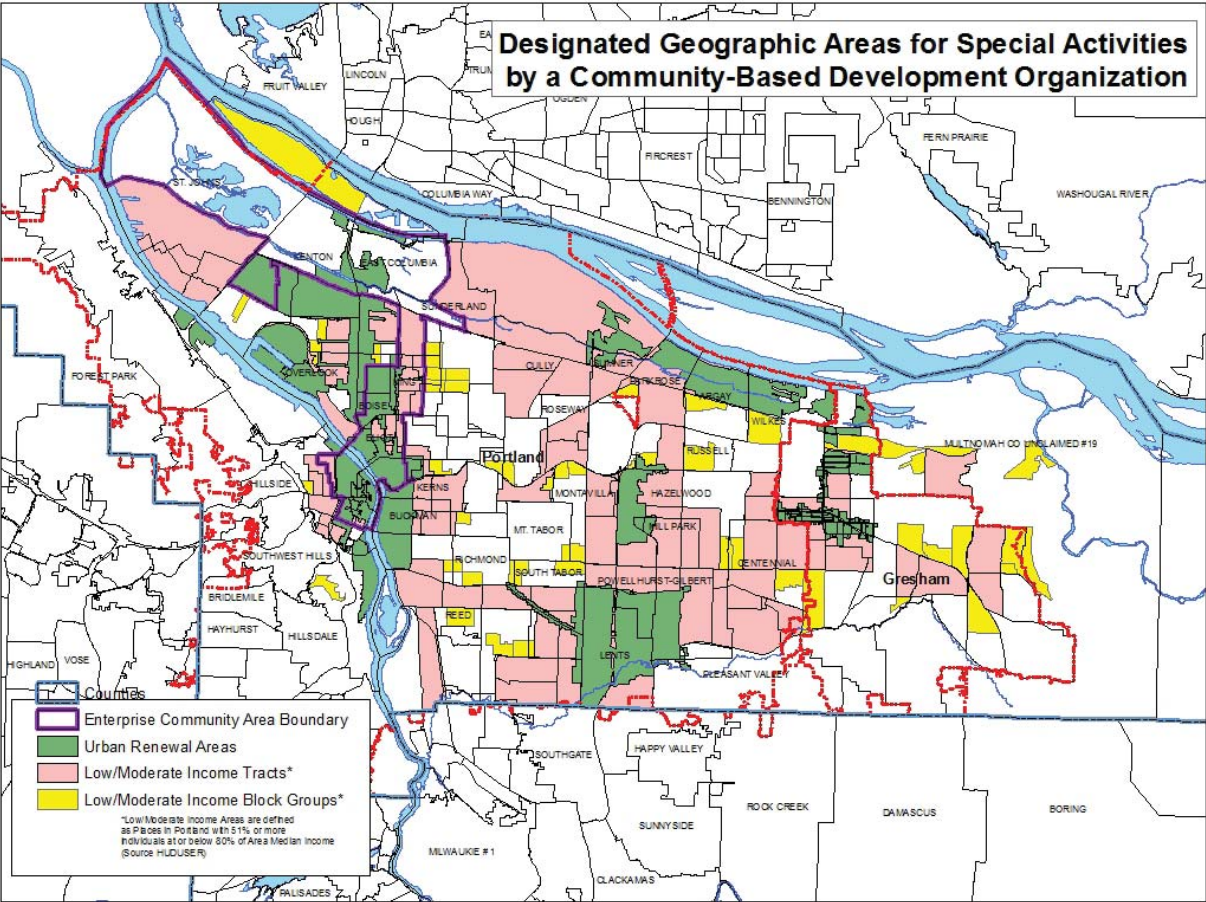
Multnomah County’s low-income census tracts and block groups are depicted in Map 1. The majority of the jurisdictions’ federal resources are dedicated toward serving low-income households and individuals.

Map 1.



Map 2 illustrates designated areas for special activities by a Community-Based Development Organization.

Map 2.



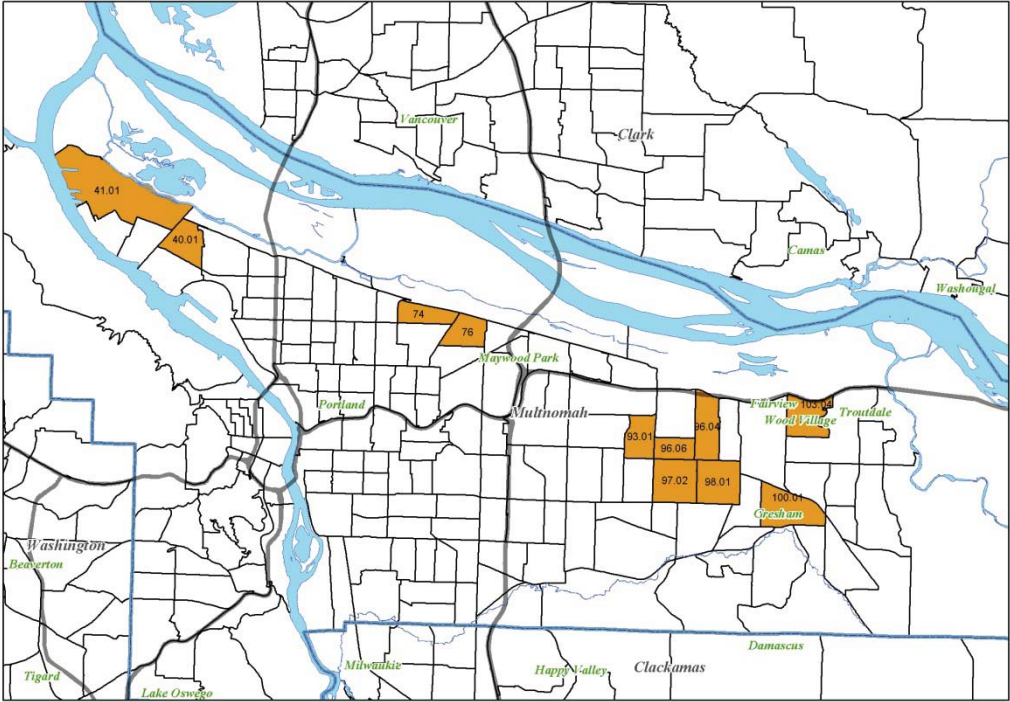
Created by City of Portland, Portland Housing Bureau May 2012

Concentrations of ethnic groups based by census tracts have been depicted in the following maps 3-6. A concentration is defined as any tract having a greater ethnic population than twice the County average. As noted in prior analysis, there are fewer tracts with concentrations of African-Americans than in 2000.

Maps 3-6 are based on 2010 Census data. In its recently released post-enumeration study, the Census Bureau acknowledges an undercount of communities of color⁸. There are many efforts underway to address these undercounts.

Map 3 : Concentrations of Hispanic Americans in Multnomah County, 2010

Concentrations of Hispanic/Latino Americans in Multnomah County, 2010

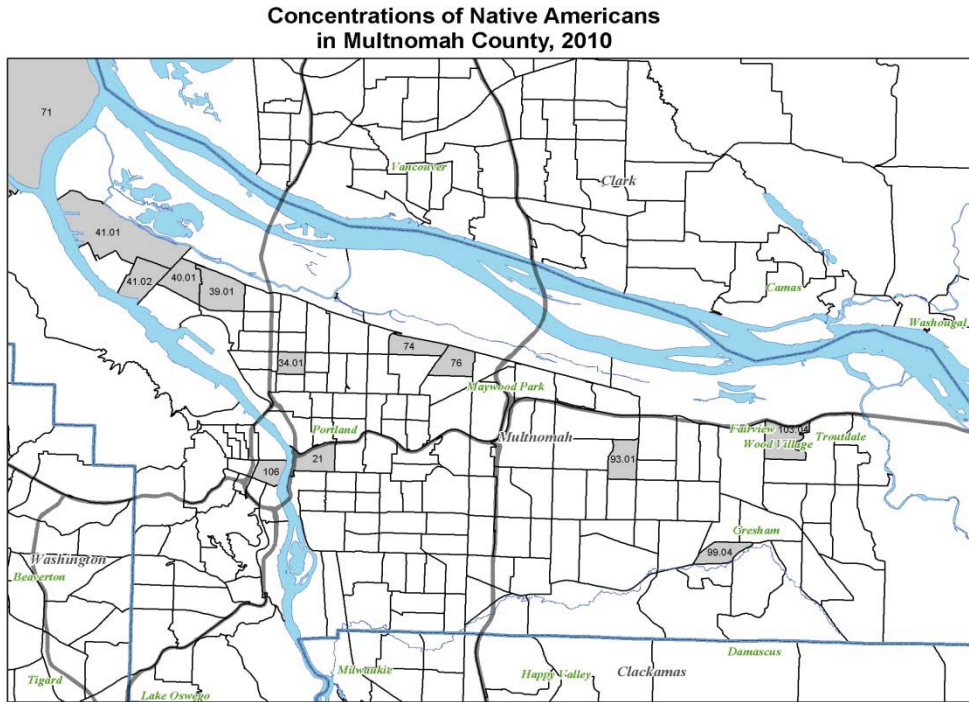


Map 4 : Concentrations of Asian Americans in Multnomah County, 2010

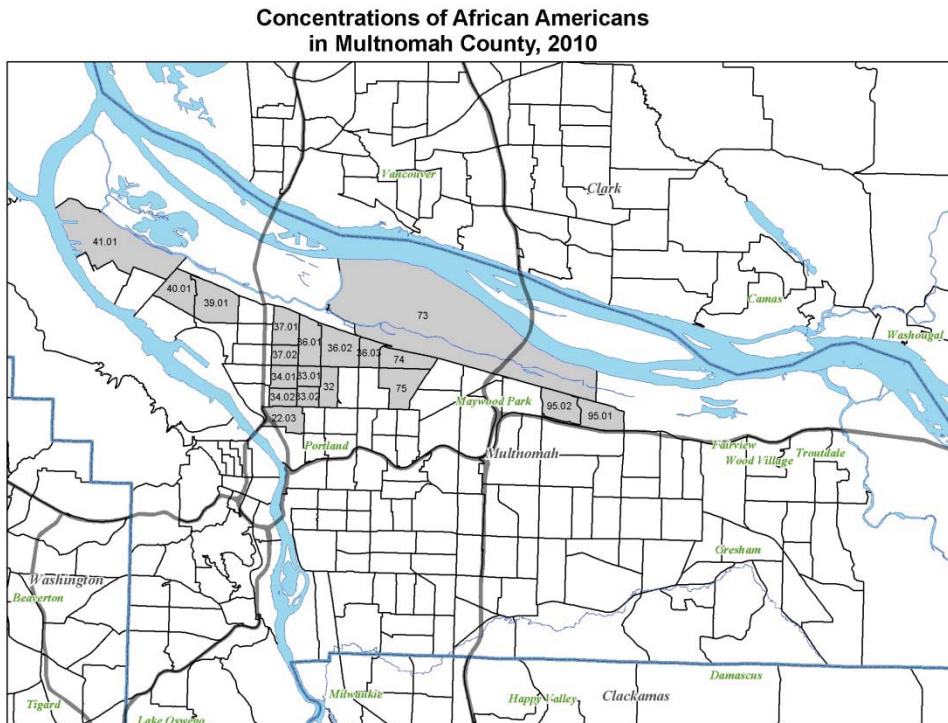
Concentrations of Native Americans in Multnomah County, 2010



Map 5: Concentrations of Native Americans in Multnomah County, 2010



Map 6: Concentrations of African Americans in Multnomah County, 2010



FOOTNOTES

1. National Association of Realtors
2. National Low Income Housing Coalition, Out of Reach 2012.
3. Metro, 2011 Regional Inventory of Regulated Affordable Housing
4. 2011 Regional Inventory of Regulated Affordable Housing
5. HUD 2009 Consolidated Planning CHAS data
6. HUD 2009 Consolidated Planning CHAS data
7. HUD 2009 Consolidated Planning CHAS data
8. Census 2010, "Census Bureau Releases Estimates of Undercount and Overcount in the 2010 Census."