

# Causes of Homelessness in Oregon

**The #1 cause of homelessness is a lack of affordable housing.**

Think about it as a game of musical chairs.<sup>1</sup> There are 3 chairs and 4 players. The players are renters. The chairs are homes that the renters can afford.


Obviously, one person has to lose. 

Let's apply this game to the affordable housing supply in Oregon.

About 22% of renters in Oregon are extremely low-income (making no more than \$26,200 for a family of four). A home is "affordable" if its monthly cost does not exceed one-third of its residents' income. In Oregon, there are 26 affordable homes for every 100 extremely low-income renters.

# of Extremely Low Income Households	133,049
Number of Affordable Homes Available to Extremely Low Income Households	35,056
Shortage of Affordable Homes in Oregon for Extremely Low Income Households	-97,993

In this game, there are 4 players and 1 chair.

No matter what, 3 people have to lose. 

That means they either lose their housing or end up paying for homes so expensive that their risk of becoming homeless increases significantly.

And the problem does not only exist for the lowest earners. If the game were played by renters at 50% of the median income, more than half would still be standing without housing they can afford.

## What circumstances make it harder to compete for housing?

### Vulnerabilities

According to the authors of *Homelessness is a Housing Problem: How Structural Factors Explain U.S. Patterns* (2022), there are a range of circumstances, or *vulnerabilities*, that can make one more likely to become homeless: poverty, mental illness, substance abuse,<sup>1</sup> domestic violence, or a record of incarceration.<sup>ii</sup> Fully 24% of 2022 Multnomah County Point in Time Count respondents named COVID-19 as a reason for their homelessness.<sup>iii</sup>

### Attributes

There are also demographic *attributes* like race, gender identity, and sexual orientation that “may increase the risk of homelessness when they interact with structural barriers like racism.”<sup>iv</sup> For example, Black Oregonians are 6% of the state homeless population despite being 1.9% of the broader population. American Indians and Alaskan Natives are even more disproportionately represented: they are 4.2% of the homeless population, but 1.2% of the state population.<sup>v</sup> LGBTQ people also disproportionately experience homelessness, especially youth and trans people.

**That said, a groundbreaking study published in 2022 showed that communities with higher levels of homelessness do NOT have higher rates of mental illness, drug use, unemployment, or even poverty.**

They showed that what the communities do have in come are:

- higher rents and
- fewer available homes.

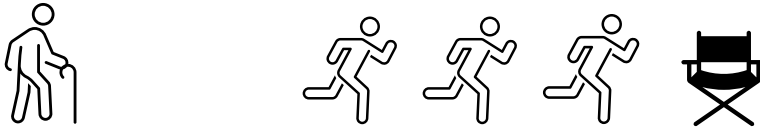
These two factors are the “structural conditions that turn vulnerabilities into loss of housing.”<sup>vi</sup>

In other words, the increased likelihood that a person who has one of these vulnerabilities or attributes *actually becomes* homeless is still going to vary depending on the supply of affordable housing in their region.

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<sup>1</sup> Studies suggest between 25-40% of homeless people have a substance use disorder; 25% have another mental health disorder. While these are much higher rates than the general population, it is important to note that the vast majority of homeless people do not have a substance use or other mental health disorder, and the vast majority of people who do suffer from these conditions are housed.

Return to the chairs. If you have a broken leg, it's going to be difficult to get to the chair. If you are competing with 3 other players for 3 chairs, it's highly likely that you will be the loser. If you are competing with 3 other players for 1 chair, it's virtually certain you will lose!



But if a chair is available, you'll get a seat, even if it takes you longer than the other players.



Here is a more concrete example:

One factor that can make one more vulnerable to homelessness is unemployment. Losing your job is **less** likely to lead to homelessness in Mississippi than in Oregon. In fact, Oregon's homelessness rate of is five times greater than Mississippi's, despite the fact that Mississippi has more people living in extreme poverty.

Mississippi Pop. 2.94mil	% renters at extremely low income: 33	# homeless: 1196 <sup>vii</sup>	Average rent for 1 bedroom: \$678 <sup>viii</sup>
Oregon Pop. 4.24mil	% renters at extremely low income: 22	# homeless: 17,959	Average rent for 1 bedroom: \$1199 <sup>ix</sup>

Why? Because housing is much cheaper in Mississippi. If your rent is \$700, and you lose your job, you are much less likely to become homeless than if your rent is \$1200. You are more likely to be able to borrow the money, take on extra jobs, or pay at least some rent.

## What Caused Housing to Become so Unaffordable?

<p><b>Inadequate new construction</b></p>	<p>In Oregon from 2010-2016, it is estimated that only 63 new homes were built for every 100 new residents. This lack of supply drives up housing prices.<sup>x</sup></p>
<p><b>Lack of Public Investment in Housing</b></p>	<p>Between 1981-1989, the budget of the Department of Housing and Urban Development (HUD), which provides affordable housing, was slashed 81%.<sup>xi</sup> As of 2022, there are 52,653 “publicly supported” rental homes in Oregon, compared to 133,049 extremely low-income households. Because the majority of these units are funded by the Low-Income Housing Tax Credit (LIHTC), which sunsets its affordability requirement after 15 years,<sup>xii</sup> Oregon is likely to lose over 10% of these affordable homes in the next 5 years. Oregon could lose 30% of its affordable homes in the next ten years.<sup>xiii</sup> As of 2020, the Portland area needed 29,000 more subsidized units; housing bonds in Portland and Multnomah County were purchased to build 5200 such homes.<sup>xiv</sup></p>
<p><b>Income Inequality in “superstar cities”</b></p>	<p>Rates of homelessness are higher in large, coastal “superstar cities” such as Los Angeles, New York, Seattle, and Portland. White collar workers flock to these cities and increase demand for scarce housing resources.<sup>xv</sup></p>
<p><b>Zoning Restrictions</b></p>	<p>Until such restrictions were banned statewide in 2019, 77% of residential land in Oregon was zoned for single-family homes.<sup>xvi</sup></p>
<p><b>Loss of Options</b></p>	<p>Boarding houses were a primary supplier of housing in American cities at the turn of the century.<sup>xvii</sup> Between 1960-1990, major cities eliminated the majority of their SROs - about one million units of cheap, flexible housing.</p>
<p><b>Low wages relative to rent</b></p>	<p>Minimum wage in Oregon: \$13.50. The wage needed to afford a two-bedroom at 40 hours is \$27.65.<sup>xviii</sup> The average hourly wage in Oregon is \$19.<sup>xix</sup></p>

## Chronic Homelessness vs Temporary Homelessness

Type	Definition	Prevalence
Temporary Homelessness	Individual is homeless for a brief period of weeks or months.	70%
Chronic Homelessness	Individual has been homeless for more than one year and experiences at least one disability. <sup>xx</sup>	30% <sup>xxi</sup>

Studies have shown that becoming homeless can aggravate, extend, or even create vulnerabilities like mental illness or substance use disorder. Even an altered appearance from being homeless can create a barrier to leaving homelessness before it becomes “chronic.”<sup>xxii</sup>

In addition to a lack of affordable housing, a key cause of chronic homelessness may be the “deinstitutionalization” phenomenon of the second half of the 20th century. Until the 1950’s, people experiencing severe mental illness were routinely placed in asylums. In 1963, JFK signed the “Community Mental Health Centers Act” (CMHCA), which was intended to replace asylums with small, community-based mental health treatment centers. In 1975, the Supreme Court ruled in *Donaldson vs. O’Connor* that no one can be involuntarily hospitalized if they can “survive” in the community. Since then, due to underfunding, the promise of a reliable nation-wide system of community-based mental health treatment has not materialized.<sup>xxiii</sup>

Studies show that the best solution for an individual experiencing chronic homelessness is permanent supportive housing.<sup>xxiv</sup> Supportive housing combines subsidized housing with intensive wraparound services.

In *So You Want to Solve Homelessness? Start Here*, Andrew Hening argues that a “Housing First” policy of funding supportive housing for all individuals who need it would fulfill the promise of “community-based mental health treatment” made at the advent of deinstitutionalization.<sup>xxv</sup>

As of 2020, there is a shortage of 12,388 permanent supportive housing units in Oregon.<sup>xxvi</sup>

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- <sup>i</sup> Taponga, John and Baron, Madeline. March 2019. "Homelessness in Oregon: A Review of Trends, Causes, and Policy Options." Prepared for: The Oregon Community Foundation. Analogy adapted from pgs. 13-14.
- <sup>ii</sup> Colburn, Gregg and Clayton Page Aldern. 2022. *Homelessness is a Housing Problem*, Pg 55. Oakland, CA: University of California Press.
- <sup>iii</sup> "2022 Point-in-Time Count: Count of People Experiencing HUD Homelessness in Portland/Gresham/Multnomah County, Oregon on January 26, 2022." Pg 6, <https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/2022%20Point%20In%20Time%20Report%20-%20Full.pdf>
- <sup>iv</sup> Gregg and Aldern, pg. 51.
- <sup>v</sup> "Homelessness in Oregon: A Review of Trends, Causes, and Policy Options (2019)," Pg 15, <https://oregoncf.org/assets/PDFs-and-Docs/PDFs/OregonHomelessness.pdf>
- <sup>vi</sup> Ibid.
- <sup>vii</sup> "HUD 2022 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: Mississippi." [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_State\\_MS\\_2022.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_State_MS_2022.pdf)
- <sup>viii</sup> "Out of Reach: Mississippi." National Low Income Housing Coalition. <https://nlihc.org/oor/state/ms>
- <sup>ix</sup> "Out of Reach: Oregon." National Low Income Housing Coalition. <https://nlihc.org/oor/state/or>
- <sup>x</sup> "Homeless in Oregon: A Review of Trends, Causes, and Policy Options." March 2019. <https://oregoncf.org/assets/PDFs-and-Docs/PDFs/OregonHomelessness.pdf>
- <sup>xi</sup> Hening, Andrew. *So You Want to Solve Homelessness? Start Here*. (June 10, 2022), pg.50
- <sup>xii</sup> "What Happens to LIHTC Properties After Affordability Requirements Expire?" [https://www.huduser.gov/portal/pdredge/pdr\\_edge\\_research\\_081712.html#:~:text=During%20the%20first%2015%20years,program%20through%20a%20relief%20process.](https://www.huduser.gov/portal/pdredge/pdr_edge_research_081712.html#:~:text=During%20the%20first%2015%20years,program%20through%20a%20relief%20process.)
- <sup>xiii</sup> Sabatier, Julie. April 27, 2022. "'Outlook for affordable housing in Oregon could get worse.'" [https://preservationdatabase.org/wp-content/uploads/2022/10/PD-Profile\\_2022\\_OR.pdf](https://preservationdatabase.org/wp-content/uploads/2022/10/PD-Profile_2022_OR.pdf); <https://www.opb.org/article/2022/04/27/outlook-for-affordable-housing-in-oregon-could-be-getting-worse/>
- "The Challenge of Homelessness in Oregon." January 2020. [https://www.catholiccharitiesoregon.org/app/uploads/2020/02/The-Challenge-of-Homelessness-in-Oregon-January-2020\\_.pdf](https://www.catholiccharitiesoregon.org/app/uploads/2020/02/The-Challenge-of-Homelessness-in-Oregon-January-2020_.pdf)
- <sup>xv</sup> Florida, Richard, "Blue-Collar and Service Workers Fare Better Outside Superstar Cities." May 21, 2019. <https://www.bloomberg.com/news/articles/2019-05-21/housing-costs-drive-inequality-in-superstar-cities>
- <sup>xvi</sup> Shumway, Julia. October 29, 2021. "White House: Oregon single-family zoning law could be model for nation." <https://oregoncapitalchronicle.com/2021/10/29/white-house-oregon-single-family-zoning-law-could-be-model-for-nation/>
- <sup>xvii</sup> Hening, Andrew. *So You Want to Solve Homelessness? Start Here*. (June 10, 2022), pg. 49; citing Paul Groth, *Living Downtown: The History of Residential Hotels in the United States* (Berkeley: University of California Press, 1999), pg 92.
- <sup>xviii</sup> <https://nlihc.org/oor/state/or>
- <sup>xix</sup> "Hourly Salary in Oregon." <https://www.ziprecruiter.com/Salaries/Hourly-Salary--in-Oregon>
- <sup>xx</sup> See Federal Register / Vol. 80, No. 233 / Friday, December 4, 2015, page 75792, [www.hudexchange.info/resources/documents/Defining-Chronically-Homeless-Final-Rule.pdf](http://www.hudexchange.info/resources/documents/Defining-Chronically-Homeless-Final-Rule.pdf).
- <sup>xxi</sup> <https://www.usich.gov/homelessness-statistics/or/>
- <sup>xxii</sup> Colburn and Aldern, pg. 52
- <sup>xxiii</sup> Hening, Andrew. Pg 82-87; citing to *Street Crazy: America's Mental Health Tragedy* by Dr. Steven Seager (2000).
- <sup>xxiv</sup> "The Challenge of Homelessness in Oregon: What's to be Done?" January 2020. Pg. 12. [https://www.catholiccharitiesoregon.org/app/uploads/2020/02/The-Challenge-of-Homelessness-in-Oregon-January-2020\\_.pdf](https://www.catholiccharitiesoregon.org/app/uploads/2020/02/The-Challenge-of-Homelessness-in-Oregon-January-2020_.pdf)
- <sup>xxv</sup> Hening, Pg. 156.
- <sup>xxvi</sup> [Ibid.](#) Pg 7.