

ORDINANCE No. 190342

*Extend state of housing emergency, operationalize efficiencies and identify Council powers, specify a twelve-month duration, and waive portions of the Portland Zoning Code (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The State of Emergency Declarations by Council have allowed for the siting of day storage units and expedited design review process for affordable housing. These operational improvements have provided significant efficiencies and improvements to be able to address expedited affordable housing development, and to provide service locations to people experiencing homelessness.
2. Before the State of Housing and Emergency terminates, these system improvements should be put into operation as the normal course of business of the City.
3. On October 7, 2015, the Council, through Ordinance 187371, declared a housing emergency for a period of one year.
4. On September 7, 2016, the Council, through Ordinance 187973 extended the housing emergency declared in 2015 for one year.
5. On October 4, 2017, the Council, through Ordinance 188627 extended the housing emergency for an eighteen-month duration.
6. On February 12, 2019, the Council, through Ordinance 189387 further extended the housing emergency for a twenty-four-month duration.
7. Since the initial declaration, the City continues to take significant measures to alleviate the emergency housing needs of people experiencing homelessness or at risk of homelessness or displacement. Some of the measures are based on directives set forth in the previous ordinances while others are part of larger local/regional/statewide efforts to add to the supply of affordable units and to enhance local tenant protection policies.
8. Since the State of Emergency went into effect the Portland Housing Bureau has created a pipeline of over 5,700 units of affordable housing that will house over 11,000 Portlanders. One-third of these units are deeply affordable, 23% are as a result of the City's Inclusionary Housing program, and 3,000 units are already in operation.

9. Pursuant to Ordinance 187973, the City's mandatory Inclusionary Housing program was developed and went into effect February 1, 2017. Since Portland's Inclusionary Housing program has been in effect, the City has permitted, or is in the process to permit over 1,100 affordable Inclusionary Housing units throughout the City.
10. During the present state of emergency under PCC 15.040.040, the Council has had the ability to provide temporary housing and temporary permits for shelter and related services for those experiencing homelessness. Continuation of the state of emergency would allow the City to continue this work.
11. To accelerate the production of regulated affordable units during the state of housing emergency, Ordinance 187616 authorized city subsidized housing projects to utilize a Type IIX land use review if in fact the projects were subject to Type III land use review. Two projects including Riverplace Parcel 3 that will produce 201 regulated units in the city's South Waterfront and Gateway Park in the Gateway District that will add 40 regulated units are current developments that have utilized this provision. Continuing the state of emergency would allow the City to continue to expeditiously increase the affordable housing stock that serves low-income households including those who face heightened risk of homelessness.
12. Portland's total population is nearing 645,300 people making it the 26th most populous city in the nation and the 6th largest city on the west coast. During the 2014-2019 time period, the City has grown by 7.5%, adding just over 42,723 residents. The steady pace of population growth means continuing demand for housing supply that can meet the housing needs of existing and new households without cost burdening them.
13. According to national economists, Portland is in the top 25 best performing large metropolitan areas in the nation for growth in real median household income and growth in educational attainment, in addition to other measures of economic success. In spite of this, the prosperity is not shared by all segments of the population.
14. Profound income disparities continue to exist despite recent income gains for all types of households. While the citywide Median Household Income (MHI) is at \$71,005 in 2019, the MHI for renter households at \$47,240 is 33% less than the citywide measure.
15. In 2015, the overall rent growth in Portland was an average of 8 to 9 percent – one of the highest in the nation. Rent growth slowed in 2016 to an average rate of 7 percent over the previous year. In 2017, after years of citywide rent increases, Portland saw a slight softening in rents with a smaller overall rent growth of 2 percent. This softening has continued into 2018 and 2019 with average rents at \$1,430 and \$1,491 per month respectively. In 2020, the average rental unit charges was \$1,461 per month, which is \$14 lower than the previous year.

16. Households are extremely cost-burdened if they pay 50% or more of their income on housing costs and cost-burdened if they pay 30% or more of their income on housing costs. Cost-burdened households are at increased risk of housing instability, with homelessness as the worst manifestation.
17. The population experiencing homelessness are amongst the most vulnerable residents of Portland. The 2019 Point-in-Time (PIT) count recorded that 2,037 individuals were unsheltered on the night of the count while 1,459 people were in area emergency shelters and 519 were in transitional housing. While the PIT count does not assess causes for homelessness, there is recognition that lack of affordable housing is a leading factor.
18. In August 2019, Portland State University's Homelessness Research & Action Collaborative estimated that in 2017 38,000 people experienced homelessness or living doubled up in Multnomah, Clackamas, and Washington Counties and up to 107,000 households were experiencing housing insecurity or were at risk of homelessness.
19. The persistence of people experiencing unsheltered homelessness, the reliance of about 1,500 people in our emergency shelters and the severe shortage of affordable housing are circumstances that create an immediate need to provide adequate, safe, and habitable shelter to persons experiencing homelessness.
20. Experiencing homelessness or being on the brink of it causes tremendous human suffering and demands a spectrum of emergency responses that includes adequate, safe and habitable shelters, affordable housing units, and appropriate supportive services. Since 2015, the Council has in effect recognized and responded to the ongoing affordable housing crisis in an emergency mode.
21. During this period of emergency, the Council has funded a wide range of other programs like the Homelessness and Urban Camping Impact Reduction, Navigation Team, the Park Ranger Program, Neighborhood Response Teams, Portland Street Response, etc. to mitigate impacts of homelessness, improve community livability and to address issues of public health and safety.
22. Alongside directives from emergency ordinances several other noteworthy efforts are underway to address Portland's affordable housing crisis and to strengthen protections for renters most vulnerable to displacement and/or homelessness.
23. Responding to an urgent community need, in October 2017, the Council and the Multnomah County Board of Commissioners adopted parallel resolutions stating the goal to create 2,000 new supportive housing units by the year 2028. Since this Goal was set the Portland Housing Bureau and the Joint Office for Homeless Services has over 1,265 units planned with more than 300 new Supportive Housing units opened, and 223 units opening in 2021 and 2022.

24. In November 2016, Portland voters approved measure No. 26-179, authorizing \$258.4 million in general obligation bonds to fund at least 1,300 units of newly affordable housing over five to seven years. To date, the bond measure has helped add 1,490 affordable units that are now complete or in progress, including 313 units of Permanent Supportive Housing
25. In May 2020, Portland Metro voters approved measure 26-210 authorizing an a combined income tax and business tax designed to raise \$248 million per year to fund supportive housing services in Washington, Clackamas, and Multnomah counties.
26. The N/NE Neighborhood Housing Strategy is a City initiative to address the legacy of displacement in North and Northeast Portland through investments to create new affordable housing opportunities for first-time homebuyers, and home retention programs for longtime residents of the area. Since the adoption of the Strategy 501 rental units have opened.
27. Ordinance 189387 directed Bureau of Planning and Sustainability (BPS) to develop a legislative proposal to amend City Code to allow for the permanent siting of day storage units, temporary housing, shelters, alternative shelter siting, and Type IIX process option for certain defined affordable housing projects
28. While City Council is currently holding hearings and preparing for adoption of the Shelter to Housing Continuum package, which proposes permanent code amendments in response to directives in previous housing emergency declaration ordinances, there is still a need for the City of Portland to extend the Housing State of Emergency to monitor changing state and federal regulations around the eviction moratoriums, repayment of rent and mortgage repayment schedules.

NOW, THEREFORE, the Council directs:

- a. There continues to be a state of emergency presented by the sufferings of people experiencing homelessness or housing instability throughout Portland, requiring further extension of the housing emergency initially declared by Ordinance 187371 and subsequently extended through Ordinances 187973, 188627 and 189387 under Portland City Code (PCC) Title 15 for the entire city. The provisions of PCC 15.04.040.B limiting the duration of the extension of a housing emergency are waived, and the housing emergency declared by Ordinance 187371 is hereby further extended for an additional 12-month period, through April 4, 2022.

- b. The duration of the housing emergency shall be for a period of twelve months from the effective date of this ordinance, unless extended by the Council as provided in PCC 15.04.030.B, or terminated sooner by the Council as provided in PCC 15.04.030.G.
- c. For the duration of the housing emergency, the City may otherwise exercise such authority as is provided in PCC 15.08.025.
- d. The provisions of Ordinance 187616 authorizing a Type IIx rather than Type III design review and historic design review of certain defined affordable housing projects will continue for the duration of the housing emergency.
- e. The applicable provisions of Title 33, other than the temporary general regulations under PCC 33.296.040, shall be waived to allow the City to site up to two storage units at optimal locations for the duration of the housing emergency.
- f. The Portland Housing Bureau (PHB) in coordination with the Bureau of Development Services (BDS) will continue to fast track permitting of affordable development.
- g. PHB and Office of Government Relations (OGR) is directed to continue to monitor state and federal legislation related to the end of the housing relief, federal foreclosure moratorium and statewide eviction moratorium (HB 4401) as a result of the COVID-19 pandemic and related economic downturn
- h. PHB and JOHS will routinely track relevant measures that capture the following set of criteria with direct but distinct associations to the state of housing emergency:
 - 1) Homeless Services System Performance Measures: a set of measures that are tracked quarterly for HUD by area homeless service providers that directly indicate the impact of housing emergency:
 - a. Average length of time persons remain homeless
 - b. Percent returning to homelessness within two years of exiting to permanent housing destinations
 - c. Number of people unsheltered (Point-in Time Count)
 - d. Number of people in emergency shelters
 - e. Number & percent experiencing homelessness for the first time (in a two-year window) from people who received homeless services

- 2) Proxy Measures of Housing Affordability: a set of measures that collectively helps gauge housing affordability:
- a. Citywide rental vacancy
 - b. Average gross rent
 - c. Average gross rent increase compared to previous year
 - d. Units permitted
 - e. Units produced
 - f. Affordable housing produced
 - g. Affordable housing in pipeline
 - h. Share of cost burdened renters (spending 30% or more on rent)
 - i. Median Household Income by race/ethnicity

Section 2. The Council declares an emergency exists in order to continue the flexibility provided for the expedited permitting for affordable housing, siting both emergency and alternative shelters, and siting storage lockers across the city of Portland; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: March 31, 2021

Mayor Ted Wheeler
Prepared by: Seraphie Allen
Date Prepared: 3/23/2021

Mary Hull Caballero
Auditor of the City of Portland
By *Megan Lehman*
Deputy

202
 Agenda No.
ORDINANCE NO. 190342
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Wheeler	CLERK USE: DATE FILED <u>March 23, 2021</u>
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler	<div style="text-align: center;"> <p>Mary Hull Caballero Auditor of the City of Portland</p> </div> <p>By: <u>Megan Lehman</u> Deputy</p> <p>ACTION TAKEN:</p>
Position 1/Utilities - Rubio	
Position 2/Works - Ryan	
Position 3/Affairs - Hardesty	
Position 4/Safety - Mapps	
BUREAU APPROVAL Bureau: Office of the Mayor	
Prepared by: Zach Kearl Date Prepared: <u>3/23/2021</u>	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date <u>March 31, 2021</u>	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>3:00pm</u> Total amount of time needed: <u>2hr</u> (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

	COMMISSIONERS VOTED AS FOLLOWS:		
FOUR-FIFTHS AGENDA		YEAS	NAYS
1. Rubio	1. Rubio	✓	
2. Ryan	2. Ryan	✓	
3. Hardesty	3. Hardesty	✓	
4. Mapps	4. Mapps	✓	
Wheeler	Wheeler	✓	