

## IMPACT STATEMENT

**Legislation title:** \*Amend Title 33 Planning and Zoning to facilitate the provision of shelter and housing options for Portlanders in need (Ordinance; amend Code Title 33)

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**Purpose of proposed legislation and background information:** This project was initiated as part of City Council's Housing Emergency declaration (Ordinance No. 189387) and intends to remove code barriers that slow down the City-County effort to open more homeless shelters. It also includes regulatory changes that expand housing choice and facilitates the production of affordable housing projects.

The project has four primary elements:

1. Code changes to make it easier to site homeless shelters and associated services in various zones.
2. A new community service use in the Zoning Code called Outdoor Shelters. This new use will allow public agencies and community-based nonprofits to open more shelters like the Kenton Woman's Village and the St Johns Village. Until now, these kinds of shelters required individual code exemptions from City Council. The recommended code language provides a more routine path to permit these facilities, based on emerging alternative shelter models around the city.
3. More housing flexibility by allowing Group Living configurations more broadly. This means alternative types of housing like dormitories, senior care facilities, co-housing, and single-room occupancy apartments will be easier to build.
4. Allowing occupancy of a recreational vehicle or a tiny house on wheels on a site that contains a house.

This ordinance adopts the primary recommended changes to Portland City Code Title 33. There is a second companion ordinance adopting complementary changes to other titles.

### **Financial and budgetary impacts:**

This project does not amend the budget, change staffing levels, reclassify staff, or authorize new spending or other financial obligations (IGAs, contracts, etc.).

In the long term, the project could have indirect impacts on City revenue and expenses:

- Notwithstanding the practice under the current state of emergency, current zoning regulations require a Conditional Use review to open a homeless shelter. The

application fees for that review range from \$6,000 to \$26,000, including the mandatory Pre-Application Conference. There are typically additional consulting costs to successfully complete that review. The Shelter to Housing Continuum project will reduce the number of shelters that would require Conditional Use review, with the resulting savings to the Joint City-County Office of Homeless Services and other entities involved in opening new shelters.

- The Shelter to Housing Continuum project is creating a regulatory path to allow more options to shelter the homeless in sanctioned managed facilities. By making it easier to open managed facilities, the project aims to reduce the number of people camping in unsanctioned locations in the public right of way and other public spaces. In recent years, City agencies (PBOT, Parks, BES, etc.) are experiencing increased costs to address the impact of unsanctioned homeless camping. In the long term increasing the number of sanctioned managed facilities run by the public and nonprofit partners will help reduce expenses related to responding to unsanctioned camping impacts.
- The Shelter to Housing Continuum project is creating a wider range of allowed housing configurations, including changing the way that Group Living is regulated. The project is reclassifying Group Living from a Conditional Use to a use that is allowed by right in more zones. Single Room Occupancy (SRO) housing is one type of Group Living use that is sometimes included in affordable housing projects. By removing the Conditional Use requirements for this type of housing, the project will be in-effect reducing the cost to obtain permits for certain affordable housing projects that incorporate SRO configurations.
- By changing the code definitions of Household and Group Living, the project could impact how some development projects are classified, which could have impacts on fees that apply to those projects, or how Systems Development Charges (SDCs) are assessed. These changes will primarily impact apartment units and houses with a large number of bedrooms. These impacts are expected to be minor because there are a limited number of projects that are configured this way.
- With changes being made to zoning regulations, the Shelter to Housing Continuum project will require the Bureau of Development Services (BDS) to make a small one-time investment in staff time in 2021 to update informational handouts and other public information. This may include new summaries of regulations impacting RV/Tiny House on Wheels, Group Living uses, and Community Service uses.
- There may be a small decrease in the amount of land use review fees collected by BDS, and a small decrease in the Land Use Services Division workload. However, the effect is minimal as the number of Conditional Use Reviews for Group Living and shelters has only averaged one or two applications per year.

- As a whole, the package reduces the level of regulation that applies to some types of housing and shelter. The proposal does not create new regulations that would require any new BDS or Housing Bureau programs.
- Any changes in zoning may also impact property values and have eventual impacts on property tax revenue (either positively or negatively).

**Community impacts and community involvement:** The project is making citywide changes to regulations that impact homeless shelters and the types of housing that is allowed. The people most impacted by the project will be houseless people, and people seeking alternative forms of shelter or housing. American Indian, Alaska Native, Native Hawaiian, Pacific Islander, and Black and African American populations are over-represented in the homeless populations. The Non-Hispanic White population is under-represented.

Community engagement activities for this project are summarized in Volume 1 of the Recommend Draft Report. A standing inter-agency Housing Continuum Committee and Technical Advisory provided valuable context for further shaping the scope of the S2HC project, helped develop code concepts, and commented on rough drafts of code. Members of this committee attended and provided valuable assistance during community meetings.

The S2HC Project, including outlines of the proposed code amendments, were presented through video conferencing at six different community meetings from May through September of 2020. A Discussion Draft was published in October 2020, and staff hosted several online informational sessions in the following weeks. Thirty-one people commented on the draft. A Proposed Draft was published in November 2020. The Planning and Sustainability Commission (PSC) held two public hearings in December 2020. Neighborhood Associations and other stakeholders were notified of the hearing opportunity.

A total of 28 people spoke in person at the two hearings and 178 pieces of individual written testimony were submitted. This testimony helped inform PSC's discussion in work sessions held in January 2021. The PSC also hosted two panel discussions: one with people with lived experience being homeless and the other with shelter operators. The PSC made recommendations on the Zoning Code (Title 33) elements of the project in late January 2021. The inter-agency Housing Continuum Committee made revisions to the other elements of the proposal. Both the PSC's Title 33 recommendation and the Housing Continuum Committee were incorporated into a Recommended Draft published in February 2021. A notice of the Council's hearing was mailed to Neighborhood Associations and people who testified at the PSC hearing the week of February 22, 2021.

Several changes have been made to the proposal in response to public comments through the course of the project, including changes to the way occupied RVs and Tiny Houses on Wheels are regulated, changes to the Conditional Use thresholds for shelters, and changes to the definitions of Household and Group Living.

**100% Renewable Goal:**

This action has no direct impact on the City’s renewable energy goals.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

- YES:** Please complete the information below.
- NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount