
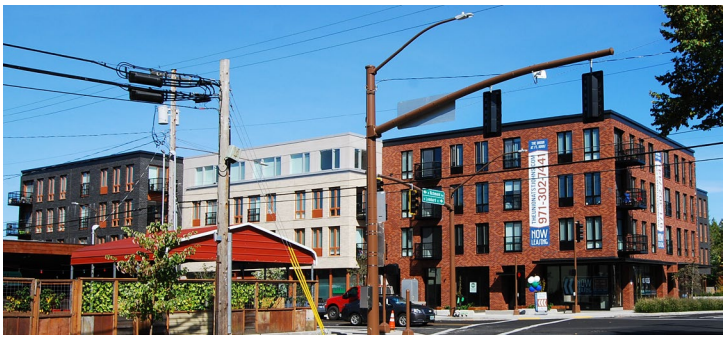



City of Portland
2045 Housing Needs Analysis

PROPOSED DRAFT

August 2023

THE BUREAU OF
PLANNING & SUSTAINABILITY

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www.portland.gov/bps/accommodation

How to Testify

The Housing Needs Analysis (HNA) and Buildable Lands Inventory will be considered by the Portland Planning Commission (PC), and the public is invited to submit formal comments (called public testimony) in writing or during a virtual public hearing. Testimony on the ***Proposed Draft*** is directed to the PC, which may amend the proposal and before voting to recommend the changes to Portland City Council. This is then called the ***Recommended Draft.*** The public will also have an opportunity for formal testimony on the Recommended ***Draft*** when it is reviewed by City Council.

Testify at the Planning Commission (PC) public hearing Tuesday, September 26, 2023, at 5 p.m.	Testify in writing between now and Tuesday, September 26, 2023
The hearing will be held virtually. You can use a computer, mobile device or telephone to testify during the hearing. To testify during the hearing, please register at the following link: https://us06web.zoom.us/webinar/register/WN_xzhxl2v3TD-W9j_ndo96oA#/registration After registering, you will receive a confirmation email containing information about joining the virtual hearing. The deadline to sign up for the September 26 hearing is Monday, September 25 at 5:00 p.m. Individuals have two minutes to testify, unless stated otherwise at the hearing. To confirm the date, time and location, check the PC calendar at https://www.portland.gov/bps/planning/planning-commission/events	**Map App:** https://www.portlandmaps.com/bps/mapapp/ Click on the "Testify" button. You can testify about a specific location or on the proposals in general. Testifying in the Map App is as easy as sending an email. Once your testimony is submitted, you can read it in real time. **U.S. Mail:** You must provide your full name and mailing address. Portland Planning Commission HNA and BLI Testimony 1810 SW 5th Ave, Suite 710 Portland, OR 97201

For more information:

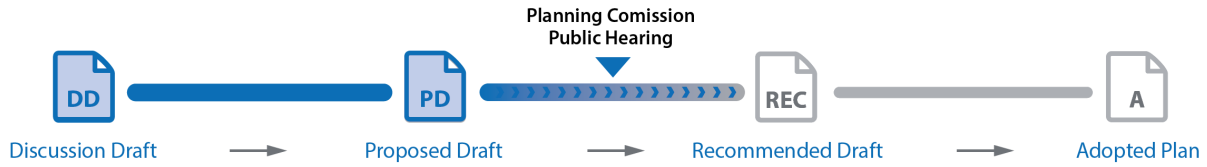
Visit the web: https://www.portland.gov/bps/planning/housing-production/2045-hna-and-hps

Contact staff: Ariel Kane, Economic Planner | Bureau of Planning and Sustainability, ariel.kane@portlandoregon.gov

Next Steps:

Following the public hearing at the Planning Commission, the PC will discuss issues raised and potential changes ("amendments") to staff's proposal. After voting on those changes, the next draft of the proposal – the *Recommended Draft* – will incorporate the changes the PC makes to the *Proposed Draft*.

Staff will forward the *Recommended Draft* to City Council for additional public testimony and hearings, deliberations, possible amendments and a final vote in December 2023. City Council must adopt the HNA before the state compliance deadline of December 31, 2023.



Acknowledgments

This project is funded by Oregon general fund dollars through the Department of Land Conservation and Development. The contents of this document do not necessarily reflect the views or policies of the State of Oregon.

This report was written by the City of Portland Bureau of Planning and Sustainability with immense contributions from the following agency and advisory group partners:

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Table of Contents

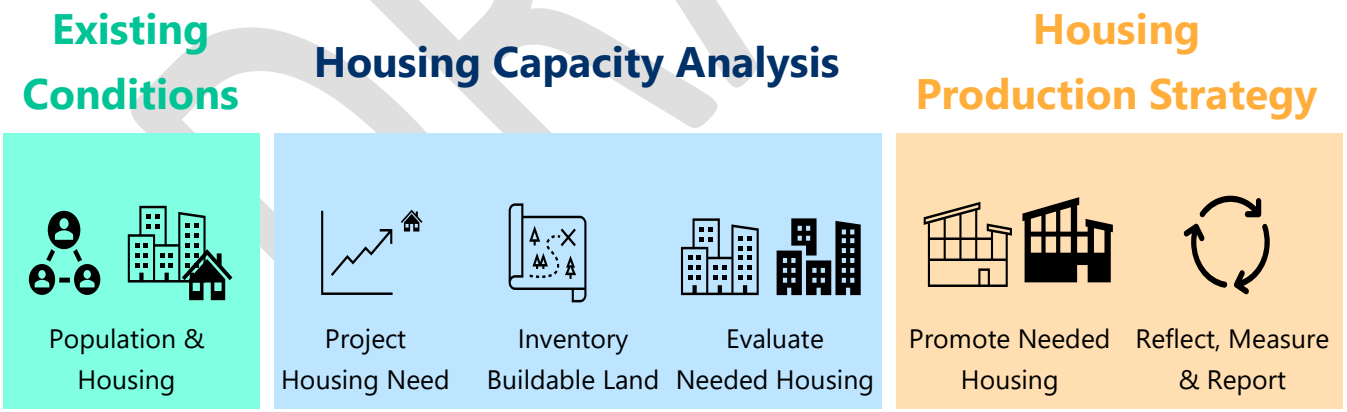
About the Housing Needs Analysis (HNA)

Overview

Oregon Statewide Planning Goal 10: Housing and ORS 197.296 require cities with more than 10,000 residents to inventory "buildable lands" and ensure that there is enough zoned land to accommodate housing needs over the next twenty years. Metro cities are mandated to develop and update this analysis every six years. Cities are also required to prepare and adopt a Housing Production Strategy that describes how the jurisdiction plans to accommodate the future housing need through new and/or existing policies and programs. Portland's previous Housing Needs Analysis (HNA) was adopted in conjunction with the City's 2035 Comprehensive Plan update from a Planning & Sustainability recommended draft report compiled in mid-2011.

In 2019, the state of Oregon passed House Bill 2003, charting a new direction to meet housing needs more fully and equitably. HB 2003 includes a requirement for local adoption of a Housing Production Strategy (HPS), which is a list of specific actions the city shall undertake to promote development to address Portland's housing needs. The HPS will be drafted and adopted by the City of Portland in 2024.

This HNA report includes an analysis of Portland's population and existing housing characteristics, projected housing needs, and a buildable land inventory to estimate the capacity to accommodate future residential development. The HPS will be drafted and adopted by the City of Portland in 2024.



Data Sources and Limitations

Staff utilized the best and most recent data available at the time of the report preparation. Primary data sources for demographic and housing trends include the Census Bureau, other city agency-provided data (Portland Housing Bureau, Prosper Portland, Portland Bureau of Transportation, and utility bureaus), and state agencies, such as Oregon Housing and Community Services. These sources provide insight into population trends and housing characteristics in Portland.

In July 2015, Portland City Council unanimously adopted Citywide Racial Equity Goals and Strategies as binding City policy. Accordingly, this report disaggregates data by race and ethnicity where possible. The disaggregated data provides key context for existing racial and social disparities and informs strategies addressing specific housing needs.

This analysis utilizes U.S. Census data to explore key themes and trends in population and housing stock. The American Community Survey (ACS), Comprehensive Housing Affordability Strategy (CHAS), Integrated Public Use Microdata Series (IPUMS), and Public Use Microdata Series (PUMS) data were all used for the analysis. For trends comparing 2010 and 2020 or 2021, the Decennial Census was referred to as the primary indicator due to its inclusion of larger sample sizes and greater reliability for subpopulation characteristics. Staff relied on IPUMS and PUMS for more granular details, such as race/ethnicity categories, for cost-burdened households or households by Area Median Income (AMI) level.

In some cases, the sample sizes and margins of error for specific races or ethnicities resulted in unreliable data. However, the following analysis still includes these trends because a more reliable source of information does not exist. However, as the project team conducts public outreach, some of these data trends with greater margins of error will be ground-truthed with communities when possible.

Engagement

To develop the Housing Needs Analysis and the subsequent Housing Production Strategy, staff is engaging with other bureaus, technical advisors, and the community in a number of ways. Engagement is ongoing and will be updated throughout the HNA and HPS development and adoption.

Technical Advisory Committee

Technical Advisory Committee (TAC) meetings are expected to occur as follows, though meetings may be consolidated where appropriate:

- **Meeting 1: May 2023.** We provided an overview of the HNA project and overall process, including project schedule, regulatory requirements, and desired project outcomes. We presented the preliminary findings of Portland's housing needs, including the key findings of the draft housing needs projection memorandum. We discussed the approaches, key assumptions, and results from the Buildable Land Inventory (BLI). This informed a discussion of whether Portland has enough residential land to accommodate the housing forecast. The draft HNA report was available for TAC review and comment at this meeting.
- **Meeting 2**. **September 2023.** We will discuss Portland's unmet housing needs, a list of existing strategies to address housing needs in Portland, gaps in existing housing policies, affordable housing development, housing preservation, and equity issues. We will work with the TAC to narrow the strategies to those with the most promise for addressing Portland's unmet housing needs.
- **Meeting 3. October 2023.** Develop details of each strategy. This meeting will continue the discussion from the previous meeting. It will include drafting or finalizing the list of strategies and soliciting advice on the relative priority of each strategy.
- **Meeting 4. February 2024**. Finalize strategies. We will discuss the final list of strategies and the implementation of each strategy. Staff will share the HPS report for TAC review and comment at this meeting.

Planning Commission and City Council Engagement

City staff has briefed the Planning Commission and City Council on the HNA during the project. As well, staff coordinated with other bureaus to present the results of this analysis at a City Council work session on housing in Portland. The Planning Commission will hold a public hearing on September 26, followed by recommendations to City Council. The City Council will hold further public hearing(s) in Fall 2023.

Executive Summary

This report presents Portland's projected housing needs up to 2045. It complies with statewide policies governing planning for residential development and focuses largely on Portland's housing needs over the next 20 years. It provides information necessary to develop the Housing Production Strategy to meet the city's future housing needs.

How has Portland Been Changing?

As of 2021, 647,176 people and 279,797 households were living in Portland. Over the last decade, population and household growth has slowed across the Metro region.[1] Estimates over the last two years, 2020 to 2022, show a population decline of -0.7%, with high estimates indicating a potential loss of nearly 20,000 residents.[2] Despite these trends, we are still planning for continued population growth over the long term.

While population growth has been slowing, Portland has become increasingly racially and ethnically diverse since 2010. The share and number of BIPOC Portlanders continues to increase. Over time, the state, as well as the City of Portland, have seen and continues to expect the share and number of older adults to increase as well as the number of persons with disabilities. Similarly, since 2010, the number of homeowners has increased, but the lion's share of new housing growth has been in rental units.

Figure 1. Recent 2010-2021 Population Share Trends

- 31% are people of color
- 13% are elders (65+)
- 22% are households with a person with a disability
- 23% are households with children
- 53% are homeowners
- 70% are households with 1 or 2 people
- 41% are high income (120+% AMI) households
- 40% are lower income (<80% AMI) households
- 36% are cost burdened
- 31% are lower income and cost burdened

Source: ACS 2010 and 2021 5-year, CHAS 2019, PUMS 2010 and 2021 5-year, 2023 AMI

[1] 2060 growth forecast | Metro (oregonmetro.gov) , https://www.oregonmetro.gov/2060-growth-forecast

[2] Population Estimate Reports | Portland State University (pdx.edu) and American Census Bureau Census Population Survey Estimates

How much growth is Portland planning for?

Metro is responsible for providing a regional population forecast, which is distributed across individual jurisdictions. The most recent 2018 regional forecast is for 277,221 additional households by 2045. Metro allocated 97,471 new households to Portland, which is about 35 percent of the growth forecast.

Figure 2. Forecasted Household Growth

279,797	377,268	97,471	35%
Households in 2021	**Households in 2045**	**New households by 2045**	**Increase**

Source: BPS Analysis based on ACS 2021, 5-year data, and Adopted 2021 Metro Forecast

The recommended OHNA framework is applied to the forecasted household growth to calculate the dwelling units Portland needs to plan for by 2045.

Figure 3. Forecasted Housing Unit Growth

296,479	417,039	120,560	41%
Units in 2021	**Units in 2045**	**New units by 2045**	**Increase**

Source: BPS Analysis based on ACS 2021, 5-year data, and Adopted 2021 Metro Forecast

How much development capacity does Portland have?

The Buildable Land Inventory (BLI) is an assessment of the development capacity in Portland under current planning and zoning designations. The BLI considers vacant land, redevelopment feasibility, and constraints on development to estimate the future development capacity.

The BLI estimates that Portland has the capacity for 236,977 housing units. Approximately 90 percent is in mixed-use commercial and multi-dwelling zones.

Figure 4. Existing Residential Buildable Land Capacity

236,977	29%	64%	10%
Citywide Housing Capacity (Units)	**Central City**	**Centers & Corridors** (excl. CC)	**Neighborhoods**

Source: BPS Analysis

What are the key findings of the housing capacity analysis?

Portland has more than enough zoned development capacity to accommodate the projected household growth. The challenge is developing housing for different types of households and household needs, including:

Housing affordability. Approximately 88,000 (31 percent) of current Portland households are low-income and cost-burdened, which means they spend more than 30 percent of their income on housing expenses. Cost-burdened households are expected to grow by another 63,000 units by 2045.

Access to opportunity. Portland also needs to address the location of housing and increase housing options in areas of high opportunities or complete neighborhoods, especially for low-income households. The Portland Plan set a goal of, by 2035, 80 percent of Portlanders living in a healthy complete neighborhood, with safe and convenient access to the goods and services needed in daily life. Today, two-thirds of all Portlanders live in complete neighborhoods. About 75 percent of our new housing units are in complete neighborhoods.

Families. Twenty-three percent of Portland households have children (0-18 years). More than one-third (37%) of households with children are low-income households. An additional 28,000 family-sized (2+ bedrooms) units will be needed by 2045.

Accessibility. Increasing the amount of accessible housing for a growing older adult population and people with disabilities. Portland's older adult population (65+) is 13 percent of the population and increasing. Twelve percent of Portland's population has a disability, and 22 percent of all households include household members with disabilities. That number is even higher (56 percent) for households with extremely low-income (0-30% AMI).

Acute Housing Need. In 2022, 5,228 people were counted as experiencing both sheltered and unsheltered houselessness in Multnomah County, a 30 percent increase since the previous count in 2019. Black or African American residents are over-represented in the houseless population, compared to the overall population (15 percent compared to 5 percent). The need to provide at least 4,604 additional housing units for households currently experiencing houselessness is acute.

City of Portland Context

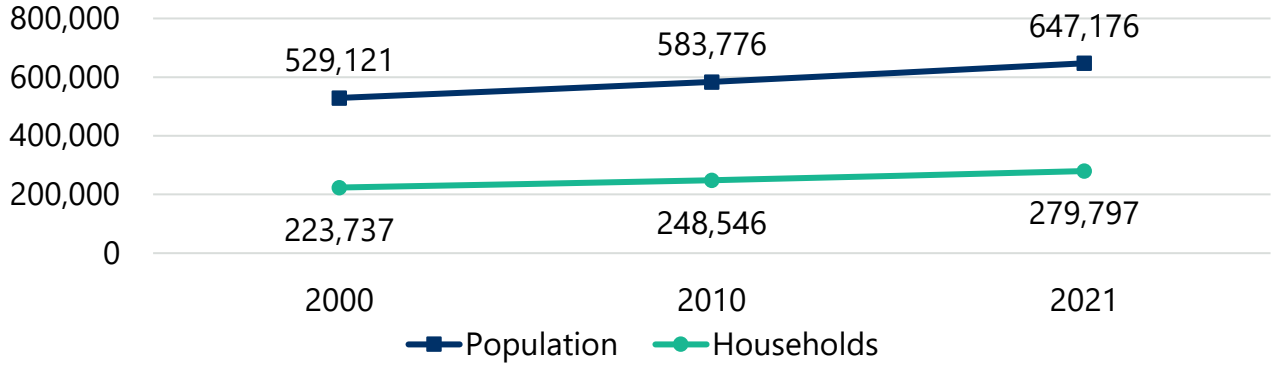
An individual's housing needs change throughout their life. Changes in income, household composition, age, opportunity and the type of housing needed throughout one's life may vary greatly.

Population and Household Characteristics

Population Change

Portland's population growth serves as the basis for forecasting housing growth and will drive demand for housing across the city. As of 2021, 647,176 people were living in Portland (ACS 2021 5-year estimates). With an average household size of 2.19 persons, there are an estimated 279,797 households in Portland. The number of people in the city has been steadily increasing since 2000, making Portland the 24th largest city in the nation. Population growth has been largely concentrated in the Central City, Interstate Corridor, MLK-Alberta, and Lents-Foster neighborhoods (PHB State of Housing, 2021).

Figure 5. Historic Household and Population Growth, 2000 to 2021



Source: Census 2000, 2010 and ACS 2021 5-year

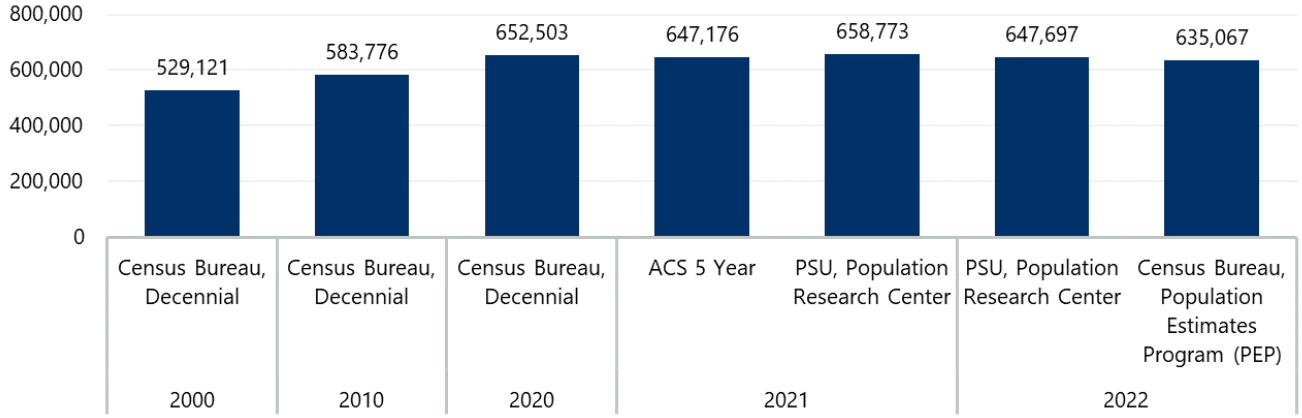
Over the last decade, there has been an expected slowing down in population and household growth across the Metro.[3] Estimates, including from the PSU Population Forecast Center, have estimated a slower year-over-year growth, or decline since the beginning of the COVID-19 pandemic (-0.7 percent decline in estimates from 2020 to 2022).[4] The Metro 2045 forecast still maintains that the City will see growth, albeit slower than it has been historically.[5]

[3] 2060 growth forecast | Metro (oregonmetro.gov), https://www.oregonmetro.gov/2060-growth-forecast

[4] Population Estimate Reports | Portland State University (pdx.edu), https://www.pdx.edu/population-research/population-estimate-reports

[5] 2040 Distributed Forecast | Metro (oregonmetro.gov), https://www.oregonmetro.gov/2040-distributed-forecast

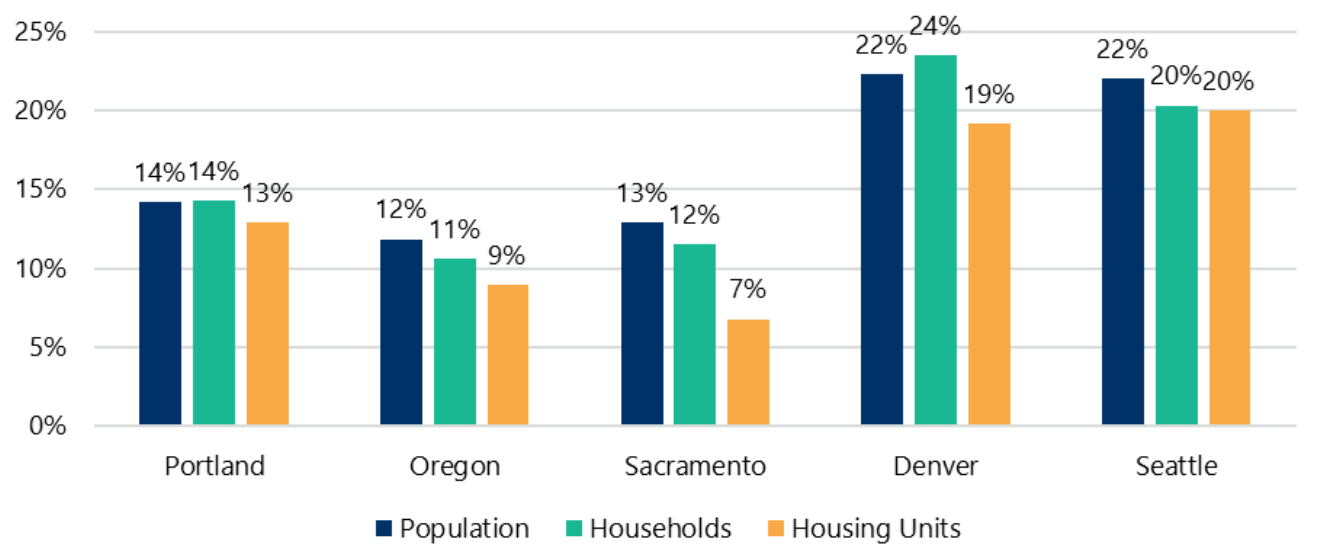
Figure 6. Recent Portland Population Estimates by Year, 2000 to 2022



Source: Census 2000, 2010 and 2020, and ACS 2021 5-year, 2022 Portland State and Census Estimates

Looking at the change in population, households, and total housing units, the rate of change between the 2010 and 2021 5-year ACS survey periods shows that the population and households in Portland and other comparative regions are higher than housing units.

Figure 7. Change in Population, Households and Housing units, Portland, Oregon and Comparative Cities, 2010 to 2021



Source: ACS 2010 and 2021 5-year estimates, DP03, DP02

Racial and Ethnic Diversity

The largest racial group in Portland is white, non-Latine[6] or Hispanic, accounting for 69 percent of total residents. The population identifying as Latine and Hispanic (of any race) makes up the next largest group at 11 percent, eight percent of residents identify as Asian, and six percent identify as Black or African American. Five percent of the population identifies as some other race or more than one race. The Native American population makes up one percent and Native Hawaiian or Pacific Islander make up less than one percent (2021 ACS 5 Year, Table B02001, Table B03002).

Overall, the proportion of Black, Indigenous, and People of Color (BIPOC) residents in the city continues to increase over time, demonstrating an increase in racial and ethnic diversity (ACS 5 Year, Tables B02001, B03002, and B25003A-I).

Figure 8. Share of Population and Householders by Race and Ethnicity, 2021

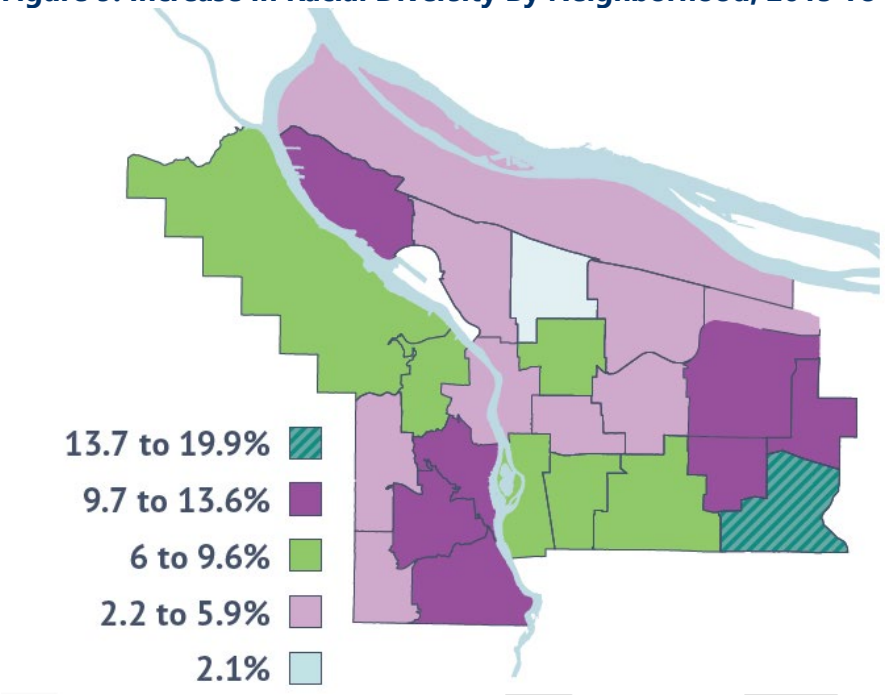
	Population		Households	
Race and Ethnicity	**Estimate**	**Share**	**Estimate**	**Share**
Latine or Hispanic (Any Race)	66,415	11%	21,598	8%
Not Latine or Hispanic				
Another Race	3,204	<1%	5,799	2%
Asian	54,599	8%	19,613	7%
Black or African American	35,323	5%	14,268	5%
Native American	3,685	1%	2,321	1%
Multiracial	35,487	5%	17,005	6%
Native Hawaiian and Other Pacific Islander	3,475	1%	922	<1%
White	444,988	69%	209,070	75%
Total:	647,176		279,797	

Source: 2021 ACS 5 Year, Table B02001, Table, Table B25003A-I.

Specifically, in East, Northeast, and Southeast Portland, the share of all BIPOC households combined increased between 2011 and 2021. Changes in the proportion of BIPOC residents measured in all 24 neighborhoods between 2015 and 2020 illustrate a continued significant shift toward greater racial and ethnic diversity in the city. In 2020, all neighborhoods had BIPOC populations above 15 percent (PHB, State of Housing Report, 2022).

[6] Latine is the gender-neutral noun or adjective for a person who is from or whose family origins are from a Latin American country.

Figure 9. Increase In Racial Diversity By Neighborhood, 2015 To 2020



Source: PHB Analysis of 2015 and 2020 ACS 5 year

Language and Linguistic Isolation

About 19 percent of households in Portland speak a language other than English at home, which is higher than the 15 percent of households in Oregon statewide (2021 ACS S1601). About 2.7 percent of all Portland households are also limited English-speaking households, lower than the national average of 4.2 percent and comparable to the State of Oregon average of 2.3 percent. The US Census Bureau defines a "limited English-speaking household" as one in which all members of a household, 14 years old and over, have at least some difficulties with English.

Of the Portland households with limited English proficiency, nearly 18 percent speak Asian and Pacific Island languages at home, eight percent speak Spanish at home, around 17 percent speak other Indo-European languages at home, and about 15 percent speak other languages at home (2021 ACS S1602). For households that speak a language other than English at home, about 16 percent of these households in Portland are below the poverty level, compared to around 13 percent of all Portland households (2021 ACS S1603).

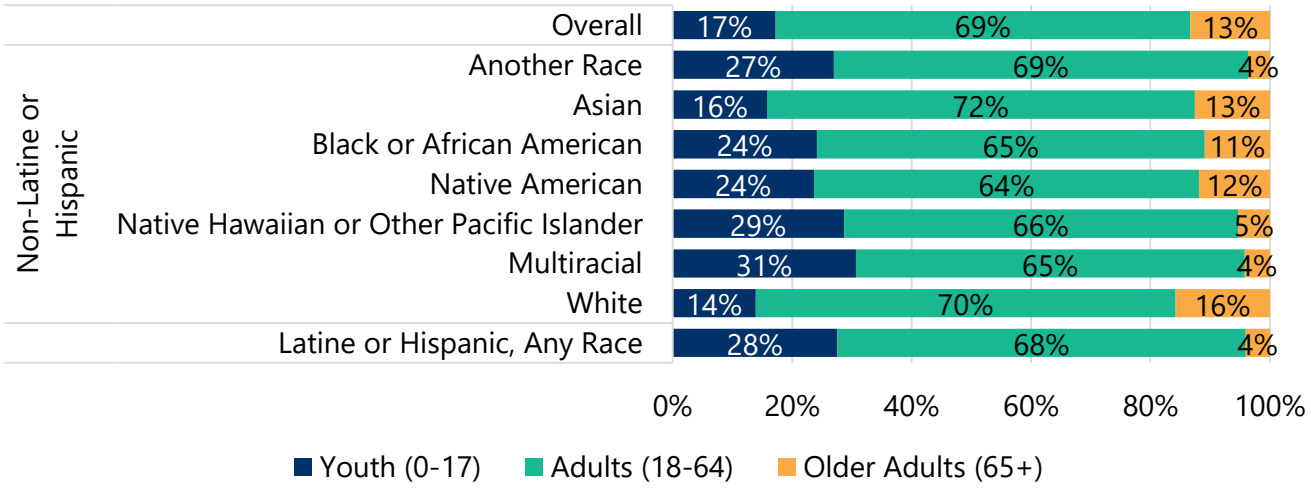
Age

The median age in Portland is 37.9 years, which is slightly lower than the median age in Oregon of 39.6 (2021 ACS). In 2021, 17 percent were under 18 years old (with five percent under five years of age), 82 percent were 18 years and over, with about 13 percent overall 65 years of age or older (Figure 10).

The share of Portland residents who are older adults (65+) has increased by three percentage points since 2000, from 11.5 percent to 13.3 percent of the population, and in the greater Portland region, increased to almost 15 percent. Metro population forecasts estimate this trend will continue to increase, in keeping with state and national trends. [7]

Asian, Native American, Black or African American, and white populations have the largest portion of older adults, all over 10 percent of their racial or ethnic group. People identifying as Native Hawaiian or Other Pacific Islander, Multiracial, Latine, or Hispanic of any race, and people who identified with another race have the largest share of youth populations, under the age of 17 years old.

Figure 10. Age Groups by Race and Ethnicity



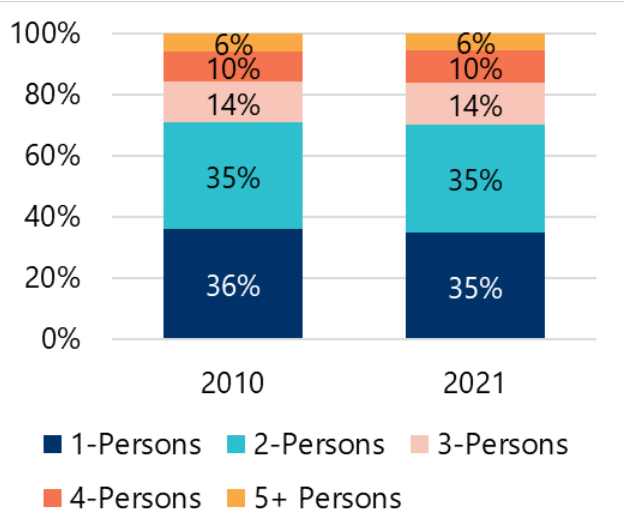
Source: 2021 ACS 5-year Table B0101 A-I

[7] https://agefriendlyportland.org/

Household Composition

The average household size in Portland is 2.26 persons in 2021, comparable to the household size in 2010 (2.25). One- and two-person households represent 70 percent of the city's households. Households with three or more persons represent 30 percent of all households. (ACS 2010 and 2021, Table S1101, B11016)

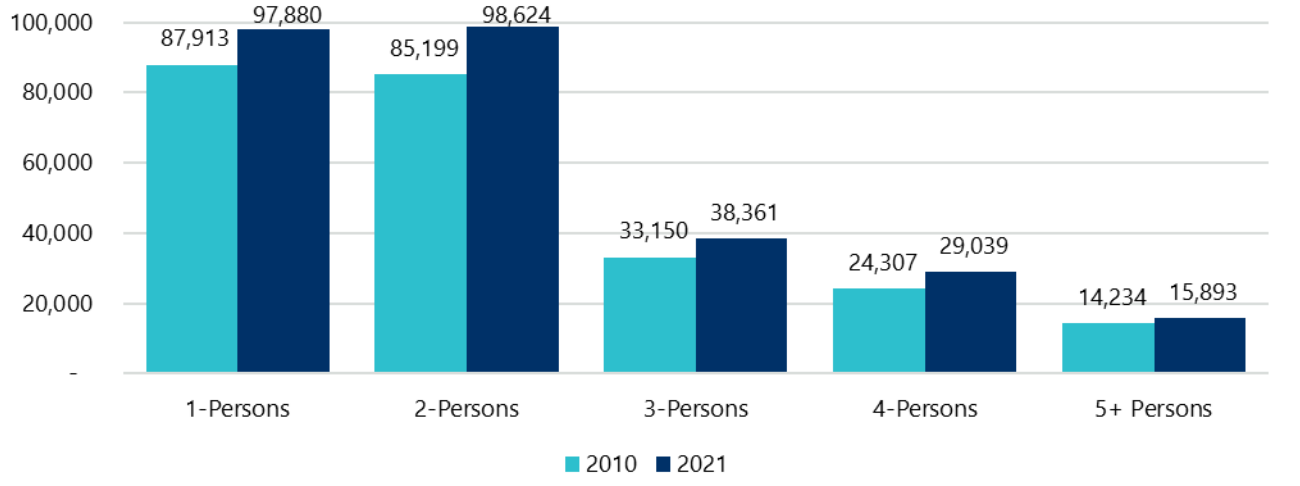
Figure 11. Household Size As Share Of All Households, 2010 And 2021



Source: ACS 2010 And 2021, Table B11016

While the distribution of households by household size has remained largely unchanged between 2010 and 2021, the City has seen a greater increase in the number of one and two person households than households with three or more persons between that time period. Still, the number of larger households has continued to increase as well.

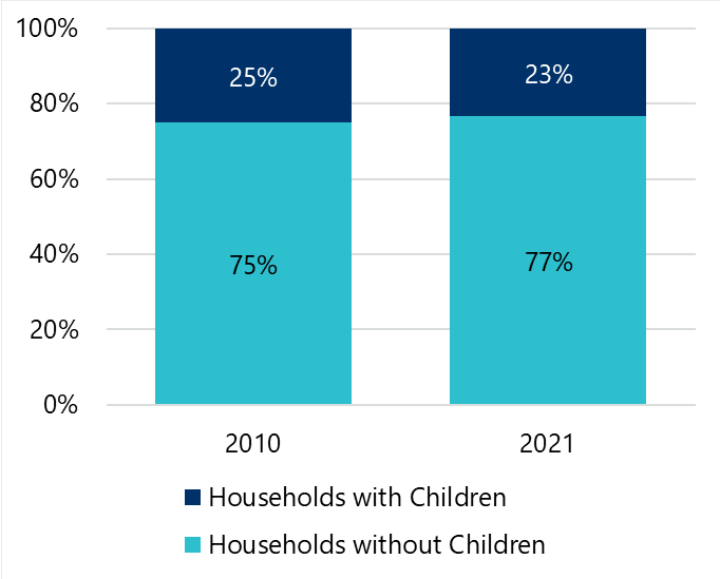
Figure 12. Households by Household Size, 2010 and 2021



Source: ACS 2010 and 2021, Table B11016

The proportion of households with children declined slightly from 2010 to 2021. In 2021, 77 percent of households did not have children, a slight increase from 2010 when 75 percent of households did not have children (ACS 2010 and 2021, Table B11005). About seven percent of all households were single parent households in 2021, or about 31 percent of all households with children – a decrease from 2010.

Figure 13. Household Composition, Presence of Children, 2010 to 2021



Source: ACS 2010 and 2021, Table B11005

Family households make up half of all households, a slightly decreasing share of all total households from 2010 in the 2021 survey period. The share of nonfamily households not living alone (living with roommates) increased by two percent, an increase of 11,340 households.

Figure 14. Household Composition, Family and Non-Family, 2010 to 2021

	2010		2021		Change	
	#	Share	#	Share	#	Share
Family Households:	125,703	51%	139,390	50%	13,687	11%
Married-Couple Family	90,660	37%	105,455	38%	14,795	16%
Other Family, No Spouse Present	35,043	14%	33,935	12%	-1,108	-3%
Nonfamily Households:	119,100	49%	140,407	50%	21,307	18%
Householder Living Alone	87,913	36%	97,880	35%	9,967	11%
Householder Not Living Alone	31,187	13%	42,527	15%	11,340	36%
Total:	244,803	100%	279,797	100%	34,994	14%

Source: ACS 2010 and 2021, Table B11001

Historically Underserved Communities

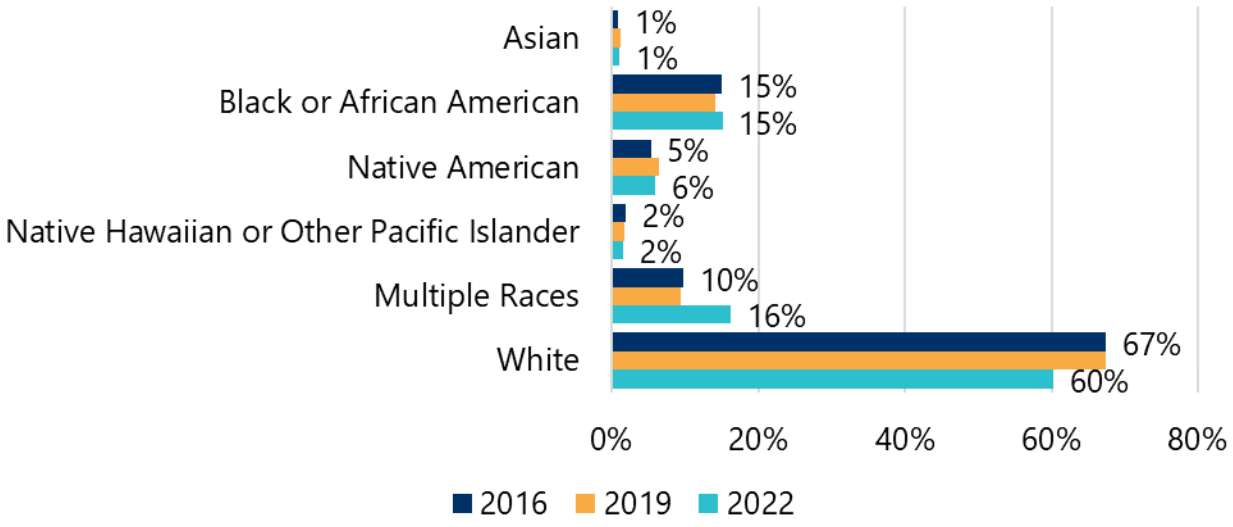
People Experiencing Houselessness

Beyond immediate needs for safe shelter options, people who are unhoused or precariously housed need access to transitional housing, supportive services, and deeply affordable housing in the long term. Multnomah County conducts a Point-In-Time Count (PITC) every two years and publishes an accompanying report describing the number of people experiencing houselessness on one single night during the winter season. The report counts people staying in an emergency shelter, transitional housing, living on the street, or living in a temporary shelter. The count is divided into two major categories: unsheltered houselessness (living on the street or in a car, RV, or temporary structure) and sheltered houselessness (living in an emergency shelter or transitional housing).

In 2019, 4,015 people were counted as experiencing both sheltered and unsheltered houselessness. In 2022, 5,228 people were counted as experiencing both sheltered and unsheltered houselessness—a 30 percent increase, with unsheltered houselessness seeing the highest increase.

In 2022, several racial groups were disproportionately experiencing houselessness in Portland. Black or African American residents were over-represented in the houseless population compared to the overall population (15.0 percent compared to 6.5 percent), American Indian or Alaska Native (6.0 percent compared to 2.9 percent), Native Hawaiian or Other Pacific Islander (two percent compared to less than one percent), and Multiple Races (16 percent compared to less than three percent).

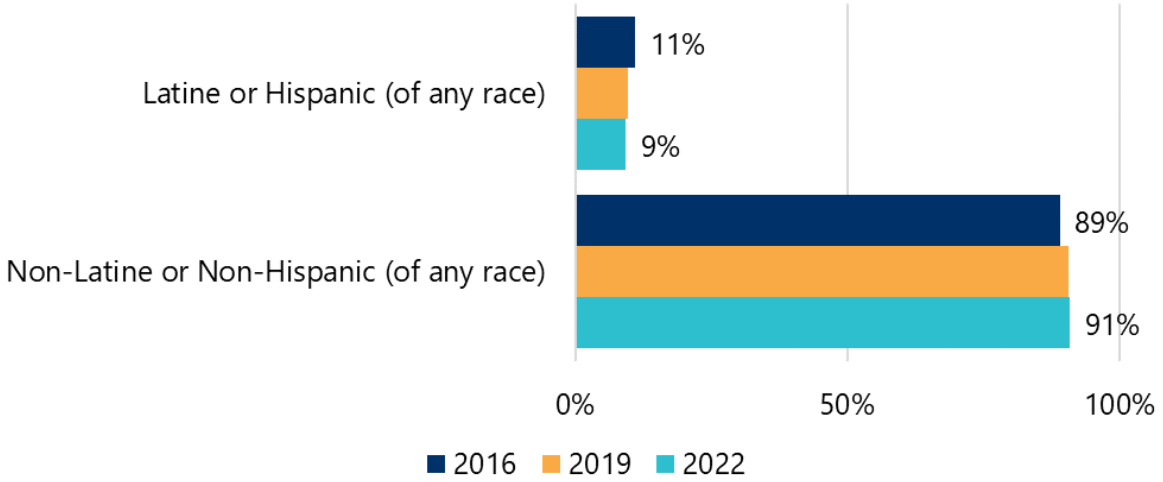
Figure 15. PIT Houseless Persons by Race (Any Ethnicity),2016, 2019 and 2022



Source: Multnomah County PIT, 2016 – 2022

Increasingly, most houseless persons surveyed indicated over the years that they do not identify as Latine or Hispanic.

Figure 16. PIT Houseless Persons by Ethnicity, 2016, 2019 and 2022



Source: Multnomah County PIT, 2016 – 2022

The point-in-time count included a count by location across Multnomah County. Between 2019 and 2022, areas that saw an increase in the number of houseless persons counted included North Portland (4.5 percentage points), Outer East Portland (2.4 percentage points), and Inner Northeast Portland (1.7 percentage points). Decreases were seen in Southeast Portland, Southwest Portland, Downtown/Old Town/Pearl, and Northwest Portland.

Additionally, in the Multnomah County 2022 PIT count, more than 65 percent of those surveyed reported having one or more disabilities. This is more than five times higher than the rate of disabling conditions among individuals experiencing homelessness in the City of Portland (see section on People Living with Disabilities).

Figure 17. PIT Houseless Population by Disabled Status and Living Situation

Status	Unsheltered		Emergency Shelter		Transitional Housing		Total	
	#	%	#	%	#	%	#	%
Reported Disability	1,860	61%	951	64%	570	83%	3,381	65%
Reported No Disability	380	12%	372	25%	78	11%	830	16%
Unreported	368	12%	162	11%	38	6%	568	11%
Unknown	449	15%	-	-	-	-		< 1%
Total	3,057	100%	1,485	100%	686	100%	5,228	100%

Source: Multnomah County PIT, 2022

The facilities available to houseless persons and households in Multnomah County range from seasonal emergency housing to permanent supportive housing. The 2021 Continuum of Care Homeless Assistance Programs Housing Inventory Count Report counted a total of 9,587 year-round, 7,483 of which are permanent housing and 2,104 which are Emergency, Safe Haven, and Transitional Housing. In 2022, the number of year-round beds increased to 10,848, an increase of 412 permanent and 849 emergency beds (Figure 18).

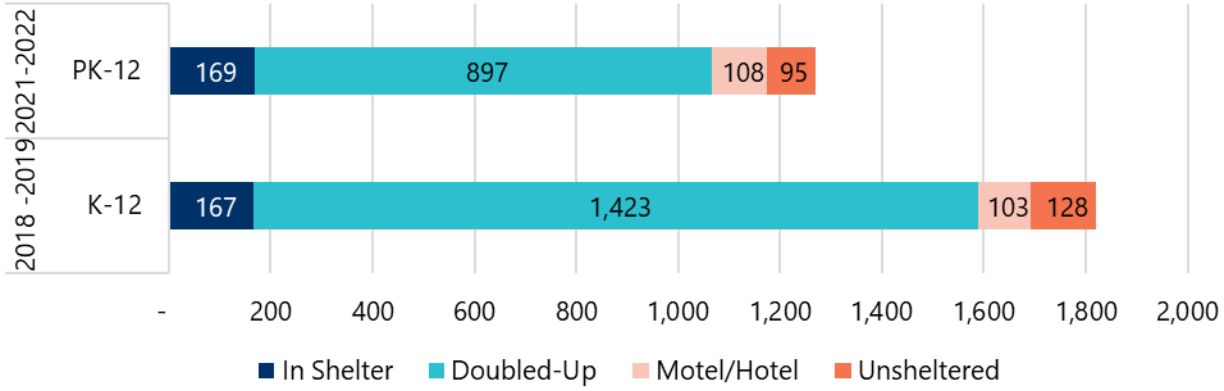
Figure 18. Facilities and Housing Targeting Households Experiencing Houselessness, Multnomah County Continuum of Care, 2022

Housing Type	Family Units	Beds				Bed Subset		
		Family	Adult-Only	Child-Only	Year-Round	Chronic	Veteran	Youth
Emergency, Safe Haven, & Transitional Housing	**103**	**348**	**2,598**	**7**	**2,953**	**n/a**	**196**	**99**
Emergency Shelter	*90*	*312*	*1,737*	*4*	*2,053*	*n/a*	*67*	*50*
Transitional Housing	*13*	*36*	*861*	*3*	*900*	*n/a*	*129*	*49*
Permanent Housing	**1,175**	**3,746**	**4,149**	**-**	**7,895**	**2,185**	**956**	**185**
Permanent Supportive	*542*	*1,773*	*3,526*	*-*	*5,299*	*2,185*	*841*	*86*
Rapid Re-Housing	*633*	*1,973*	*623*	*-*	*2,596*	*n/a*	*115*	*99*
Grand Total	**1,278**	**4,094**	**6,747**	**7**	**10,848**	**2,185**	**1,152**	**284**

Source: HUD 2022 Continuum of Care Homeless Assistance Programs Housing Inventory Count Report

Under the McKinney Vento Houseless Assistance Act, the US Department of Education collects performance data on students experiencing houselessness. The data uses a broader definition than is used for the PIT, including students who live in shelters or hotels/motels and those who are doubled up, unsheltered, or unaccompanied. From the 2018-2019 school year to the 2021-2022 school year, the number of students who were in shelters, doubled up, in motels/hotels, and unsheltered decreased by 30 percent (552 students) to 1,269 students, and 238 were unaccompanied.

Figure 19. K – 12 Students Experiencing Houselessness by Living Situation, 2018 and 2021



Source: McKinney Vento, Student Data, *Parkrose, Portland and David Douglas Districts

Older Adults

Since 2000, the share of Portland residents who are older adults (65+) has increased from around 12 percent to 13 percent of the population. In the greater Portland region, this population has increased to almost 15 percent. Metro population forecasts estimate that this trend will continue to increase, in keeping with state and national trends. Households with older adults will make a variety of choices, including downsizing, moving to group housing, or trying to stay in their existing housing. As the proportion of older adults increases, the importance of establishing "ageing in place" or "ageing in community" housing practices also becomes increasingly significant and will drive demand for housing types specific to older adults, such as small and easy-to-maintain dwellings, assisted-living facilities, or age-restricted developments.

Figure 20. Population over 65 by Area

Area	Population 65+	% Of all 65 +	% Of Total Population
122nd-Division	3,028	3%	0.5%
Belmont-Hawthorne-Division	3,357	4%	0.5%
Centennial-Glenfair-Wilkes	3,524	4%	0.5%
Central City	6,103	7%	0.9%
Forest Park-Northwest Hills	1,192	1%	0.2%
Gateway	8,913	10%	1.4%
Hayden Island	1,338	2%	0.2%
Hillsdale-Multnomah-Barbur	3,681	4%	0.6%
Hollywood	5,462	6%	0.8%
Interstate Corridor	5,085	6%	0.8%
Lents-Foster	5,564	6%	0.9%
MLK-Alberta	4,077	5%	0.6%
Montavilla	4,979	6%	0.8%
Northwest	3,202	4%	0.5%
Parkrose-Argay	2,541	3%	0.4%
Pleasant Valley	2,380	3%	0.4%
Raleigh Hills	2,856	3%	0.4%
Roseway-Cully	4,721	5%	0.7%
Sellwood-Moreland-Brooklyn	2,348	3%	0.4%
South Portland-Marquam Hill	2,834	3%	0.4%
St. Johns	2,696	3%	0.4%
Tryon Creek-Riverdale	2,211	3%	0.3%
West Portland	2,588	3%	0.4%
Woodstock	3,236	4%	0.5%
Total	87,916	100%	13.3%

Source: ACS 5 year, 2021, B01001

People Living with Disabilities

There are many different types of disabilities, and their housing needs are varied. It is estimated that 12 percent of Portland's noninstitutionalized population has a disability (ACS 2021, 5-year, table S1810). Fourteen percent of the over 18 population is estimated to have a disability (ACS), using local estimates from 2014-2016, the estimate increases to nearly 24 percent.[8]

Overall, 22 percent of all households in Portland have at least one household member with disabilities (CHAS 2019), though less detail is provided in the ACS, the estimate increases to nearly 27 percent. Households earning less than 50 percent AMI are more likely to have members with disabilities.

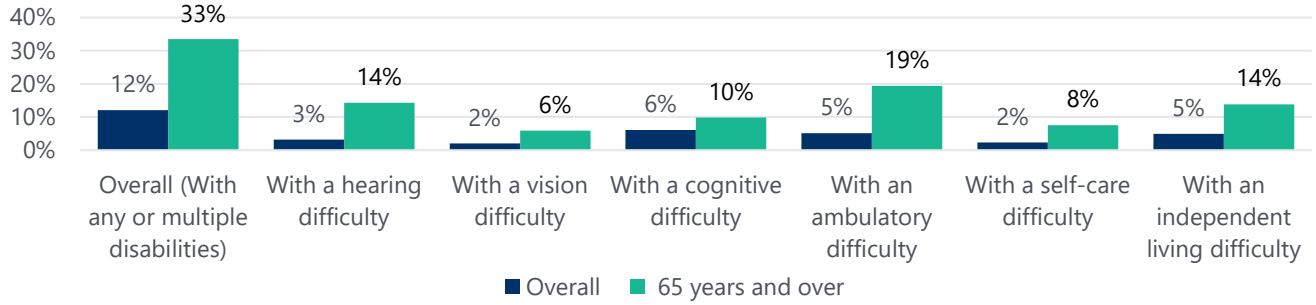
Figure 21. Households with Members who have a Disability by AMI (Share of All Households)

	<30% AMI	30-50% AMI	50-80% AMI	>80% AMI	Total
Cognitive limitation	3%	2%	2%	3%	10%
Hearing or vision impairment	2%	1%	2%	4%	10%
Self-care/independent living limitation	3%	2%	2%	3%	9%
Ambulatory limitation	3%	2%	2%	3%	10%
No limitations	10%	8%	13%	47%	78%

Source: 2015-2019 CHAS Table 6

Of those who self-reported a disability, three percent live with a hearing difficulty, two percent with a vision difficulty, six percent with cognitive difficulty, five percent with an ambulatory difficulty, two percent with a self-care difficulty, and five percent with an independent living difficulty. People over 65 years old are more likely to report a disability, and in Portland, 33 percent of people over 65 reports having at least one disability.

Figure 22. Population by Disability Type and Age over 65 Years Old, 2021



Source: ACS 5 year, 2021, Table S1810

[8] https://www.oregon.gov/oha/PH/BIRTHDEATHCERTIFICATES/SURVEYS/ADULTBEHAVIORRISK/COUNTY/Documents/1417/DisabilityLact_1417.pdf

Adults with disabilities are more likely to rely on supplemental security income (SSI) as a source of income, which—as highlighted in Figure 23—would be insufficient to meet most basic needs, including housing costs. Nationally, disability continues to be the top basis of alleged discrimination under the Fair Housing Act, with 4,791 complaints filed in FY 2021, 57 percent of all complaints.[9]

Figure 23. Supplemental Security Income (SSI) and Housing Costs, 2022

Housing Market Area	SSI Monthly Payment	SSI as % of Median Income	% SSI	
			1-Bedroom	Studio
Portland-Vancouver-Hillsboro	$841.00	13.5%	191%	178%
Statewide	$841.00	15.7%	143%	131%
National	$875.41	16.7%	141%	129%

Source: The Technical Assistance Collaborative's 2022 Priced Out

Students

Portland has over a dozen public and private colleges and universities, including two public institutions, Portland Community College (PCC) and Portland State University (PSU). Enrollment for both peaked in the '17-18 academic year and has since declined by 16 percent and 29 percent respectively. Presently, there are an estimated 6,218 student units in the City of Portland. For 2021, PSU reported that 50 percent of first year students and just nine percent of undergraduates live in college-owned, operated, or affiliated housing. According to the Urban Land Institute's (ULI) 2023 Emerging Trends report, new student housing production has significantly decreased since the start of the COVID-19 pandemic.

Figure 24. Dormitory Units by Portland Housing Bureau Neighborhood Analysis Area

Area	SHARE OF UNITS
Central City	36%
St. Johns	23%
Woodstock	14%
Tryon Creek-Riverdale	12%
MLK-Alberta	10%
Montavilla	4%
Gateway	2%
Sellwood-Moreland-Brooklyn	< 1%
Northwest	< 1%
Belmont-Hawthorne-Division	< 1%
Total	100%

Source: Metro RLIS, Multi-dwelling housing inventory, 2022

[9] https://www.hud.gov/sites/dfiles/FHEO/documents/FHEO Annual Report FY 2021.pdf

Income and Affordability

Housing preference is usually shaped by the size and needs of a household. However, the actual choice and eventual place of residence for a household are significantly influenced by household income. Portland is becoming a wealthier city overall, with 39 percent of households making $100,000 or more annually in 2021 (ACS).

About 13 percent of the city's residents are experiencing poverty, compared to 12 percent statewide (ACS). Families who own the homes they live in only account for three percent of households below the federal poverty level, and 16 percent of all renter families are under the poverty level (ACS 2021, S1702). About 10 percent of householders making less than 50 percent of the poverty level identify as having a disability (ACS 2021, S1703).

The area median income (AMI) determines the amount of rent that can be charged to households making below a certain income level living in deed-restricted affordable units. Households making below 80 percent AMI also may be eligible to live in regulated affordable units or apply for specific programs such as down payment assistance loans or rental assistance programs. These income levels are listed in Figure 25.

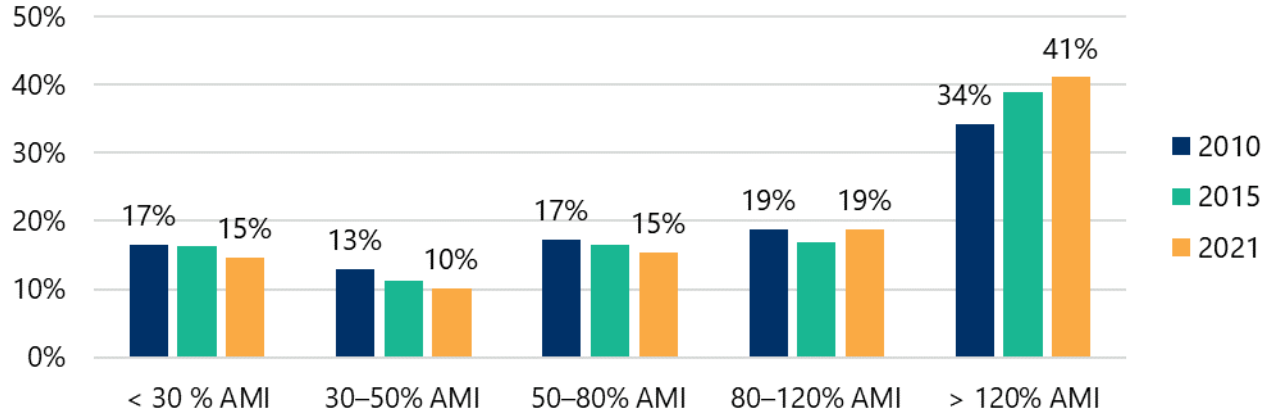
Figure 25. 2023 AMI by Household Size, and Affordable Monthly Cost at 30% of Monthly Income, Portland Metropolitan Region

AMI %		Household Size				
		1-Person	2-People	4-People	6-People	8-People
30%	Income	$23,700	$27,100	$33,850	$40,280	$50,560
	Affordable Monthly Housing Cost	$658	$753	$940	$1,119	$1,404
60%	Income	$48,048	$54,912	$68,640	$79,622	$90,605
	Affordable Monthly Housing Cost	$1,335	$1,525	$1,907	$2,212	$2,517
80%	Income	$63,150	$72,200	$90,200	$104,650	$119,100
	Affordable Monthly Housing Cost	$1,754	$2,006	$2,506	$2,907	$3,308
100%	Income	$80,080	$91,520	**$114,400**	$132,704	$151,008
	Affordable Monthly Housing Cost	$2,224	$2,542	**$3,178**	$3,686	$4,195
120%	Income	$96,096	$109,824	$137,280	$159,245	$181,210
	Affordable Monthly Housing Cost	$2,669	$3,051	$3,813	$4,423	$5,034

Source: HUD, 2023

The proportion of households making less than 80 percent of the area median income (AMI) has been decreasing since 2010, from 47 percent of households to 40 percent in 2021. Similarly, the total number of households decreased slightly from 93,000 in 2010 to 91,000 in 2021. The 2023 AMI for a household of four in the Portland metropolitan area is $114,400.

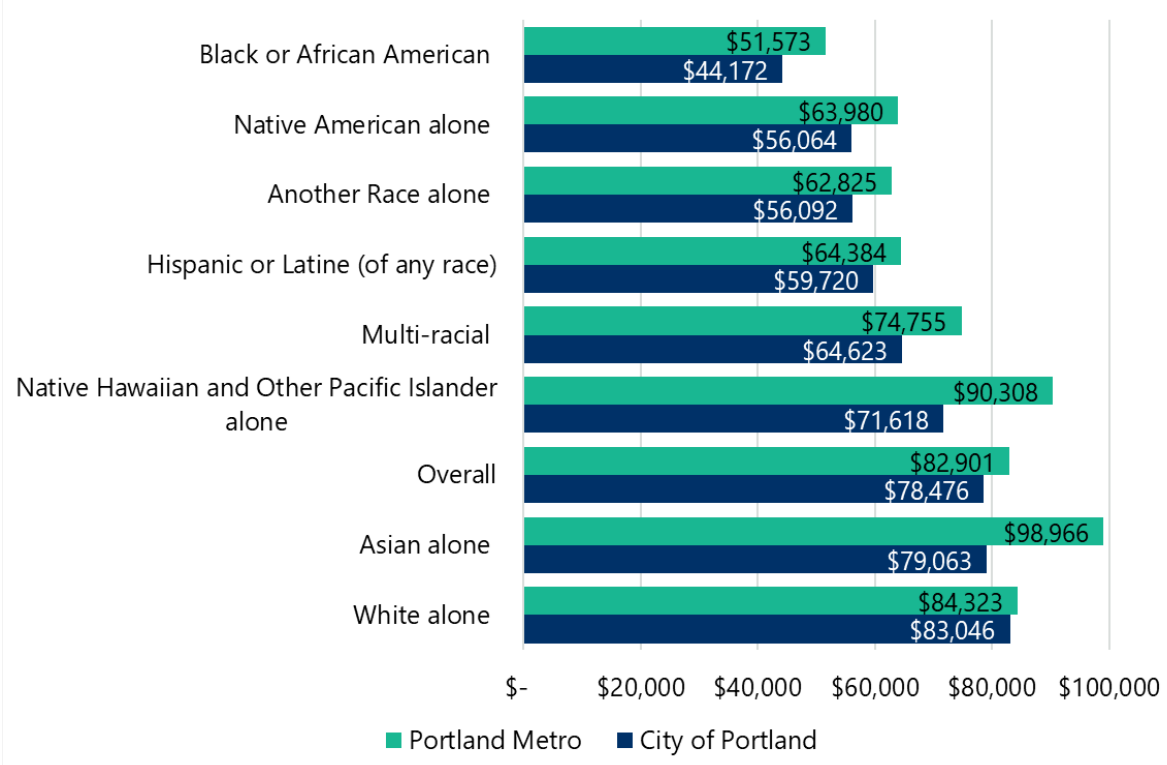
Figure 26. Percentage of Households by Area Median Income Levels, 2010-2021



Source: PUMS, 5-year, 2010, 2015 and 2021

Despite Portland becoming a wealthier city overall, there are large disparities in income among racial groups (Figure 27). Median household income for Black or African American households in Portland was the lowest out of all the race/ethnicity categories in Portland and the region ($44,172 and $51,573, respectively). Native American households had the second lowest median income in Portland ($56,064). White households had the highest median income in Portland ($83,046), and Asian households had the highest median income for the region ($98,966).

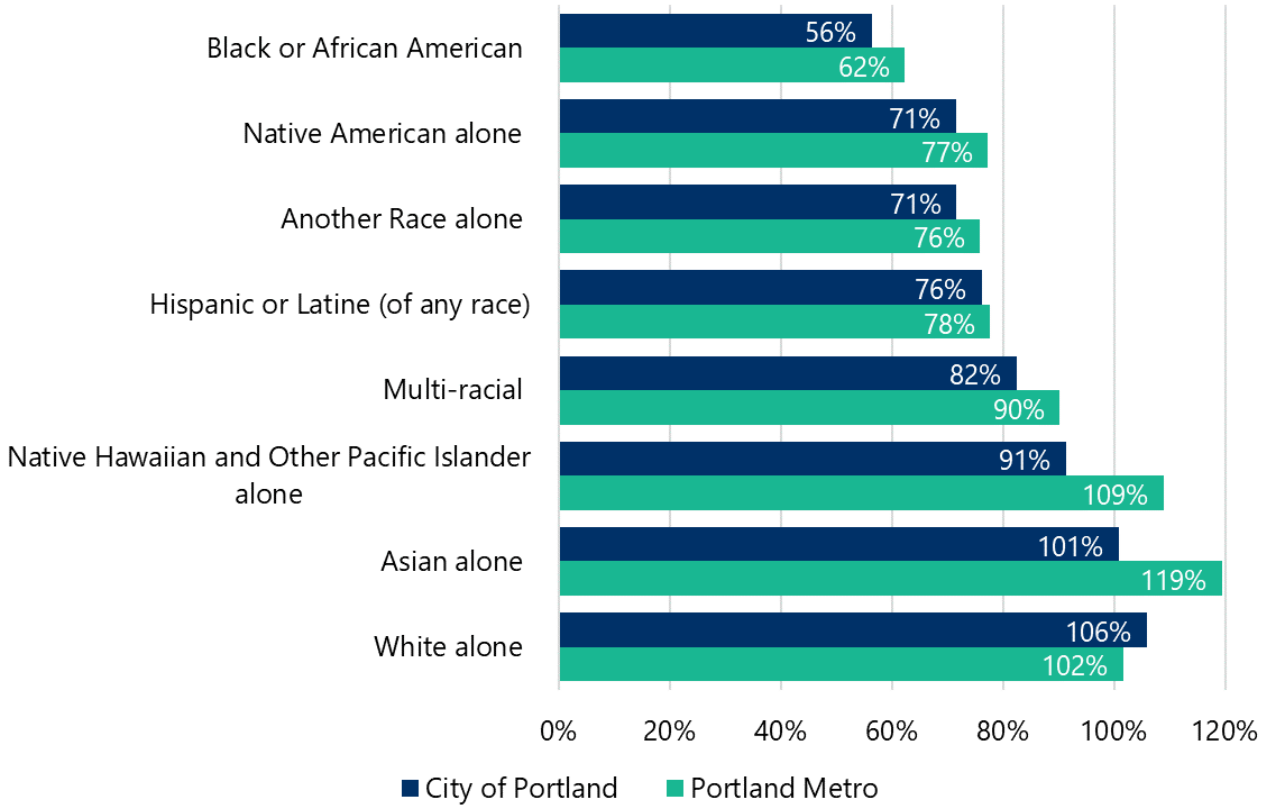
Figure 27. Median Household Income by Race and Ethnicity, 2021



Source: ACS 5-year, 2021, Table B19013A-I

As a share of the overall median income, just Asian alone households and White alone households are earning higher than the median, at 101 percent and 106 percent respectively. (Figure 28)

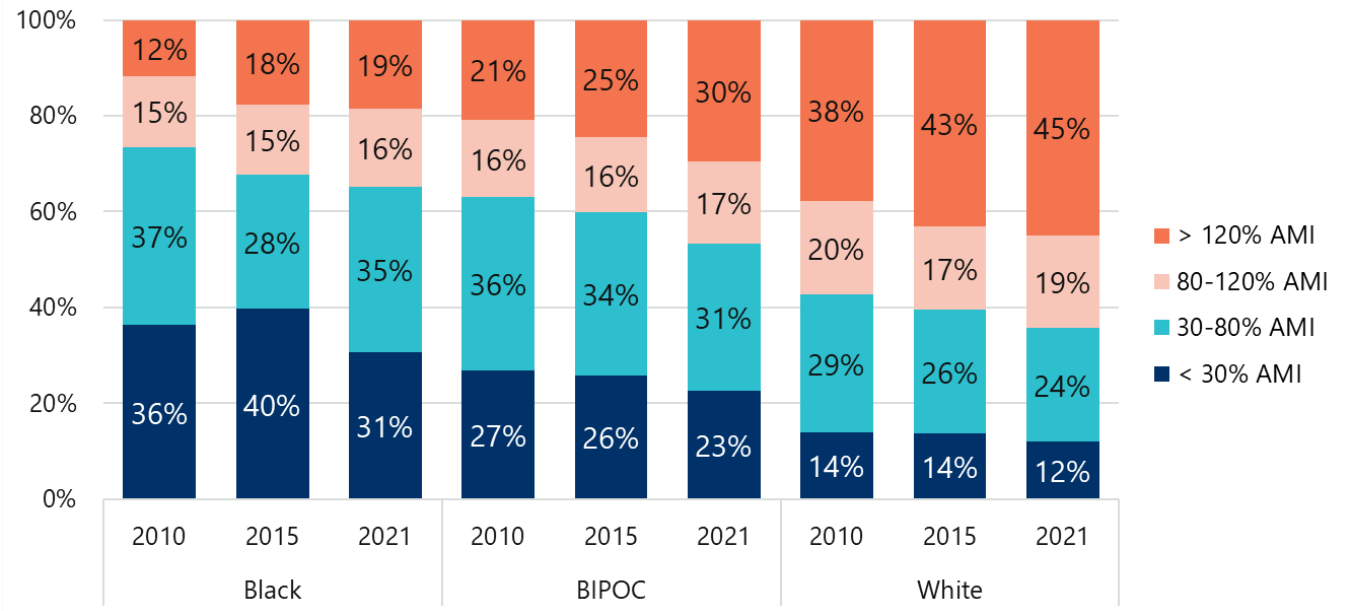
Figure 28. Median Household Income by Race and Ethnicity as Share of Overall, 2021



Source: ACS 5-year, 2021, Table B19013A-I

In general, incomes increased for all racial and ethnic groups from 2010 to 2021, with household income levels rising most significantly for BIPOC households (Figure 29). The percentage of head of households identifying as Black, Indigenous, or people of color and making more than 120 percent AMI increased by nine percent since 2010 but totaled only 30 percent of BIPOC households combined. When disaggregated by race, the proportion of Black heads of households making more than 120 percent AMI increased by seven percent, totaling 19 percent of Black households. From 2010 to 2021, the proportion of white households making more than 120 percent of the AMI in the Portland metropolitan area increased by seven percent, to 45 percent of white households. However, despite this increase in proportion of households above 120 percent AMI among all groups, the majority of white households remain above 80 percent AMI while the majority of BIPOC combined and Black households are below 80 percent.

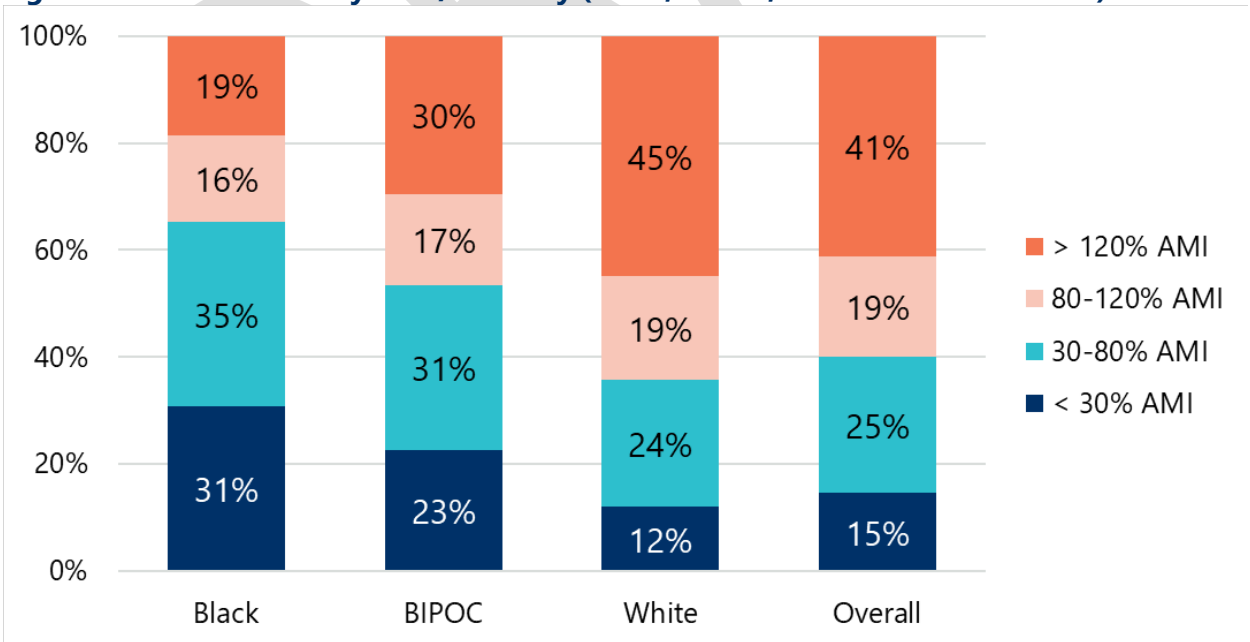
Figure 29. Income by Race/Ethnicity (Black, BIPOC, and White Households), 2010, 2015, and 2021



Source: PUMS, 5-year, 2010, 2015 and 2021

In a challenging housing market, income disparities further impede the ability of households to enter the market, build wealth through ownership, and further burden renters. Because of this, the impacts of a constrained supply are more starkly felt by BIPOC households. In 2021, 19 percent of all Black householders earned greater than 120 percent AMI, compared to 45 percent of white householders and 30 percent of BIPOC households overall (Figure 30).

Figure 30. 2021 Income by Race/Ethnicity (Black, BIPOC, and White Households)

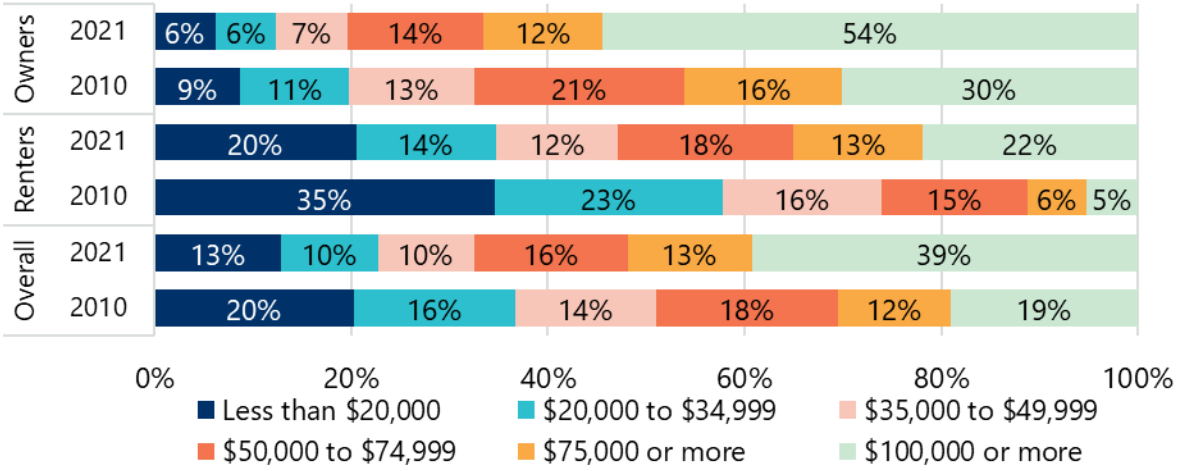


Source: PUMS, 5-year, 2021

In 2021, 13 percent of the overall population was below the poverty level. This includes 28 percent of the City's Black or African American population, 22 percent of the Native American population, 19 percent of the population identifying as "some other race," and 18 percent of Latine or Hispanic populations of any race (ACS 2021 S1701).

Over time, renters and owners in Portland have become wealthier, however, a higher proportion of owners (greater than 54 percent) earn over $100,000.

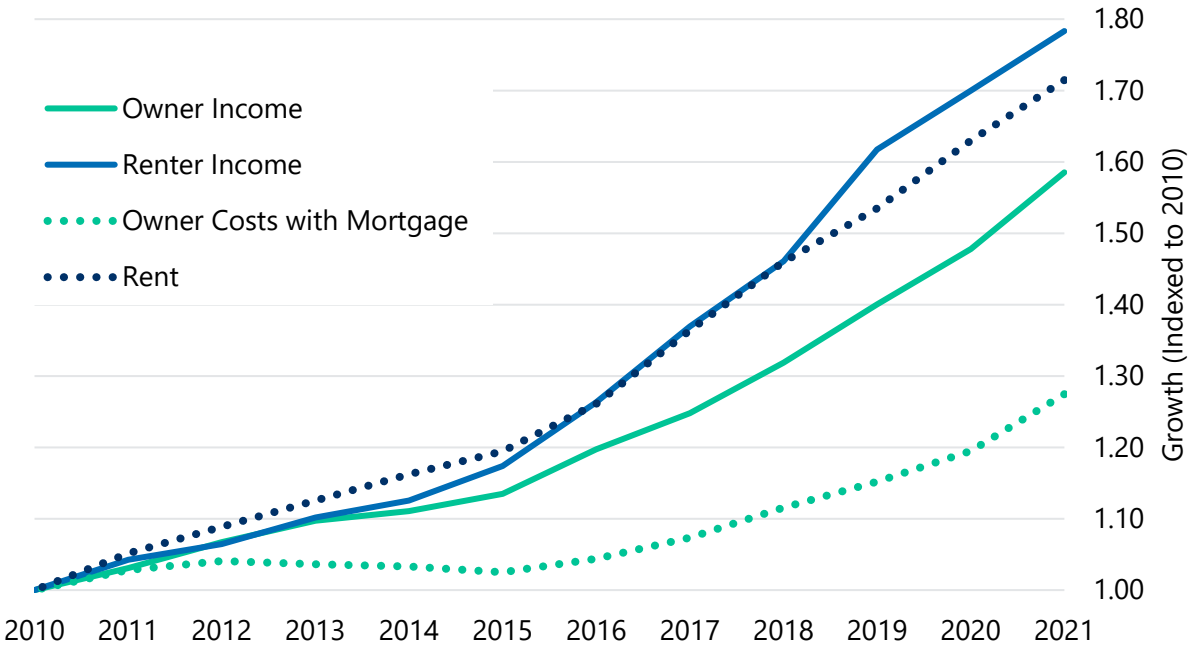
Figure 31. Tenure by Income, 2010 and 2021



Source: 2010 and 2021 5-year ACS Table B25118

As Figure 32 shows, *average* costs for renters have increased at a much faster rate than owners with a mortgage, largely because renters are more likely to be subject to annual rent increases whereas mortgages tend to be mostly fixed. Rental costs have increased at roughly the same rate as renter income but have remained above 30 percent of renter-occupied household income for more than a decade. Meanwhile, ownership housing costs have remained below 30 percent of the average owner-occupied household income and continued to decline through 2021. This data is for average costs of the overall existing housing inventory and does not provide information about the affordability of *new* units; on average, new housing units (particularly rental units) are delivering to market at significantly higher rental rates—often more than 25 percent than average existing units (2.2 times higher than average units in 2010).

Figure 32. Indexed Housing Costs and Income Growth, 2010 to 2021



Source: ACS Tables B25064, B25088, B25119 (five-year estimates)

Cost Burden

Overall, more than a third of Portland households spend more than 30 percent of their income on housing costs, which means that they are cost-burdened. About 50 percent of renters in the city are cost-burdened (PUMS 2021, 5-year). As housing costs continue to sky-rocket at a rate that is hard for incomes to keep up with, more and more households become cost-burdened and may have to potentially move to more affordable areas or even out of state.

While households at all income levels may experience cost burden, higher-income households have more income left over after paying for housing costs while lower-income households have fewer funds left over to pay for the cost of living or have disposable income. In 2021, 19 percent of all households were cost-burdened, and 17 percent were severely cost-burdened. Portland's cost burden rate (36 percent) is higher than the state overall (33 percent) and higher than two comparable cities, Denver and Seattle (34 percent), and below Sacramento's cost burden rate (Figure 33).

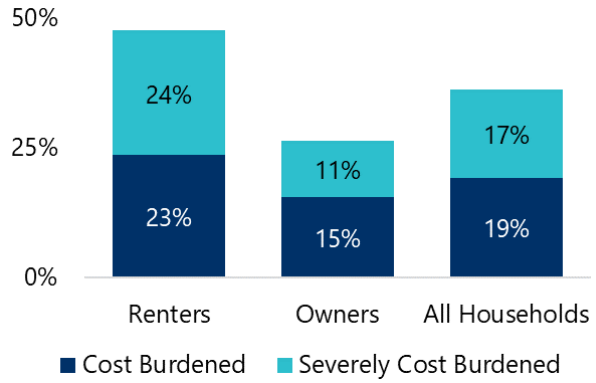
Figure 33. Cost Burden in Oregon, Portland, and Comparative Cities, 2021

Level of Cost Burden	Oregon	Portland	Seattle	Sacramento	Denver
Not Cost Burdened	67%	64%	66%	61%	66%
Total Cost Burdened (30+%)	33%	36%	34%	39%	34%
Cost Burdened (30-50%)	*18%*	*19%*	*19%*	*21%*	*19%*
Severely Cost Burdened (50%+)	*15%*	*17%*	*15%*	*19%*	*15%*
Total	100%	100%	100%	100%	100%

Source: ACS 2021, B25091 and B25070

Renters were more likely to be cost-burdened and severely cost-burdened than owners, and nearly 50 percent of renters were cost-burdened compared to 26 percent of homeowners (Figure 34).

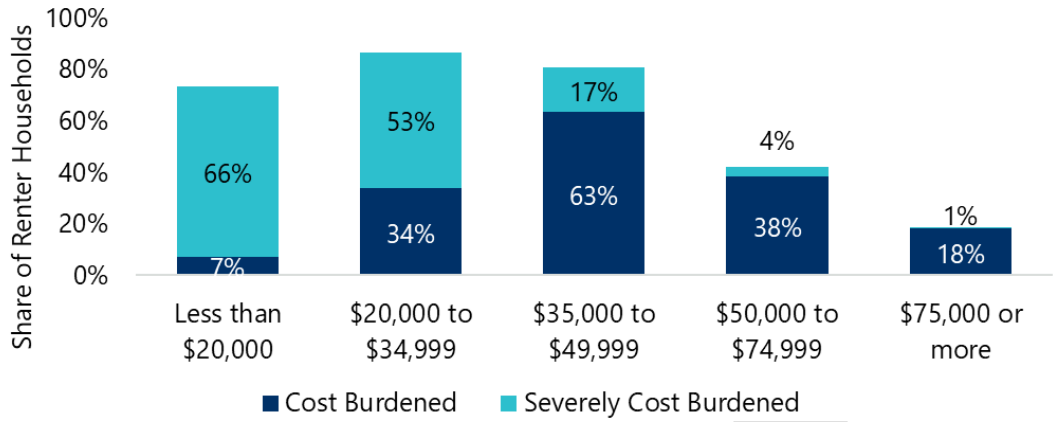
Figure 34. Cost Burden by Tenure, 2021



Source: ACS 2021, B25091 and B25070

While nearly 50 percent of all renters in Portland are cost-burdened, the variance among renters based on income is significant (Figure 35). Renters with household incomes below $35,000 are more severely cost-burdened than cost-burdened, with 66 percent of renters with household incomes below $20,000 being severely cost-burdened. Severe cost burden declines as incomes increase above the $35,000 to $49,999 household income level.

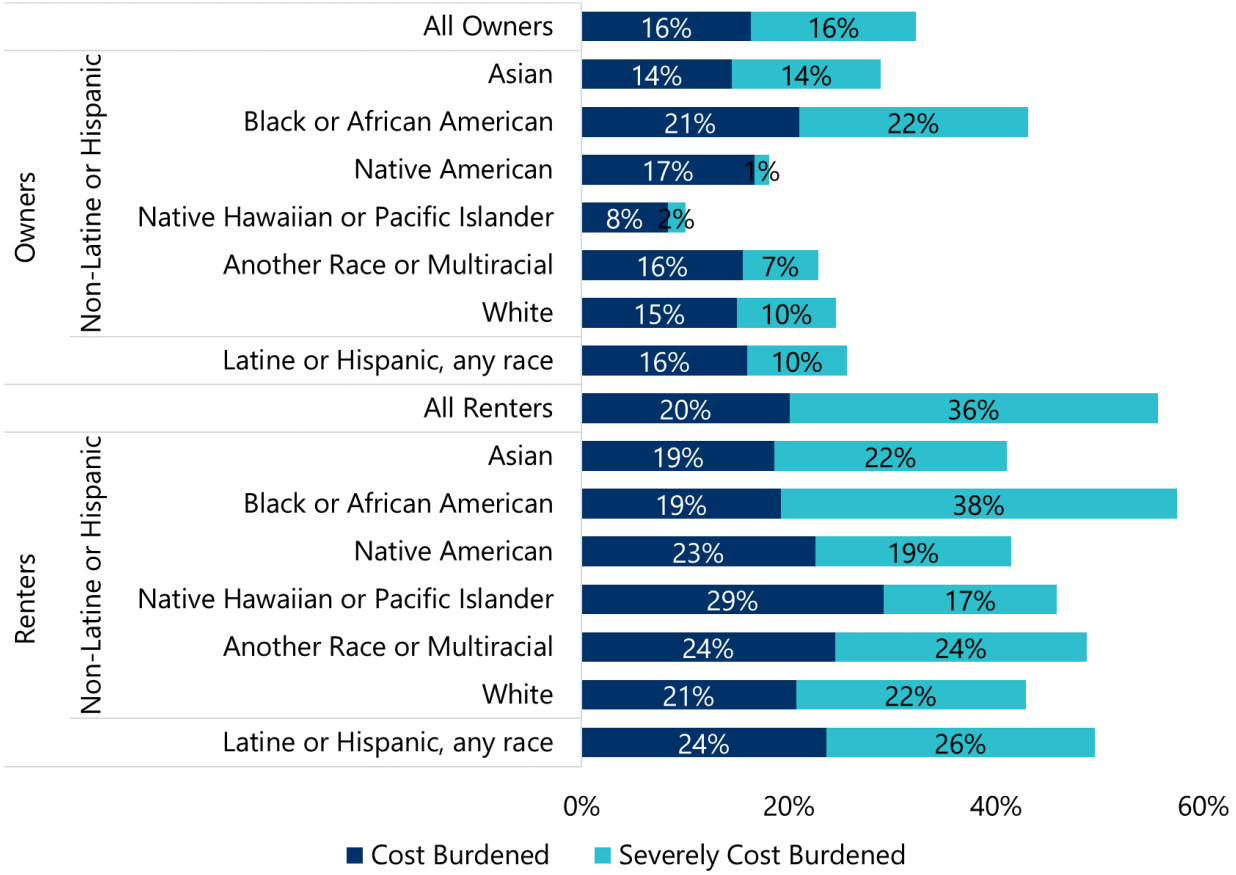
Figure 35. Renter Cost Burden by Income, 2021



Source: ACS 2021, B25074

Disaggregating by race and ethnicity shows disparities among racial groups. Black or African American residents are the most cost-burdened as renters and as owners, having the largest proportions of the cost-burden total. They also have the highest percentage of severely cost-burdened residents by tenure, 22 percent of Black homeowners and 38 percent of Black renters (Figure 36).

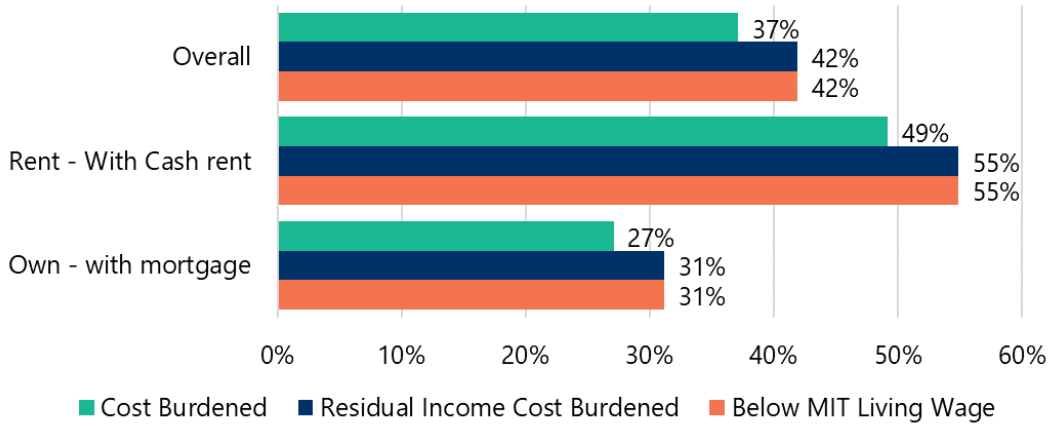
Figure 36. Cost Burden by Tenure and Race and Ethnicity, 2019



Source: 2015-2019 CHAS Table 9

The residual income cost burden is another way of understanding cost burden. Residual income cost burden assesses if a household has enough income left over after paying for housing to pay for other essentials such as food, healthcare, and transportation. Preliminary estimates show that 42 percent of households are residual income cost-burdened, with renters having a higher rate of residual cost burden at 55 percent (Figure 37). MIT Living wage looks at how much a household must earn in order to afford housing, transportation, food, childcare, and other necessities attributed to the cost of living. Preliminary estimates show that 42 percent of households earn below the MIT Living Wage, and renters are less likely to earn a living wage, with only 45 percent of all renters and 69 percent of all owners earing above the MIT living wage.

Figure 37. Residual Income Cost Burden



Source: BPS analysis of 2021 5-year PUMS, MIT Living Wage 2022 Oregon Data for Multnomah County

Income Self-Sufficiency Standard

Income self-sufficiency is a measure of income adequacy that is based on the costs of basic needs for working families: housing, childcare, food, health care, transportation, and miscellaneous items, as well as the cost of taxes and the impact of tax credits. Income self-sufficiency is measured using the Self-Sufficiency Standard. The standard varies by household type; that is, by how many adults and children are in a household and the age of each child. For example, in 2021, one adult living in Multnomah County needed an annual salary of $31,521 ($15.15 hourly) to meet basic needs. For families with children, the amount needed to cover basic needs increases considerably. For a single adult with a preschooler and a school-age child, the amount necessary to be economically secure increases to $36.42 per hour ($76,912 annually) to cover the cost of childcare, a larger housing unit, and increased food and health care costs (Figure 38).

Figure 38. Multnomah County Self Sufficiency Standard, 2021

	One Adult	One Adult One Preschooler	One Adult, One Preschooler, One School-Age	Two Adults, One Preschooler, One School-Age
Annual Salary	$31,521	$60,846	$76,912	$82,447
Hourly Wage	$15.15	$29.25	$36.98	$39.64

Source: Worksystems Self Sufficiency Standard, 2021

The federal poverty guidelines, for three-person families of $21,960 annually, are set at a level well below what is minimally needed to meet a household's basic needs (ASPE, 2021). For example, the three-person family poverty level is just 29 percent of the Standard for one adult, one preschooler, and one school-age child in Multnomah County ($76,912 annually). The Self-Sufficiency Standard calculates the real costs of meeting all basic needs. In contrast, the official poverty measure is based only on the cost of food.

Even working full time, a parent earning the 2022 Portland metro minimum wage of $14.75 per hour will fall short of meeting the Standard for a household with children. If they have one preschooler and one school-age child and live in Multnomah County, the parent would be able to cover less than half of the household's basic needs (with their take-home pay after accounting for taxes).

Out of all the counties in Oregon, Multnomah County experienced the largest percentage increase in the Standard since 2008, largely due to a 113 percent increase in the cost of living. The Self-Sufficiency Standard for a two-adult household with one preschooler and one school-age child in Multnomah County increased from $38,714 to $82,447, with childcare and housing costs rising an average of 110 percent and 106 percent respectively over the last thirteen years.

Declining income self-sufficiency (or affordability) is another inequitable impact of widening income inequality, as rising local prices of basic needs outpaced the relatively flat wages of low and middle-wage occupations. Multnomah County's share of households in need, measured by the Income Self-Sufficiency Standard, increased from 23 percent in 2008 to 34 percent in 2017. Concentrated local growth of high-wage jobs and high-income households put upward market pressure on local prices of basic needs (such as housing and childcare).

Housing Inventory and Supply

According to the American Community Survey, 2017-2021, Portland had an estimated 296,479 total housing units in 2021.

Housing and Development Characteristics

The 2021 estimate for housing units in the city shows that over half of the units are detached single-unit homes. Buildings with 20 or more units saw the largest increase and now account for 21 percent of all housing units (Figure 39).

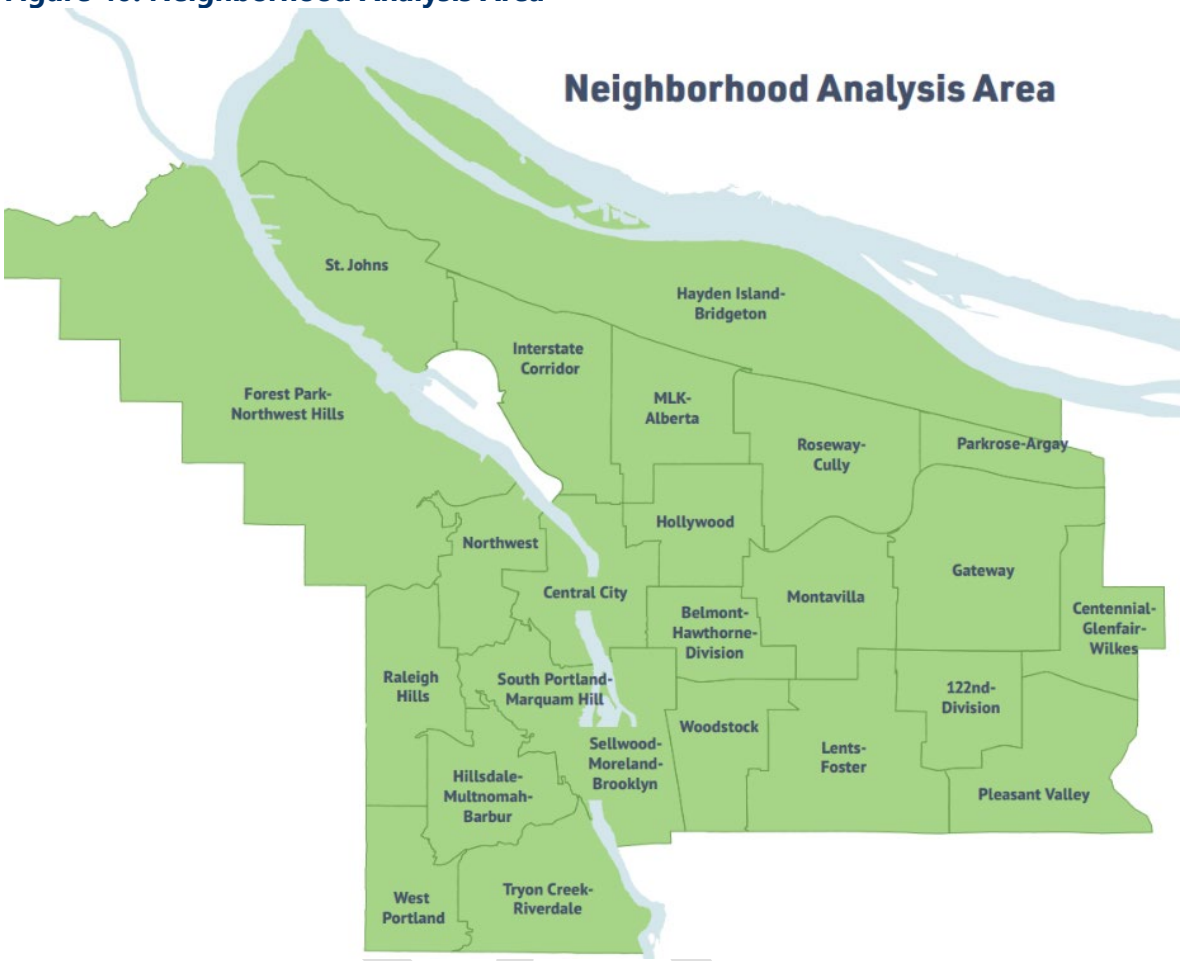
Figure 39. Units by Structure Type, 2010 and 2021

	2010 Units		2021 Units		2010-2021 Change (units)
Structure Type	**Estimate**	**Share**	**Estimate**	**Share**	**%**
Single Detached	151,453	58%	160,520	54%	6%
Townhouse/Rowhouse	9,277	4%	13,578	5%	46%
Duplex	11,256	4%	10,681	4%	-5%
Triplex or Quadplex	14,733	6%	15,189	5%	3%
5-to-9-unit *apartments*	13,945	5%	13,250	4%	-5%
10-to-19-unit *apartments*	15,224	6%	15,946	5%	5%
20-to-49-unit *apartments*	16,155	6%	20,567	7%	27%
50 or more-unit apartments	26,585	10%	42,562	14%	60%
Mobile home, Boat, RV, van, etc.	3,988	2%	4,186	1%	5%
Total:	262,616		296,479		13%

Source: ACS 2010 and 2021 5 Year Table B25024

The types and number of units vary by area, with Central City, Interstate Corridor, Gateway, and Lents-Foster having the greatest number of units overall (Figure 40). Lents-Foster, Interstate, MLK-Alberta, Gateway, and Montavilla have the highest number of single detached units. In recent years, multi-dwelling buildings produced have been concentrated in the Northwest, Central City, Raleigh Hills, Gateway, and Sellwood-Moreland-Brooklyn neighborhoods of Portland (State of Housing 2021, PHB).

Figure 40. Neighborhood Analysis Area



Source: PHB State of Housing 2022

Figure 41. Units by Structure Type, by Neighborhood Analysis Area[10]

Area	Single Detached	Townhouses and Plexes	5 – 19 units	20 – 49 units	50 + units	Mobile Home etc.	Total
122nd-Division	4,922	1,450	807	558	385	680	8,802
Belmont-Hawthorne-Division	7,401	3,038	2,688	1,387	911	66	15,491
Centennial-Glenfair-Wilkes	6,404	1,581	1,643	493	331	447	10,899
Central City	1,725	1,930	2,205	4,758	18,675	60	29,353
Forest Park-Northwest Hills	3,024	676	146	6	113	47	4,012
Gateway	12,443	2,354	2,054	1,447	2,481	425	21,204
Hayden Island	1,283	422	175	182	410	670	3,142
Hillsdale-Multnomah-Barbur	6,111	1,970	1,367	559	432	-	10,439
Hollywood	8,225	2,171	2,549	1,523	1,914	17	16,399
Interstate Corridor	13,469	4,281	1,528	1,112	2,034	35	22,459
Lents-Foster	15,619	2,454	1,194	456	587	407	20,717
MLK-Alberta	12,825	2,030	643	374	351	59	16,282
Montavilla	11,182	2,353	1,427	1,032	1,084	155	17,233
Northwest	2,780	1,129	3,326	3,484	6,105	-	16,824
Parkrose-Argay	3,436	1,205	506	217	333	30	5,727
Pleasant Valley	3,970	862	474	58	74	302	5,740
Raleigh Hills	5,025	524	413	126	543	-	6,631
Roseway-Cully	11,695	2,157	1,339	398	307	538	16,434
Sellwood-Moreland-Brooklyn	5,136	1,603	1,167	469	732	79	9,186
South Portland-Marquam Hill	2,365	1,101	1,405	732	3,587	24	9,214
St. Johns	8,405	1,985	920	481	315	90	12,196
Tryon Creek-Riverdale	4,012	193	96	40	77	14	4,432
West Portland	4,278	850	443	259	300	36	6,166
Woodstock	7,524	1,437	1,079	373	734	-	11,147

Source: ACS 2021, 5 Year Table B25024

Between 2010 and 2021, the greatest increase of units by bedroom was studios, with an estimated increase of 11,711, or an increase of 86 percent. The smallest increase was in 2-bedroom units, increasing by just one percent. Overall, units that have three or more bedrooms, or would be considered family-sized units, account for about 45 percent of all units in the 2017-2021 survey period.

[10] Census tracts for various state of housing or district boundaries may not align with the city boundary, therefore the sum of the districts may be greater than the total within the city boundary.

Figure 42. Units by Number of Bedrooms, 2010 and 2021

Number of Bedrooms	2010 Units Estimate	Share	2021 Units Estimate	Share	Change %
Studio	13,665	5%	25,376	9%	86%
1	45,065	17%	52,479	18%	16%
2	83,170	32%	84,316	28%	1%
3	81,461	31%	85,525	29%	5%
4	31,257	12%	38,512	13%	23%
5 or more	7,998	3%	10,271	3%	28%
Total:	262,616		296,479		13%

Source: ACS 2010 and 2021 5 Year Table B25024

Housing Precarity

For the most recent data that is available, at least 37 percent of households were housed in units that had at least one of four housing problems (2015-2019 CHAS). Housing problems considered by CHAS include units with physical defects (such as an incomplete bathroom or kitchen), overcrowded conditions (with more than one person per room), a housing cost burden of 30 percent of gross income, or a severe housing cost burden of 50 percent or more.

Of those units, 61 percent were renter-occupied, and 39 percent were owner-occupied. About 80 percent of the substandard units were occupied by households that were low-income (0-80 percent AMI). Almost one-quarter of households living in units with one or more of the four housing problems were severely low-income renters. For the same period, 20 percent of households had at least one of four severe housing problems.

Figure 43. Substandard Housing Problems of Occupied Units by Householder Race/Ethnicity

Householder Race/Ethnicity	Has 1 or more of 4 problems	No Housing Problems	Share of All Households
Latine or Hispanic, any race	48%	52%	8%
Non-Latine or Hispanic			
Asian	39%	61%	7%
Black or African American	57%	43%	5%
Native American	32%	68%	1%
Native Hawaiian or other Pacific Islander	51%	49%	<1%
White alone	34%	66%	75%
Total	37%	63%	

Source: 2015-2019 CHAS

Vacancy Rates

Approximately 17,000 housing units are counted as vacant, leading to a vacancy rate of 5.6 percent and down 1.2 percent from 2010. This vacancy rate is lower than that of the state of Oregon, which had a 7.5 percent vacancy rate in 2021 (ACS 5 year, 2010 and 2021 Table B25001). Fourteen percent of all vacant units were vacant for seasonal or recreational use (just 0.77 percent of all units), like the rate in 2010.

Figure 44. Vacancy Rate by Structure Type, Portland, 2021

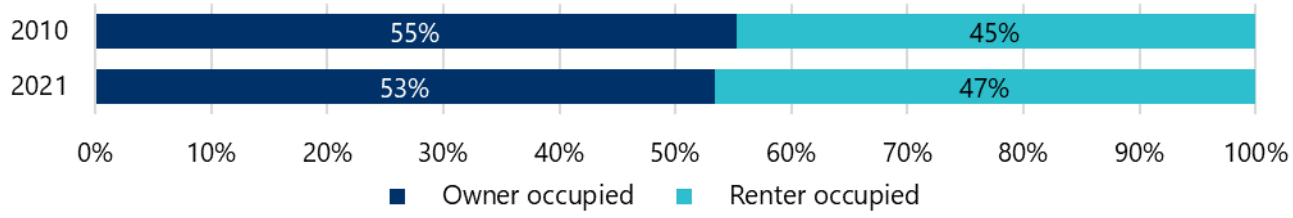
Structure Type	Vacancy Rate	% Of Vacant Units
Single Dwelling Detached	4%	36%
Townhomes	3%	3%
Duplex	12%	8%
Triplex and Quadplex	7%	6%
5 To 9 Unit Apartment	4%	3%
10 To 19 Unit Apartment	5%	5%
20 To 49 Unit Apartment	7%	8%
50 Or More Unit Apartment	11%	29%
Mobile Home, Boat, RV, Van, etc.	5%	1%
Total	5.6%	100%

Source: ACS 2021 5 Year Table B25024, B25032

Housing Tenure

Although the share of owner-occupied housing units declined (Figure 45), the number of owner-occupied units increased by 14,165 from 2010 to 2021 and the number of renter-occupied housing units increased by 20,829.

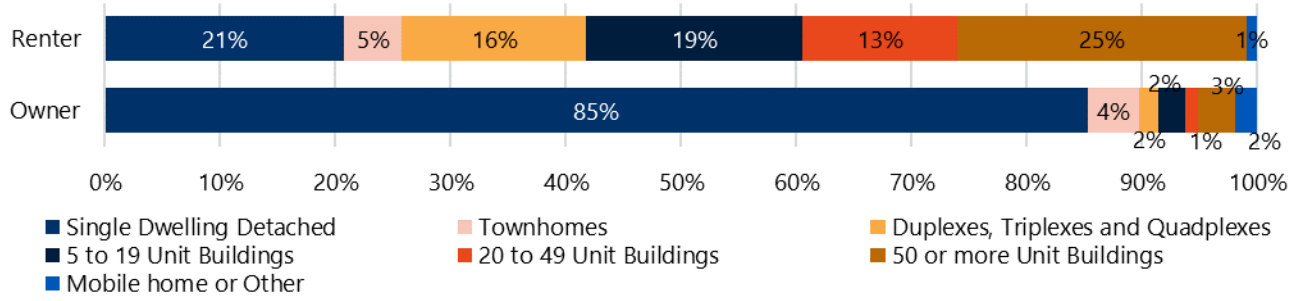
Figure 45. Change in Tenure from 2010 to 2021, Portland



Source: ACS 2010 and 2021 5 Year Table B25003

Most of Portland's homeowners (85 percent) lived in single-dwelling detached housing (Figure 46). In comparison, only 21 percent of Portland's households that rent lived in single-dwelling detached housing. Twenty-one percent of renters lived in a middle housing unit (townhome, duplex, triplex, or quadplex housing), and about a quarter of renters lived in large multi-dwelling buildings (50+ units).

Figure 46. Tenure By Housing Type 2021



Source: ACS 2010 and 2021 5 Year Table B25032

Citywide, around 14 percent of householders in 2021 had lived in their unit for less than two years, including seven percent of owners and 22 percent of renters. About half of all renters have lived in their units between three and six years, compared with 23 percent of owners. About 52 percent of householders lived in their unit for more than six years, including 71 percent of owners and 30 percent of renters (Figure 47).

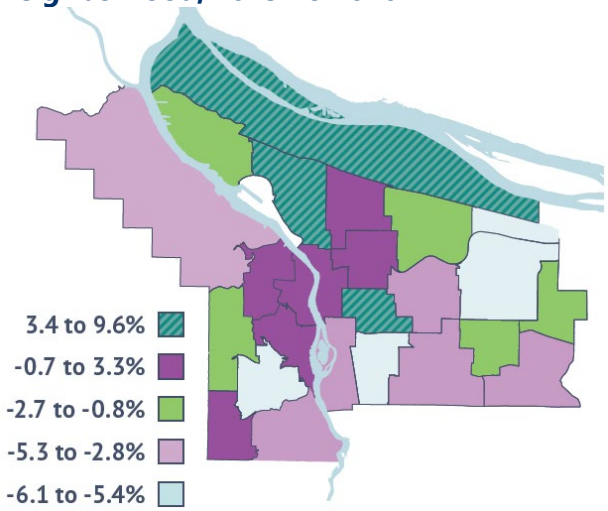
Figure 47. Tenure by Year Householder Moved into Unit, 2021

	Owner	Renter	Total
2019 or later	7%	22%	14%
2015 to 2018	23%	49%	35%
2010 to 2014	18%	17%	18%
2000 to 2009	27%	10%	19%
1990 to 1999	13%	2%	8%
1989 or earlier	13%	1%	7%

Source: American Community Survey 5-year Estimates, Table B25038

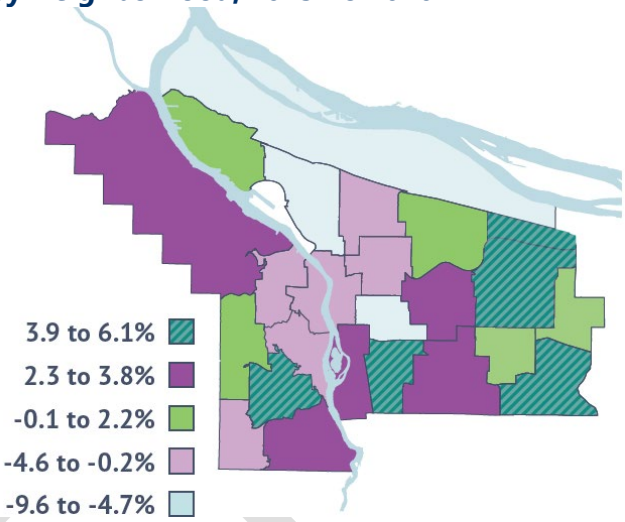
Woodstock, Hillsdale-Multnomah-Barbur, Gateway, and Parkrose-Argay have seen homeownership rates increase by more than five percent from 2015 to 2020. On the other hand, Hayden Island Bridgeton, Belmont-Hawthorne-Division, and the Interstate Corridor saw a five percent decrease during the same period (PHB, 2022, Figure 48 and Figure 49).

Figure 48. Change In Rentership Rates by Neighborhood, 2015 To 2020



Source: PHB Analysis of 2015, 2020 ACS 5 year

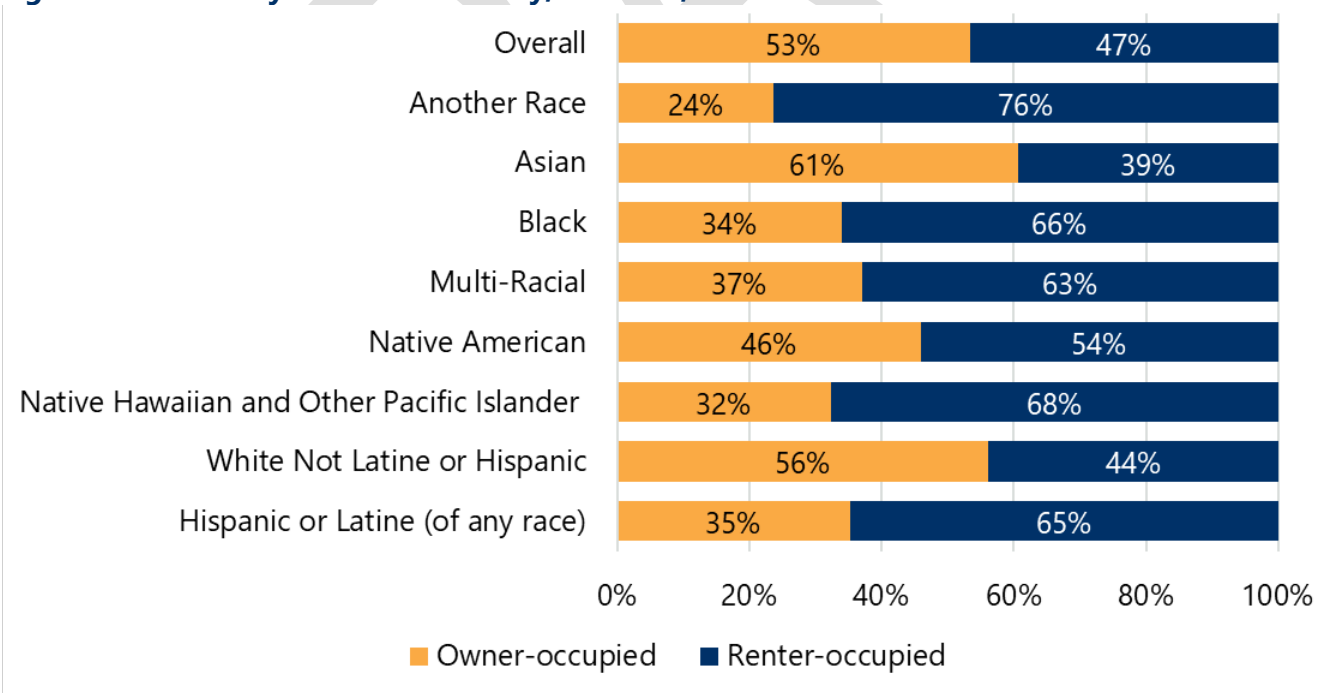
Figure 49. Change In Homeownership Rates by Neighborhood, 2015 To 2020



Source: PHB Analysis of 2015, 2020 ACS 5 year

White and Asian households have the highest rate of homeownership (56 and 61 percent, respectively). Native Hawaiian and Other Pacific Islander (32%) and Black or African American (34%) households, and households identifying as another race (24%), have the lowest ownership rates (Figure 50).

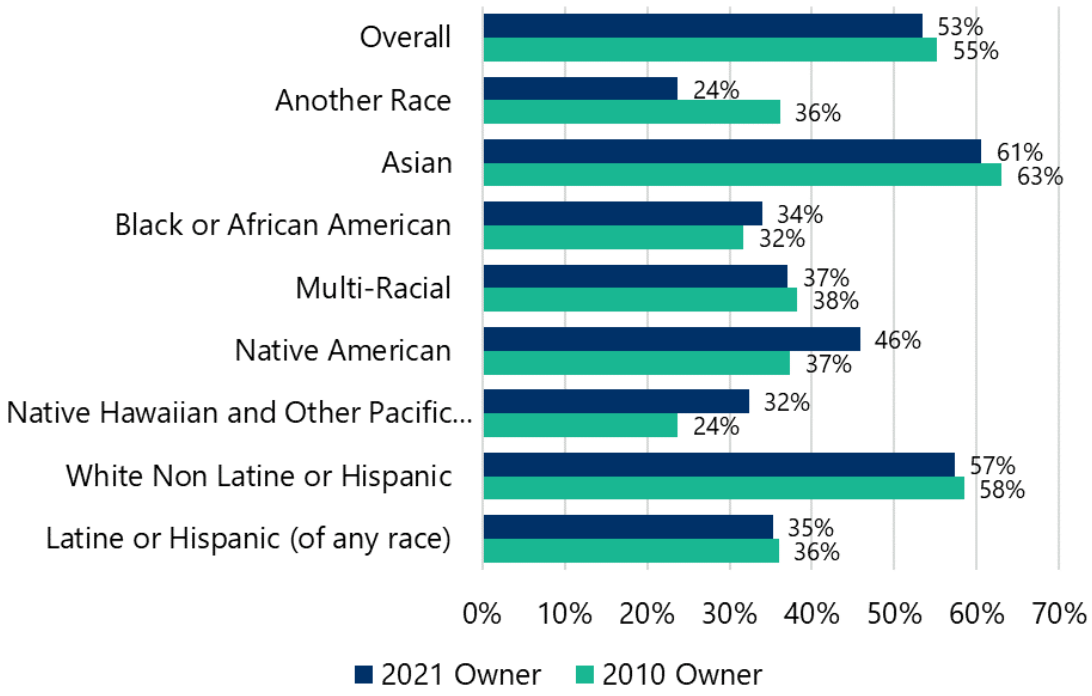
Figure 50. Tenure by Race and Ethnicity, Portland, 2021



Source: 2021 ACS 5-year Table B25003

Since 2010, homeownership rates have decreased overall, which is largely due to most new housing development in multi-dwelling buildings, which are mostly rental units. Despite those development trends, Native Hawaiian, Native American, and Black or African American householders have experienced an increase in ownership rates across the city. Only householders who identified as some other race (or another race) saw a decrease in both the rate and number of owner-occupied households (Figure 51).

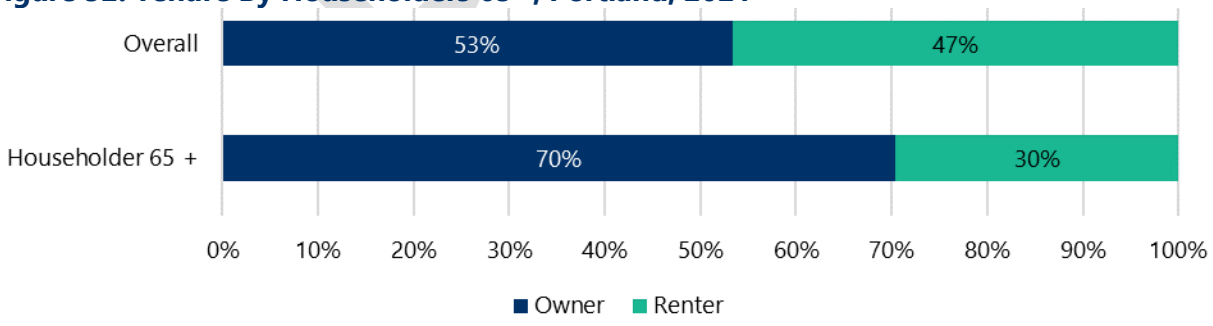
Figure 51. Homeownership by Race/Ethnicity, Portland, 2010 and 2021



Source: 2010 and 21 ACS 5-year Table B25003

Seventy percent of householders over 65 own their home, compared to just fifty-three percent of all Portland householders (Figure 52).

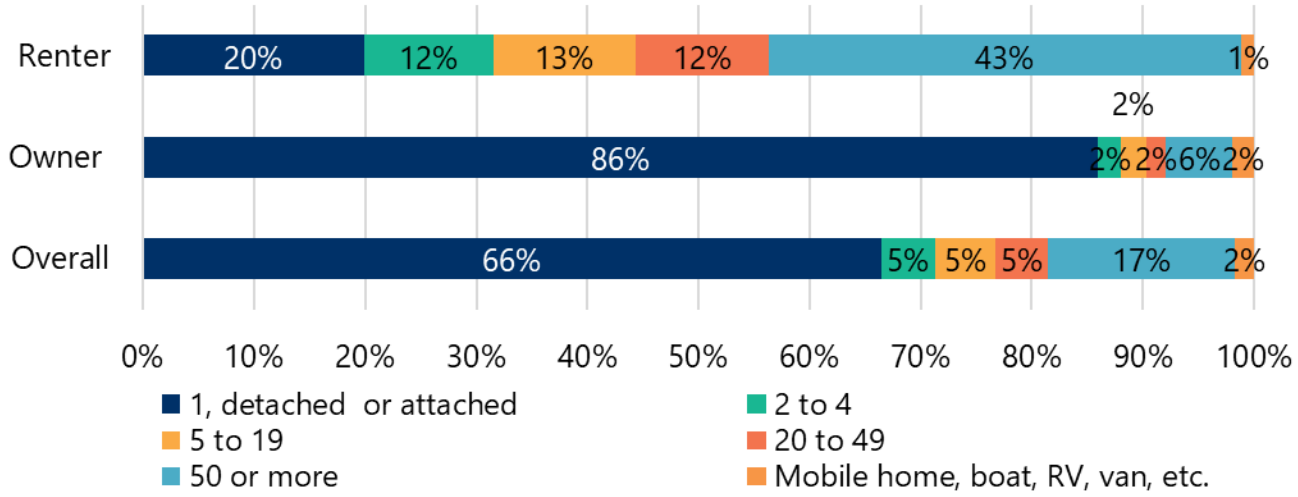
Figure 52. Tenure By Householders 65+, Portland, 2021



Source: ACS 2021 5-year Table B25125

Most homeowners over 65 own a single-dwelling unit home, detached, or attached (Figure 53). Just 14 percent live in other types of housing structures. Elder householders who rent, are more likely to live in multi-unit structures with 50 or more units (over 43 percent).

Figure 53. Householders 65+ By Tenure and Structure, Portland, 2021

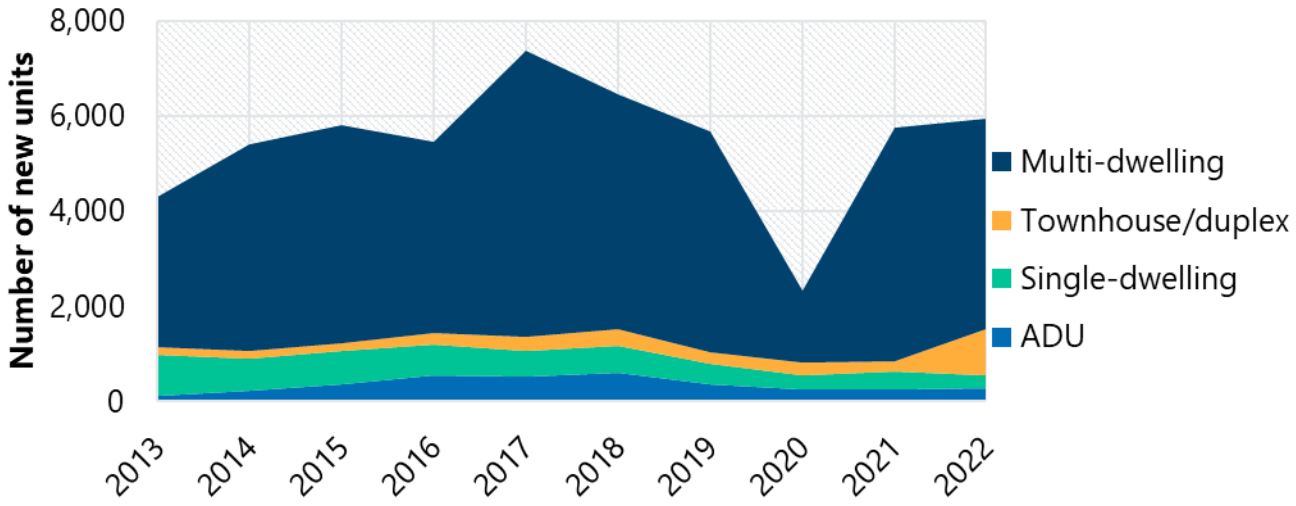


Source: ACS 2021 5-year, Table B25125

Recent Development Trends

In the past five years (from 2018 to 2022), Portland has permitted 26,135 residential units (about 5,230 units a year). In 2017, the annual production levels for housing were the highest of any point in the last eighteen years – Portland permitted 7,360 units. In 2018 and 2019, production decreased to 6,449 units and 5,664 units respectively (City of Portland, permit database). In 2020, housing production fell to 2,326 units, reflecting a decline in housing production in neighboring counties as well as a result of the disruption due to the SARS-CoV-2 pandemic (2021 State of Housing Report, PHB). In 2021, housing production increased again to 5,754 units and again in 2022 to 5,935. Increasingly, multi-dwelling unit production represents the bulk of new residential development, with 89 percent of all housing units produced in 2021 within the multi-dwelling category (including townhouse/duplex and all multi-dwelling categories). In 2022, this share rose to 91 percent.

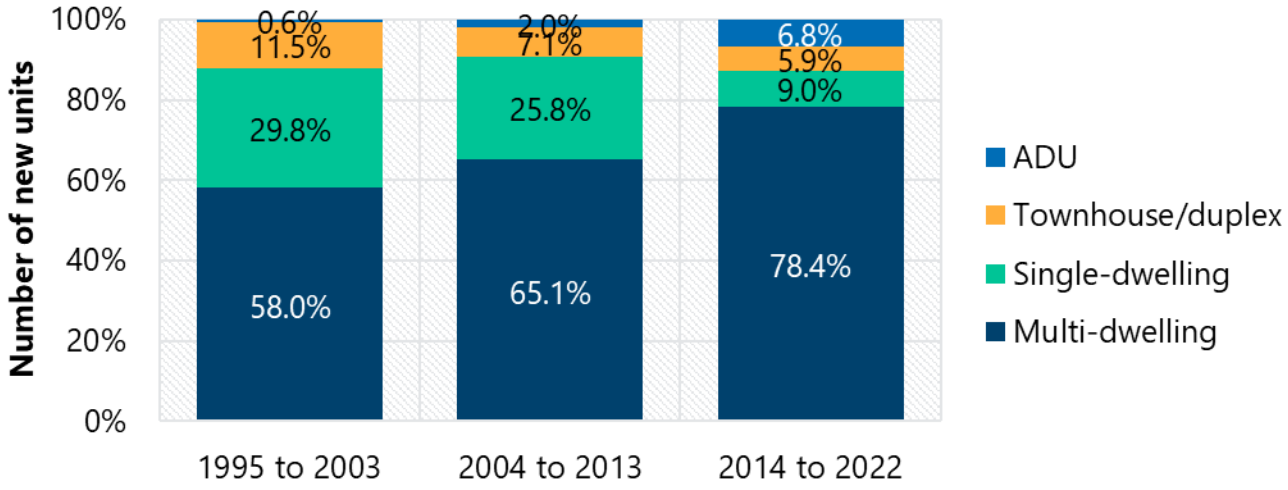
Figure 54. Housing Types Permitted, Portland Urban Service Area, Portland, 2013-2022



Source: City of Portland, Permit Database, 2023

When comparing production to previous decades, Figure 55 shows that multi-dwelling building production has significantly increased since 1995. In addition to multi-dwelling buildings, the production of Accessory Dwelling Units (ADUs) has only steadily increased, supported by the introduction of new programs and policies incentivizing the creation of ADUs.

Figure 55. New Construction by Unit Type, Portland, 1995-2022



Source: City of Portland, Permit Database, 2023

Single-dwelling housing has accounted for a decreasingly smaller share of Portland's residential development over the past 20 years, with less than eight percent of all units built in the past five years (Figure 56). Conversely, the total share of units developed has gradually increased for multi-dwelling units, accessory dwelling units, and townhouses/rowhouses.

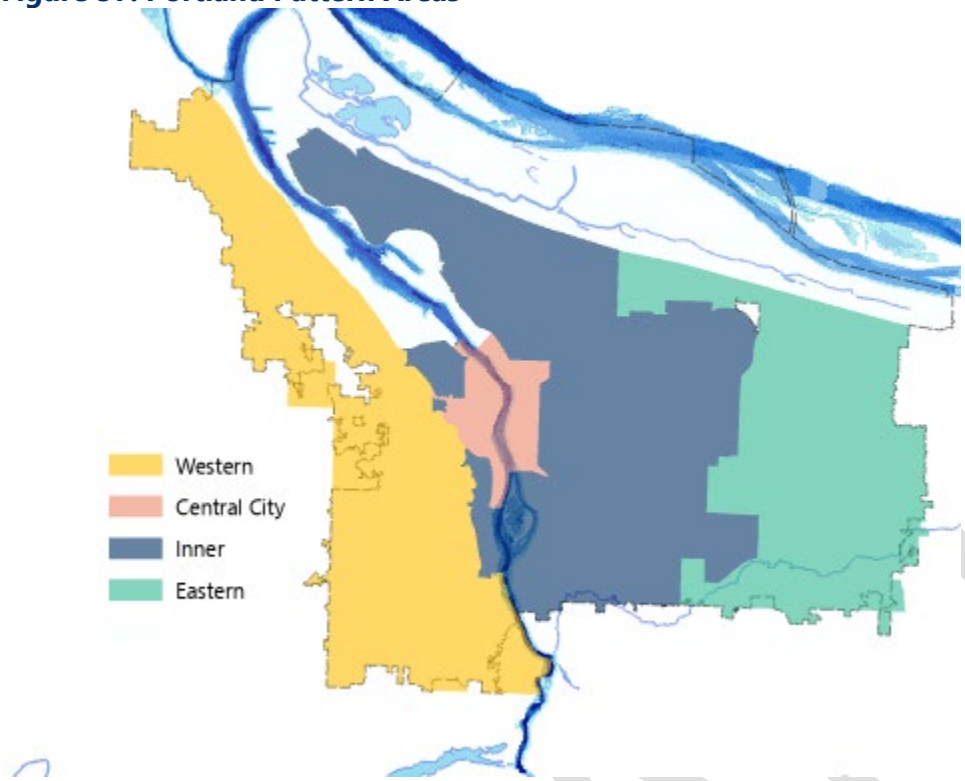
Figure 56. Historic Development Summary by Type, Portland, Through 2022

Housing Type	Last 20 Years	Last 15 Years	Last 10 Years	Last 5 Years
SINGLE DWELLING	15%	12%	10%	8%
ADU	5%	6%	6%	6%
TH/RH	6%	6%	6%	8%
MULTI-DWELLING	73%	76%	78%	77%

Source: BPS analysis of City of Portland, Permit Database, 2023, numbers rounded

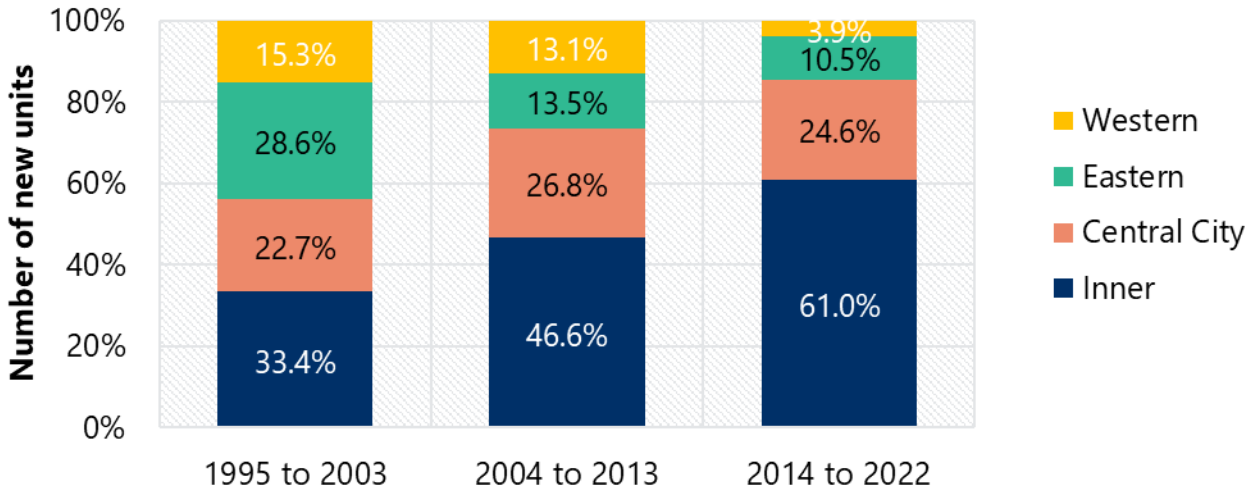
Figure 58 shows new construction by Portland pattern areas (specific areas of the city that share similar development characteristics, Figure 57). Compared to previous decades, the "Inner" pattern area has experienced a much larger portion of new construction than other parts of the city. The development in the "Central City" pattern area has stayed steady since 1995, but the proportion of new development in the "Eastern" and "Western" pattern areas has drastically decreased.

Figure 57. Portland Pattern Areas



Source: City of Portland

Figure 58. New Construction by Portland Pattern Area, 1995-2022



Source: City of Portland, Permit Database, 2023

Figure 59 shows the share of units developed by District and Neighborhood (Portland Plan Area) over the past 20 years. It shows the Central City has a declining share of the development, but still accounts for 26 percent of total units developed over the past 20 years. Meanwhile, development has increased in the North, Northeast, and West Districts. The East and Southeast Districts have seen little change in the share of development. At the Neighborhood Plan Area level, Northwest, Interstate Corridor, and Hollywood have experienced the highest increases in the share of total citywide development.

Figure 59. Portland Historic Development by Area as Share of Total Units

District	Neighborhood	Last 20 Years	Last 15 Years	Last 10 Years	Last 5 Years
Central City	Central City	**25.95%**	**23.52%**	**22.05%**	**20.45%**
East		**10.55%**	**8.36%**	**7.74%**	**10.23%**
	122nd-Division	3.29%	2.17%	1.85%	2.56%
	Centennial-Glenfair-Wilkes	2.04%	1.76%	1.62%	1.88%
	Gateway	3.59%	3.60%	3.38%	4.45%
	Parkrose-Argay	0.51%	0.26%	0.29%	0.30%
	Pleasant Valley	1.12%	0.57%	0.60%	1.04%
North		**16.46%**	**17.47%**	**17.87%**	**18.11%**
	Hayden Island-Bridgeton	1.52%	1.54%	1.80%	1.57%
	Interstate Corridor	10.22%	12.18%	12.71%	13.32%
	St. Johns	4.72%	3.75%	3.36%	3.22%
Northeast		**12.40%**	**13.87%**	**14.18%**	**15.84%**
	Hollywood	5.18%	6.32%	6.86%	7.51%
	MLK-Alberta	4.91%	5.73%	5.46%	5.49%
	Roseway-Cully	2.31%	1.82%	1.86%	2.84%
Southeast		**19.20%**	**20.74%**	**21.37%**	**18.78%**
	Belmont-Hawthorne-Division	6.72%	7.96%	7.98%	3.54%
	Lents-Foster	3.88%	3.49%	3.42%	3.25%
	Montavilla	2.26%	2.11%	2.13%	2.89%
	Sellwood-Moreland-Brooklyn	3.38%	3.97%	4.40%	4.63%
	Woodstock	2.96%	3.21%	3.44%	4.47%
West		**15.36%**	**15.93%**	**16.67%**	**16.53%**
	Forest Park-Northwest Hills	0.97%	0.30%	0.24%	0.20%
	Hillsdale-Multnomah-Barbur	1.52%	1.20%	1.04%	1.00%
	Northwest	7.56%	9.01%	9.53%	9.08%
	Raleigh Hills	1.20%	1.13%	1.19%	1.81%
	South Portland-Marquam Hill	3.01%	3.50%	3.97%	3.86%
	Tryon Creek-Riverdale	0.46%	0.35%	0.29%	0.24%
	West Portland	0.64%	0.44%	0.41%	0.34%
Total		100.00%	100.00%	100.00%	100.00%

Source: BPS analysis of City of Portland, Permit Database, 2023

Manufactured Homes

While manufactured housing is allowed in all single-dwelling zones, in 2018, the Manufactured Dwelling Park (MDP) zoning project established a new residential multi-dwelling base zone specifically for manufactured dwelling parks. The policy, code, and map changes aimed to consolidate MDPs into one new base zone in the Multi-Dwelling Residential Chapter (33.120) to create consistent land use regulations for manufactured dwelling parks, with development standards to address the unique nature of MDPs in terms of density, access, setbacks, and landscaping requirements as well as preserve and allow for expansion. According to the Oregon Manufactured Dwelling Park Directory and Metro's multi-dwelling housing inventory, there are an estimated 3,300 manufactured units across Portland and around 2,800 in parks. The City defines a manufactured dwelling park as four or more manufactured dwellings that are located on a single site for 30 days or more and intended for residential use.

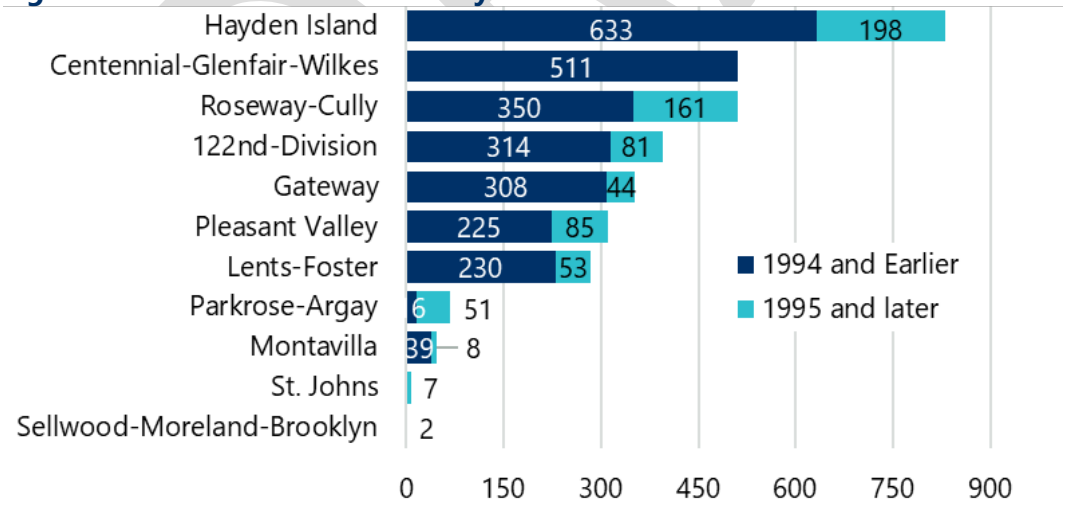
Figure 60. Manufactured Dwelling Parks in Portland

Type	Number of Parks	Total Spaces	Vacant Spaces
55+	9	578	36
Family	41	2,211	99
Grand Total	50	2,789	135

Source: Oregon Manufactured Dwelling Park Directory 2022, https://appsprod.hcs.oregon.gov/MDPCRParks/ParkDirQuery.jsp

The majority of parks are not age-restricted, but nine are designated 55+. Most manufactured homes were built before 1995 (79 percent). Many units are located in North and East Portland in the Hayden Island (25 percent), Centennial-Glenfair-Wilkes (15 percent), and Roseway-Cully (15 percent) areas.

Figure 61. Manufactured Homes by Area and Year Built



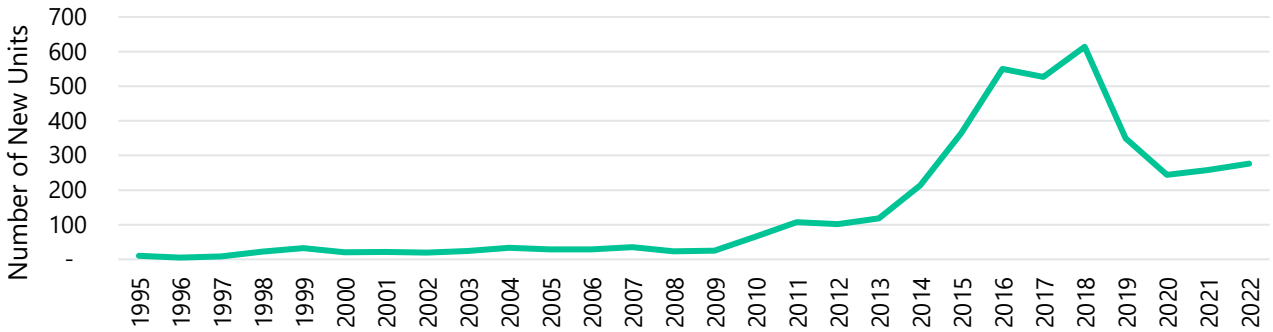
Source: Metro RLIS, Multi-dwelling housing inventory, 2022

Accessory Dwelling Units

An accessory dwelling unit (ADU) is an additional dwelling unit created on a lot with a house, attached house, tiny house, duplex, or manufactured home. The second unit is smaller than the main dwelling. ADUs provide additional housing units that are compatible with the look and scale of single-dwelling development, make more efficient use of existing housing stock and infrastructure, and provide a mix of housing options. They can be created by converting part of an existing primary structure, adding area to an existing primary structure, converting an existing accessory structure, or constructing a new building. The zones that allow ADUs are Residential, Commercial, and Central Employment (EX).

While ADUs were allowed in most residential zones since 1981, initial ADU policies were more restrictive than the current ones. Fee waivers and policy changes contributed to a significant increase in production throughout the city. Since 1995, the City of Portland has permitted 4,202 ADU units. A little over 2,700 units or 64 percent of all ADUs were permitted from 2016-2022. Production is concentrated in the Northeast part of the city, specifically MLK-Alberta and Interstate Corridor neighborhoods.

Figure 62. Accessory Dwelling Units by Year Permitted, Portland, 1995-2022



Source: City of Portland, Permit Database, 2023

Development Density

The allowed density of new residential development in Portland is controlled using minimum and maximum densities as described in the City's zoning code. Maximum densities are defined by floor-area-ratios (FAR), while minimum densities are defined by units-per-acre for all multi-dwelling zones, R2.5, R7, and R5 single-dwelling zones, and CM2 and CM3 mixed-use zones. All other zones do not have minimum density requirements.

- **Single Dwelling Zones**. Minimum densities allowed in these zones range from 3.11 to 17.42 units per net acre. Maximum densities in these zones range from 0.4 to 1.0 FAR, with developers receiving higher density allowances with each additional unit provided (up to four market-rate or six if half are affordable). About eight percent of new housing was single dwelling detached, a category that includes manufactured housing.
    - About 16 percent of new housing was middle housing, across all zones, including accessory dwelling units, townhomes, duplexes, triplexes, quadplexes, and small multi-dwelling structures up to six units.
- **Multi-Dwelling Zones.** Minimum densities allowed in these zones (RM, RX, RMP zones) range from 17.42 to 87.12 units per acre. Only the RMP zone has a stated unit maximum density, of 29.04 units per net acre. For RM1, RM2, and RM3 zones, the base maximum allowed FARs are 1.0, 1.5, and 2.0, respectively, and 1.5, 2.25, and 3.0 with bonuses (e.g., for providing affordable housing units). For RM4 and RX, the base FAR is 4.0 and 6.0 with bonuses. About 76 percent of new housing was multi-dwelling housing (with seven or more units).
- **Mixed Use Zones.** Minimum densities allowed in these zones (CR, CM, CX, EX, CE, and CI) range from 30.06 to 43.56 units per net acre. Maximum densities in the mixed-use zones similarly have base FARs and bonus FAR allowed through the provision of various project elements, like affordable housing. Base FARs for the mixed-use zones range from 1.0 to 4.0. The maximum FAR with bonuses ranges from 2.5 to 6.0. The only zone that does not offer a bonus FAR is the CI1 zone.

Over the last five years, from 2018 through 2022, the City of Portland has issued or finalized permits for around 26,000 residential units. On average, the net density of the approximately 23,000 new construction units was around 45 units per acre. For single dwelling zones, unit density averaged around 9 units per acre for all single dwelling zones. Multi-dwelling zones averaged around 33 units per acre, and mixed unit zones around 132 units per acre (Figure 63).

Figure 63. Net Density by Structure and Zone, 2018 through 2022[11]

Zone	Single Dwelling Detached			Middle Housing			Multidwelling		
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Single Dwelling Zones	**1,578**	**220**	**7**	**631**	**30**	**21**	**24**	**<1**	**74**
R2.5	392	24	16	325	13	24	24	<1	74
R5	762	80	10	273	15	19	-	-	-
R7	196	28	7	23	2	13	-	-	-
R10	193	39	5	10	1	17	-	-	-
R20	26	17	2	-	-	-	-	-	-
RF	9	32	<1	-	-	-	-	-	-
Multi Dwelling Zones	**305**	**22**	**14**	**1,164**	**41**	**29**	**3,133**	**78**	**40**
RM1	234	19	12	459	24	19	397	31	13
RM2	71	3	23	565	14	41	756	16	48
RM3	-	-		134	2	56	1,431	28	52
RM4	-	-	-	6	-	-	285	2	147
RX	-	-	-	-	-	-	264	1	236
Mixed Use Zones	**28**	**6**	**5**	**147**	**13**	**11**	**16,039**	**103**	**156**
CE	3	5	1	11	1	16	586	7	79
CM1	14	<1	55	25	1	17	855	21	41
CM2	11	<1	46	82	8	10	4,101	28	146
CM3	-	-	-	27	2	18	4,713	26	183
CX	-	-	-	1	1	1	3,445	13	268
EX	-	-	-	1	<1	4	2,339	8	287
Grand Total	**1,911**	**248**	**8**	**1,942**	**84**	**23**	**19,196**	**181**	**106**

Source: BPS Analysis of City of Portland Permit Data

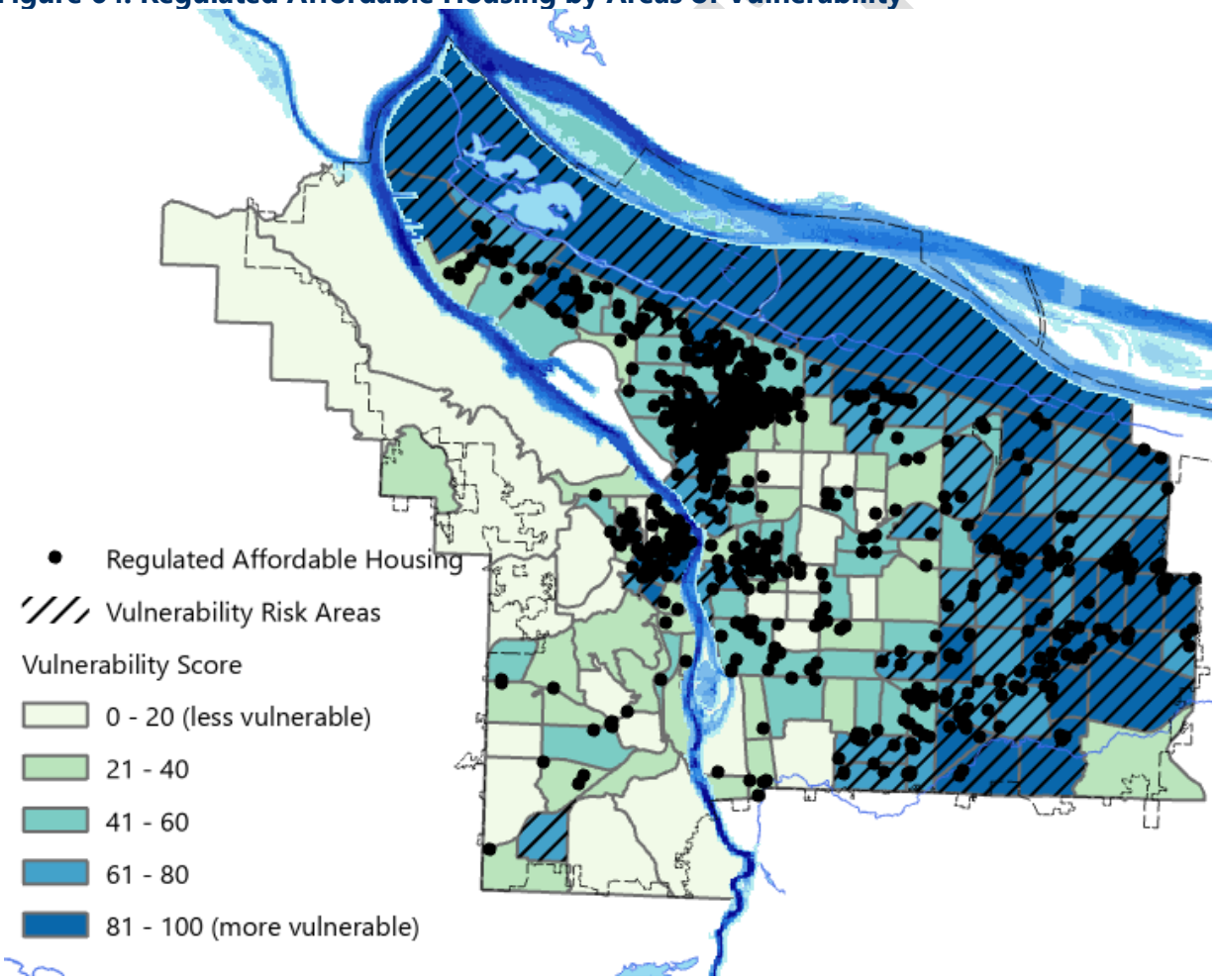
[11] Density of final, issued and under inspection units permitted from 2018 to 2022, does not include ADUs added to existing units, includes only new construction. Acres and Net densities are rounded.

Regulated Affordable Housing Inventory

The City of Portland currently has 24,231 units of regulated affordable housing (Metro Regulated Affordable Housing Database), making up roughly eight percent of the city's total housing stock according to the 2021 ACS.

About 65 percent of the regulated units are within areas considered vulnerable (BPS Areas of Vulnerability), which are Census tracts that have a higher proportion of renters, communities of color, adults without a bachelor's degree, and lower-income households. Figure 64 shows the regulated affordable housing developments with the areas of vulnerability overlay (the darkest blue areas are the most vulnerable).

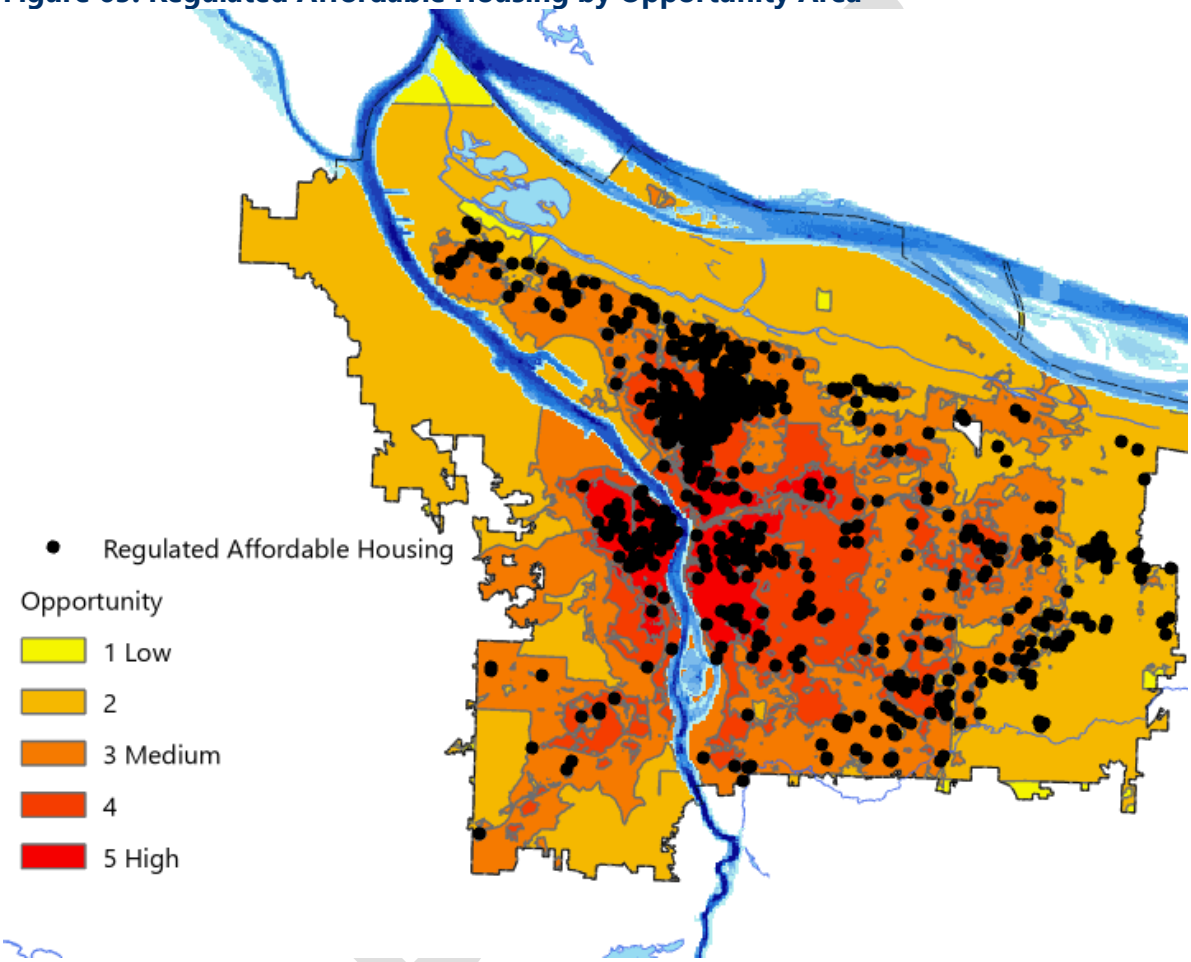
Figure 64. Regulated Affordable Housing by Areas of Vulnerability



Source: Metro Regulated Affordable Housing Database, BPS Areas of Vulnerability 2023

The Portland Housing Bureau (PHB) Opportunity Map identifies levels of opportunity in Portland neighborhoods. Using a 5-point scale, the map is based on variables that include access to childhood education, employment, transportation, living/family wage jobs, and community amenities that promote healthy, active living. About 43 percent of all regulated affordable housing units are within a "high opportunity" area (rated as a score of 5 by the Portland Housing Bureau's Opportunity Map). About 13 percent of all units are within an area considered low opportunity (rated as a score of 2 on the PHB Opportunity Map).

Figure 65. Regulated Affordable Housing by Opportunity Area



Source: Metro Regulated Affordable Housing Database, PHB Areas of Opportunity 2023

Figure 66. Regulated Affordable Housing Units by PHB Opportunity Scores

Opportunity Score (5 is high, 1 is low)	Number of Projects	Regulated Units	% Of Total Regulated Units
2	89	3,104	12.8%
3	246	5,320	22.0%
4	271	5,486	22.6%
5	172	10,321	42.6%

Source: Metro Regulated Affordable Housing Data, PHB Opportunity Map

The largest portion of affordable housing units is built between 2001 and 2021 (9,556 units or about 40 percent of all affordable housing). However, the largest number of affordable housing projects were constructed before 1950 (323 total projects, some buildings spanning back to the late 1800s). While the project count is higher during this early period, the projects tended to be smaller in size, resulting in less regulated housing being constructed than in the following decades. About 35 percent of the affordable housing built between 2001 and 2021 falls within the highest opportunity areas (scored 5), which is less than the proportion built in the highest opportunity areas in previous decades.

Figure 67. Regulated Affordable Housing Units by PHB Opportunity Scores

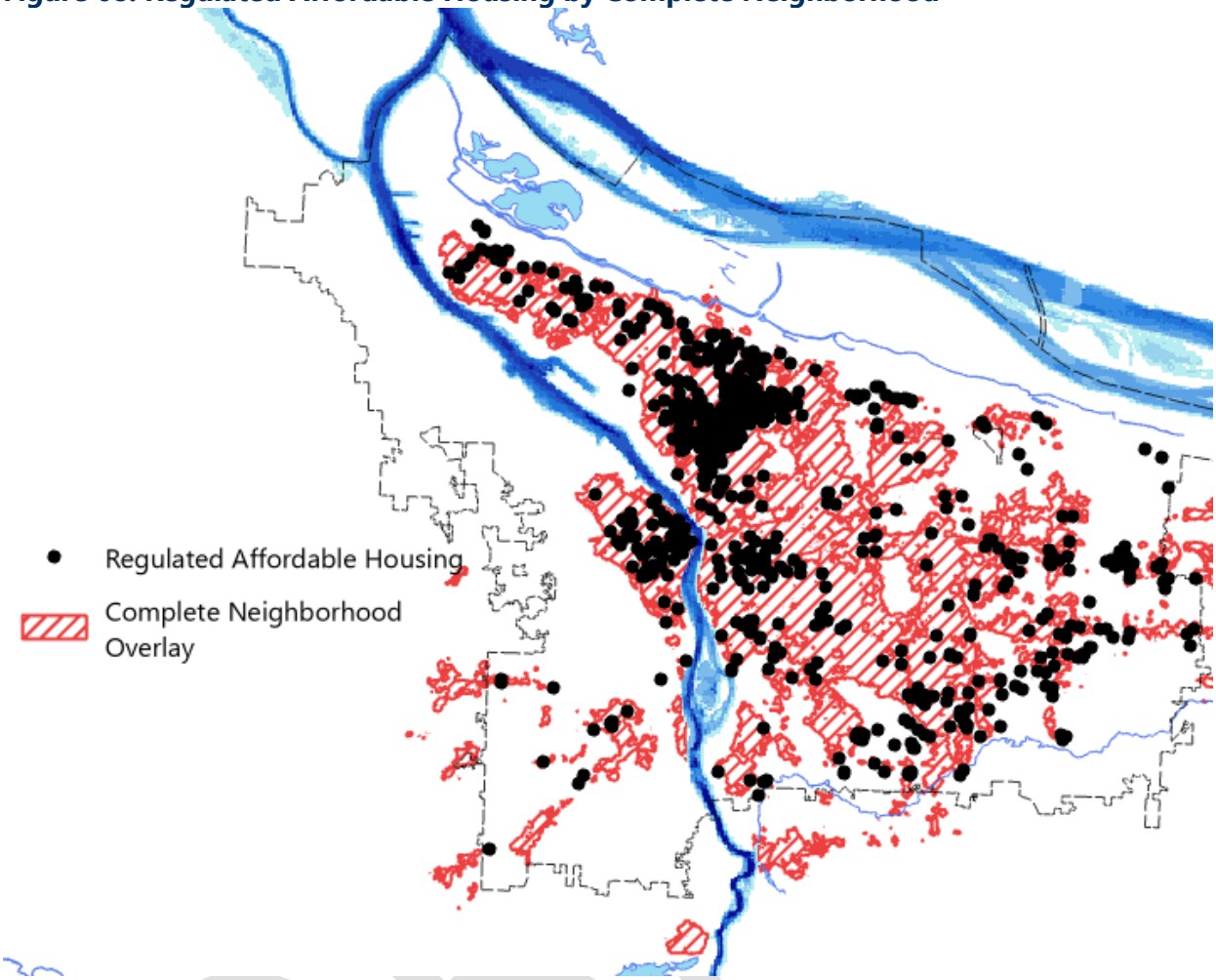
Year Built	Opportunity Score	2	3	4	5	Grand Total
1868-1950	# Projects	6	95	151	71	323
	Regulated Units	114	437	874	2,977	4,402
1951-1990	# Projects	32	53	40	29	154
	Regulated Units	894	1,487	1,341	2,056	5,778
1991-2000	# Projects	17	44	28	27	116
	Regulated Units	556	610	1,339	1,907	4,412
2001-2021	# Projects	33	54	52	43	182
	Regulated Units	1,539	2,786	1,932	3,299	9,556
Unknown Year	# Projects	1	-	-	2	3
	Regulated Units	1	-	-	82	83
Total Reg Units		3,104	5,320	5,486	10,321	24,231

Source: Metro Regulated Affordable Housing Data, PHB Opportunity Map

Approximately 73% of the existing units of regulated affordable housing are in complete neighborhoods, compared to an estimated half to two-thirds of all Portlanders living in complete neighborhoods. A Portland Plan Goal is that by 2035, 80% of Portlanders live in a healthy complete neighborhood with safe and convenient access to the goods and services needed in daily life.

A "complete neighborhood" is an area where residents have safe and convenient access to goods and services they need on a daily or regular basis. This includes access to healthy food, like grocery stores; Other neighborhood-serving commercial services; quality public schools; public open spaces and recreational facilities; and access to frequent transit. In a complete neighborhood, the network of streets and sidewalks is interconnected, which makes walking and bicycling to these places safe and relatively easy for people of all ages and abilities.

Figure 68. Regulated Affordable Housing by Complete Neighborhood



Source: Metro Regulated Affordable Housing Database, BPS Complete Neighborhoods

Regulated Affordable Housing Funding Sources and Affordability Restrictions

According to the Oregon Housing and Community Services (OHCS), 64 percent of all regulated affordable housing approved for funding through OHCS fall within the 60 percent Area Median Income (AMI) level category.

Figure 69. Regulated Affordable Housing Units by Affordability Level

AMI Level	Number Of Units	Percent Of Total
30%	1,518	13.0%
40%	762	6.5%
50%	1,603	13.7%
60%	7,527	64.4%
80%	280	2.4%

Source: OHCS Affordable Housing Data

The OHCS data set also provides insight into types of housing built, according to the populations (see table below for list). The most prevalent type of housing funded and built is for Family (general affordable) housing – almost half of all units are under this broad category. Next, housing for older adults or elders makes up almost 19 percent of all units in the data set.

Figure 70. Regulated Affordable Housing Units by Housing Type

Housing Types	Units	Percent Of Total
Agricultural Worker Housing	290	0.9%
Developmental Disabilities Housing	894	2.7%
Elderly Housing	6,226	18.8%
Ex/Released Offender Housing	266	0.8%
Family (General Affordable) Housing	16,773	50.8%
HIV/Aids Housing	69	0.2%
Homeless Housing	2,546	7.7%
Physical Disability Housing	2,677	8.1%
Substance Use Disorder Housing	1,458	4.4%
Veteran Housing	391	1.2%
Workforce Housing	1,452	4.4%

Source: OHCS Affordable Housing Data

About 69 percent of all the regulated affordable housing units are either studios or one-bedrooms. About 21 percent are 2-bedroom units, and less than 10 percent are three-bedroom or larger units. Out of the 279,797 households in Portland as of 2021, 83,293 were households with three or more people. Meaning, around 30 percent of all households would need three or more bedrooms to not be in an overcrowded situation (more than one person per room).

Figure 71. Regulated Affordable Housing Units by Unit Size

Unit Size (Number of Bedrooms)	Number Of Units	Percent Of Total
Studio	6,646	32.5%
1 bedroom	7,534	36.8%
2 bedrooms	4,320	21.1%
3 bedrooms	1,751	8.6%
4+ bedrooms	201	1.0%

Source: OHCS Affordable Housing Data

Figure 72 reports the number of projects and the associated number of units that have affordability restrictions expiring before 2032. There are over 3,350 units of affordable housing on 108 sites in Portland at risk of converting to market-rate housing. There are an additional 704 units in 34 projects with tax exemptions that will expire in the next ten years. Preserving these units with their existing affordability levels through acquisition may be more cost-effective than replacing the units with newly produced affordable housing.

Figure 72. Regulated Affordable Housing Units with Affordability Restrictions Expiring by 2032

Expiration Period	Number of Sites	Number of Units
Expiring through 2026 (3 Year)	11	362
Expiring through 2028 (5 Year)	43	1,215
Expiring through 2032	54	1,778
Total	**108**	**3,355**

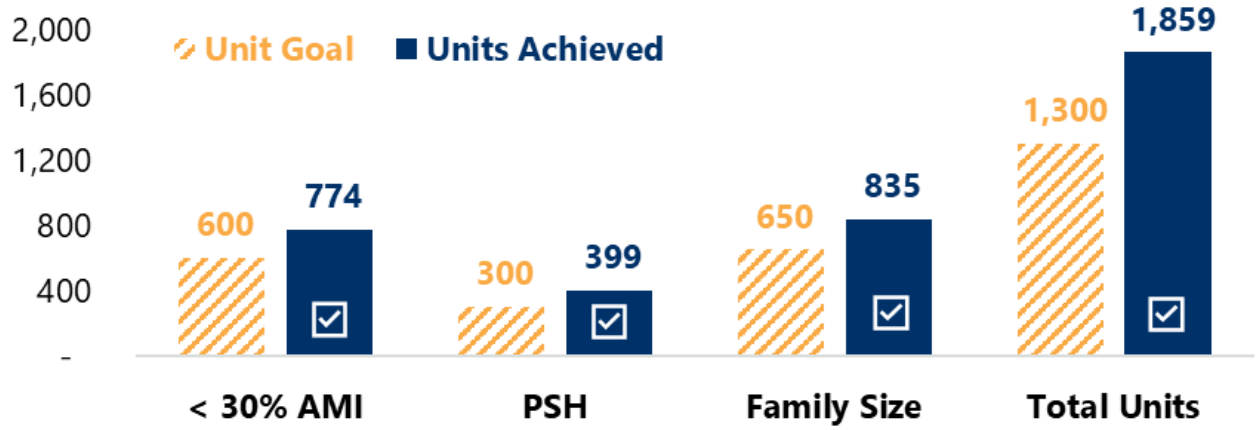
Source: OHCS Affordable Housing Data

Portland Housing Bond

In November 2016, Portland voters passed the city's first housing bond, dedicating $258.4 million to create 1,300 permanently affordable homes. As of December 2022, 1,859 units of affordable housing are either open or in progress across the city – 43 percent more than anticipated. The Portland Housing Bureau also has exceeded goals for extremely low-income units, permanent supportive housing units, and family-size units.

- Eighty-three percent of the new units are in high opportunity areas.
- Thirty-nine percent of the total units are in highly vulnerable areas.
- Ninety-three percent of projects include permanently supportive housing (PSH) units, which provide services for households exiting or at risk of homelessness.

Figure 73. Portland Housing Bond-Funded Production Pipeline, 2022

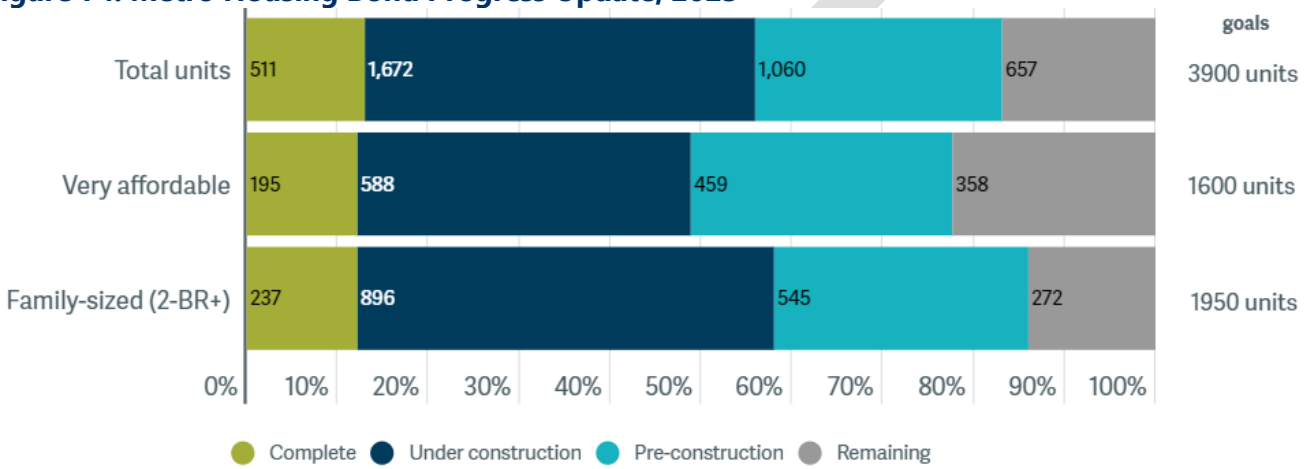


Source: Portland's Housing Bond 2022 Progress Report

Metro Housing Bond

In November 2018, the first regional affordable housing bond was passed to address the region's housing crisis, authorizing Metro to issue up to $652 million in general obligation bonds for the development or acquisition of affordable housing. As of December 2021, over $330 million in bond funding had been committed to building 3,013 new affordable homes. These new homes include 1,147 units regulated for affordability to households with incomes at or below 30 percent AMI. The graph below portrays the production trends through January 2023.

Figure 74. Metro Housing Bond Progress Update, 2023



Source: Metro Housing Fund Progress, 2023, Affordable homes for greater Portland | Metro

Transportation access remains a challenge in some locations, with only 70 percent of homes located in areas with access to frequent service transit. In addition to this challenge, the changing financial and funding landscape, including unprecedented cost escalation due to supply chain challenges and labor shortages, rising interest rates, and constraints in the availability of state-issued private activity bonds (PABs), will continue to impact affordable housing production. To date, the weighted average of Metro bond subsidy is $101,563 per unit. It is expected that projects added to the pipeline in 2022 and 2023 will require a higher Metro bond subsidy per unit and may impact progress toward program goals.

Inclusionary Housing

The Inclusionary Housing (IH) program (adopted in 2016 and effective since February 2017) is designed to supplement publicly financed affordable housing development by linking the production of affordable housing to the production of market-rate housing. Under IH, all residential buildings proposing 20 or more units are required to provide a percentage of the new units at rents affordable to households earning 80% MFI, with an emphasis on households earning 60% MFI or less.

As of March 2023, the City has permitted 1,104 inclusionary housing units from 180 private development projects (PHB). Most of these units (1,078 units) are rental units and 26 units are homeownership units.

Figure 75. Private Market Inclusionary Units and Projects, March 2023

	TOTAL	RENTAL	OWNERSHIP	OTHER
IH units	1,104	1,078	26	1
Permit applications	180	171	5	4

Source: PHB Inclusionary Housing Summary Data, April 3, 2023

All the homeownership units are made to be affordable to households making 80 percent MFI. About half of the rental units are to be affordable to households making 60 percent AMI and half are affordable to households making 80 percent AMI.

Figure 76. Private Market Inclusionary Units, March 2023

Affordability Levels	Total
60% AMI	544
80% AMI	534

Source: PHB Inclusionary Housing Summary Data, April 3, 2023

Out of the projects permitted, most are within the studio or one-bedroom categories (78 percent of all units built are either studios or one-bedrooms). Only five units permitted through the IH program are large family-sized four-bedroom units.

Of the 1,078 total IH units, 527 units (49 percent) are under review, 290 units (27 percent) are under construction, and 353 units (33 percent) are open and available for rent.

Housing for Older Adults and Persons Living with Disabilities

Housing needs for older adults range from apartments, condominiums, nursing homes, assisted living and residential care facilities, small units, adult foster homes, retirement facilities, hospice care centers, and housing units accessible to people with mobility difficulties. Many of these housing types targeted toward older adults are anticipated to increase. As with the general population, the housing market can provide housing for those with sufficient savings or income. Low-income older adults may have limited funds to adapt their existing housing to meet changing needs. As of 2022, there were 25,899 affordable housing units set aside as accessible, Permanent supportive housing or for populations that are older adults, have physical or developmental disabilities, or live with HIV/AIDS (Figure 77).

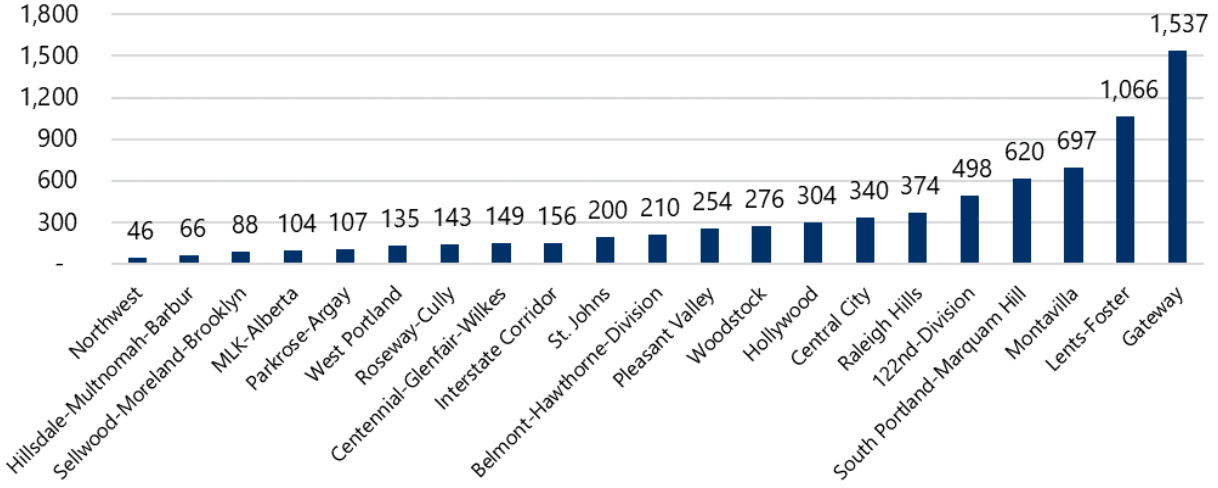
Figure 77. Affordable Housing for Older Adults and Persons Living with Disabilities

Type of Units	Active	In Dev.	Total	% Of Active	% Of In Dev.	% Of Total
Accessible	1,726	78	1,804	6.7%	1.3%	5.7%
For older adult population	5,995	231	6,226	23.1%	4.0%	19.6%
Permanent supportive housing units	423	570	993	1.6%	9.8%	3.1%
For population with physical disabilities	2,664	13	2,677	10.3%	0.2%	8.4%
For population with developmental disabilities	864	30	894	3.3%	0.5%	2.8%
For population with HIV/AIDS	69	-	69	0.3%	0.0%	0.2%
Total Units	25,899	5,835	31,734			
Count of Projects	571	51	622			

Source: OHCS, Oregon Affordable Housing Inventory; 2022.

In addition to deed-restricted affordable units dedicated to older adults and people living with disabilities, there are also retirement facilities that offer onsite care and other services specific to an aging population. Most of these types of facility units are in the Montavilla, Lents-Foster, and Gateway neighborhoods as Figure 78 shows.

Figure 78. Retirement Facility Units by Neighborhood Analysis Area



Source: Metro Multi-Dwelling And Regulated Affordable Housing Databases

Unregulated Affordable Housing

An important component of the housing stock affordable to lower-income households is unsubsidized, unregulated private market rental housing. Out of a total of about 143,000 multi-dwelling homes (buildings with two or more units) in Portland (SOH, 2021), approximately 17 percent (24,000) are regulated affordable units and 83 percent (116,000) are market rate, unregulated, or unsubsidized units. Unregulated (or unsubsidized) affordable housing typically refers to units provided by the private market without government subsidy with lower than market-rate rental rates. Such housing is also referred to as "naturally occurring affordable housing" (NOAH). Unlike publicly subsidized affordable housing, there are no regulations to ensure the long-term affordability of these units.

Most households who are income-eligible for housing subsidies do not receive any government assistance for housing and live in market-rate housing, which is one reason why 81 percent of low-income (<60% AMI) households are cost-burdened. Unregulated affordable housing has increasingly been the focus of policy and programmatic action to protect and expand housing affordability due to the high proportion of market-rate rental units compared to subsidized housing. While unregulated affordable housing can include owner-occupied units, this section discusses exclusively refers to renter-occupied unregulated affordable housing.

The primary data source to document the availability of unregulated affordable rental apartments is CoStar's Multi-dwelling Property database. Costar is one of the most comprehensive commercial and multifamily real estate databases and provides data, information, analytics, and news for markets throughout the United States. CoStar primarily covers larger rental properties starting at five-unit buildings but also covers a small proportion of smaller rental housing units like duplexes and townhomes. Costar measures building quality by a star rating, a one-to-five-star scale that is based on the design and construction of buildings and dwelling units and site and property amenities. Unregulated affordable housing is typically considered one-, two-, and three-star buildings, which are considered average, somewhat obsolete in terms of design, and with functional but limited amenities, or a building in need of significant renovation (one-star buildings). Through a rent analysis of CoStar multifamily data, we found that units in multifamily buildings constructed after 2000—regardless of CoStar's "Star" rating—rented on average at significantly higher rates than those in buildings constructed before 2000. Additionally, the majority (81 percent) of units built over the past two decades are four- and five-star apartment buildings. Therefore, the unregulated affordable housing described in this section refers to one-, two-, and three-star apartment buildings constructed before 2000.

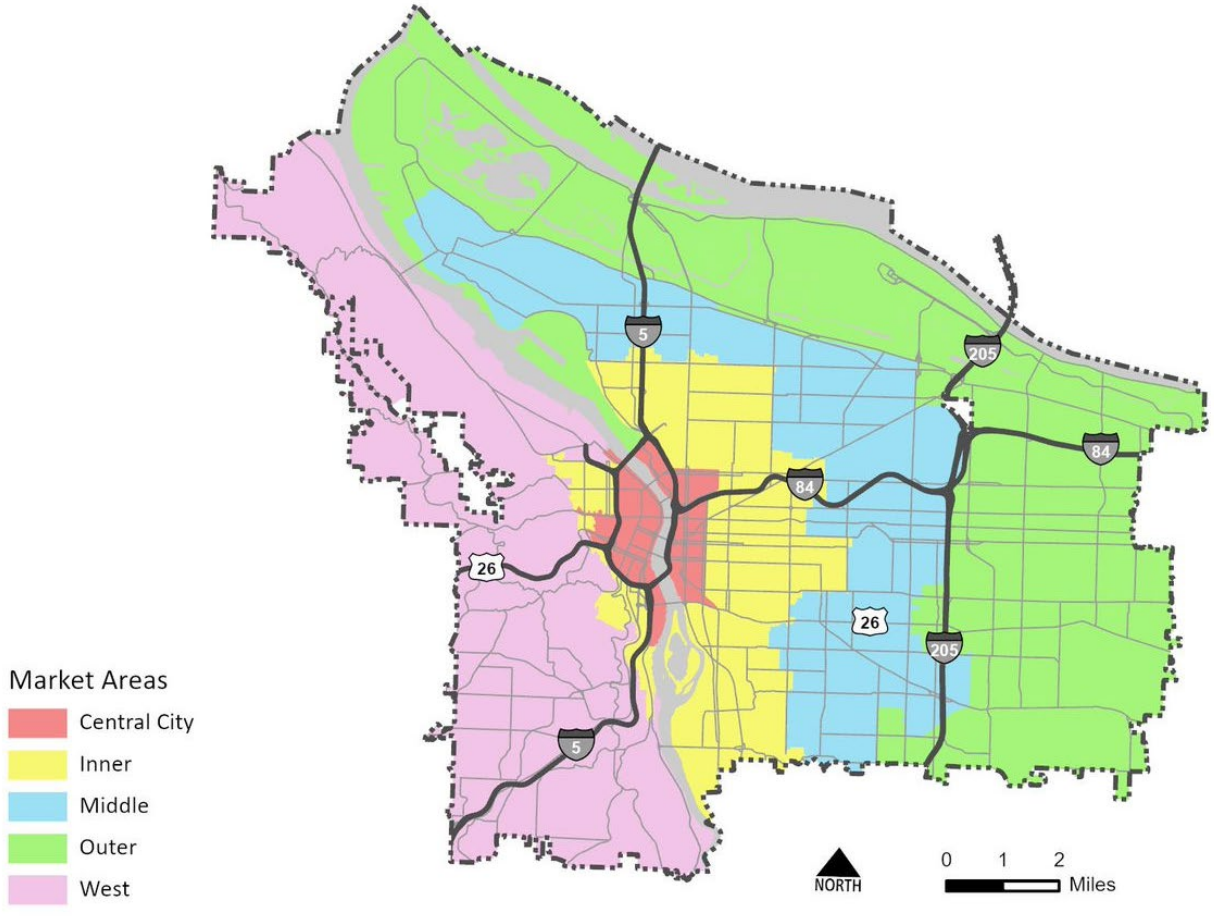
Unregulated affordable housing accounts for as much as 42 percent of Portland's total multi-dwelling housing units and 53 percent of Portland's unregulated multi-dwelling units (as of November 2022). The table below provides a summary of the unregulated affordable housing units in Portland's four market areas. The four market areas are shown in the map in Figure 80.

Figure 79. Unregulated Affordable Units by Portland Market Area

Market Area	Apartment Units	2-4 Unit Dwellings	Attached Housing	Total Units
Inner	22,645	6,342	244	30,293
Middle	8,588	4,066	69	13,294
Outer	10,757	1,465	60	12,496
West	4,024	655	96	4,873
Total	46,014	12,528	469	60,956

Source: CoStar's Multi-dwelling Property Database, November 2022

Figure 80. Portland Market Areas

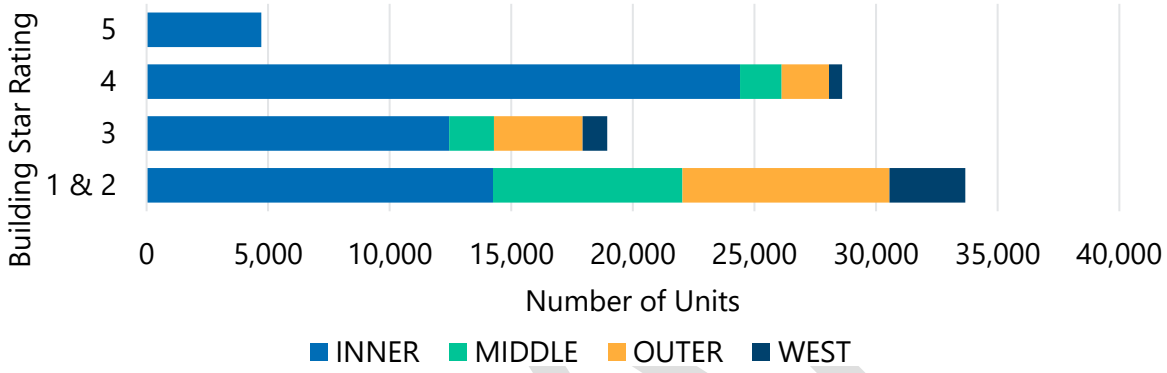


Source: City of Portland BPS

The following chart shows the distribution of market-rate apartments (5+ units) by market area and quality (building star rating). Citywide, the share of market-rate one-, two- and three-star apartment buildings accounts for about 61 percent of all market-rate rental units. The Inner market area, which contains about two-thirds of the city's units, contains a disproportionate share of four- and five-star apartments (about 94 percent of which are in buildings constructed after 2000), a similar share of three-star apartments, and a lower share of one- and two-star apartments.

One- and two-star buildings are especially attractive to developers for reinvestment and tend to occupy larger sites. The concentration of these properties in the Inner market area poses a significant displacement risk due to the stronger market dynamics relative to other market areas—including consistent demand (low vacancies and high absorption) and higher rents due to proximity to the Central City, transit, and neighborhood amenities such as local business districts and parks. Many of the Inner market area's three-star apartment buildings are renovated older buildings with rents that likely exceed 'affordable' levels. The Middle market area is yet to have similar levels of investment, but the market is starting to signal an outward geographic shift in new development activity.

Figure 81. Market-Rate Apartments by CoStar-rating and Portland Market Area



Source: CoStar's Multi-dwelling Property Database, November 2022

Unregulated affordable housing units rent for approximately 30 percent less ($450) per unit than four and five-star market-rate apartments and 40 percent less on a per-square-foot basis. Newer, higher-quality units tend to be smaller than older one-, two-, and three-star units.

Figure 82. Apartment Units by Rent and CoStar-rating

Star Rating	1-3*			4-5*		
	Unit Size (sq. ft.)	Rent Per Unit	Rent Per Sq. Ft.	Unit Size (sq. ft.)	Rent Per Unit	Rent Per Sq. Ft.
25TH Percentile	600	$855	$1.17	550	$1,322	$2.19
Median	750	$1,103	$1.55	656	$1,551	$2.54
Average	778	$1,124	$1.65	682	$1,589	$2.50
75TH Percentile	888	$1,336	$1.99	785	$1,818	$2.84

Source: CoStar's Multi-dwelling Property Database, November 2022

For small rental properties, which include townhouses, duplexes, triplexes, and quadplexes, the primary data source is the Multnomah County Assessor. To identify these types of properties, we use the property description in the assessor data. Then, in lieu of a citywide rental database, we identify rental properties by selecting any property where the owner's address does not match the site address. We also exclude properties built since 2000, in keeping with the unregulated affordable housing criteria for larger apartments.

The rowhouse and two-to-four-unit building categories include 14,938 rental units that *could* be considered unregulated affordable housing. Two-fifths are in Southeast Portland, and one-fifth are in both Northeast and East Portland. This is likely an overrepresentation of unregulated affordable housing as rental information is very limited for middle housing types, but the distribution of units throughout Portland is likely an accurate representation.

Figure 83. Unregulated Affordable Small Rental Properties, Portland

Area	Number of Properties	Number of Units	% Of Total Units
Central City	70	169	1%
East	1,163	2,670	18%
North	756	1,790	12%
Northeast	1,207	2,782	19%
Southeast	2,422	5,756	39%
West	778	1,752	12%
Average / Total	**6,396**	**14,938**	**100%**

Source: Multnomah County Assessor Tax Data

Unregulated Affordable Apartment Property Sales

Since January 2020, 311 unregulated affordable apartment properties containing a total of 6,156 units have sold. Overall transactions total 357, meaning some properties have transacted twice, likely after investment and/or renovation.

Unregulated affordable apartment buildings are more vulnerable to new investment, particularly as investors pivot from costly new construction to existing assets that can be flipped for a profit. Below is a high-level overview of four recently transacted and renovated properties matching the unregulated affordable housing criteria. The data indicate a close relationship between property sales and rental rate increases, suggesting a need to protect, preserve, expand, and improve existing naturally affordable housing.

Figure 84. CoStar Properties Renovated and Sold and Associated Rental Rate Increases

Property	Stark Street Townhomes	Connery Place Apartments	Gateway Crossing Apartments	The Astoria Apartments
# Units	65	72	30	68
Size (Sq Ft)	46,975	46,980	22,400	57,432
Year Built	1972	1977	1968	1950
Renovation Year	2019	2015	2014	2014
Sale Date	2016	2015	2022	2020
Sale Price ($)	4,600,000	7,067,000	5,400,000	12,000,000
Rental Rates Pre- And Post- Date Of Sale	$800 →$1000 (2015 Q2 to 2017 Q2) = 25% increase	$915 → $1,265 (2014 Q4 to 2015 Q4) = 38% increase	$557 → $956 (2013 Q1 to 2014 Q1) = 72% increase	$993 → $1245 (2014 to 2015) = 25% increase
2023 Rent	1,075	1,362	1,472	1,397
Land Area (Acres)	1.89	1.79	1.12	2.99

Source: CoStar's Multi-dwelling Property Database, 2023

Unregulated Affordable Housing and Areas of Opportunity

The Portland Housing Bureau (PHB) Opportunity Map identifies levels of opportunity in Portland neighborhoods. Using a 5-point scale, the map is based on variables that include childhood education, employment, transportation, access to living/family wage jobs, and access to community amenities that promote healthy, active living. Fifty-eight percent (or 26,284 units) of unregulated affordable units are in high-opportunity areas (rated as a score of 4 or 5). About 16 percent (or 7,293 units) of unregulated affordable apartment units are in an area considered low opportunity (rated as a score of 1 or 2). Compared to the regulated affordable housing stock, there is a lower share of unregulated affordable units in the high-opportunity areas (58 percent versus 66 percent) and a higher share in the lowest-opportunity areas (16 percent versus 13 percent)

Figure 85. Unregulated Affordable Housing Units by PHB Opportunity Score

Opportunity Score (5 is high, 1 is low)	Number of Projects	Number of Units	Percent of Total Units
1 (lowest opportunity)	8	243	0.5%
2	280	7,050	15.6%
3	683	11,651	25.8%
4	957	12,103	26.8%
5 (highest opportunity)	818	14,181	31.4%

Source: CoStar's Multi-dwelling Property Database, 2023

Residential Market Conditions

This section outlines Portland's residential market conditions, including ownership and rental housing costs, affordability, unit availability, and general production trends. Data is sourced from Costar, ACS, Multnomah County Assessor, and others as indicated.

Market-Rate Rental Market

Rental Market Trends

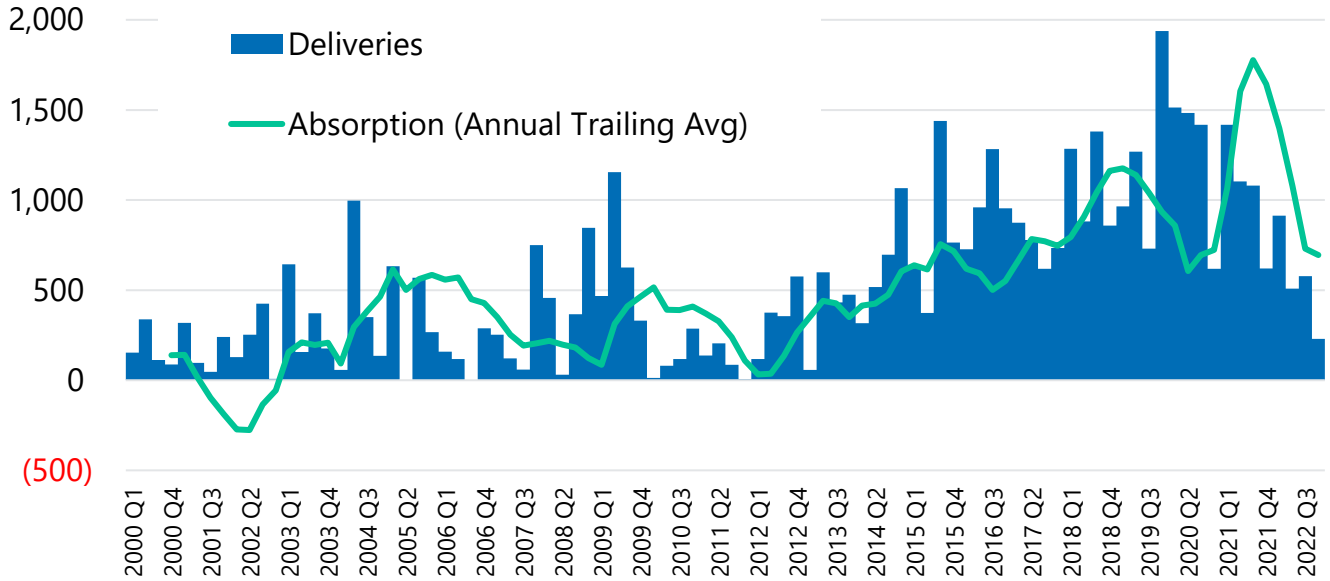
From a production perspective, Portland has experienced an extended period of growth in the rental housing sector. Sustained population growth in Portland from the 1980s through 2020 (primarily due to high in-migration and job growth) drove demand for apartments and other rental properties, culminating in a period of record-breaking construction activity in the 2010s. Portland has long had a reputation as a more affordable, high-quality-of-life alternative to other cities on the West Coast. While this reputation played a major factor in attracting new residents to Portland, the influx of high-earning residents put upward pressure on the private market, resulting in significant rent growth over the past decade.

The early pandemic years of 2020 and 2021 saw a slowdown in construction activity as rising construction costs and supply chain issues impacted development financial feasibility. At the same time, overall demand for rental housing decreased due to significantly lower levels of in-migration and the growing competitiveness of suburban submarkets, resulting in slightly elevated vacancy rates (relative to historical averages) and lower annual rent growth. Anecdotally, Portland also experienced a wave of bad press in the national media, resulting in a diminished reputation amongst the private development community. As these conditions have taken hold, Portland has become a less attractive market for private developers, despite having one of the lowest vacancy rates compared to its peers. Though some of these challenges have eased and construction activity has picked back up, significant interest rate increases in the latter half of 2022 have further impacted development feasibility, potentially decreasing the near- and long-term pipeline of new rental housing.

Rental Housing Availability

Apartment vacancy rates in Portland have been relatively low for many years, averaging around five percent in December 2022 having historically fluctuated between five and seven percent. Absorption of new units — the change in units occupied over a given period — has largely kept pace with deliveries of new buildings, showing continuing demand for rental housing despite the aforementioned slowdown in production. Most of the recent construction activity reflects four- and five-star complexes (per CoStar Apartment Ratings) in and around the inner neighborhoods.

Figure 86. Portland Apartment Construction and Absorption, 2000-2022



Source: Costar

The inner neighborhoods have a disproportionate share of the City's vacant units, with approximately three-quarters of the currently available (vacant) units in Portland and a vacancy rate of about six percent, but 62 percent of the total unit inventory. The middle neighborhoods have 14 percent of the City's vacant units and a vacancy rate of 4.1, which aligns with the 15 percent share of the City's total apartment inventory. The outer neighborhoods have 12 percent of the City's vacant units and a vacancy rate of 3.4 percent, despite making up 17 percent of the City's total apartment inventory. The western neighborhoods have a vacancy rate of 2.3 percent, with just three percent of Portland's vacant units despite accounting for five percent of the total citywide apartment inventory.

Figure 87. Vacancy by Portland Market Area

Market Area	Total Vacancy Rate	Share of All Vacant Units	Share of Total Apt Unit Inventory
Inner	5.4%	72%	62%
Middle	4.1%	14%	15%
Outer	3.4%	12%	17%
West	2.3%	2%	5%
Citywide	4.7%	100%	100%

Source: Costar, 2023

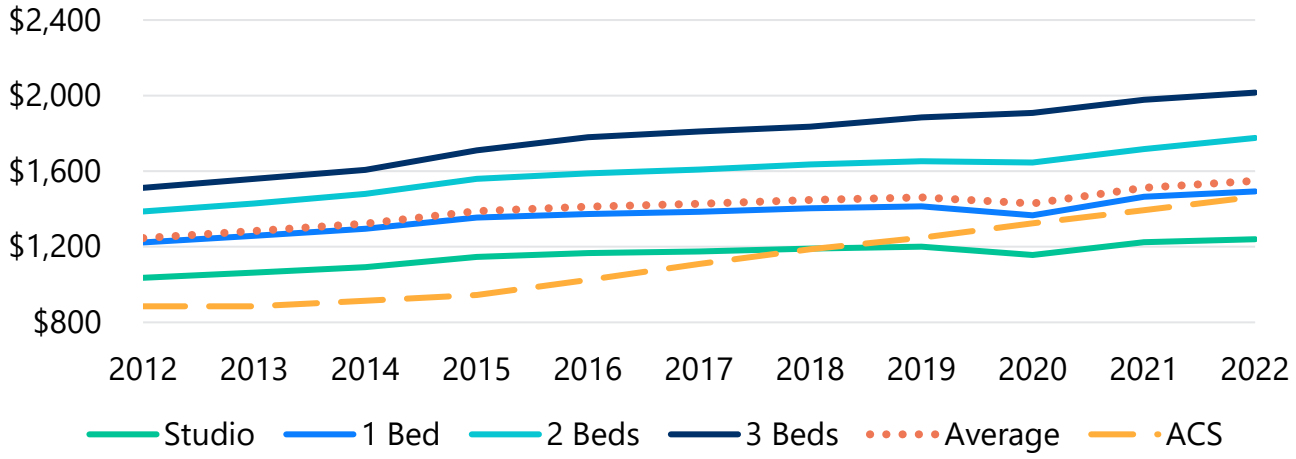
Monthly Costs for Rental Units

In the five years between 2014 and 2019, Portland's rental housing rates saw moderate increases in its average rental rates compared with the region at large. From 2014 through 2019, average rents in Portland increased at an average annual rate of about three percent, while rents increased at an average annual rate of four percent for the metro region. From 2020 to 2022, rents grew by 4.9 percent annually in Portland compared with 6.6 percent in the metro region.

In 2022, the average overall asking rent increased by 3.7 percent from the previous year. 2022's average rent was $1,614 per month, which is $58 higher than in 2021. This is a smaller increase than from 2020 to 2021 when the average rent increased by 6.1 percent (or $89). All unit types increased in average rent. However, the increase was greatest for 3-bedroom units. Rents for studio, 1-bedroom, and 2-bedroom units increased on average by 4.4 percent, 3.7 percent, and 3.6 percent respectively; rents for 3-bedroom units increased on average by seven percent.

Included in the chart below is median rent data from the American Community Survey (ACS). ACS data includes rents of all rental properties (collected using a sample survey and reported by survey respondents), not just apartment buildings with five or more units, as is the case with CoStar data. While ACS data showed a similar rental rate per unit in 2021 (2022 is not yet available and is therefore projected here based on the historical growth rate), rent growth since 2016 is almost triple that shown by Costar. This is largely due to the five-year trailing average in the ACS data, the lack of point-in-time property-specific data, and the propensity for non-apartment rentals to be individually owned and managed and rented for lower rates than professionally managed units. With this said, Costar data includes approximately three-quarters of the 125,000 rental properties in Portland and, therefore, is a fair reflection of market-rate rents for all property types, including multiplexes and single-dwelling rentals.

Figure 88. Average Market Rate Rent by Bedroom



Source: ACS Table B25064 1-year Estimates (2022 projected based on five-year trends), CoStar

On average, a household in 2023 would have needed to make at least $64,560 per year (around 60% AMI for a four-person household, 70% AMI for a two-person household, or 80% AMI for a one-person household), to afford an average rental apartment in Portland, assuming an affordability threshold of no more than 30 percent of a household's gross earnings going towards rent. For a single householder earning the minimum wage of $14.75, it would take 80 hours of work a week to afford the average rental. A rental unit would need to be around $852 a month to be affordable to a minimum wage worker working 40 hours.

The neighborhoods with the highest rents are Central City, Forest Park, Northwest, South Portland, and Hayden Island—averaging more than $1,750. The neighborhoods with the lowest rents include 122nd, Centennial, Gateway, Roseway, and Montavilla—averaging less than $1,300. Just five neighborhoods would be considered 'affordable' to a median renter household in Portland (the median renter household income is about $52,000), and affordable to households of four earning less than 45% AMI.

Figure 89. Portland Housing Bureau Neighborhood Analysis Area by Rental Affordability

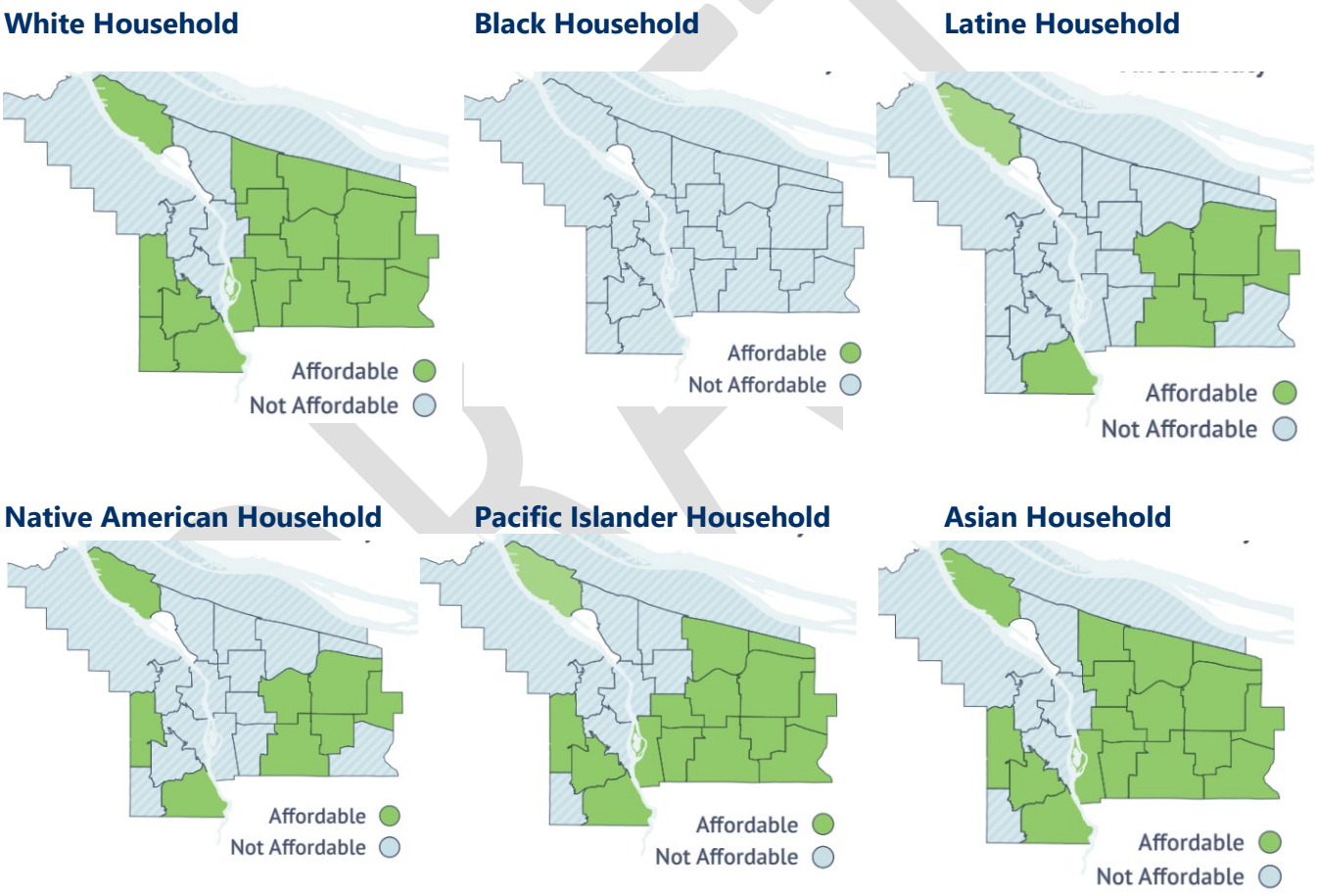
Neighborhood	Average Rent Per Unit	Change from 2021	Required Salary to Afford
122nd-Division	$1,076	3%	$43,040
Belmont-Hawthorne-Division	$1,441	5%	$57,640
Centennial-Glenfair-Wilkes	$1,125	6%	$45,000
Central City	$1,750	1%	$70,000
Forest Park-Northwest Hills	$2,013	0%	$80,520
Gateway	$1,217	7%	$48,680
Hayden Island-Bridgeton	$1,918	7%	$76,720
Hillsdale-Multnomah-Barbur	$1,364	4%	$54,560
Hollywood	$1,462	3%	$58,480
Interstate Corridor	$1,559	1%	$62,360
Lents-Foster	$1,348	6%	$53,920
MLK-Alberta	$1,428	4%	$57,120
Montavilla	$1,295	6%	$51,800
Northwest	$1,754	4%	$70,160
Parkrose-Argay	$1,482	8%	$59,280
Pleasant Valley	$1,503	17%	$60,120
Raleigh Hills	$1,458	5%	$58,320
Roseway-Cully	$1,265	4%	$50,600
Sellwood-Moreland-Brooklyn	$1,433	5%	$57,320
South Portland-Marquam Hill	$1,816	6%	$72,640
St. Johns	$1,314	3%	$52,560
West Portland	$1,682	3%	$67,280
Woodstock	$1,333	4%	$53,320
Average	**$1,614**	**4%**	**$64,560**

Source: State of Housing Report 2022

The maps in Figure 90, originally shown in PHB's State of Housing report, show how rental affordability varies among different populations in Portland. Affordability was determined according to whether the average rent for a type of unit in a neighborhood exceeded 30% of the median income for the given household type (not including utilities).

On average, household could afford a rental unit in green without becoming cost burdened and spending more than 30% of their monthly income on rent, not including utilities. Those in blue would be considered not affordable. Portland's neighborhoods are most affordable to white, Asian, and Pacific Islander households, and least affordable to Black, Latinx, and Native American households.

Figure 90. 2-Bedroom Rental Affordability by Race and Ethnicity



Source: PHB State of Housing Report 2022 (using ACS 2020 5-Year Estimates)

Ownership Housing Market

Ownership Market Trends

Portland's ownership housing market has been strong over the past decade, with a limited supply of for-sale inventory, strong demand, and increasingly low-interest rates contributing to very tight market conditions and strong home price growth. In December 2022, Portland had an estimated sales vacancy rate of just 0.9 percent (down from 2.6 percent in April 2010). A vacancy rate of less than 3.0 percent is typically considered an indicator of strong demand for ownership housing.

The affordability of homes for prospective homebuyers decreased significantly in the latter half of 2022 as mortgage interest rates more than doubled to over six percent. These rate increases have been most consequential to housing affordability; the monthly payment on a median-priced house has increased by about 50 percent simply due to higher interest rates. Additionally, homeowners may now be reluctant to sell their homes in the current interest rate climate, especially those locked in historically low-interest rates in 2020 and 2021 (according to Redfin, 91 percent of Oregonians have a mortgage interest rate "far below" six percent). This could further exacerbate affordability concerns by limiting the supply of homes for sale, increasing competition amongst an already tight supply, and putting upward pressure on home prices.

Ownership Housing Affordability

The following table shows the number of home sales between 2018 and 2022 that were affordable or unaffordable to a household earning the area median income (AMI) at the time of sale. Affordability is considered as spending no more than 30 percent of a household's gross income on housing costs.

For-sale home listings over the past five years have become increasingly unaffordable to the general population, with less than one-third of homes affordable to a household earning the (estimated) median income in 2022. The most affordable year from 2018 to 2022 was 2019 when almost half of all home sales were affordable to a household earning the citywide median income of $71,005. This data assumes a relatively consistent interest rate and does not account for recent rate hikes that have had significant impacts on housing affordability.

Figure 91. Homes Affordable by Area Median Income (AMI) and Year of Listing

	2018	2019	2020	2021	2022	TOTAL
Homes Affordable at Median Income	39%	46%	42%	38%	32%	40%
Homes Not Affordable at Median Income	61%	54%	58%	62%	68%	60%

Source: RMLS, Homes Sold (Close Price), 2018-2022

Citywide, the average home price for detached and attached homes increased by 31% over the past five years, rising from almost $500,000 in 2018 to nearly $650,000 in the second quarter of 2022. The average home sales price exceeded $400,000 in all 24 Portland Plan areas in 2022 and a homebuyer

looking to purchase a home below $500,000 could only have found a home in four areas—122nd, Centennial, Lents-Foster, and Gateway.

Average home prices have exceeded $400,000 in all areas for the second successive year, and only in 2020 could a homebuyer have purchased a home below $400,000 (when measured in 2020 dollars). Additionally, sale prices of newly constructed homes rose to $758,000 in the second quarter of 2022 having also seen significant increases in 2021 with prices up to $674,000 from $628,000 in 2020. Three neighborhoods had average sales prices that exceed one million dollars (Northwest, Tryon Creek-Riverdale, and Forest Park-Northwest Hills).

Figure 92. Average Home Values by Neighborhood (Recent Sales), 2018-2022

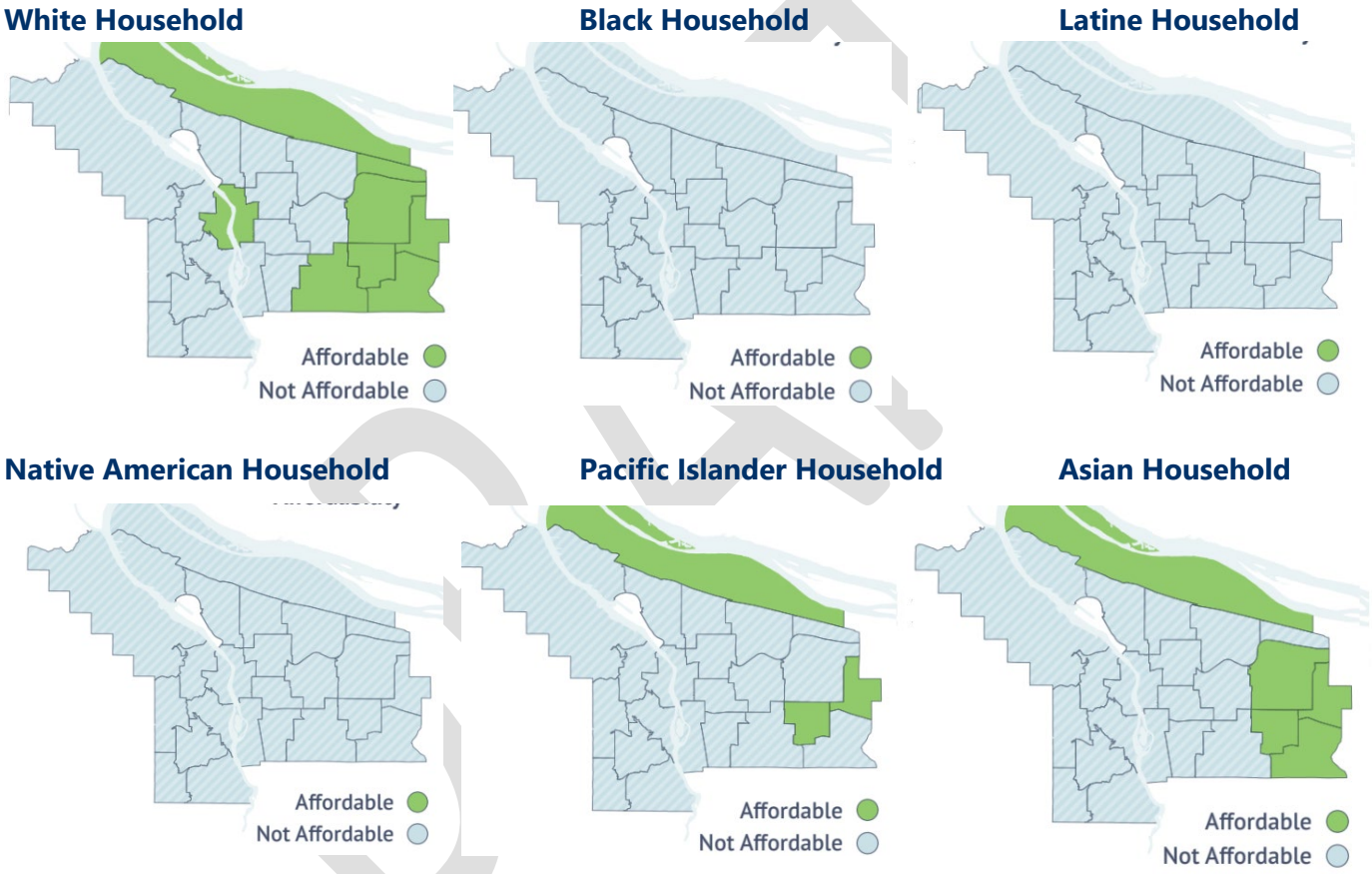
Neighborhood	2018	2020	2022	'18-'22 Change
Northwest	$1,083,456	$1,040,017	$1,355,018	25%
Tryon Creek-Riverdale	831,959	907,164	1,276,547	53%
Forest Park-Northwest Hills	770,788	856,912	1,099,344	43%
Raleigh Hills	664,368	725,632	921,944	39%
Hollywood	723,915	773,238	915,896	27%
Central City	710,062	757,307	814,184	15%
South Portland-Marquam Hill	632,629	672,571	807,946	28%
Belmont-Hawthorne-Division	599,622	685,288	769,328	28%
Hillsdale-Multnomah-Barbur	562,055	601,076	741,531	32%
Sellwood-Moreland-Brooklyn	541,915	606,308	689,092	27%
MLK-Alberta	551,937	580,987	679,912	23%
Woodstock	530,347	570,144	669,226	26%
West Portland	460,014	518,209	640,778	39%
Interstate Corridor	487,783	517,708	603,011	24%
Pleasant Valley	417,727	455,310	597,986	43%
Hayden Island-Bridgeton	382,491	454,548	576,357	51%
Montavilla	466,119	487,003	566,698	22%
Roseway-Cully	422,448	466,904	551,496	31%
St. Johns	400,719	439,004	526,256	31%
Parkrose-Argay	364,080	407,020	506,724	39%
Lents-Foster	353,920	401,096	472,899	34%
Gateway	337,189	376,666	456,162	35%
Centennial-Glenfair-Wilkes	323,019	357,973	437,714	36%
122nd-Division	307,742	346,662	427,752	39%
Citywide	$496,701	$544,917	$648,386	31%

Source: RMLS, 2023

The maps below, originally shown in PHB's State of Housing report, show how homeownership affordability varies among different populations in Portland. Affordability was determined according to whether the homeownership cost exceeded 30 percent of the median income for the given household type (not including utilities).

Areas in blue would be considered not affordable. Portland's neighborhoods are most affordable to white households, and least affordable to Black, Latinx, Native American, Asian, and Pacific Islander households.

Figure 93. Homeownership Affordability by Race and Ethnicity



Source: PHB State of Housing Report 2022 (using ACS 2020 5-Year Estimates)

Affordability Mismatch

In the 2015-2019 period, an estimated 23 percent or 63,055 of households were in units that exceed their affordability, 17 percent or 46,515 households were in units that cost less than what they are capable of renting or buying (affordable to lower income groups and therefore renting/buying down) and 59 percent or 159,135 households were in units that align with their income affordability (CHAS).[12]

Figure 94. Unit Affordability By Household Income, Portland, 2019

Unit Affordability	Household Income		
	0-50% MFI	50-80% MFI	+80% MFI
		Renting Or Buying Down	
0-50%	29,140	7,260	7,820
50-80%	25,120	18,880	31,435
80%+	19,410	18,525	111,115
	Cost Burdened		Affordability Match

Source: CHAS 2015-2019, Table 18 A-C

In 2019, Portland had an estimated shortage of 29,450 units affordable to households earning 0-50% of the Median Family Income, indicating a deficit of more affordable housing and housing types. For households earning more than 80% of the MFI, some households are occupying units affordable to lower-income households. While households at all income levels may experience cost burden, paying more than 30 percent of their income toward housing costs, higher-income households have more income left over after paying for housing costs while lower-income households have fewer funds left to pay for cost of living or and experience a greater material burden when there are not enough available units affordable to their income.

Figure 95. Unit Affordability By Household Income, Portland, 2019

Income	Households	Housing Units	Households Minus Units	Shortage
0-50%	73,670	44,220	29,450	29,450
50-80%	44,665	75,435	-30,770	-
80%+	150,370	149,050	1,320	1,320

Source: CHAS 2015-2019, Table 18A-C

[12] Used in much of the City's policy and planning work the Housing and Urban Development Comprehensive Housing Affordability Strategy (CHAS) dataset contributes to our understanding of how the current housing stock meets the affordability needs of our existing households though is older and was most recently updated for 2019.

Existing Housing Need

As the Community Profile and Residential Market Conditions of this report describe, the increasing unaffordability of homes in Portland indicates that vulnerable populations are at greater risk of displacement. In addition to assessing how the City of Portland can accommodate the future growth expected by 2045, this report aims to provide insight into existing housing needs by looking at the underproduction of units, housing needed for the currently houseless households in Portland, and the broader need for more-affordable units.

Underproduction

Utilizing the available guidance from the 2022 Oregon Housing Needs Analysis (OHNA) recommended framework and technical documentation, the City has attempted to determine the number of units needed to account for underbuilding in the City of Portland.[13] The recommended methodology for the OHNA originally looks at the State of Oregon as regions, for the purposes of this analysis, the methodology has been adjusted to look only at the City of Portland. [14]

Methodology

1) Estimate current units and current households – from the most recent ACS or Census, in this instance, ACS 2021 5-year data is used;
2) Exclude second and vacation homes from the count of current units and then;
3) Use the national ratio of units to households (1.085, for ACS 2021 5 year) to estimate current housing needs (owners and renters);
4) This national ratio is determined by existing units (minus second homes) divided by existing households and applied to existing households.
5) Units are allocated based on the current need for units by household income. Unit income categories for the currently underproduced units use cost-burdening as a proxy to identify current needs. The share of renter households' cost-burdened by income level is an indicator of underproduction and better accounts for the needs of lower-income Portlanders.

[13] March 2021, *RHNA-Technical-Report.pdf (oregon.gov), November 2022, Microsoft Word - Appx_D_OHNA_Technical_Report.docx (oregon.gov), February 2023, HB2889 (oregonlegislature.gov), February 2023, HB2001 (oregonlegislature.gov)

[14] The final adopted OHNA methodology will be available in 2025 for Oregon's regions and may differ from the recommended methodology and/or produce different results.

Results

Utilizing the underproduction method above, we anticipate that there is an additional need for 9,385 units due to underproduction.

Figure 96. Underproduction Results

	Existing Households	279,797
Times	National ratio of units to households (w/o 2nd/Vacation homes)	1.085
Minus	Existing units (w/o 2nd/Vacation homes)	294,201
Equals	**Needed Units based on Underproduction**	**9,385**

Source: BPS Analysis utilizing recommended OHNA methodology and 2021 ACS 5 year

Due to underproduction;

- 4,062 units are needed for households earning less than 30 percent AMI;
- 3,698 units are needed for households earning less than 60 percent but more than 30 percent AMI;
- 1,020 units are needed for households earning less than 80 percent but more than 60 percent AMI;
- 556 units are needed for households earning less than 120 percent but more than 80 percent AMI; and
- 50 units are needed for households earning more than 120 percent AMI.

Figure 97. Needed Underproduction Units by Affordability Level

AMI LEVEL	SHARE	TOTAL
0-30%	43%	4,062
30-60%	39%	3,698
60-80%	11%	1,020
80-120%	6%	556
120%+	0.5.%	50
TOTAL	**100%**	**9,385**

Source: BPS Analysis utilizing recommended OHNA methodology, 2021 ACS 5 year and 2023 AMI

Housing for Households Experiencing Houselessness

There is an acute need, nationally, regionally, and locally to meet the need of our existing houseless households. However, given the systematic undercount of people experiencing houselessness in the PIT data, it is reasonable to expect a continued undercount of the number of households experiencing houselessness.

This analysis attempts to apply the recommended OHNA methodology to Multnomah County need. The OHNA methodology estimates were determined using the PIT count of households and doubled-up houseless youth to estimate the number of households experiencing houselessness. McKinney Vento data provides information about school-aged children in households experiencing houselessness. [15]

Methodology

1) Determine houseless households in Multnomah County for the most recent PIT (2022).
2) Apply a multiplier of 160 percent to the number of households in the PIT.[16]
3) Use McKinney Vento data to estimate the number of households with children experiencing houselessness in overcrowded situations (utilizing "doubled up" and "hotel/motel").
4) Use the average number of children per household (with school-aged children) from PUMS estimates to convert to households experiencing houselessness. The result is an estimate of the number of households with children who are living in an overcrowding situation. This estimate cannot account for households without children, so there is still likely undercounting of the overall population experiencing houselessness.
5) Unit distribution by income. Many households experiencing houselessness have incomes and still cannot find an available, affordable home. The OHNA methodology used OHCS data from EHA/SHAP, with guidance from an advisory working group to determine the range of incomes existing houseless households might have. A large portion (89 percent) of households whose income is captured in the EHA/SHAP have incomes that are in the 0-30 percent of MFI range, eight percent are in the 30-60 percent range and three percent are in the 60-80 percent range.

[15] The final adopted OHNA methodology will be available in 2025 for Oregon's regions and will differ both from this report and from the recommended methodology and therefore produce different results.

[16] Point-in-time estimate with multiplier attempts to address shortcomings of the PIT counts. Literature is clear that PIT counts undercount people experiencing houselessness. The estimate of a 160% undercount in the PIT is based on Wilder Research, Homelessness in Minnesota - Findings from the 2015 Minnesota Homeless Study (2016). http://mnhomeless.org/minnesota-homeless-study/reports-and-fact-sheets/2015/2015-homelessness-in-minnesota-11- 16.

Results

Utilizing the method outlined above, there is an anticipated additional need for 4,604 units for currently unhoused households.

Figure 98. Results of Housing for Households Experiencing Houselessness

	2022 PIT Count Households	2,516
Times	Multiplier	1.6
Plus	Estimated 2022 Doubled-Up Households (w/children)	578
Equals	Units needed for Households Experiencing Houselessness	4,604

Source: BPS Analysis Utilizing recommended OHNA methodology, 2022 PIT, PUMS 2021 5-year ACS, 2021-2022 McKinney Vento (David Douglas, Parkrose, and Portland SD)

To house households currently experiencing houselessness

- 4,098 units are needed for households experiencing houselessness and earning less than 30 percent AMI;
- 368 units are needed for households experiencing houselessness and earning less than 60 percent but more than 30 percent AMI;
- 138 units are needed for households experiencing houselessness and earning less than 80 percent but more than 60 percent AMI.

Figure 99. Needed Units for Households Experiencing Houselessness by Affordability Level

AMI Level	SHARE	TOTAL
0-30%	89%	4,098
30-60%	8%	368
60-80%	3%	138
80-120%	-	-
120%+	-	-
TOTAL	**100%**	4,604

Source: BPS Analysis utilizing recommended OHNA methodology and 2021 ACS 5 year, 2023 HUD AMI

Current Affordable Housing Need

Methodology

Various methods have been used for assessing existing housing needs. This section utilizes a methodology similarly used in the Southwest Corridor Equitable Housing Strategy published in 2018. The Southwest Corridor Equitable Housing Strategy analyzes how many households are paying more than 30 percent of their income towards housing and are below the 80 percent Area Median Income (AMI) level category. Using the same methodology for the whole city shows that 17 percent of the city's households are severely cost-burdened and make below 80 percent of the area median income. 80 percent AMI level is roughly $63,000 for a one-person household (double the minimum wage) and $90,000 for a four-person household.

Considering both cost-burdened (30 to 50 percent of income towards housing cost) and severely cost burdened (50 percent of income or more towards housing cost), 31 percent of the city's households need affordable housing to be able to live comfortably, safely, and in their neighborhood of choice.

Results

Applying the same methodology to 2017-2021 PUMS data (to attain a more current estimate that also aligns with affordability levels), there are 87,974 households (31 percent) in need of more affordable housing to be able to live comfortably, safely, and in their neighborhood of choice.

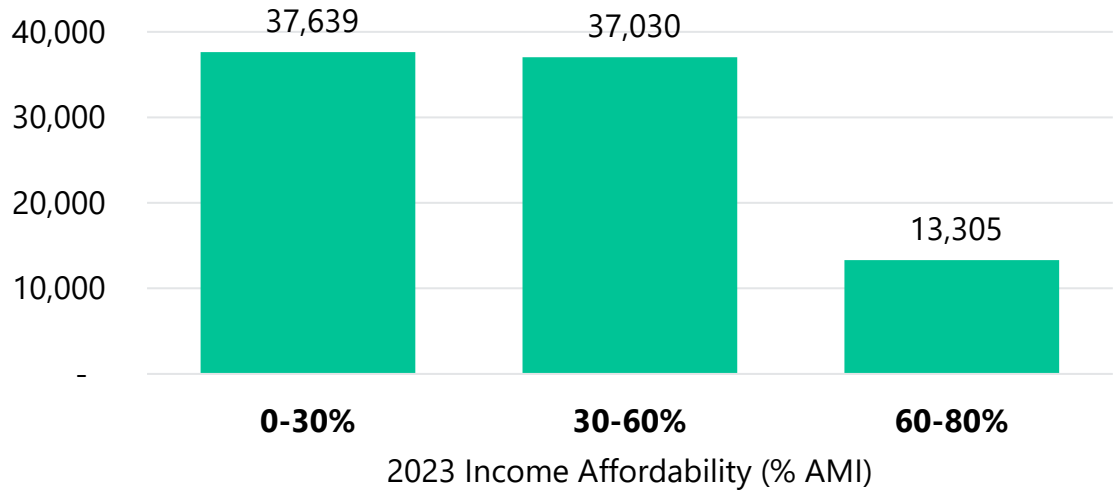
Figure 100. Estimated Cost-Burdened Households by 2023 AMI Level

AMI Level	Spending on Housing Costs		Total
	<30%	>30%	
0-30%	4%	13%	17%
30-60%	5%	13%	18%
60-80%	7%	5%	12%
80-120%	16%	3%	19%
120%+	32%	1%	34%

Source: BPS Analysis of PUMS, 2021 ACS 5 year, 2023 HUD AMI

- 37,639 units needed for households earning less than 30 percent AMI.
- 37,030 units needed for households earning less than 60 percent but more than 30 percent AMI.
- 13,305 units needed for households earning less than 80 percent but more than 60 percent AMI.

Figure 101. Existing Need for More-Affordable Housing, Cost-burdened Households Earning 80% AMI or Less



Source: BPS Analysis of PUMS, 2021 ACS 5 year, 2023 HUD AMI

Mayor's Resolution

In October 2022, the Mayor and City Council passed a resolution stating a gap in affordable housing production of 20,000 additional units to meet the needs of low-income households.[17] This estimate cited the housing need detailed in the Housing Bureau's 2021-2025 Consolidated Plan submission to the Department of Housing and Urban Development. The Consolidated Plan uses CHAS (Consolidated Housing Affordability Strategy) data and methodology prescribed by HUD. The 2021-2025 Consolidated Plan unmet needs analysis used 2013- 2017 5-Year CHAS data. The unmet needs analysis in the Consolidated Plan focuses on the needs of extremely cost-burdened (more than 50 percent of income for housing costs) renters at the 0-30 percent AMI income level. The unmet needs assessment includes unregulated affordable housing as part of the housing supply. This group of severely cost-burdened, extremely low-income households is arguably experiencing highly unstable housing situations and many of them could be at risk of homelessness.

[17] https://www.portland.gov/council/documents/resolution/adopted/37593

Residential Buildable Lands Inventory

The Buildable Lands Inventory (BLI) is an assessment of the total capacity of land within the City of Portland to accommodate forecasted housing and employment needs through the year 2045.

Methodology

The BLI model applies a market-feasible development capacity lens that calculates the likelihood of development and at what scales. This identifies development capacity where development is financially feasible, as opposed to identifying development capacity purely from zoning and development entitlements. This methodology differs from the previous BLI model in 2016, which used a Floor Area Ratio (FAR) based model to calculate capacity through a function of utilization of allowed FAR by zone. That model omitted what might be possible from a market-based perspective.

The BLI model has five primary steps as follows:

1) **Vacant Land Inventory.** Use Multnomah County assessor data and City of Portland building footprint GIS data, among other sources, to identify and catalog all existing vacant land. This layer is added to the redevelopment sites inventory in the following step and

2) **Redevelopment Feasibility Analysis.** A financial pro forma model is used to calculate the residual land value (RLV)[18] for 15 housing types (e.g., detached, duplex, townhome, wood-frame apartments, etc.). Using Multnomah County assessor data, redevelopable sites are identified wherever the RLV for at least one housing type (that is possible within the lot's base zone) exceeds the adjusted market value (AMV) per square foot tax lots with the RLV per square foot. Any lot where AMV exceeds RLV is not considered an economically viable development site.

3) **Calculate Gross Housing Capacity.** Residential capacity is calculated differently for single-dwelling zones than for multi-dwelling and mixed-use zones. For economically viable vacant and non-vacant sites in the single-dwelling zones, the housing type in the pro forma with the highest density of units (capped at four units) is used to calculate the residential capacity of the lot. For vacant sites in the single-dwelling zones that are not viable per the pro forma, gross capacity is capped at four units per lot. For economically viable vacant and non-vacant sites—as well as vacant non-viable sites—in the mixed-use and multi-dwelling zones, housing capacity is

[18] Residual land value is a metric that shows the maximum price a developer could spend on land, after all costs of developing have been subtracted.

applied using a matrix that dictates the likely densities, residential splits, and unit sizes for each geographic market area and zone.[19] In all zones, no capacity is calculated for any non-vacant, non-viable site.

4) **Apply Development Constraints to Capacity.** The *gross* capacity in the previous step is independent of any existing impediments or constraints on development, including wetlands, brownfields, cultural districts, other environmental regulations and restrictions, inadequate infrastructure, transportation conditions, etc. Net capacity is calculated by applying a development discount rate (the "constraint rate") for each development constraint to the gross calculated capacity on sites from Steps 1 and 2.

5) **Incorporate Recent Development.** The HNA and BLI use 2020 as a base year; since there have now been three years of new housing production, we can incorporate actual market data as actual capacity on recently developed sites. The BLI, therefore, incorporates the housing unit counts in 2020, 2021, and 2022 City permit data to override the capacity of any developed site during this time, in recognition that newly developed sites are unlikely to redevelop again through 2045.

Results

The results of the April 2023 Buildable Lands Inventory show an estimated capacity for an additional 236,977 housing units in the City of Portland.

- **The Central City accounts for 29 percent of the total capacity.** Focusing growth in and around the Central City may be the most cost-effective way to provide the greatest level of service to the greatest number of Portlanders.
- **The City's designated centers and corridors (excluding the Central City) account for 61 percent of the total capacity.** These areas are currently ready to accommodate this growth.
- **About 64 percent of the total capacity is in Complete Neighborhoods.** A "complete neighborhood" is an area where residents have safe and convenient access to goods and services they need on a daily or regular basis. This includes access to healthy food, neighborhood-serving commercial services, quality public schools, public open spaces, recreational facilities, and access to frequent transit. The Portland Plan Goal is that by 2035, 80 percent of Portlanders live in a healthy

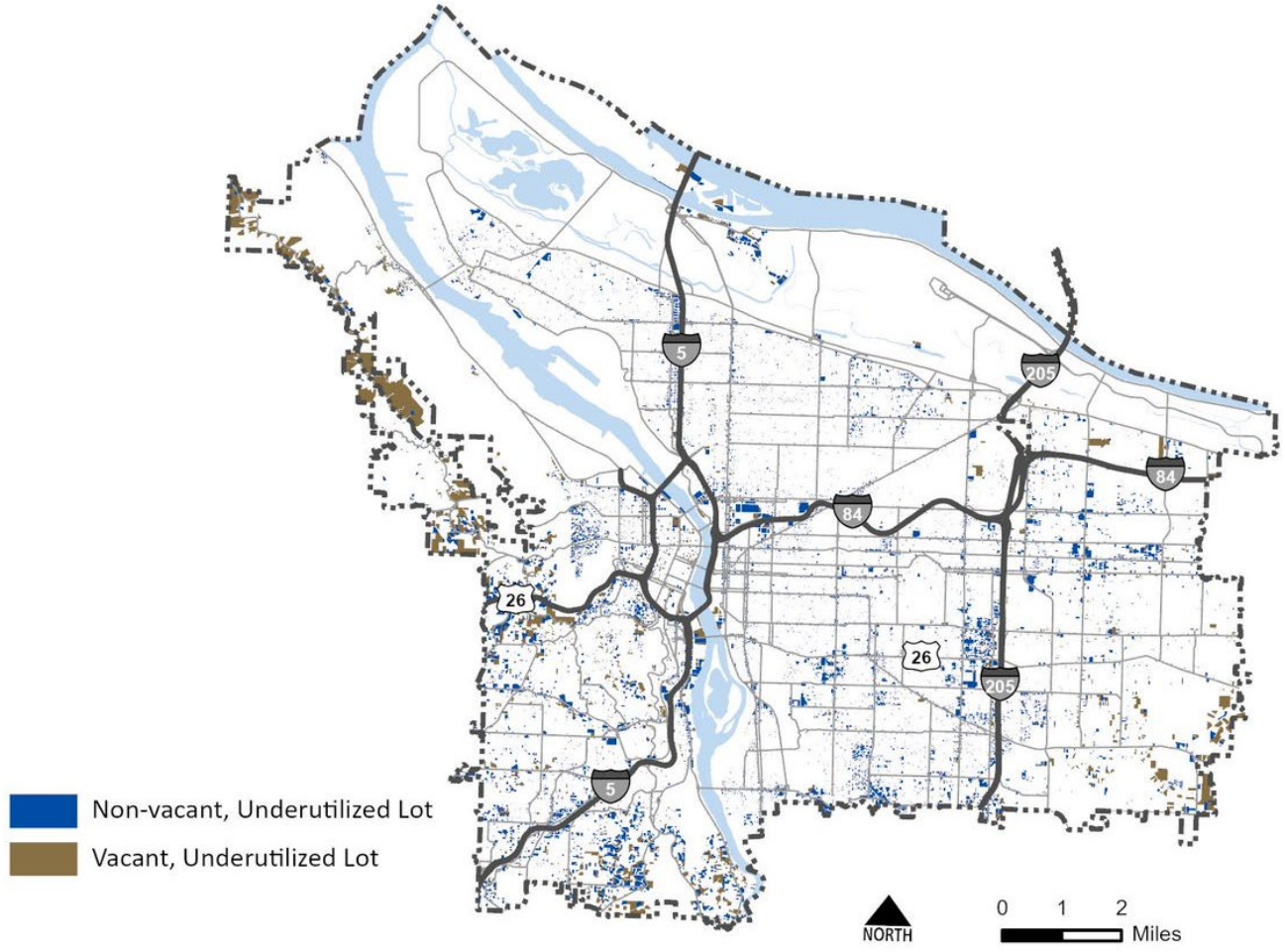
[19] The data in this matrix was compiled using a thorough analytical process that considered past development trends, future trends, and spatially specific market dynamics. The densities for each zone included in the matrix do not simply reflect the maximum allowable entitlement, but rather the average density of developments built in each zone during the last market cycle.

complete neighborhood with safe and convenient access to the goods and services needed in daily life.

- **Middle housing accounts for about 14 percent of the total housing unit capacity**. Single-dwelling zones account for 67 percent of the middle housing sites and RM1 and RM2 zones account for the remaining 33 percent.

The map below shows vacant and non-vacant underutilized lots available for residential development and considered in the BLI model for residential unit capacity. Central City accounts for 4.6 percent of the vacant and non-vacant utilized lots, Inner Portland for 22.7 percent, Middle Portland for 31.0 percent, Outer Portland for 16.0 percent, and West Portland for 25.7 percent. These lots include both constrained and unconstrained land throughout Portland and do not necessarily correspond to potential unit capacity in each market area, as demonstrated in the following pages.

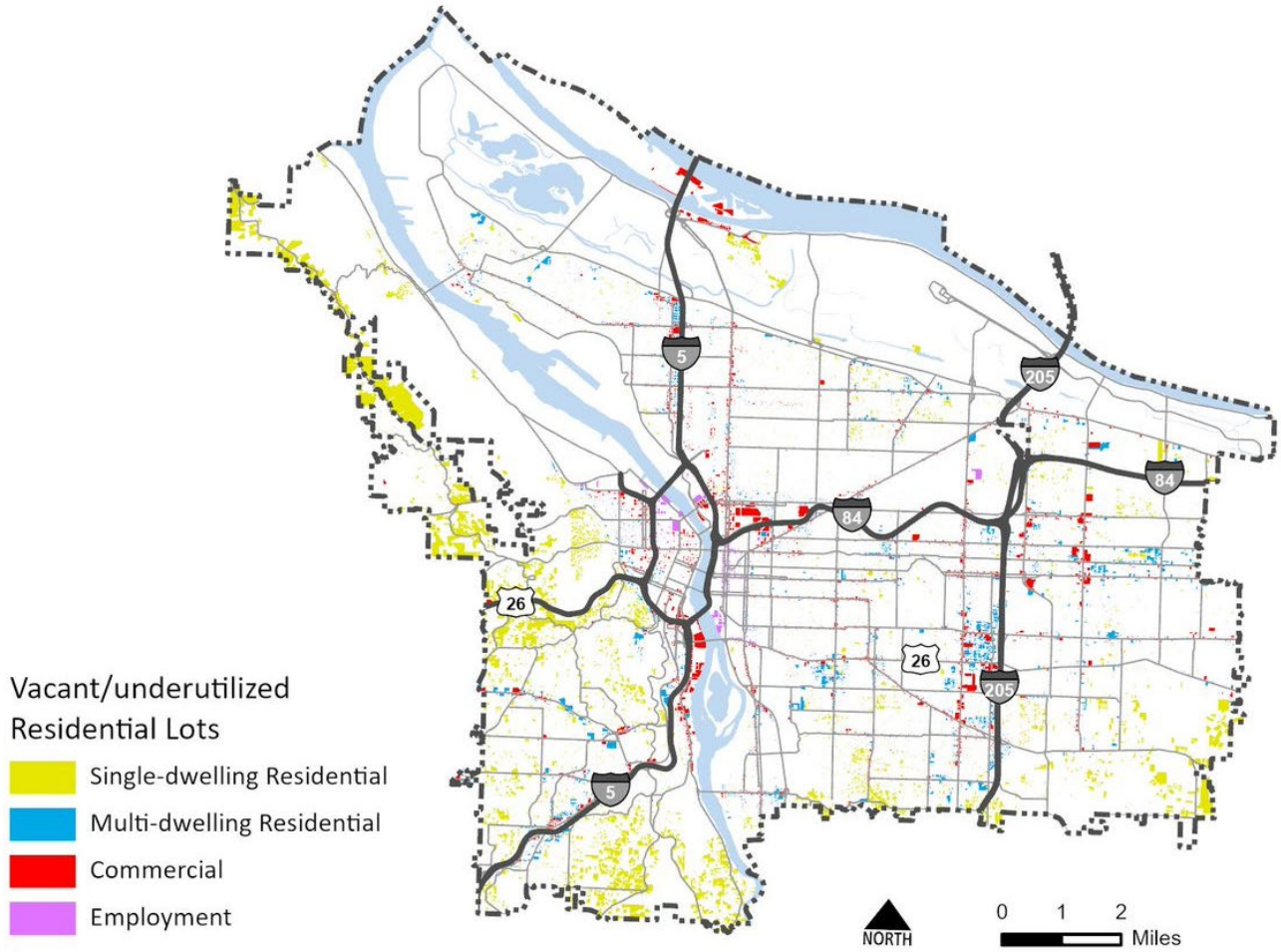
Figure 102. Vacant and Non-Vacant Underutilized Lands Map



Source: BPS Analysis, 2023

Overall, about 90 percent of the City's total housing unit capacity is likely to be multi-dwelling development (not including possible middle housing development in the single-dwelling zones), including approximately 66 percent in mixed-use zones (CM, CX, EX, CE, CI) and 24 percent in multi-dwelling zones (RM, RX). The City's R zones (single-dwelling and middle housing) make up the remaining 10 percent. Single dwelling capacity is largely on the outskirts of the City.

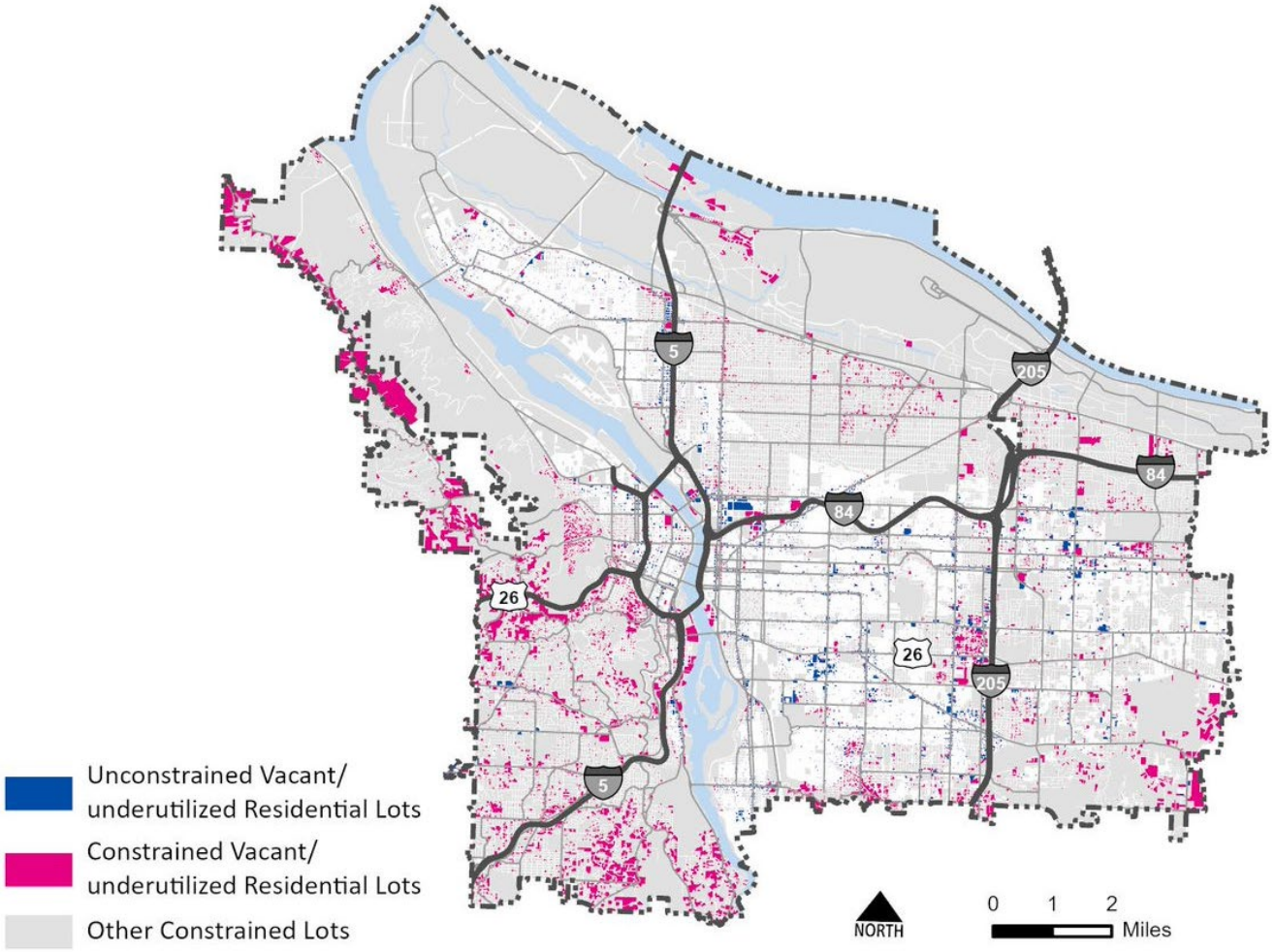
Figure 103. Buildable Lands by Zone Map



Source: BPS Analysis, 2023

About 83 percent of Portland's acreage is constrained by at least one of 26 development constraints. This is also true of Portland's underutilized residential land, where 79 percent is constrained. West Portland, where steep slopes and environmentally sensitive areas are common, accounts for 58 percent of Portland's underutilized residential land acreage. East Portland accounts for 19 percent. Central City and Southeast, Northeast, and North Portland each account for less than 10 percent.

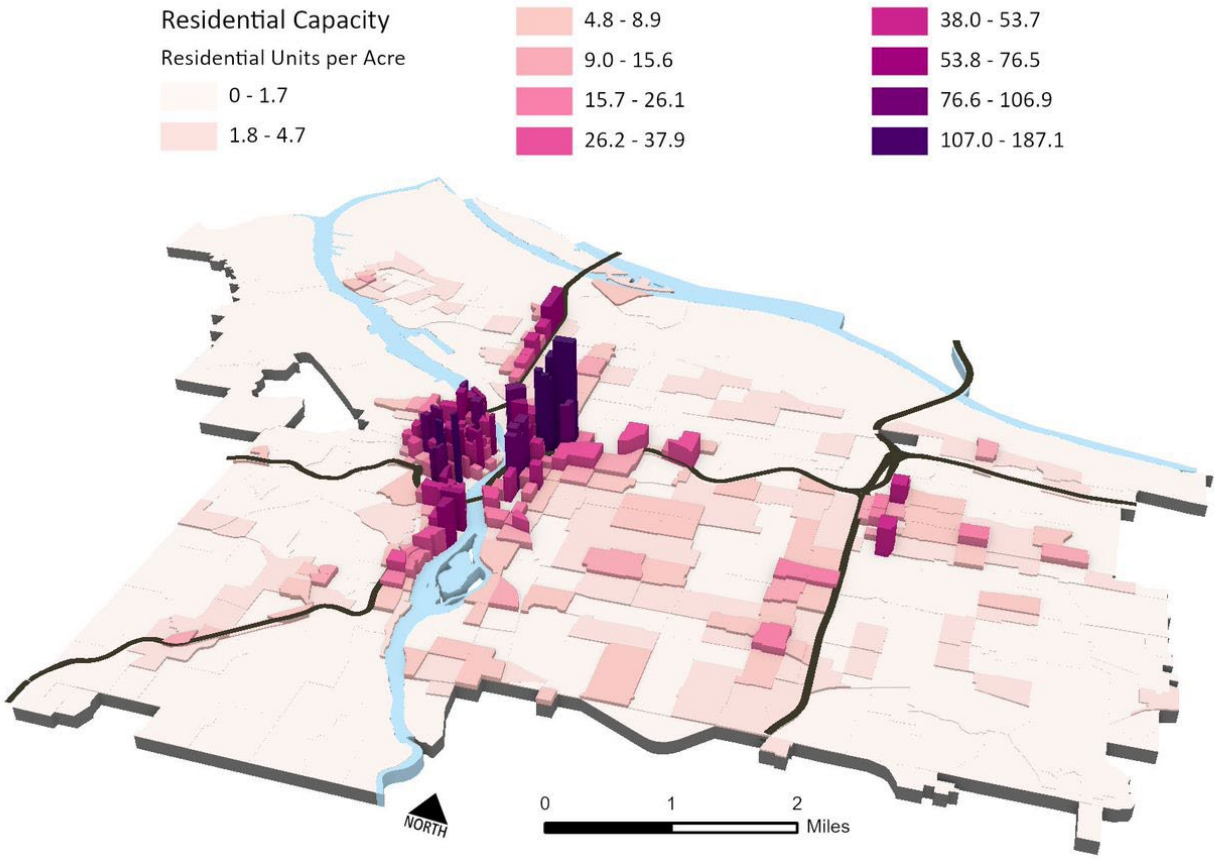
Figure 104. Constrained Vacant and Non-Vacant Underutilized Lands Map.



Source: BPS Analysis, 2023

The Residential Capacity Map below illustrates residential capacity by Traffic Analysis Zone (TAZ), shown as housing units per acre (density). Areas of high-density residential capacity tend to be in Portland's centers (Central City, Hollywood, Gateway, etc.) and corridors (Interstate, 82nd Avenue) where most of the City's mixed-use and multi-dwelling zoning currently exists. Central City accounts for 29 percent of new housing unit capacity citywide, but just five percent of Portland's vacant and underutilized lots, reflecting a concentration of high-density development capacity. At the opposite end of the spectrum, West Portland accounts for just seven percent of new housing unit capacity but 26 percent of Portland's vacant and underutilized lots, reflecting both the presence of development constraints and the concentration of lower-density zoning. In the Outer market area (which is mostly East Portland), there are 16 percent of the city's vacant and underutilized lots and 16 percent of the total housing unit capacity.

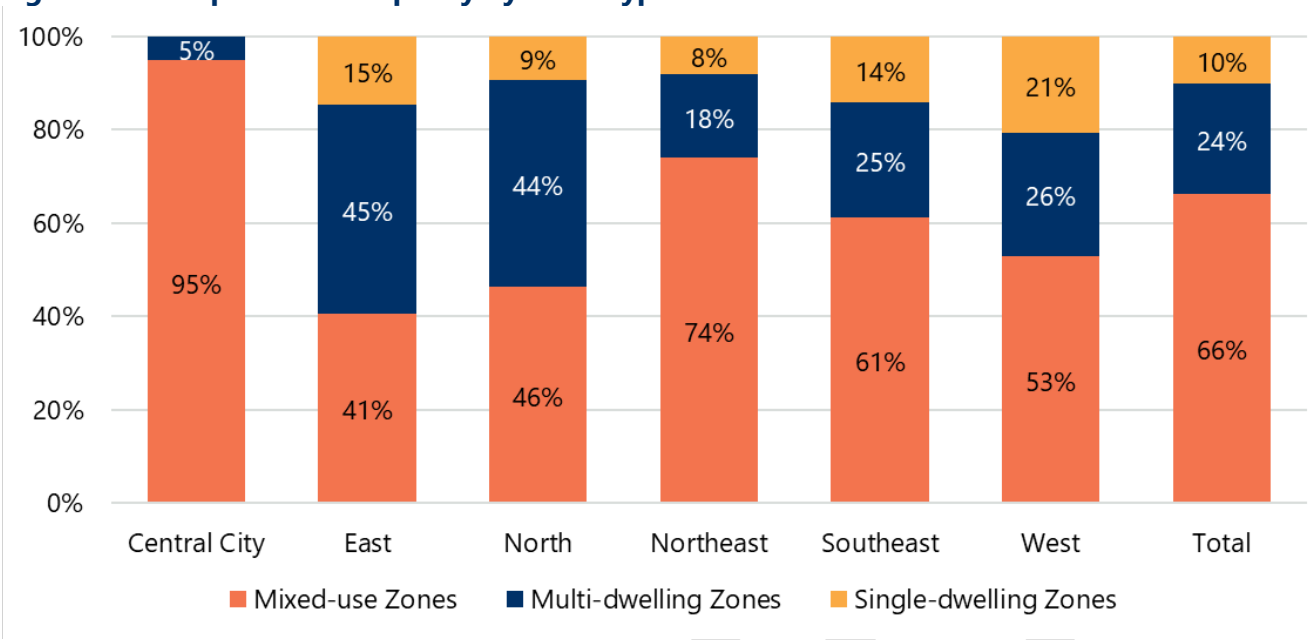
Figure 105. Residential Capacity Map



Source: BPS Analysis, 2023

Districts with a greater proportion of capacity in mixed-use zones include Central City and Northeast Portland. Districts with a greater proportion of capacity in multi-dwelling zones include East and North Portland. East and West Portland have the greatest proportion of single-dwelling capacity. The breakdown of capacity by zone in Southeast Portland closely aligns with the Citywide breakdown.

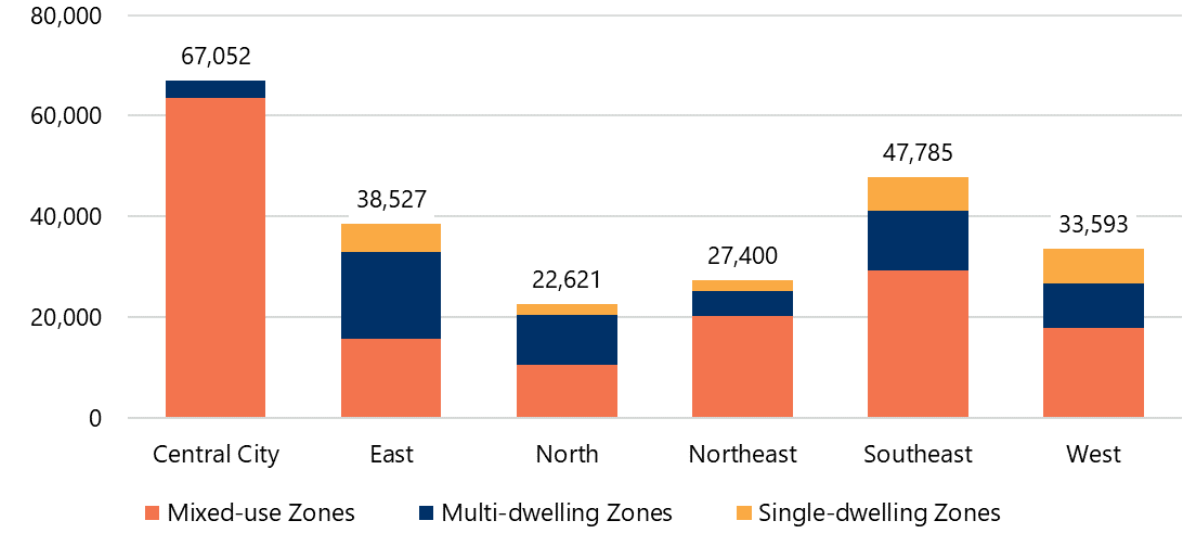
Figure 106. Proportion of Capacity by Zone Type and District



Source: BPS analysis

Central City has the highest overall capacity with about 29 percent of total housing unit capacity. Southeast Portland is the next highest, with about 20 percent of total capacity, closely followed by East Portland with 16 percent, West Portland with 14 percent, and Northeast Portland with 12 percent. North Portland has the lowest overall capacity, with about nine percent of total housing units.

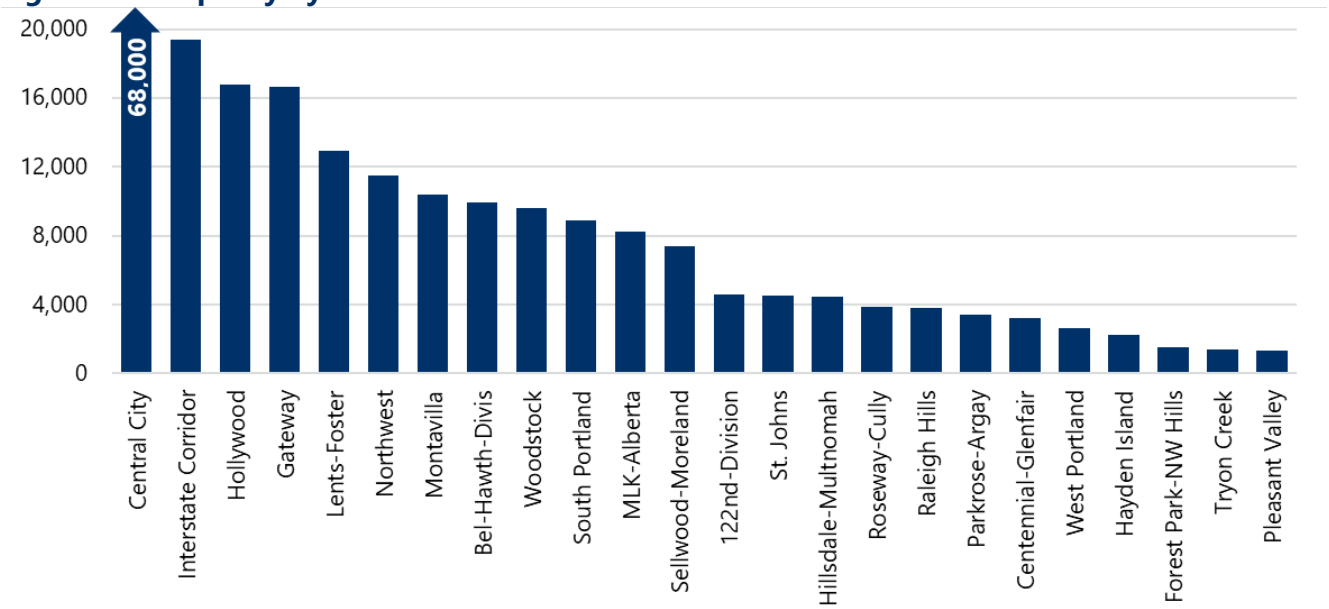
Figure 107. Capacity by Zone Type and District



Source: BPS analysis

The following chart shows the overall housing unit capacity (net new) for each Portland Plan Area. The capacity distribution is a function of zoning, existing development, and development feasibility. Areas with high capacity are more likely to have higher density zoning, vacant or redevelopable land, and market conditions that support the redevelopment of existing property.

Figure 108. Capacity by Portland Plan Area

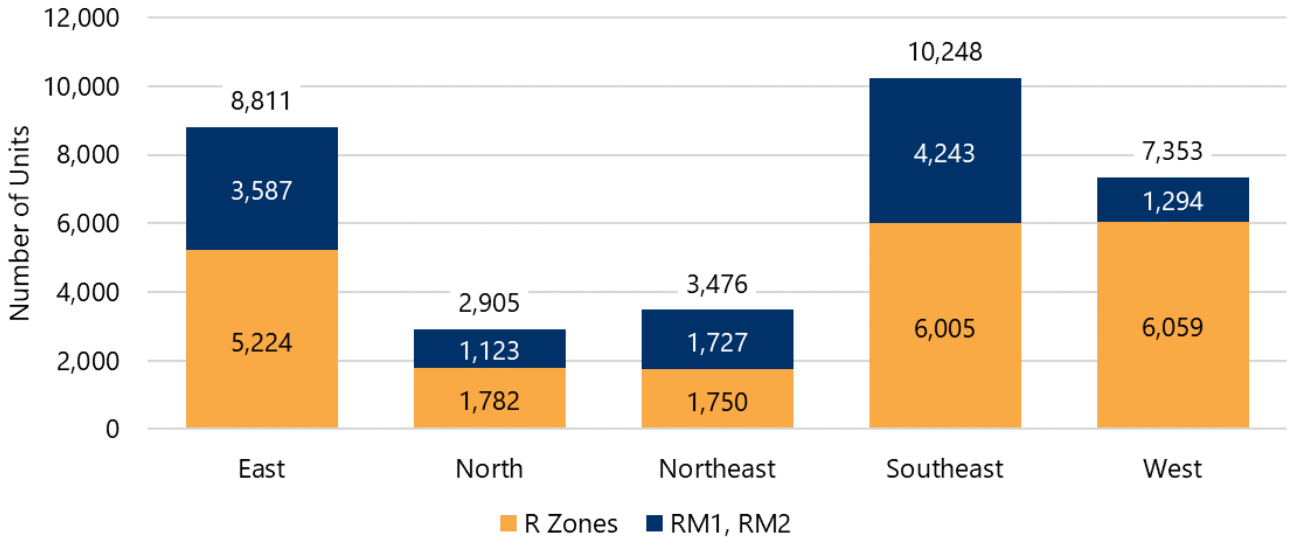


Source: BPS analysis

Middle housing capacity is shown in the graph below. Middle housing, which includes duplexes, triplexes, and fourplexes, has been made possible by the City's Residential Infill Project, which went into effect in August 2021 and allows more housing options in Portland's neighborhoods. Middle housing capacity totals almost 33,000 units, which is about 14 percent of Portland's total net new housing capacity. Single-dwelling zones are responsible for 63 percent of the middle housing sites. The distribution by district is as follows:

- Thirty-one percent of Portland's middle housing capacity is in Southeast Portland.
- Twenty-seven percent of Portland's middle housing capacity is in East Portland.
- Twenty-two percent of Portland's middle housing capacity is in West Portland.
- Eleven percent of Portland's middle housing capacity is in Northeast Portland.
- Nine percent of Portland's middle housing capacity is in North Portland.

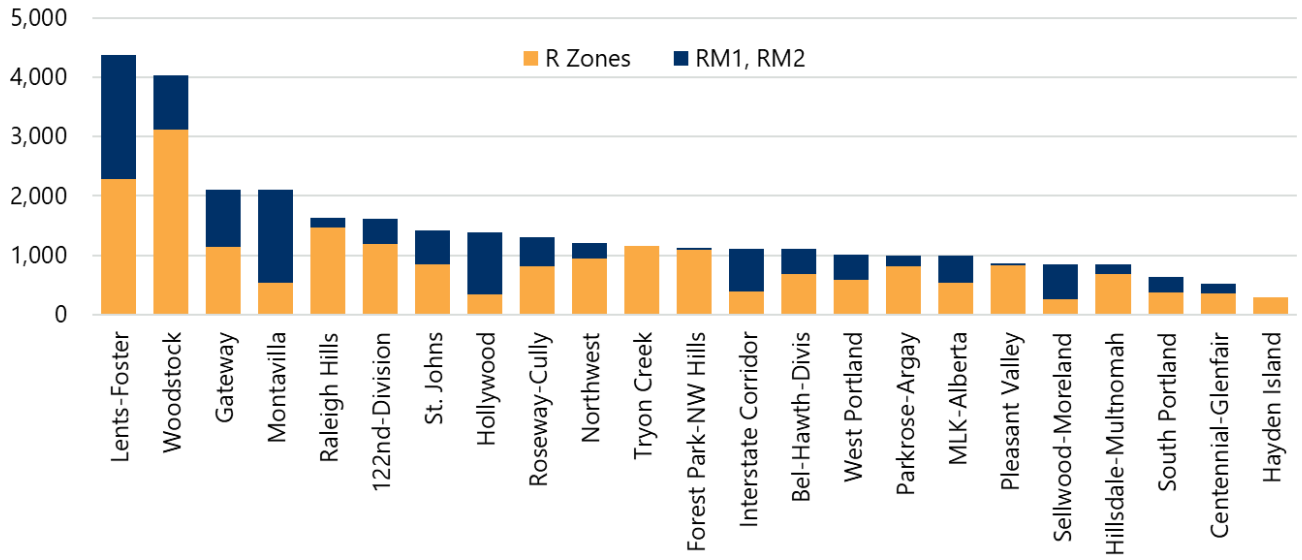
Figure 109. Middle Housing Capacity by District and Zone Type



Source: BPS Analysis

Middle housing capacity is impacted by zoning and lot size, as well as the general market conditions that are needed to make middle housing a feasible development type in any given area, including land costs, achievable rents, and sale prices. Areas with a high amount of single dwelling (R zones), RM1, or RM2 zoning, larger lots, low-cost land, and rents and sale prices that support redevelopment are more likely to have middle housing capacity. The Woodstock and Lents-Foster neighborhoods have more than double the capacity of any other neighborhood, largely because they meet the aforementioned criteria for middle housing feasibility.

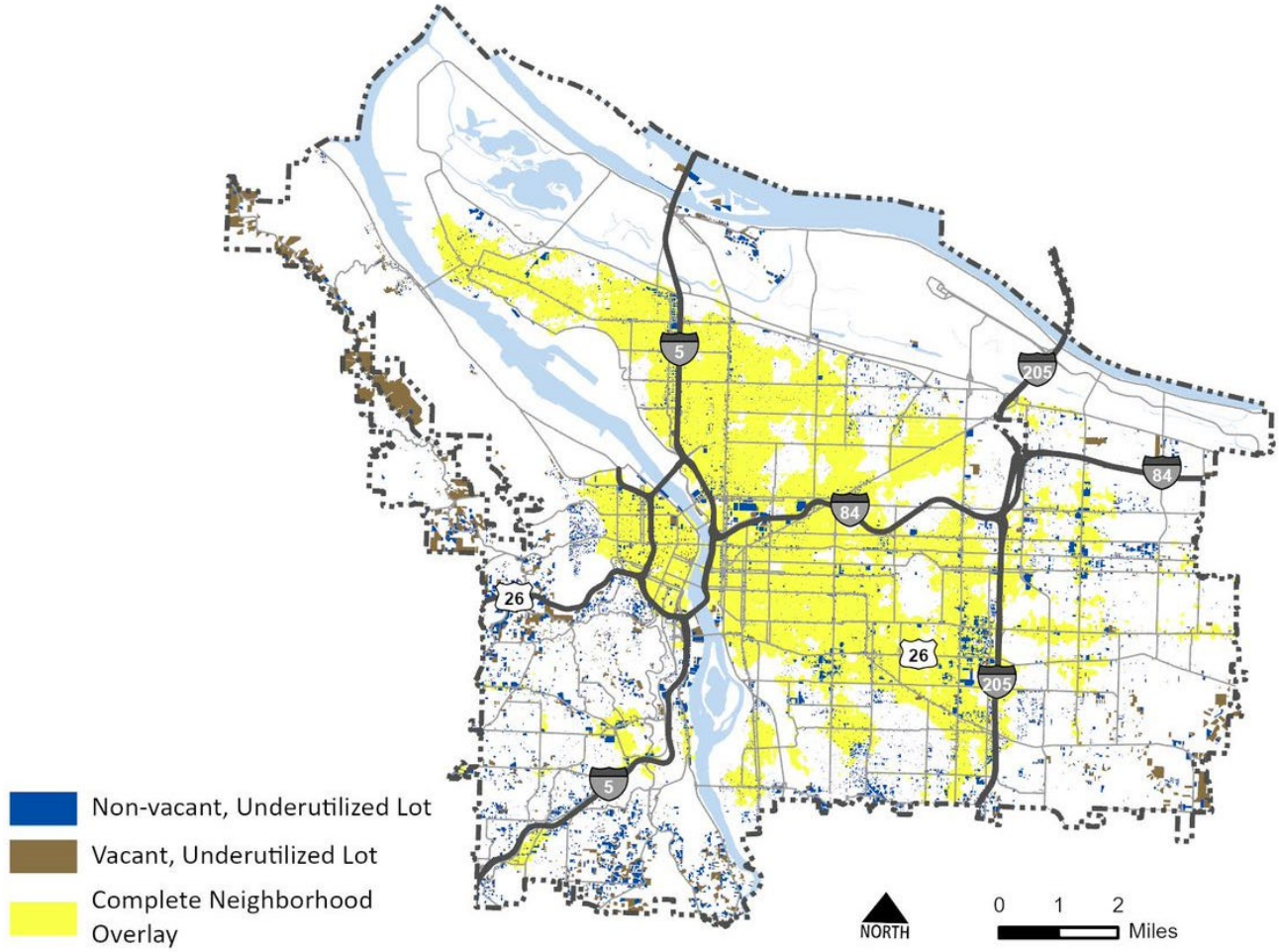
Figure 110. Middle Housing Capacity by Portland Plan Area and Zone Type



Source: BPS Analysis

Of the City's estimated capacity, 64 percent of the estimated unit capacity is within Complete Neighborhoods. Around 45 percent of all buildable lots and 27 percent of all buildable acreage are within a Complete Neighborhood (Figure 111).

Figure 111. Buildable Land by Complete Neighborhood



Source: BPS Analysis

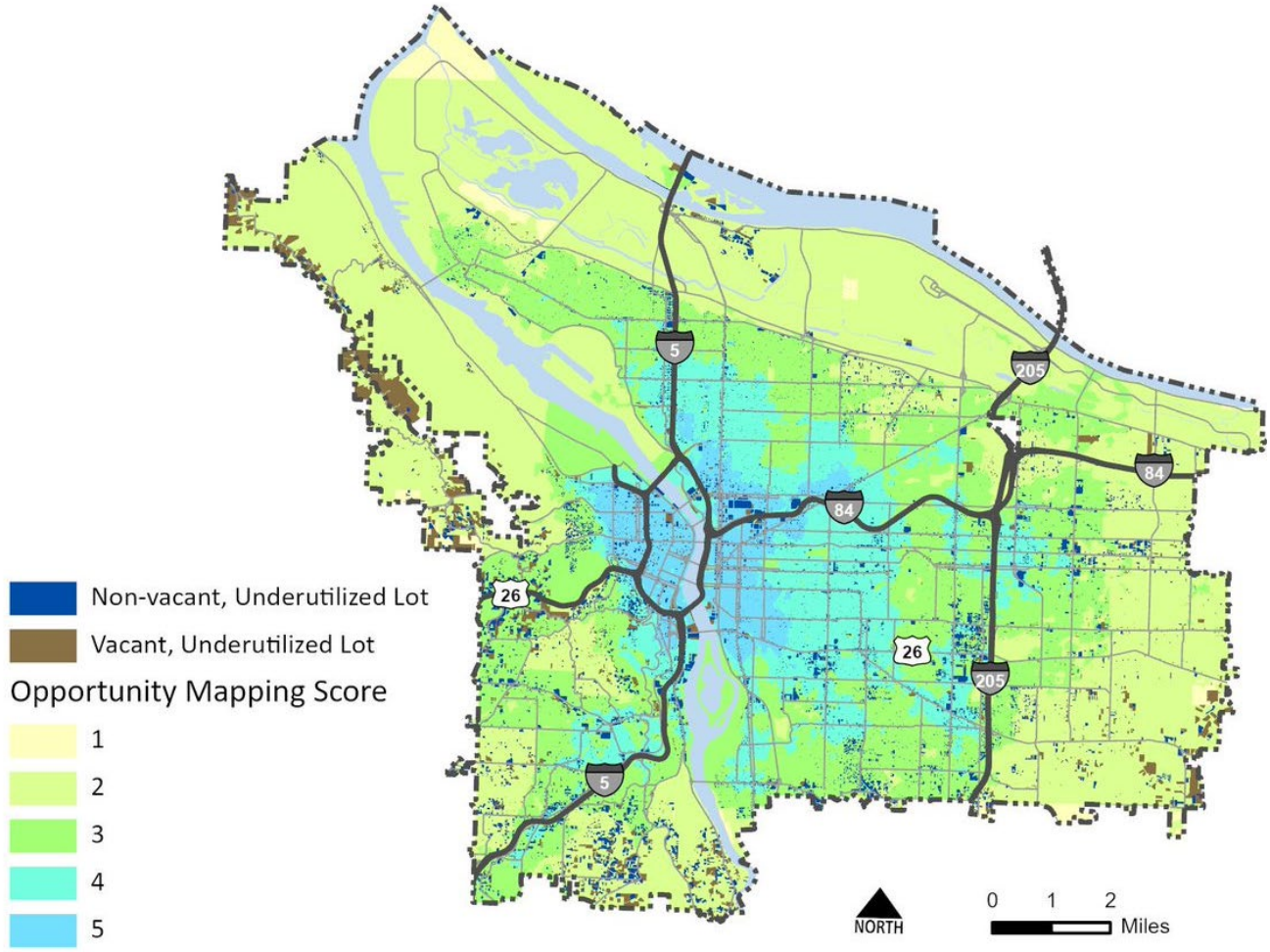
Of the City's estimated capacity, 33 percent of the estimated unit capacity is within high opportunity areas (score of 5). Around 10 percent of all buildable lots and seven percent of all buildable acreage are within a high-opportunity area (Figure 113). High-opportunity areas are largely concentrated in the Inner East and Central City.

Figure 112. Buildable Land and Capacity by Opportunity Score

	Percent of Overall		
Opportunity Score	**Capacity**	**Buildable Lots**	**Acreage**
1	1%	1%	3%
2	10%	24%	44%
3	23%	40%	31%
4	34%	26%	16%
5	33%	10%	7%

Source: BPS Analysis

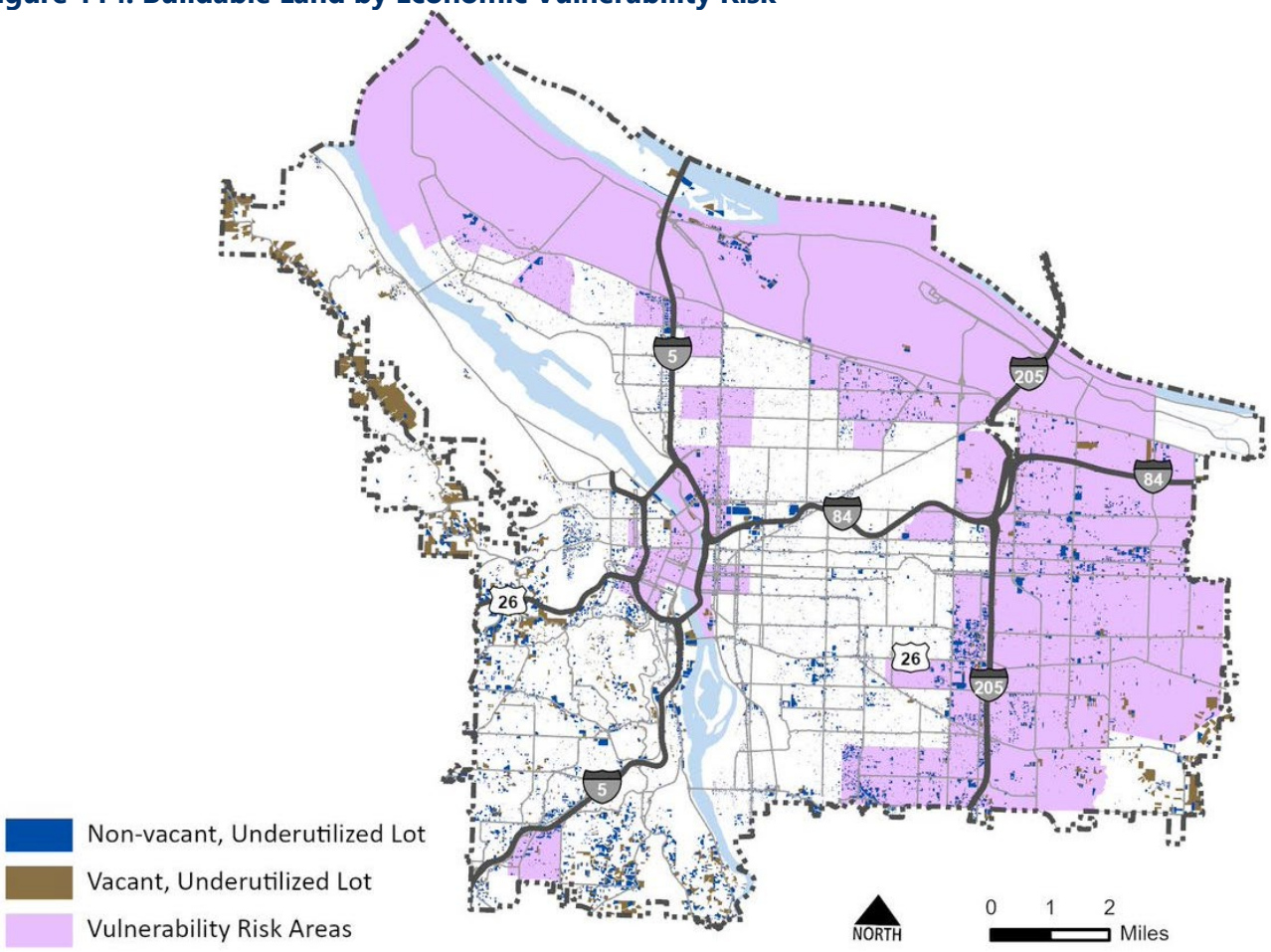
Figure 113. Buildable Land by Opportunity Score



Source: BPS Analysis

Of the City's estimated capacity, 42 percent of the estimated unit capacity is within areas of high economic vulnerability risk. Thirty-six percent of all buildable lots and 29 percent of all buildable acreage are within a high economic vulnerability risk area (Figure 114). The majority of areas with high economic vulnerability risk are in the outer east, central city, and northeast areas of the city.

Figure 114. Buildable Land by Economic Vulnerability Risk



Source: BPS Analysis

Future Growth Forecast

The forecast is based on the adopted 2021 Metro distributed forecast for 2045.

Household Forecast

According to the 2021 Metro forecast, Portland will have 377,268 households and experience a household growth of 97,471 households by 2045. This is an estimated 35 percent increase in households from the year 2021.

Figure 115. Estimated Household Growth Forecast for 2045

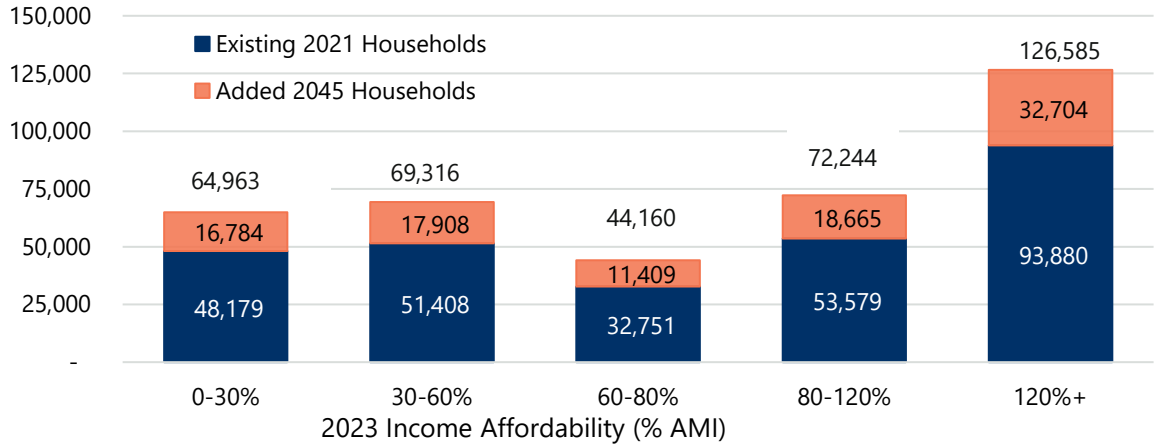
Households	
2021 (ACS 5 year)	279,797
2045 Forecast	377,268
Change from 2021	
#	+ 97,471
%	+ 34.84%

Source: ACS 2021, 5-year and 2021 Metro Adopted Forecast

For income distribution, the analysis applies the existing population income distribution (2021 ACS data and 2023 income bins) to the future 2045 population growth forecast.

Figure 116 shows forecasted household growth by area median income (AMI) level. Growth is anticipated at all income levels, with a significant share of the growth anticipated for households earning more than 120 percent AMI. The 2023 AMI for a household of four in the Portland metropolitan area is $114,400 (Figure 25).

Figure 116. Forecast of New and Existing Households, 2021 to 2045 by AMI



Source: BPS Analysis of ACS 2021, 5-year and 2021 Metro Adopted Forecast, 2023 HUD AMI

Other Household Characteristics

- **Household size.** If the trend from 2017-2021 American Community Survey continues, 30 percent of all households, or 112,310 households will have three or more persons.
- **Households with Children.** According to 2017-2021 American Community Survey, 23 percent of all households have children. If the trend continues, 86,772 households will have children in 2045.
- **Households with member over 65.** According to the 2017-2021 American Community Survey, 23 percent of all households have a member over the age of 65. If this trend continues, 85,640 households will have a member over the age of 65 in 2045.
- **Households with members who have disabilities.** According to 2015-2019 CHAS data, 22 percent of all households have a member with a disability. If this trend continues, 82,355 households will have a member living with a disability in 2045.

Projected Housing Units Needed by 2045

The results of the Housing Capacity Analysis are based on Metro's household forecast for growth in Portland over the planning period, information about Portland's housing market, and the composition of Portland's existing population. Utilizing the available guidance from the 2022 Oregon Housing Needs Analysis (OHNA) recommended framework and technical documentation, the City has attempted to determine the number of units needed to accommodate future growth in the City of Portland by applying the OHNA methodology to the City of Portland.[2021].

Methodology

This section describes the key assumptions and presents an estimate of new housing units needed by 2045. The key assumptions are based on the best available data.

1) **Population**. The household forecast (in this instance, to 2045) serves as the foundation for estimating needed new dwelling units. This forecast is based on Metro's 2021 Adopted Forecast. Portland's urban growth area will grow from 279,797 households in 2021 to 377,268 households in 2045, an increase of 97,471 households.[22]

2) **Unit to Household Factor.** The forecast is multiplied by the national ratio of housing units per household (1.085) as the target ratio, without accounting for second homes. This allows for the analysis to consider a healthy vacancy rate that allows for housing choice.

3) **Second Home Replacement Factor**. Second home unit loss is then added to the household growth forecast; for the purposes of this analysis, the loss is estimated as the ratio of second homes in 2021 to overall units (0.77% of all units). This supplements the vacancy analysis to consider a healthy vacancy rate that allows for housing choice.

[20] March 2021, *RHNA-Technical-Report.pdf (oregon.gov), November 2022, Microsoft Word - Appx_D_OHNA_Technical_Report.docx (oregon.gov), February 2023, HB2889 (oregonlegislature.gov), February 2023, HB2001 (oregonlegislature.gov)

[21] The final adopted OHNA methodology will be available in 2025 for Oregon's regions and may differ from the recommended methodology and/or produce different results.

[22] This growth forecast includes unincorporated urban pockets within Portland's urban growth area for which the City has planning responsibility through intergovernmental agreements.

4) **Income bins**. Forecasted units are distributed by affordability based on the 2021 share of households distributed by 2023 AMI household income. Second homes are distributed by income bin using PUMS variables current stock of second and vacation homes by year of construction. Second homes built more recently than 1990 fall in the 120+% AMI income level, while units built before 1990 are affordable in the 80% to 120% of AMI.

5) **Underproduction**. The OHNA methodology incorporates the 2010 to 2021 underbuild estimates into the forecast. This methodology can be found in the section, Underproduction.

6) **Housing for Households Experiencing Houselessness**. The OHNA methodology wraps the acute need for housing Portland's existing houseless households into the forecast. This methodology can be found in the Housing for Households Experiencing Houselessness section.

Results

To accommodate the basic forecast of 97,471 new households by 2045, Portland should expect to add just as much housing. To adequately account for a healthy vacancy rate, and to allow for more housing choice, Portland should plan to add 106,571 units. However, if the City hopes to meet the needs of Portlanders currently facing houselessness and account for underproduction, Portland should estimate growth of around 120,560 dwelling units by 2045.

Figure 117. Simplified Demand Forecast Methodology and Results

	New Portland Households	97,471
Plus	Unit to Household Factor	+ 8,287
Plus	Second Home Replacement Factor	+ 813
Equals	**Forecasted Needed Units for 2045**	**106,571**
Plus	Underproduction	+ 9,385
Plus	For Households **Experiencing Houselessness**	+ 4,604
Equals	**All New Housing Units Needed for 2045**	**120,560**

Source: BPS Analysis of Metro Distributed Forecast and ACS 2021

Oregon's Statewide Housing Production Goal

In January 2023, Oregon Governor Tina Kotek signed Executive Order 23-04, establishing a statewide housing production goal and housing production advisory council. In this executive order, the governor established a goal to produce 36,0000 units statewide each year over the next ten years. From now to 2045, the City of Portland would need to produce around 5,200 units per year to meet the city's 120,560 target. However, to align with Governor Kotek's statewide housing production strategy, the City would need to "catch-up" the units from underproduction and for households experiencing houselessness and would need to build 55,000 units from now to 2032, roughly, 6,000 units per year.

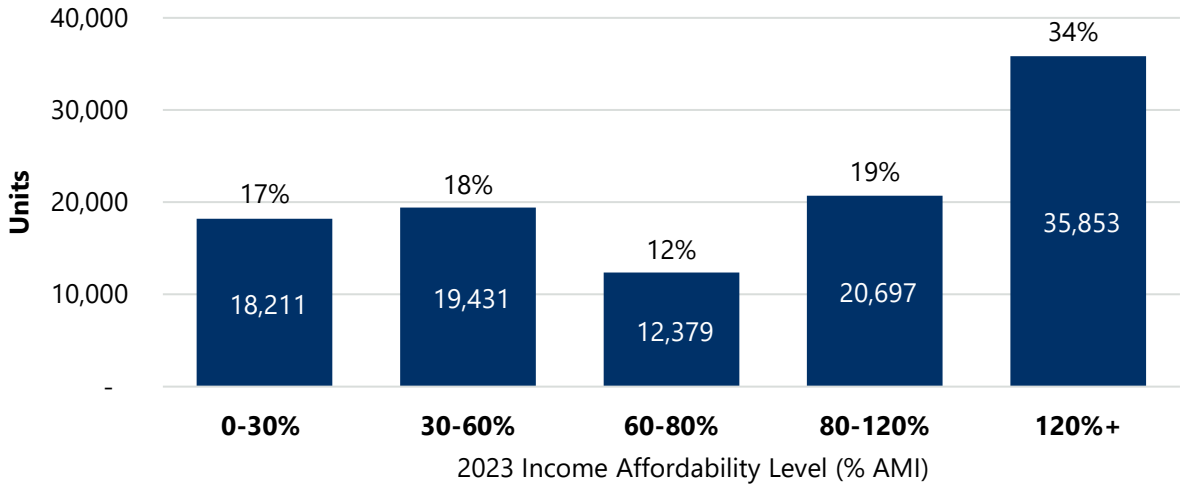
Housing by Income Level

If the distribution of affordability for housing units should align with the distribution of anticipated household income for the future forecasted households the analysis assumes that approximately the same percentage of households will be in each market affordability segment in the future and accommodates for the expected vacancy, building to accommodate for historic underbuilding and housing to meet the acute needs of the currently houseless population. Portland will continue to have demand for housing across the affordability spectrum.

Looking at the forecast and only units needed to accommodate new household growth, based on requirements under ORS 197.303, 106,571 units will be needed.

- 18,211 new units are needed for households earning less than 30 percent AMI.
- 19,431 new units are needed for households earning less than 30 to 60 percent AMI.
- 12,379 new units are needed for households earning less than 60 to 80 percent AMI.
- 20,697 new units are needed for households earning less than 80 to 120 percent AMI.
- 35,853 new units are needed for households earning more than 120 percent AMI.

Figure 118. Forecasted New Units Needed By Income Affordability[23]

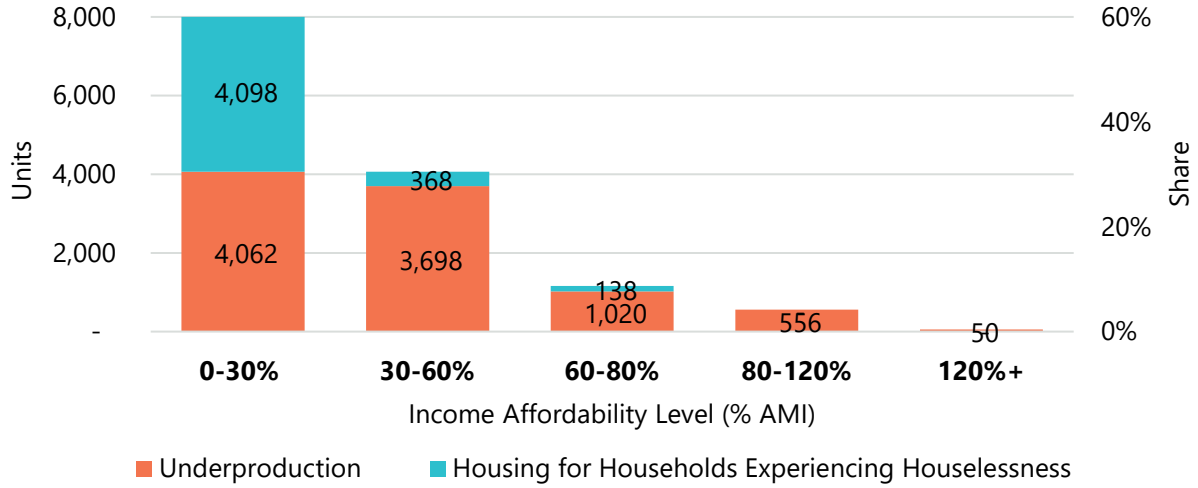


Source: BPS analysis

[23] The 2023 AMI for a household of four in the Portland metropolitan area is $114,400 (Figure 25).

Utilizing the OHNA methodology, we anticipate that there is an additional need for 9,385 units due to underproduction and an anticipated additional need for 4,604 units for households currently experiencing houselessness (Figure 96, Figure 97, Figure 119 and Figure 121).

Figure 119. Units Needed To Remediate Underproduction And Households Experiencing Houselessness By Income Affordability



Source: BPS analysis

Looking at the forecast, housing needed to address underproduction, and housing needed to accommodate households currently experiencing houselessness, in totality, 120,560 units may be needed by 2045.

Figure 120. Forecasted New Units Needed By Income Affordability[24]

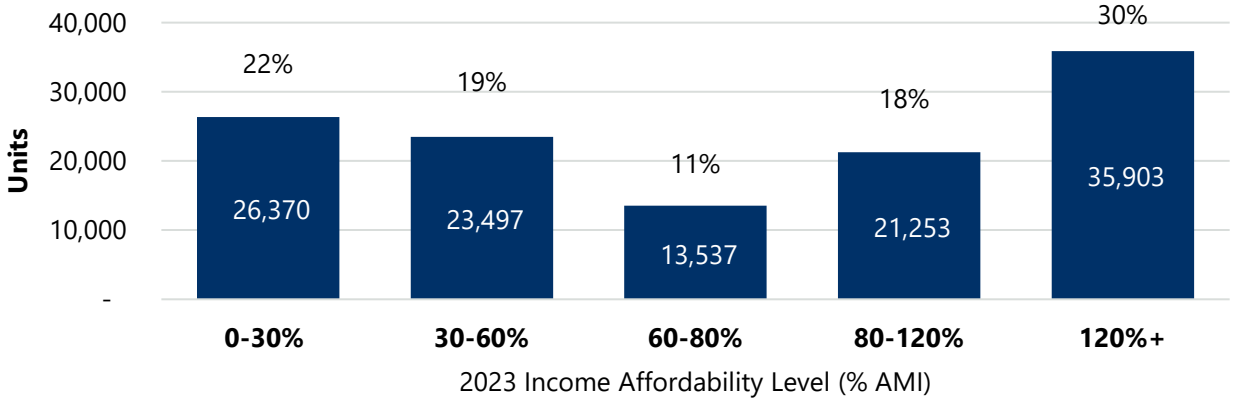
AMI	Underproduction	Housing for Households Experiencing Houselessness	Forecasted Need 2021-2045	Total Need	Share
0-30%	4,062	4,098	18,211	26,370	22%
30-60%	3,698	368	19,431	23,497	19%
60-80%	1,020	138	12,379	13,537	11%
80-120%	556	-	20,697	21,253	18%
120%+	50	-	35,853	35,903	30%
Total	9,385	4,604	106,571	120,560	100%

Source: BPS analysis

[24] The 2023 AMI for a household of four in the Portland metropolitan area is $114,400 (Figure 25).

- 26,370 new units are needed for households earning less than 30 percent AMI.
- 23,497 new units are needed for households earning less than 30 to 60 percent AMI.
- 13,537 new units are needed for households earning less than 60 to 80 percent AMI.
- 21,253 new units are needed for households earning less than 80 to 120 percent AMI.
- 35,903 new units are needed for households earning more than 120 percent AMI.

Figure 121. Total Units Needed By Income Affordability



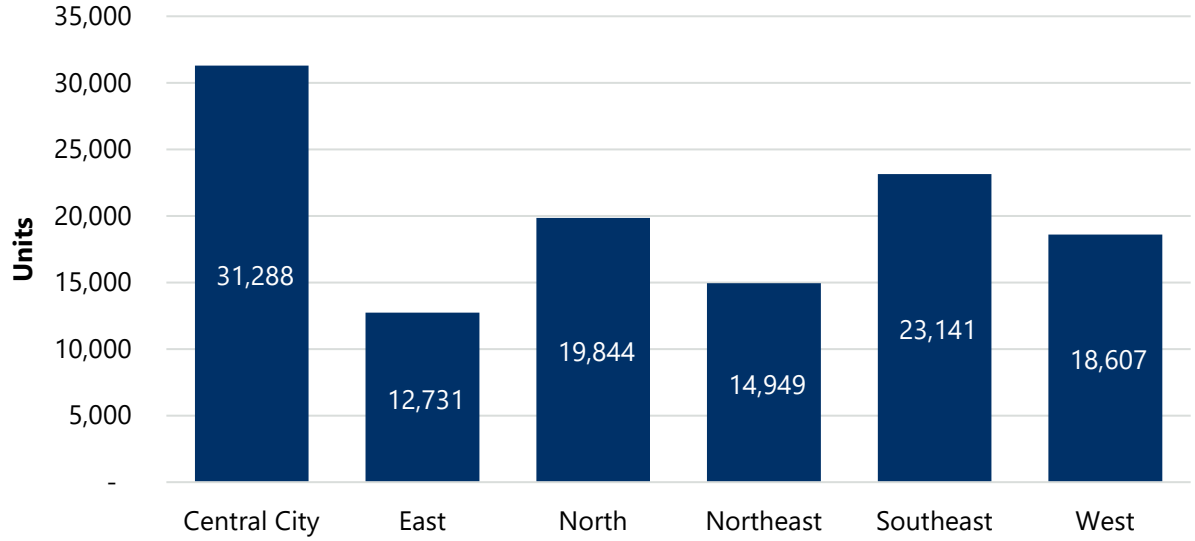
Source: BPS analysis

Housing by District Area

The analysis has forecasted the units based on the historical permitting patterns from 2003-2022:

- Twenty six percent or 31,288 new units to be needed in Central City Portland.
- Eleven percent or 12,731 new units to be needed in East Portland.
- Sixteen percent or 19,844 new units to be needed in North Portland.
- Twelve percent or 14,949new units to be needed in Northeast Portland.
- Nineteen percent or 23,141 new units to be needed in Southeast Portland.
- Fifteen percent or 18,607 new units to be needed in West Portland.

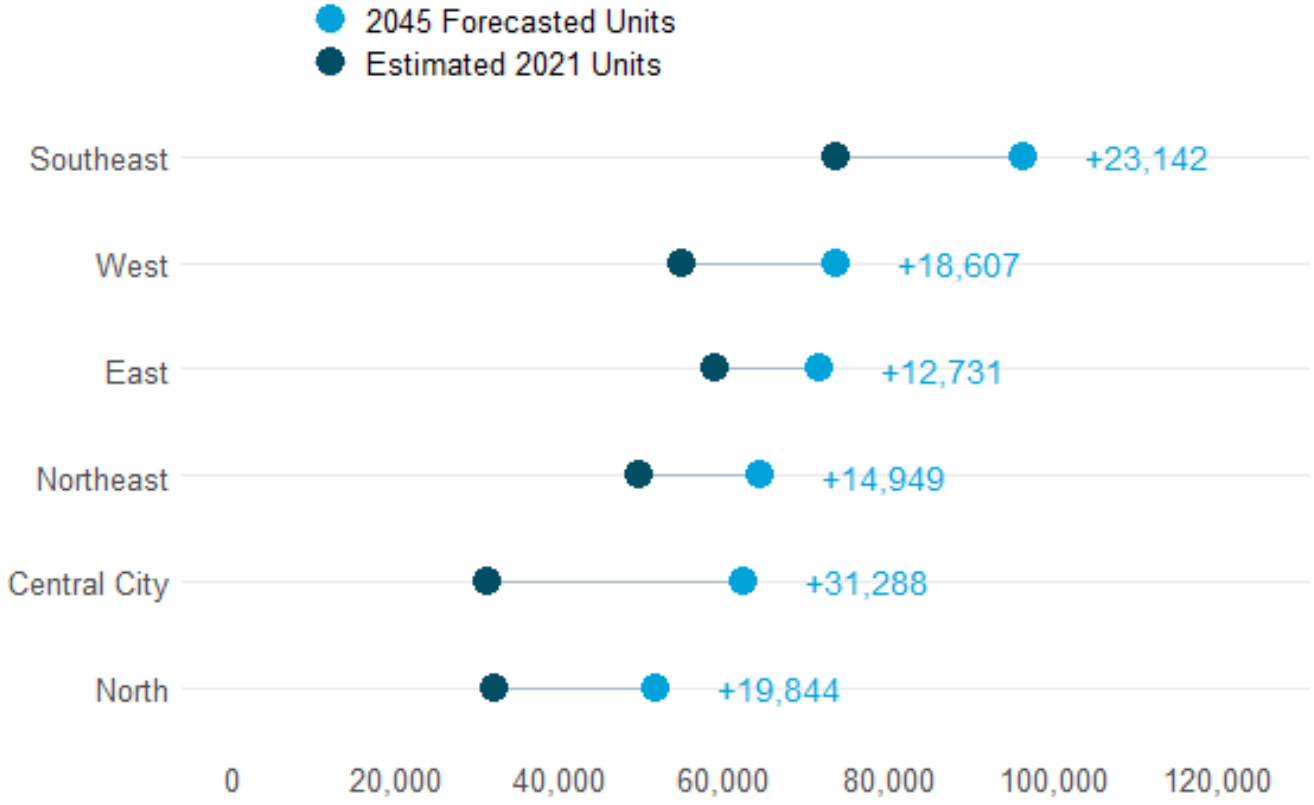
Figure 122. Forecast Of Demand of Units by Area



Source: BPS analysis

The greatest increase in units (by district) is expected in Central City, however, Southeast Portland will likely continue to have the greatest number of housing units overall in 2045 (Figure 123).

Figure 123. Existing (2021) and Forecasted (2045) Units by District



Source: BPS Analysis of ACS 5 year and Metro Distributed Forecast

Housing by Type

The assumptions about the mix of housing types are based on the last five years of unit production by type and recent market trends and, if those trends continued over the next period to 2045, this represents Portland's needed housing mix:

- About eight percent of new housing will be single dwelling detached, a category that includes manufactured housing. About 55 percent of Portland's existing housing was single dwelling detached in the 2017-2021 period.
- About 14 percent of new housing will be middle housing, including accessory dwelling units, townhomes, duplexes, triplexes, quadplexes, and small multi-dwelling structures of up to six units.
- About 77 percent of new housing will be multi-dwelling housing (with seven or more units).

Figure 124. Forecast of Demand of New Units by Housing Types

TYPE	SHARE	Needed Housing (Units)	Forecasted Housing (Units)
Single Dwelling Detached	8%	8,815	9,972
Middle Housing	14%	14,899	16,854
Multi-Dwelling (7+ Units)	77%	82,858	93,734
Apartments – Wood	*29%*	*31,316*	*35,427*
Apartments – Tower	*29%*	*31,110*	*35,194*
Apartments – Podium	*19%*	*20,431*	*23,113*
TOTAL	100%	106,571	120,560

Source: BPS analysis, numbers are rounded to nearest whole number.

Other Housing Considerations

Cities are required to plan for government-assisted housing, farmworker housing, manufactured housing on lots and in parks, and housing for people with disabilities and experiencing houselessness.[25]

- **Income-Restricted And Government-Subsidized Units.** Government subsidies can apply to all housing types and is of the same character, so it is not necessary to develop separate forecasts for government-subsidized housing. Portland allows the development of government-assisted housing in all residential plan designations and this analysis assumes that the City will continue to. The City offers a floor area bonus for inclusionary housing units and a deeper affordability floor area and height bonus for projects where at least 50 percent of the units are affordable at 60% AMI.

[25] ORS 197.303, 197.307, 197.312, and 197.314

- **Manufactured Home Units.** Portland has 57 manufactured home parks within the city, with 2,789 spaces, located in the RMP zone. Portland must also project the need for manufactured dwelling parks based on (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development.[26]
    - Manufactured housing accounts for about one percent (about 4,186 dwelling units) of Portland's current housing stock. At one percent of all housing, Portland may need between 1,376 and 1,702 new manufactured units over the planning period based on the forecast, this housing type is considered in the single-dwelling type forecast.
    - About 33 percent of Portland's new households will likely be earning 60 percent or less of the region's median household income though households at other income affordability levels may live in manufactured homes in parks.
    - The housing forecast does not specifically plan for new manufactured home parks because no new parks have opened in Portland since 2004.
    - In 2018, Portland created the RMP zone, which exclusively allows for manufactured home parks, with a density of up to 29 units per acre. The RMP zone also has an affordable housing bonus option in which the maximum density can be increased up to 43 units per acre when at least 50 percent of all the dwelling units on the site are affordable to those earning no more than 60 percent of the area median family income.
    - New manufactured home parks are allowed in the RM1 zone, where the minimum density is one unit per 2,500 sq. ft. of site area (17 dwelling units per acre).
    - If Portland needs another manufactured home park like the existing ones (an average of 51 units of capacity), at about 10 dwelling units per acre, that would require about 5.2 acres of land. The City has an estimated 700 acres of buildable land in the RM1 zone, which should provide sufficient land capacity to accommodate that need.
- **Units for Farmworkers.** The City does not regulate farmworker housing as a separate housing type. Therefore, farmworker housing in all residential zones is subject to the same development standards as other housing types (except for population-restricted units utilizing government subsidies) and it is not necessary to develop separate forecasts for farmworker housing.

[26] OAR 197.480(4) and ORS 197.480(2)

- **Units for Households Experiencing Houselessness.** According to the preliminary estimates utilizing a modified OHNA methodology (Figure 98), there is an existing need for 4,604 housing units to accommodate existing houseless households. In 2021, the City adopted zoning code changes to expand the housing and shelter options for individuals and households with extremely low incomes. These changes make it easier to site shelters, including outdoor shelters; increased the range of group living situations, including single room occupancy (SRO) units; and allows a recreational vehicle or tiny house on wheels on a residential property.

- **Units For Households with Household Members Who Have Disabilities.** If the trend for households from the 2015-2019 CHAS data continues, 22 percent or between 21,277 and 26,318 of new housing units will need to be able to accommodate households that have a member with a disability. Actual housing type needed varies by living needs and preferences and can vary across disability type. Additionally, as the population continues to age in Oregon and Portland, the number of households needing accessible, visitable units will likely increase above these numbers. Broadly, housing options for people with disabilities include living independently (alone or with roommates/family), with supportive services (e.g., with help from a live-in or visiting caregiver), or in a supervised setting. Meeting their housing needs will require addressing affordability issues, as well as ensuring that they have access to housing that addresses their disability without discrimination. In 2020, the City adopted zoning code changes to create a floor area bonus for visitable units.

- **Units for Households with Members over 65.** If the trend for households from the 2017-2021 American Community Survey continues, 23 percent of new housing units or between 22,126 and 27,367 housing units will need to be able to accommodate households that have a member over the age of 65. Housing needs for older adults range from apartments, condominiums, nursing homes, assisted living and residential care facilities, small units, adult foster homes, retirement facilities, hospice care centers and housing units accessible to people with mobility difficulties. Many of these types targeted toward older adults are anticipated to increase. As with the general population, the market can provide housing for those with sufficient savings or income, but low-income older adults may have limited funds to adapt existing housing to meet changing needs. In 2020, the City adopted zoning code changes to create a floor area bonus for visitable units.

- **Units To Accommodate Different Household Sizes.** If the trend for households from the 2017-2021 American Community Survey continues, 30 percent of new housing units, or between 29,016 and 35,890 housing units will need to be able to accommodate three or more persons. In 2020, the City adopted zoning code changes to create a floor area bonus for three-bedroom units in multi-dwelling zones and has also allowed a wide range of middle housing types in single-dwelling zones.

- **Units for Households with Children.** If the trend for households from 2017-2021 American Community Survey continues, 23 percent of new housing units, or between 22,694 and 28,070 housing units will need to be able to accommodate households that have children.

Capacity Analysis

This section presents an evaluation of the sufficiency of vacant residential land in Portland to accommodate expected residential growth to 2045. This includes an estimate of residential development capacity and an estimate of Portland's ability to accommodate needed new housing units. The buildable lands inventory provides a supply analysis (buildable land by type), and the forecast provided a demand analysis (population and growth leading to demand for residential development). The comparison of supply and demand allows the determination of whether or not there is sufficient supply to accommodate expected growth.

Methodology

The residential land supply has been converted into dwelling units, through the buildable lands inventory process and estimates the ability of vacant residential lands to accommodate new housing. This analysis can be used to evaluate different ways that vacant residential land may build out by applying different assumptions. Here, we assume that geographic distribution of growth from the last 20 years will be the trend to 2045 and use this assumption to estimate the demand for housing units in each area. We utilize the last five years of growth, recent market trends and zoning changes to estimate demand and capacity by zone and type.

Results

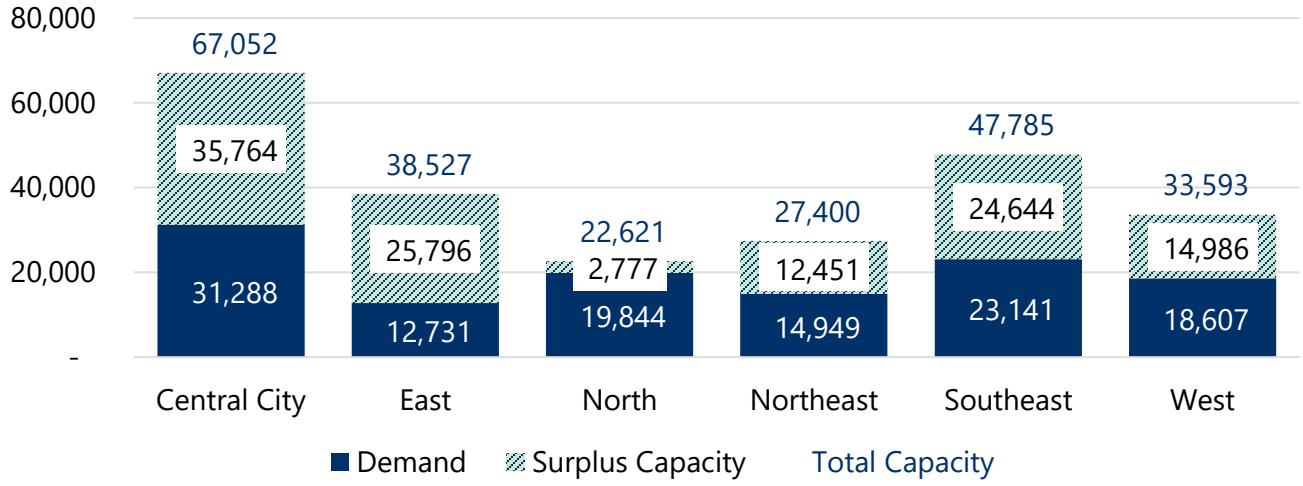
When comparing the City's forecasted demand to the existing residential development capacity, there is an overall surplus of 130,406 units. When adding in the additional need to make up underproduction and meet the acute housing need of our estimated households experiencing houselessness, there is still an overall surplus of 116,400 units citywide. When applying the 20-year geographic trend of residential production and permitting of units to the forecasted and total needed demand, there is an excess of capacity in all districts (Figure 125 and Figure 126).

Figure 125. Existing Residential Capacity, Demand, and Surplus for New Units by District

District	Capacity (Units)	Needed Housing (Units)	Forecasted Housing (Units)	Surplus
Central City	67,052	27,657	31,288	35,764
East	38,527	11,254	12,731	25,796
North	22,621	17,541	19,844	2,777
Northeast	27,400	13,215	14,949	12,451
Southeast	47,785	20,456	23,141	24,644
West	33,593	16,376	18,607	14,986
Total	**236,977**	**106,571**	**120,560**	**116,417**

Source: BPS analysis

Figure 126. Existing Residential Capacity, Demand, and Surplus for New Units by District



Source: BPS analysis

When applying the 20-year trend of production and permitting of units to the forecasted demand by neighborhood, most neighborhoods have the capacity to maintain the same level of growth to 2045, except for Pleasant Valley and St. Johns, which have a deficiency of capacity by around 36 and 1,186 units, respectively.

Figure 127. Existing Residential Capacity and Demand for New Units and Surplus by Area

Area	Capacity (Units)	Needed Housing (Units)	Forecasted Housing (Units)	Surplus
122nd-Division	4,574	3,507	3,967	607
Belmont-Hawthorne-Division	9,938	7,157	8,096	1,842
Centennial-Glenfair-Wilkes	3,213	2,179	2,465	748
Central City	67,980	27,657	31,288	36,693
Forest Park-Northwest Hills	1,517	1,033	1,168	349
Gateway	16,668	3,823	4,325	12,343
Hayden Island-Bridgeton	2,263	1,622	1,835	428
Hillsdale-Multnomah	4,477	1,617	1,829	2,648
Hollywood	16,766	5,518	6,243	10,524
Interstate Corridor	19,364	10,887	12,316	7,048
Lents-Foster	12,924	4,134	4,677	8,248
MLK-Alberta	8,223	5,232	5,919	2,303
Montavilla	10,413	2,409	2,725	7,688
Northwest	11,520	8,058	9,116	2,404
Parkrose-Argay	3,421	547	619	2,802
Pleasant Valley	1,319	1,198	1,355	-36
Raleigh Hills	3,826	1,281	1,450	2,376
Roseway-Cully	3,851	2,464	2,787	1,063
Sellwood-Moreland-Brooklyn	7,415	3,604	4,077	3,338

Area	Capacity (Units)	Needed Housing (Units)	Forecasted Housing (Units)	Surplus
South Portland	8,921	3,206	3,626	5,295
St. Johns	4,508	5,033	5,694	-1,186
Tryon Creek-Riverdale	1,400	495	560	839
West Portland	2,662	686	776	1,886
Woodstock	9,643	3,152	3,566	6,077
Outside Of Plan Area	173	72	82	91
Total	**236,977**	**106,571**	**120,560**	**116,417**

Source: BPS analysis

When looking at the potential for growth by housing type, based on recent market demand and the last five years production trends, the existing land capacity for each housing type is expected to be more than sufficient, with a surplus for all housing types.

Figure 128. Existing Land Capacity and Demand for New Dwelling Units and Surplus by Type

Housing Type	Capacity (Units)	Need Housing (Units)	Forecasted Housing (Units)	Surplus
Single Dwelling Detached	19,601	8,815	9,972	9,629
Middle Housing	33,129	14,899	16,854	16,275
Multi-Dwelling (7+ Units)	184,247	82,858	93,734	90,513
Apartments - Wood	*69,636*	*31,316*	*35,427*	*34,209*
Apartments - Tower	*69,178*	*31,110*	*35,194*	*33,984*
Apartments - Podium	*45,433*	*20,431*	*23,113*	*22,319*
Total	**236,977**	**106,571**	**120,560**	**116,417**

Source: BPS analysis

Table of Figures

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About City of Portland Bureau of Planning and Sustainability
The Bureau of Planning and Sustainability (BPS) develops creative and practical solutions to enhance Portland's livability, preserve distinctive places, and plan for a resilient future.

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