



HOUSING NEEDS ANALYSIS (HNA)

September 2023

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THE BUREAU OF
**PLANNING &
SUSTAINABILITY**

Staff Proposal

That the Planning Commission recommend that City Council:

- Repeal the 2009 Housing Needs Analysis
- Adopt the 2045 Housing Needs Analysis

- Repeal the residential portions of the 2015 Building Lands Inventory
- Adopt the 2023 Residential Building Lands Inventory

Adopted with the Portland Comprehensive Plan

Comprehensive Plan Elements

- Vision and Guiding Principles
- Goals and Policies
- Comprehensive Plan Map
- List of Significant Projects
- Transportation Policies, Street Classifications and Street Plans

Key Implementing Tools

- Zoning Code
- Zoning Map
- Service Coordination Agreements
- Urban Renewal Plans
- Annexations
- Development Agreements

Supporting Documents

Inventories and Analyses

- Buildable Lands Inventory
- Employment Opportunity Analysis
- Housing Needs Analysis
- Natural Resource Inventory

School Facility Plans

Public Facilities Plan

- Transportation System Plan (TSP)
- Sewer
- Stormwater
- Water

Not Adopted with the Portland Comprehensive Plan

- Parks and Recreation
- Other Essential Facilities
- Detailed System Plans
- Transportation Modal Plans
- Project Details, Design and Cost
- Climate Action Plan



What is the Housing Needs Analysis?

- Statewide Planning Goal 10 requires cities to ensure enough zoned-development capacity to accommodate housing needs over the next 20 years
- Must be updated every six years
- Must be adopted by Council as a supporting document to the City's Comprehensive Plan

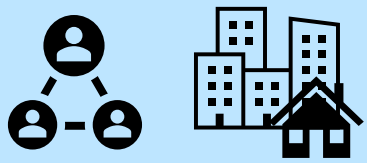


Housing Needs Analysis

Existing Conditions

Housing Capacity Analysis

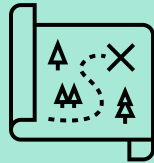
Housing Production Strategy



Population & Housing



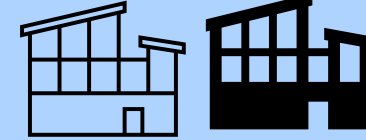
Project Housing Need



Inventory Buildable Land



Evaluate Needed Housing



Promote Needed Housing



Reflect, Measure & Report



2023



Late 2023 & 2024



Shifting Household Characteristics

650,000 people, 280,000 households and 300,000 units in Portland

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



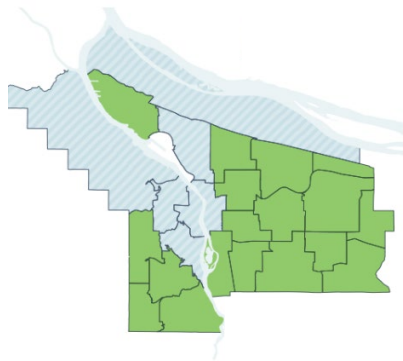
70% are households with 1 or 2 people



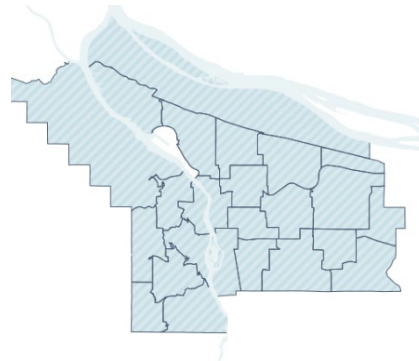
Limited Housing Opportunities

Nearly 1/3 of Portland residents are people of color. However, most neighborhoods are out of reach to Black, Latine, and Native American renter households.

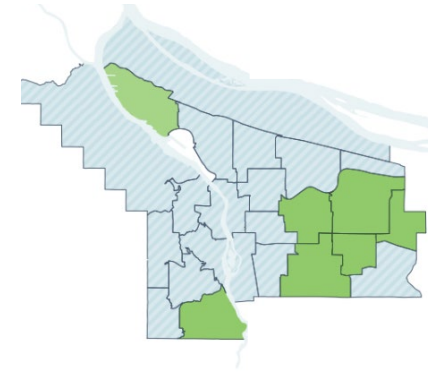
White



Black



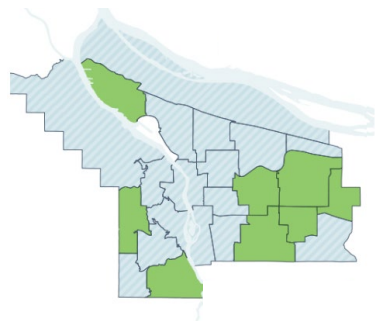
Latine



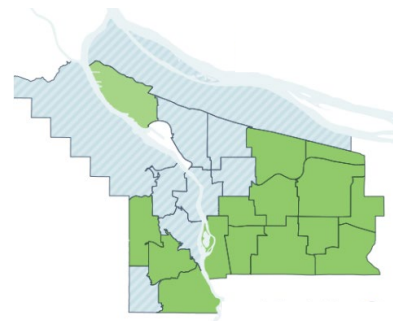
**2-Bedroom
Affordability**

Affordable ●
Not Affordable ●

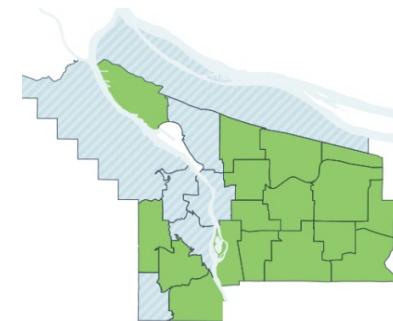
Native American



Pacific Islander



Asian



2045 Housing Forecast

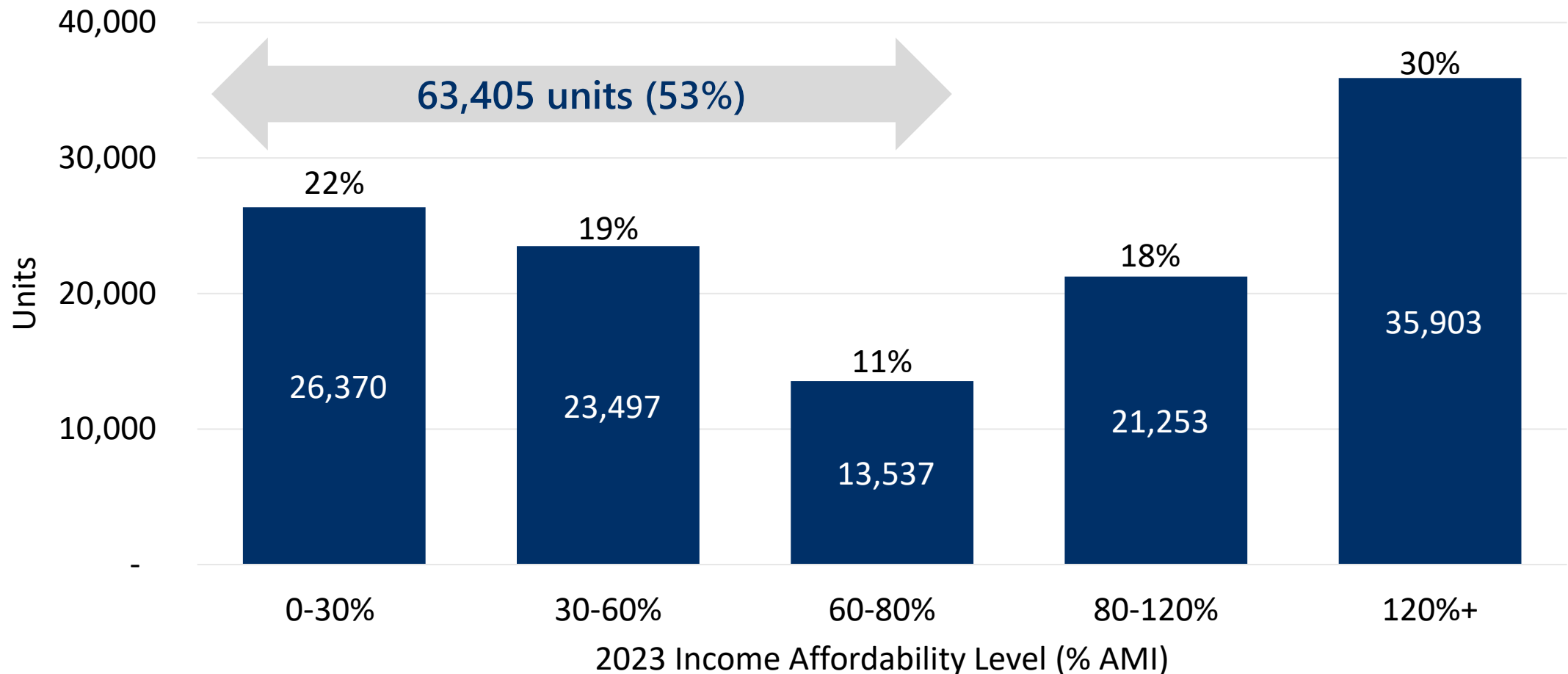
New OHNA methodology:

- Forecasted Households
- National Ratio of Housing Units to Households (vacancy factor)
- Expected 2nd or vacation home loss (Based on existing second home ratio)
- Historical Underproduction
- Housing for the Houseless

2021-2045 New Households	97,471
Unit to Household Factor	+ 8,287
2 nd Home Replacement Factor	+ 813
Needed New Housing Units	106,571
Historical Underproduction	+ 9,385
Houseless Households	+ 4,604
Total Needed Housing Units	120,560
Annual Production Target	5,242
2032 Catch-up Target	55,000

New Housing Units by Income Level

We need 63,000 units of affordable housing and over 20,000 units of moderate-income housing





2045 Housing Considerations

We need different types of housing

Lower Income	53%	63,000 units
Families (2+BD)	23%	28,000 units
Elders	23%	27,000 units
Accessible	22%	26,000 units
Homeownership		

*Numbers rounded to nearest thousand

Buildable Land Inventory (BLI)

What is it?

An assessment of the **development capacity of land** within the City of Portland to accommodate forecasted **housing and employment needs** through the year **2045**.



Buildable Land Inventory Methodology

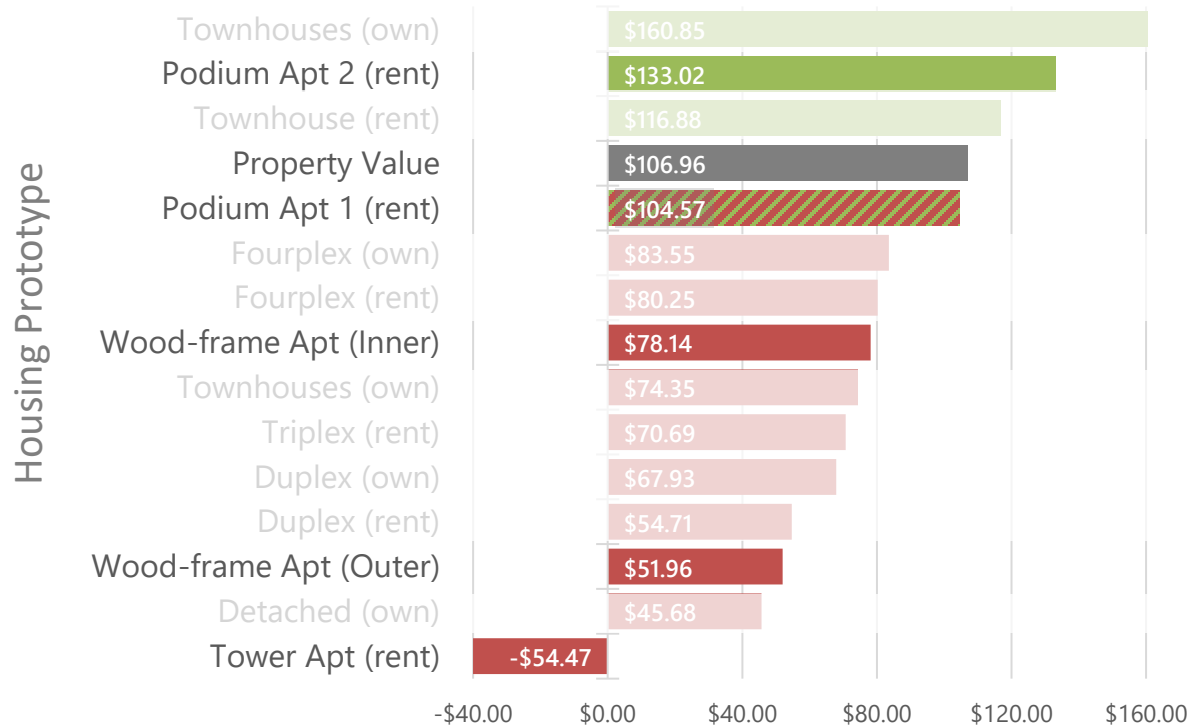
- 1 – Inventory Vacant Land
- 2 – Inventory Redevelopable Land (Pro Forma Feasibility Analysis)
- 3 – Calculate Gross Development Capacity
- 4 – Apply Development Constraints
- 5 – Add Recent (2020-22) Development (as actual capacity)
- 6 – Results = Net New Development Capacity

Buildable Land Inventory

Residual Land Value (RLV)

70,500 sq ft lot on Sandy (CM3 Zoning)

- Underutilized land valued at \$7.5m (\$107 per sf)
- 272 units of housing unit capacity



Our Growth Strategy



Residential Capacity

Residential Units per Acre

0 - 1.7

1.8 - 4.7

4.8 - 8.9

9.0 - 15.6

15.7 - 26.1

26.2 - 37.9

38.0 - 53.7

53.8 - 76.5

76.6 - 106.9

107.0 - 187.1



Residential Capacity for 237,000 Housing Units

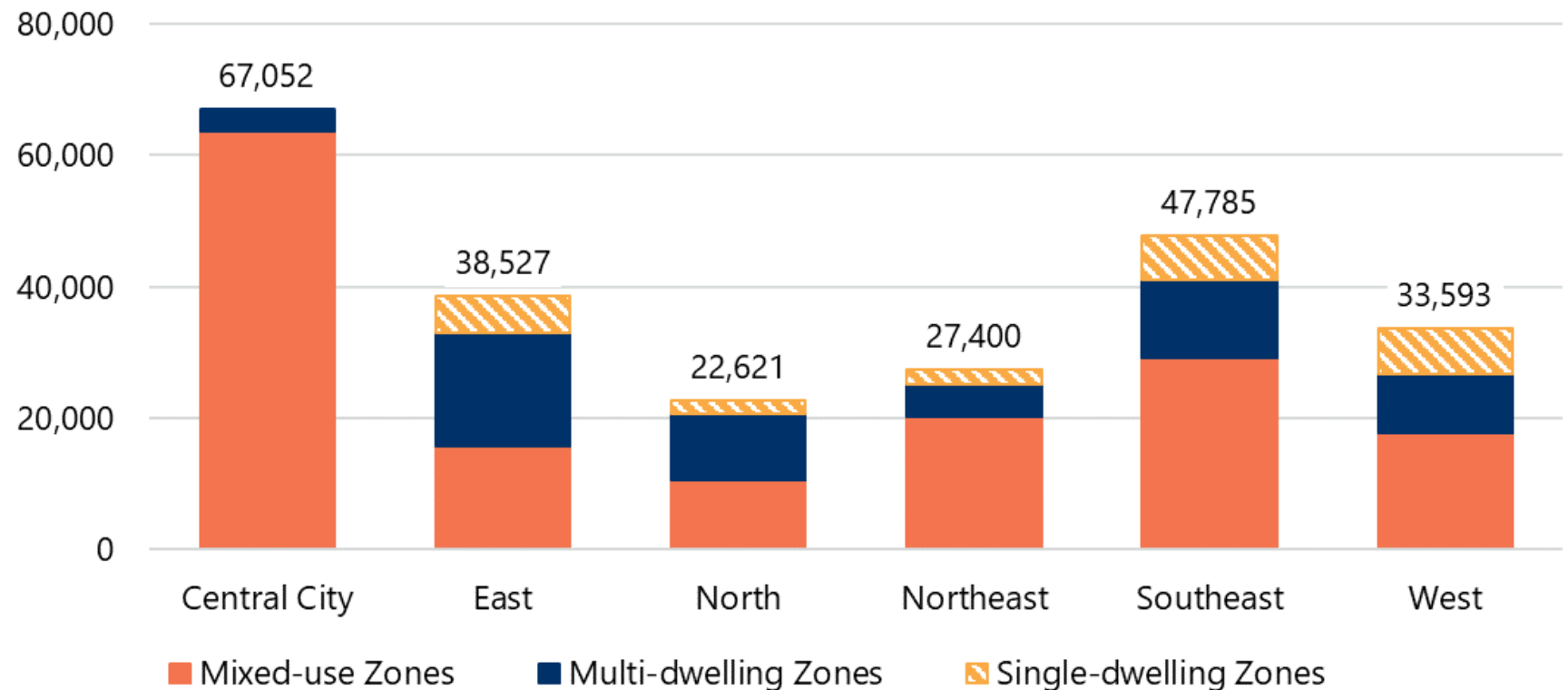
Citywide, there is ample land for our future growth under our current zoning

- **Centers and Corridors** – 61% of new housing units
- **Central City** – 29% of new housing units
- **Complete Neighborhoods** – 76% of new housing units
- **Housing Types** – 90% in multi-dwelling buildings
- **Middle Housing** – 14% of total capacity

Residential Capacity for 237,000 Housing Units

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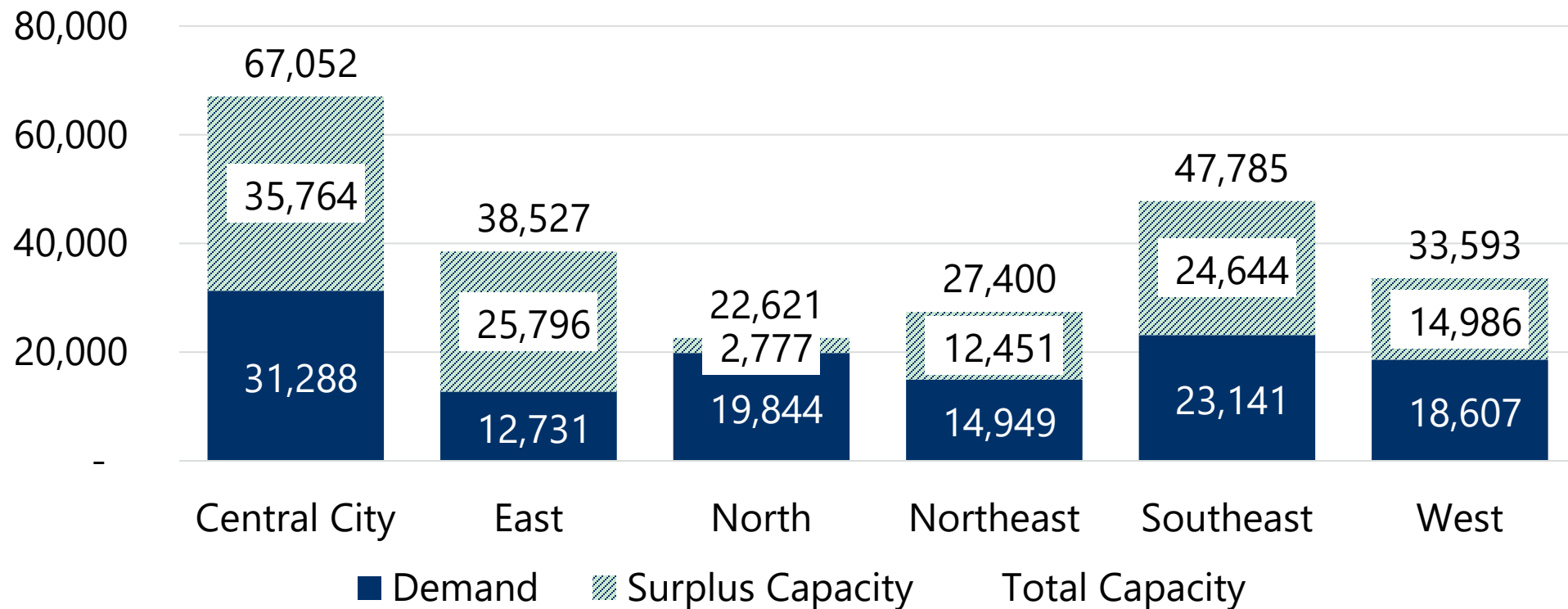
- More than 2x our need
- Mixed-use and multi-dwelling zones account for 90% of capacity.
- 33,000 units of middle housing capacity



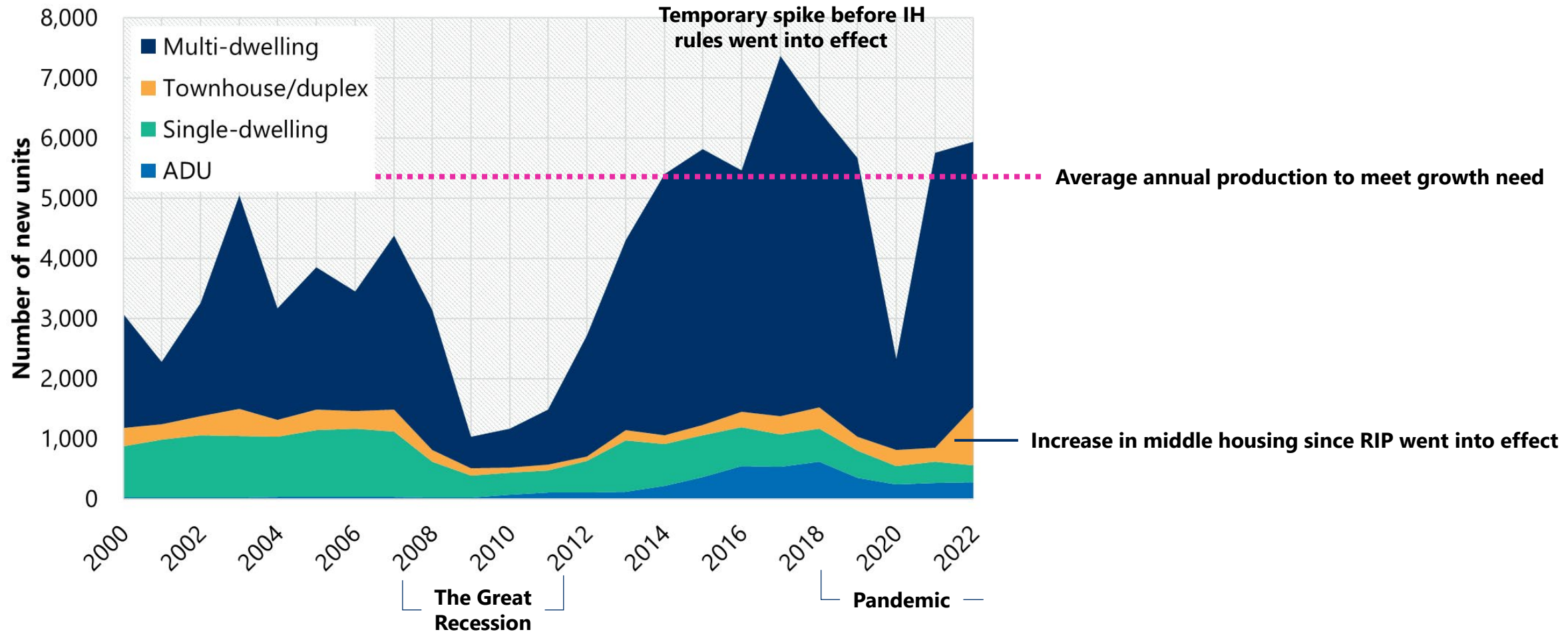
All Districts Have Excess Capacity

Citywide capacity: **237,000 housing units**

Citywide demand: **120,560 housing units**



How does this compare to recent production?



What is the Housing Production Strategy?

- Specific actions, measures and policies needed to address housing needs.
- Under state law, must be adopted by Council by December 2024
- Action categories:
 - Identifying funding
 - Creating financial incentives
 - Acquiring Land
 - Preserving housing and creating partnerships
 - Changing the Zoning Code and Map
 - Reducing regulatory burdens

How does the City influence housing development?



Housing Production Strategy - Example

	Affordable Housing	Zoning/Dev. Regs	Permitting	TIF Districts	State Legislation
Existing Programs	<ul style="list-style-type: none"> • City Bonds • Metro Bonds • Preservation • IH Program • MULTE <ul style="list-style-type: none"> • MULTE Extension • HOLTE • SDC Waivers 	<ul style="list-style-type: none"> • Residential Infill • Affordability Bonus 	<ul style="list-style-type: none"> • Affordable Housing Priority • Early Assistance Fee Reduction • System Development Charges – Deferral • Office-to-Housing Conversion fee deferral 	<ul style="list-style-type: none"> • Old Town/ Broadway Corridor, • Gateway, • Interstate, • N Macadam • Cully 	
Ongoing Projects	<ul style="list-style-type: none"> • IH Calibration Study • BAE Construction Cost Driver Study • Public Land Inventory • HOLTE Expansion • Land Acquisition ARPA Funds 	<ul style="list-style-type: none"> • Housing Regulatory Survey Response Code Changes • RICAP • Land Division Code Update 	<ul style="list-style-type: none"> • Permit Task Force • Regulatory Development Workgroup • Residential Permitting Single Point of Contact • Multi-Dwelling Housing Pilot 	<ul style="list-style-type: none"> • TIF District exploration <ul style="list-style-type: none"> • East Portland • Central City • West Portland Town Center • Advance Portland 	<ul style="list-style-type: none"> • Governor’s Housing Production Advisory Committee
Future Strategies & Actions	<ul style="list-style-type: none"> • TBD 				



Next Steps

- September 26, 2023 Planning Commission Hearing
 - September 29, 2023 Publish Residential BLI report
 - October 10, 2023 Planning Commission Hearing and Work Session
 - October 24, 2023 Planning Commission Recommendation
-
- End of 2023 Council adoption of HNA
Develop Framework for HPS
 - Early 2024 Draft HPS
 - Early - Mid 2024 Conduct Engagement
Council adoption of HPS

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