



HOUSING NEEDS ANALYSIS (HNA)

December 6, 2023

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SUSTAINABILITY**

Today we'll cover...

1. Housing Needs Analysis – Council Adoption
 - Existing Conditions
 - Housing Forecast
 - Buildable Lands Inventory
 - Capacity Analysis
2. Housing Production Strategy Framework Preview
 - Actions – Existing, Ongoing, Future
 - Engagement
3. Next Steps

Proposed Legislative Action

The Planning Commission recommends 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

Legislative Record

Written testimony in the Map App.

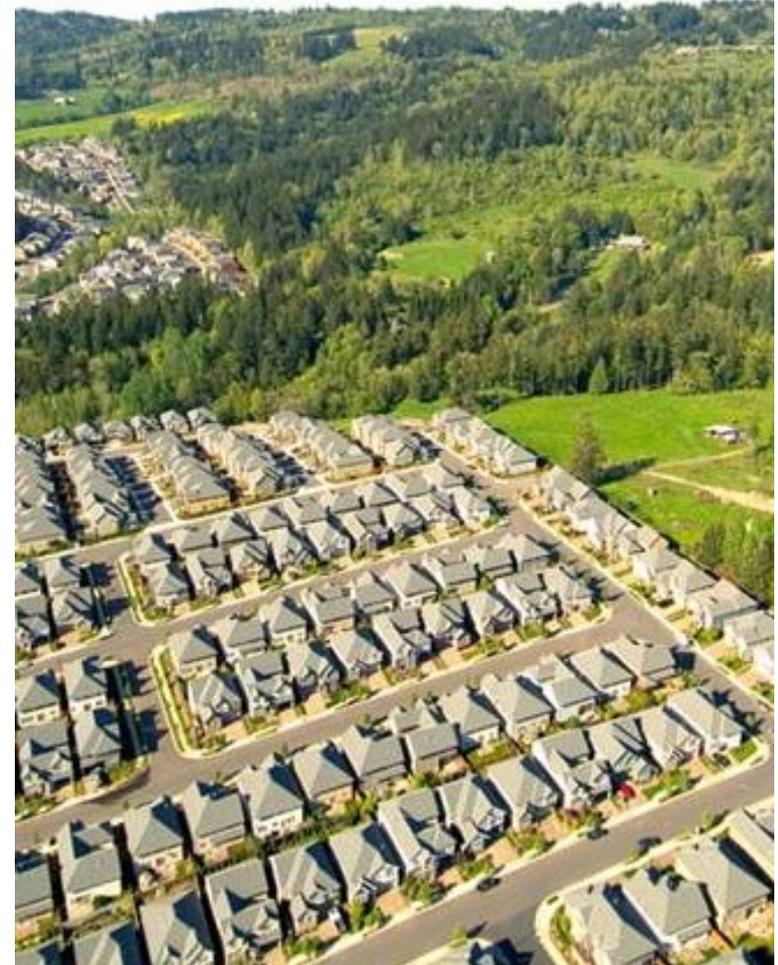
<https://www.portlandmaps.com/bps/testimony/#proposal=hna-2045>

The full record of evidence supporting this ordinance can found on the Auditor's Office website:

<https://efiles.portlandoregon.gov/Record/1625145>

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



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



Housing Needs Analysis

Existing Conditions

Housing Capacity Analysis

Housing Production Strategy



Population & Housing



Project Housing Need



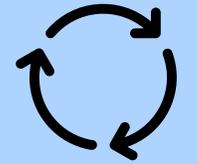
Inventory Buildable Land



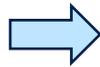
Evaluate Needed Housing



Promote Needed Housing



Reflect, Measure & Report



2023



Late 2023 & 2024



2045 Housing Forecast

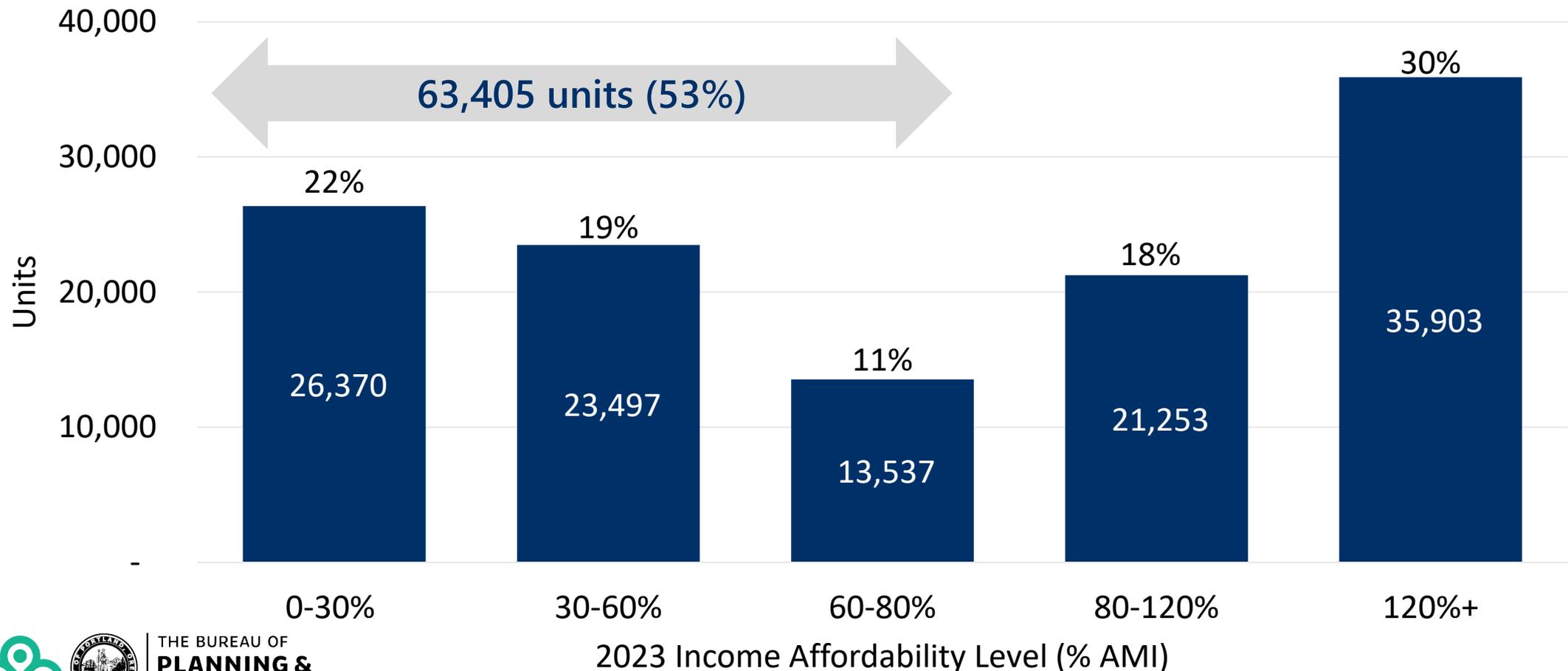
New OHNA methodology:

- 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

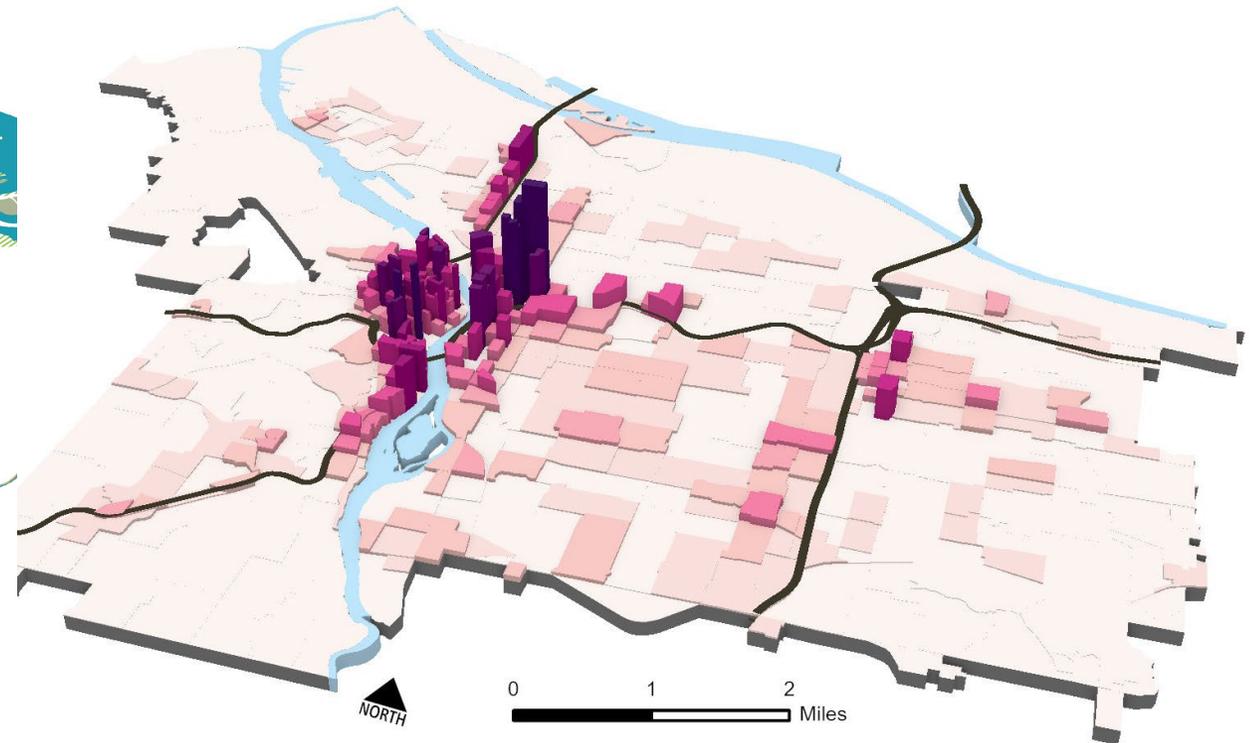
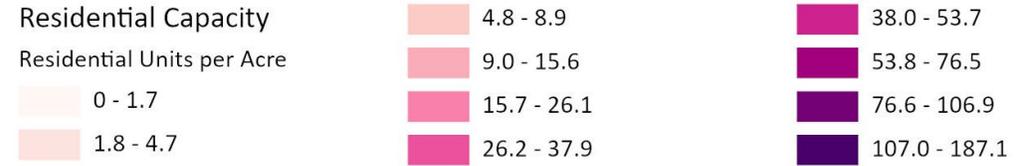
Buildable Land Inventory (BLI)

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**.

Our Growth Strategy

Portland's Comprehensive Plan directs growth into in our centers and corridors

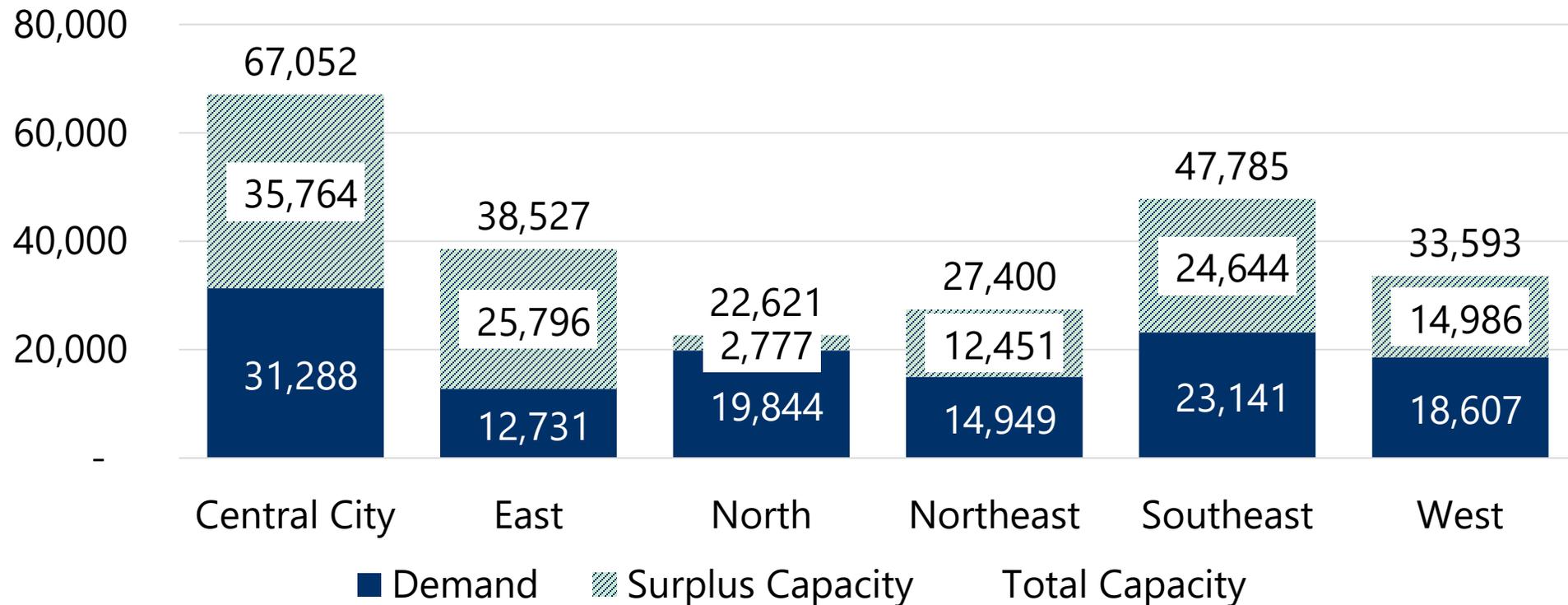


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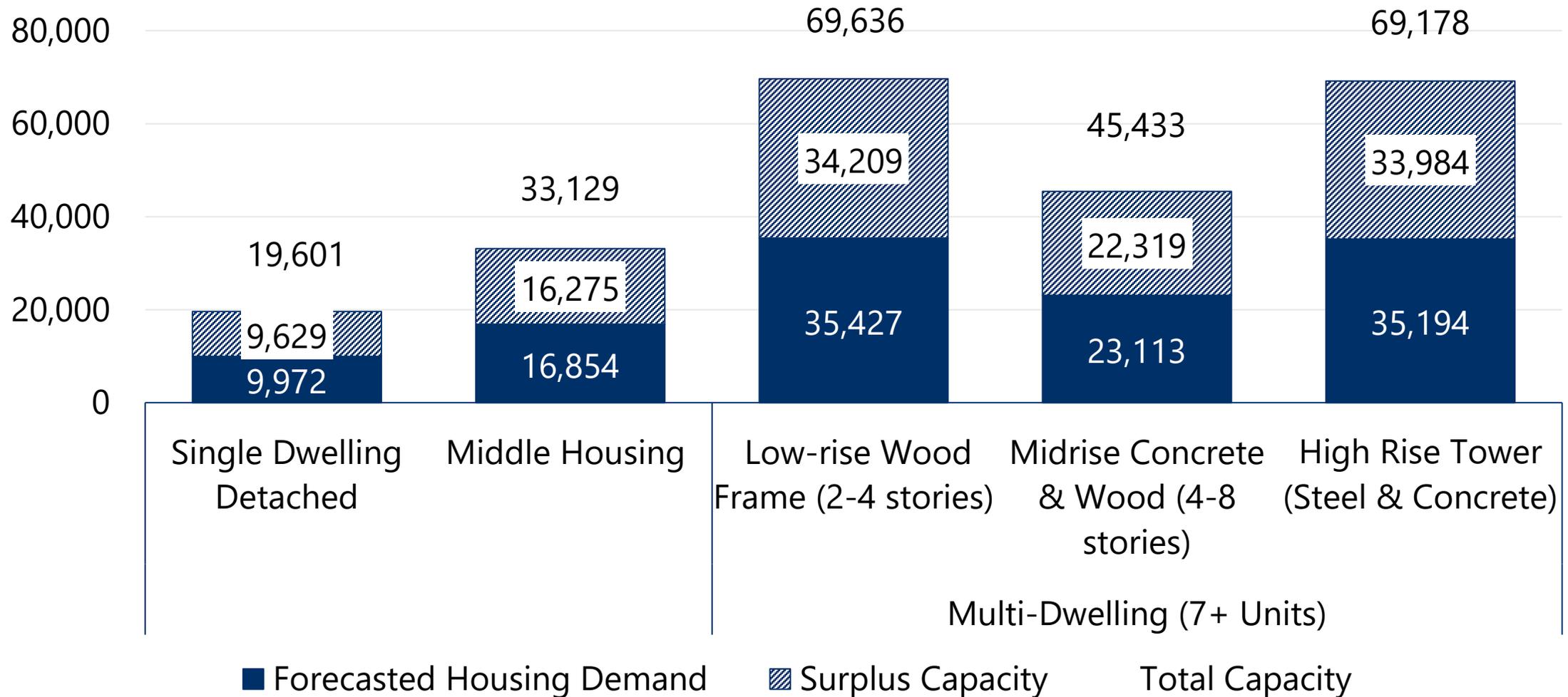
All Districts Have Excess Capacity

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

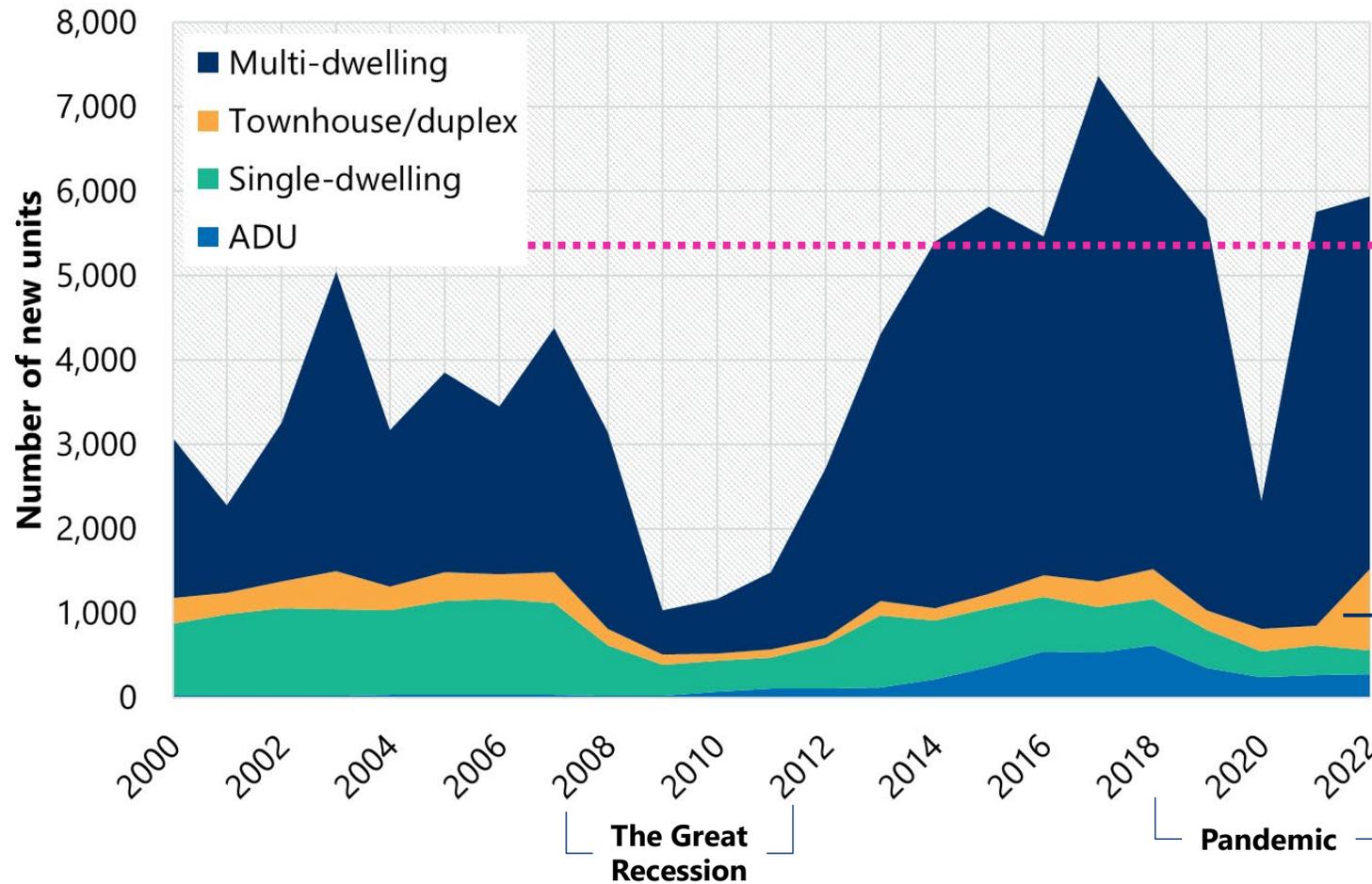
Citywide demand: **120,560 housing units**



Demand and Capacity for All Housing Types



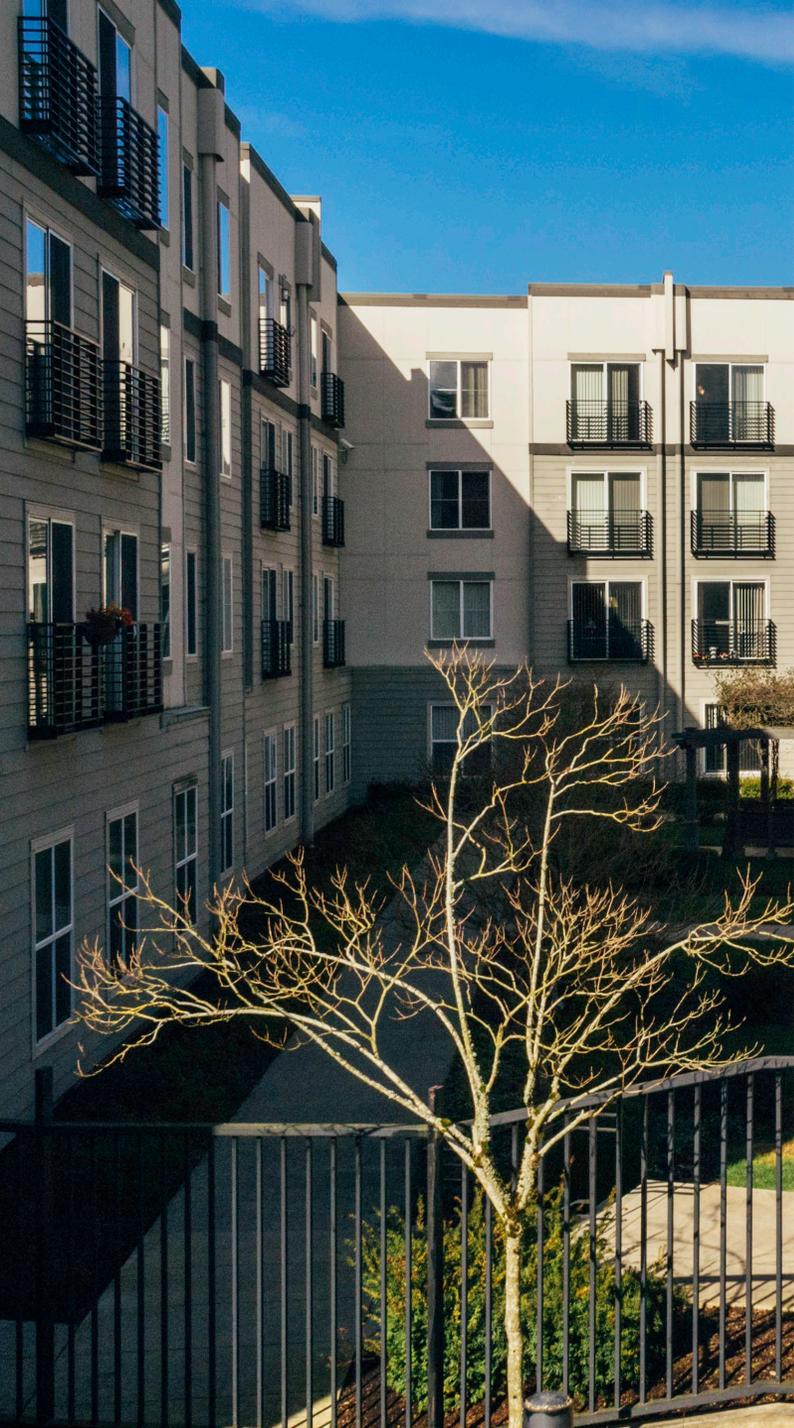
How does this compare to recent production?



Average annual production to meet growth need

Increase in middle housing since RIP went into effect





HOUSING PRODUCTION STRATEGY (HPS) FRAMEWORK

December 2023



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**PROSPER
PORTLAND**



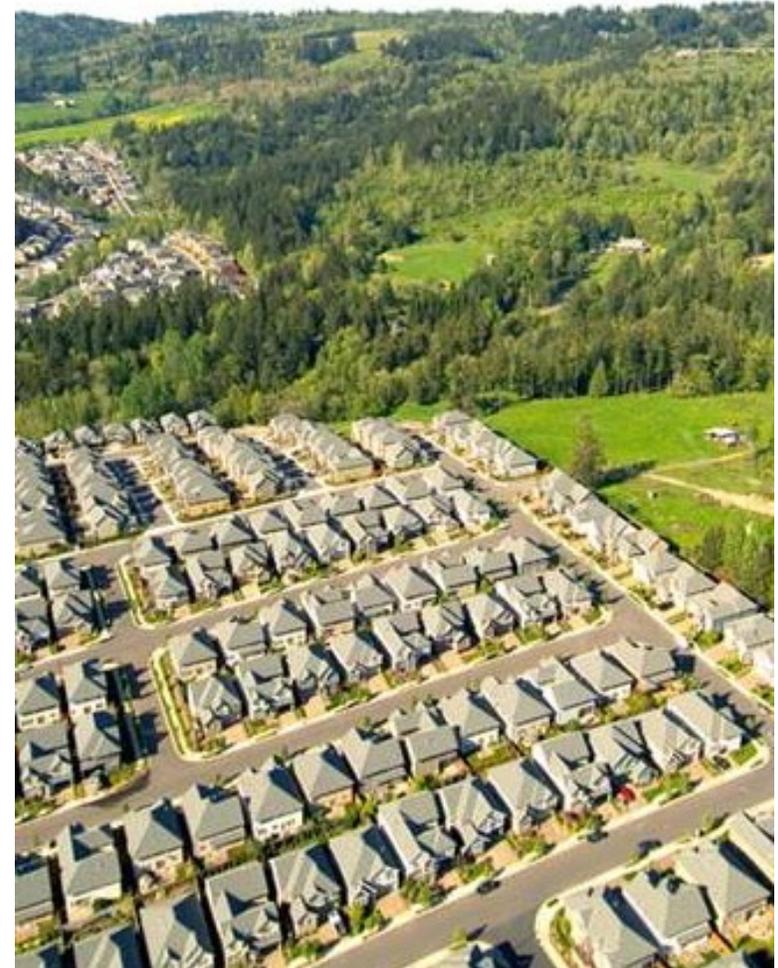
**Bureau of
Development
Services** FROM CONCEPT
TO CONSTRUCTION



**Portland
Housing Bureau**

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:
 - Zoning
 - Incentives
 - Funding
 - Preservation
 - Permitting



How does the City influence housing development?



Housing Production Strategy Framework Overview

Recent/Existing Programs and Projects

Funding & Incentives	Zoning/Dev. Regs	Permitting
<ul style="list-style-type: none"> • City and Metro Housing Bonds • Tax Increment Financing (45%) • Inclusionary Housing • PCEF collaboration w/ PHB • Land Acquisition & Funding • Regulated Affordable Multifamily Assistance Program • Property Tax exemptions • SDC waivers • Homeownership Tax Exemption • Preservation • Jurisdictional collaboration • Construction Cost Drivers Study 	<ul style="list-style-type: none"> • Residential Infill • Shelter 2 Housing Continuum • Manufactured Dwelling Parks Zoning • Better Housing By Design • Visitable Unit Bonus • Three-bedroom Unit Bonus • Expanding Opportunity For Affordable Housing Project • Design Overlay Zone Assessment 	<ul style="list-style-type: none"> • Affordable Housing Priority Review • Early Assistance Fee Reduction • System Development Charges – Deferral, Exemption, Freeze • Office-to-housing Conversion • Permitting Improvement Project • Middle housing early assistance • Public Infrastructure Prescreen

Housing Production Strategy Framework Overview

Current In-Progress Projects

Affordable Housing (0-80% AMI)	Middle Income (80-120% AMI)	All Affordability Levels
<ul style="list-style-type: none">• IH Calibration Study Implementation• Public Land Inventory• Jurisdictional Funding Alignment	<ul style="list-style-type: none">• Regulatory Improvement Code Amendment Package (RICAP)	<ul style="list-style-type: none">• Housing Regulatory Relief Code Changes• TIF District exploration<ul style="list-style-type: none">• East Portland• Central City• Permitting Process Improvements• Land Division Code Update

Potential Future Strategies

Affordable Housing

HNA Target: 27,000 units up to 60% AMI and 6,000 units 60-80% AMI over the next 10 years

- **New Local Funding**

- Replace revenue source for Portland and Metro Housing Bonds
- Create new tax increment finance districts
- Leverage state resources

- **Expand Incentive Programs**

- Expand incentives offered through Inclusionary Housing
- Zoning changes for affordable housing

- **Other Tools**

- Make City-owned land available for affordable housing
- Support for mission-aligned organizations interested in building affordable housing on land they own

Potential Future Strategies

Middle Income Housing

HNA Target: 8,600 units 80-120% AMI over the next 10 years

- **Expand Use of Financing Tools**

- Prosper Portland considering new loan products to invest in middle-income housing both within and outside existing TIF districts
- Central City and East Portland TIF exploration could result in middle-income housing investments
- Need additional State resources

- **Expand Incentive Programs**

- Homeownership property tax exemptions
- SDC waivers

- **Zoning Changes** to support family-size units and homeownership goals

Potential Future Strategies

All Affordability Levels

HNA Target: 55,000 units overall, over the next 10 years

- **Zoning And Other Development Codes**

- Adopt Housing Regulatory Relief Code Amendments (Jan 2024)
- Expand Inclusionary Housing incentives (Jan 2024)
- Refine Floor Area and Height bonuses and incentives

- **Permitting Improvements**

- Implement Single Permitting Authority
- Customer experience, performance management, regulatory and process improvements
- Pre-approved plans for smaller-scale projects

- **Other Actions**

- Inner East Infrastructure Capacity Analysis
- Analysis of condo development barriers
- Conversion/reuse of Central City office buildings

HPS Community Engagement

Completed

Phase 1 (Jan. – Oct. 2023)

Collaborate/Involve

Introduce project, seek feedback on needs, and gather production strategy ideas.

- City multi-bureau teams
- Technical Advisory Committee
- Outreach to key stakeholders - over 20 presentations to community groups

Underway & Upcoming

Phase 2 (Oct. – Apr. 2024)

Involve/Consult

Share draft strategies, get feedback on prioritization.

- City multi-bureau teams
- Technical Advisory Committee
- Additional outreach to key stakeholders
- Citywide survey/open house
- BIPOC focus groups and community meetings

Phase 3 (May – July 2024)

Adopt/Inform

Make modifications as needed and publish HPS.

- Planning Commission hearing and recommendation
- City Council hearing and adoption

After adoption, communicate results with stakeholders.



Next Steps

- December 13, 2023 Council adoption of HNA
- January 2024 Council adoption:
Inclusionary Housing Recalibration
Housing Regulatory Relief Project
- January 2024 - Mid 2024 HPS Community Engagement
- Summer 2024 Council adopts HPS

Proposed Legislative Action

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