



City of Portland 2024 Housing Production Strategy

Proposed Strategies

Discussion Draft

February 2024



THE BUREAU OF
**PLANNING &
SUSTAINABILITY**

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Portland's Housing Need

Portland faces an increasingly wide range of housing needs and growing challenges to meet those needs, which have been identified in the [2045 Housing Needs Analysis \(HNA\)](#). This analysis recognizes that some communities face bigger challenges to meeting housing needs. Consequently, it emphasizes the greater need for equitable outcomes for current and future residents — especially low-income households, communities of color, elders, people with disabilities, and people experiencing houselessness.

HOW MUCH GROWTH IS PORTLAND PLANNING FOR?

The City is planning for an additional 120,560 dwelling units by 2045. Portland has sufficient development capacity to meet the demand with an estimated overall capacity for 236,977 housing units.¹



279,797 HOUSEHOLDS IN 2021



296,479 UNITS IN 2021



97,471 NEW HOUSEHOLDS
FORECASTED



97,471 TO 120,560 NEW UNITS
NEEDED



377,268 HOUSEHOLDS IN 2045
35% INCREASE



417,039 UNITS IN 2045
41% INCREASE

WHAT DOES THE NEED LOOK LIKE?

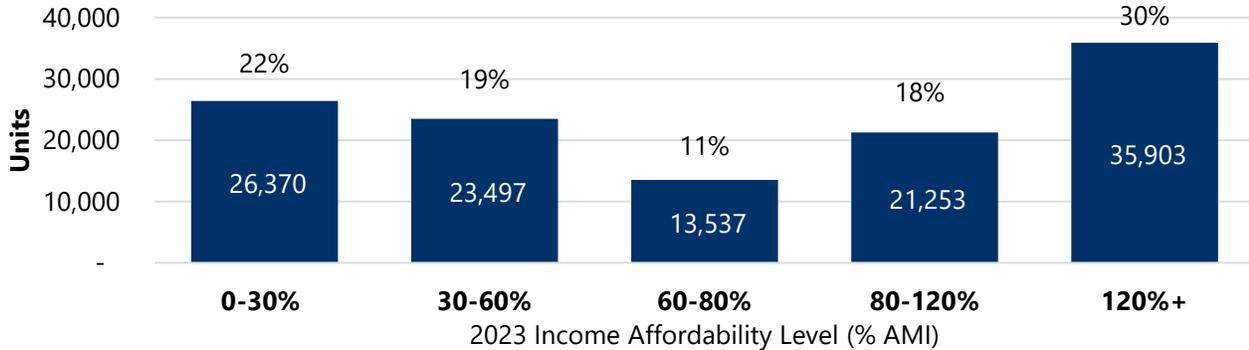
Portland needs to support the development of 120,560 new units of housing by 2045 — an average of 5,200 units per year. Additionally, to align with Governor Kotek's statewide housing production strategy, the City should "catch-up" the units from historic underproduction and for households experiencing houselessness and aim to build 55,000 units by 2032, roughly, 6,000 units per year.

The City must plan to accommodate a variety of Portlanders' needs with a range of unit types, prices and locations, including low-income populations, communities of color, and people of all ages and abilities.

¹The [Buildable Land Inventory \(BLI\)](#) considers vacant land, redevelopment feasibility, and constraints on development to estimate the future development capacity under current planning and zoning designations

To meet this demand for new housing, 53 percent of all new units will need to be affordable to households earning 80% AMI or below, 18 percent for households earning between 80 and 120%, and 30 percent for households earning more than 120%.

Figure 1. Total Units Needed By Income Affordability



Source: BPS analysis

Portland will also need a wide range of housing types suitable for families, older adults and people with disabilities.

Figure 2. Summary of Total Units Needed by Affordability and Household Characteristics

	EXISTING HOUSEHOLDS	NEW UNITS NEEDED
HOUSEHOLDS EXPERIENCING HOUSELESSNESS	2,516	4,604
HOUSEHOLDS WITH MEMBERS WHO HAVE DISABILITIES	65,279	21,277 to 26,318
HOUSEHOLDS WITH CHILDREN	65,146	29,016 to 35,890
HOUSEHOLDS WITH OLDER ADULTS	63,514	22,126 to 27,367
BLACK, INDIGENOUS AND HOUSEHOLDS OF COLOR	81,526	26,582 to 30,071

Source: BPS analysis

New Strategies to Meet Future Housing Need

Portlanders need access to high-quality affordable housing that accommodates their needs, preferences, and financial capabilities. Accordingly, future housing supply should accommodate different types, tenures, density, sizes, costs, and locations. The Housing Production Strategy identifies strategies and actions the City can take to promote housing development that meets the community's current and future needs, with a focus on more equitable and affordable housing options for a wider range of incomes, needs, and preferences.² This action plan and subsequent strategies aims to address all types of needs, types and affordability levels in addition to net new housing production. Strategies are organized into the following eight categories, based on the type of need each one aims to address:

- A. Promote Affordable Housing (0-80% AMI)
- B. Increase Homeownership
- C. Increase Access to Opportunity
- D. Reduce Barriers to Development and Improve Processes
- E. Stabilize Current and Future Households
- F. Promote Age and Disability Friendly Housing
- G. Promote Climate Friendly and Healthy Homes
- H. Advocate at the State and Federal Level

Each strategy includes the following information:

- **Description:** What is the strategy? How can the strategy work to address identified housing needs in Portland? What are potential outcomes?
- **Affordability target:** What income levels are served by the strategy?
- **Tenure target:** Are renters or owners served by the strategy?
- **Populations served:** What specific populations are served by the strategy?
- **Magnitude of impact:** What is the anticipated impact for producing new and needed units?
- **Priority:** How important is it for the City to adopt and implement this action in the next 5 years?
High priority: 1-2 years; Medium: 3-4 years; Low: 5+ years

² This draft presents only the strategies which are under consideration and is not yet intended to fulfill the full requirements of the state. A future draft will include all required HPS elements in Chapter 660 Div8 [Oregon Secretary of State Administrative Rules](#)

New Strategies By Initiative

A. Promote Affordable Housing (0-80% AMI)

1. Conduct Inclusionary Housing Periodic Review
2. Create New Tax Increment Financing Districts
3. Explore Replacing Housing Bonds Revenue Source
4. Explore Additional Local Revenue Sources
5. Leverage Other State and Federal Funding Sources
6. Rezone Sites For Affordable Housing
7. Incorporate Affirmatively Furthering Fair Housing Into City Code
8. Develop A Comprehensive Citywide Land Banking Practice

B. Increase Homeownership

1. Create New Middle-Income Financial Incentives
2. Update Land Division Code
3. Explore Expanding Homeownership Programs
4. Improve Middle Housing Permit Process

C. Increase Access To Opportunity

1. Study Multi-dwelling Zoning Changes in Inner Centers & Corridors
2. Study Zoning Bonuses and Incentives

D. Reduce Barriers to Development and Improve Processes

1. Implement Regulatory Reform Project
2. Improve User Experience Within Permitting Systems
3. Explore Development Services Funding Models
4. Explore Infrastructure Investments and Strategies
5. Study System Development Charges (SDC) Revisions

E. Stabilize Current and Future Households

1. Preserve Existing Affordable Housing
2. Study Tenant Opportunity to Purchase Policies
3. Identify Funding to Support Existing Affordable Housing

F. Promote Age and Disability Friendly Housing

1. Explore Accessible Housing Production Strategies
2. Educate on Opportunities for Aging in Place & Community

G. Promote Climate Friendly and Healthy Homes

1. Develop Low Carbon Building Policies and Support
2. Support Mass Timber and Modular Innovation
3. Promote Commercial to Residential Conversion / Adaptive Reuse

H. Advocate at the State and Federal Level

1. Advocate for preservation of expiring regulated affordable units
2. Support changes to condo liability regulations
3. Advocate for State Rehabilitation Tax Credit
4. Support changes to increase accessible housing
5. Advocate for all electric housing production
6. Support exploration of single stair buildings
7. Advocate for and support middle income development funding sources/tools
8. Advocate for changes in federal tax credits

New Strategies by Lead Bureau

Many of these actions and strategies will be collaborative efforts between multiple bureaus. They've been listed here under just one lead bureau for ease of reading.

Portland Housing Bureau

- Conduct Inclusionary Housing Periodic Review
- Explore Replacing Housing Bonds Revenue Source
- Explore Additional Local Revenue Sources
- Leverage other State and Federal Funds
- Develop a Comprehensive Citywide Land Banking Practice
- Preserve Existing Affordable Housing
- Study Tenant Opportunity to Purchase Policies
- Identify Funding to Support Existing Affordable Housing
- Explore Expanding Homeownership Programs

Prosper Portland

- Create New Tax Increment Financing (TIF) districts
- Create New Middle-Income Financial Incentives

Bureau of Planning and Sustainability

- Rezone Sites For Affordable Housing
- Incorporate Affirmatively Furthering Fair Housing into City Code
- Update Land Division Code
- Study Multi-dwelling Zoning Changes in Inner Centers & Corridors
- Study Zoning Bonuses and Incentives
- Explore Infrastructure Investments and Strategies
- Explore Accessible Housing Production Strategies And Policies
- Educate on Opportunities for Aging in Place & Community
- Develop Low Carbon Building Policies and Support

- Support Mass Timber and Modular Innovation
- Promote Commercial to Residential Conversion / Adaptive Reuse

Permit Improvement Team/Bureau of Development Services (BDS)

- Improve Middle Housing Permit Process
- Implement Regulatory Reform Project
- Improve User Experience Within Permitting Systems
- Explore Development Services Funding Models
- Study System Development Charges (SDC) Revisions

A. Promote Affordable Housing (0-80% AMI)

These strategies aim to increase the supply of regulated and unregulated affordable housing units in Portland. These actions and programs are ones that the City has implemented or will consider implementing.

Figure 3. Existing and Ongoing Programs and Actions That Promote Affordable Housing

Inclusionary Housing (IH) Program	Land Acquisition and Banking
Mixed Use Zoning	Public Land Inventory
Manufactured Dwelling Park (MDP) Zoning	Expanding Opportunities for Affordable Housing
Deeper Housing Affordability (DHA) bonus	Construction Excise Tax
Tax Increment Financing (TIF)	Short Term Rental Lodging Tax
<ul style="list-style-type: none"> Regulated Affordable Rental Housing 	American Rescue Plan Act Funds
<ul style="list-style-type: none"> Property Acquisition and Rehabilitation 	Portland Clean Energy Fund (PCEF)
<ul style="list-style-type: none"> Gap Financing For Middle Income Housing 	Metro Supportive Housing Services Fund
Metro Housing Bond	Portland Housing Bond
Multiple-Unit Limited Tax Exemption (MULTE) & Extension	Non-Profit Low Income Housing Limited Tax Exemption
Affordable Housing Construction Excise Tax Exemption	Homebuyer Opportunity Limited Tax Exemption (HOLTE)
Fair Housing Policy Audits	Fair Housing Testing
Federal Funding	State Funding
<ul style="list-style-type: none"> Community Development Block Grant (CDBG) HOME Investment Partnerships (HOME) Emergency Solutions Grants (ESG) Housing Opportunities for Persons with AIDS (HOPWA) 	<ul style="list-style-type: none"> Permanent Supportive Housing (PSH) LIFT and Housing Trust Funds (HTF) 9% Low-Income Housing Tax Credit (LIHTC) 4% Low-Income Housing Tax Credit (LIHTC)
Other Federal and State Funding	Affirmative marketing for City Incentives

PROPOSED STRATEGIES

1. Conduct Inclusionary Housing (IH) Periodic Review

City Council committed to periodically reviewing the regulations and incentives of Portland’s IH program and making necessary revisions based on policy intent, market conditions, and program goals. Portland’s IH program requires that new development with 20 or more new units provide a percentage of the new units at rents affordable to households making up to 80% of the median family income. The program offers incentives (such as tax exemptions and fee waivers) to help offset the cost of compliance to maintain the financial feasibility of new residential buildings.

DLCD Category:
Zoning and Code

Priority: High

Lead: PHB

Impact

Affordability: 0-80%

Tenure: Rent

Populations Served:

Low-income communities

Magnitude: High

Partners: BPS

2. Create New Tax Increment Financing (TIF) Districts

Prosper Portland is exploring establishing up to eight new TIF districts in East Portland and the Central City. The creation of new TIF districts will increase investment in those areas and provide funding, through the 45% set-aside, to support affordable housing development, as well as resources available to support middle income housing and the creation of quality jobs. The goal is for City Council to vote on the first set of TIF districts in November 2024.

DLCD Category:
Resources and
Incentives

Priority: High

Lead: Prosper, PHB

Impact

Affordability: 0-120%

Tenure: Both

Populations Served :

Low-income
communities + general

Magnitude: High (~5
years post-adoption)

Partners: BPS, OMF

3. Explore Replacing Housing Bonds Revenue Source

Given the success of the Portland and Metro bonds in fully distributing funds for affordable housing, and exceeding development targets, the City will consider how to continue supporting the development of affordable housing through additional funding sources.

DLCD Category:
Resources and
Incentives

Priority: High

Lead: PHB

Impact

Affordability : 0-80%

Tenure : Both

Populations Served :

Low-income
communities

Magnitude: High

Partners: State, Metro,
County

4. Explore Additional Local Revenue Sources

In addition to major revenue sources, such as bonds and TIF funding, the City has the potential for other local revenue sources that could further affordable housing. For example:

- A. Transient occupancy tax – Consider an increase to transient occupancy tax as, currently applied to short-term rentals in residential zones.
- B. Unit Loss Taxes – Explore taxes and fees to generate revenue and replace affordable housing lost to development. To ensure a tax on development does not deter needed redevelopment – this tax should not apply if is the new development is denser than the original.
- C. Vacancy Taxes – Explore tax or fee on vacant land and/or buildings/space/units to disincentivize absentee owners.
- D. Land Value Tax/Fee – Explore incentives to utilize land more efficiently.

DLCD Category:
Resources and
Incentives

Priority: Medium

Lead: PHB

Impact

Affordability : 0-80%

Tenure : Rent

Populations Served :

Low-income
communities

Magnitude: High

Partners: State, Metro,
County

5. Leverage Other State and Federal Funding Sources

There are additional resources or programs at the state and federal level that may offer funding for housing projects, especially affordable housing projects. Many of these programs are administered by the federal Department of Housing and Urban Development (HUD) or the state Oregon Department of Housing and Community Services (OHCS)

- A. Explore using OHCS Private Activity Bond Recycling Program for tax exempt bonds to fund 50% AMI and mixed income housing.
- B. Explore with OHCS 501c3 Bond issues (federal tax-free bonds)
- C. Explore funding for PSH and other programs to develop funding alignment between capital and operating funding with federal/state/local.
- D. Explore other HUD/Fannie/Freddie funding sources

DLCD Category: Resources and Incentives
Priority: Medium
Lead: PHB

Impact

Affordability: 0-120%
Tenure: Both
Populations Served : Low-income communities
Magnitude: High

Partners: OHCS

6. Rezone Sites For Affordable Housing

To address the need for affordable housing, the City will explore a repeat of the process of the Expanding Opportunities for Affordable Housing project to rezone new sites, as institutions' needs have changed throughout the pandemic and the need for affordable housing has grown. The project would identify collaborative organizations with available land for affordable housing development.

DLCD Category: Zoning and Code
Priority: High
Lead: BPS

Impact

Affordability: 0-80%
Tenure: Both
Populations Served: Low-income communities
Magnitude: Low

Partners: PHB/BDS/Institutions

7. Incorporate Affirmatively Furthering Fair Housing into City Code

The City will explore how to incorporate an analysis and strategy for addressing fair housing in Comprehensive Plan Map changes. This project could also consider requirements for developers to have a fair housing strategy if the development is located in an area with high concentrations of vulnerable populations.

DLCD Category: Zoning and Code
Priority: Low
Lead: BPS /PHB

Impact

Affordability: All
Tenure: Both
Populations Served: Low-income communities; Communities of color; Older adults, People with disabilities
Magnitude: Low

Partners: PHB/BDS

8. Develop a Comprehensive Citywide Land Banking Practice

The City will create a comprehensive citywide land banking strategy. The strategy will utilize information from the 2023 Public Land Inventory and integrate insights from market analyses, enhanced financial planning, land acquisition and tender procedures, and community engagement.

- Inventory and explore development opportunities in high opportunity areas. Coordinate with Metro and/or Multnomah County to identify sites with high opportunity.
- Explore opportunities for transit-oriented development with TriMet and Metro
- Explore partnerships with other public agencies
- Identify funding sources for land acquisition

DLCD Category:
Land and
Infrastructure

Priority: Low

Lead: PHB/Prosper

Impact

Affordability: 0-120%

Tenure: Both

Populations Served:

Low-income,
communities of color

Magnitude: Medium

Partners: Metro,
Multnomah County, and
and other local, state
and federal agencies

B. Increase Homeownership

These strategies aim to improve homeownership rates, homeownership retention, and locational choice for people of color and other groups who have been historically under-served and under-represented as well as encourage a variety of ownership opportunities and choices. These actions and programs are ones that the City has implemented or will consider implementing.

Figure 4. Existing and Ongoing Programs and Actions That Promote Ownership

Tax Increment Financing (TIF) <ul style="list-style-type: none"> Regulated Affordable Housing Property Acquisition and Rehabilitation Gap Financing For Middle Income Housing 	Homebuyer Opportunity Limited Tax Exemption (HOLTE)
Down Payment Assistance Loan Program	

PROPOSED STRATEGIES

1. Create New Middle-Income Financial Incentives

Explore new programs for grants, loans, tax exemptions and SDC waivers to support middle-income (80-120% AMI) housing development. In 2024, Prosper Portland is creating new guidelines for loans targeting middle income housing development.

DLCD Category:
Resources and Incentives

Priority: High

Lead: Prosper

Impact

Affordability : 80-120%

Tenure : Both

Populations Served :
General

Magnitude: Medium

Partners: PHB

2. Update Land Division Code

Dividing land into smaller properties can help increase housing development opportunities in areas with limited available land. This project aims to simplify the land division process for smaller, less complex properties by streamlining application requirements and creating clear and objective standards as alternatives to the existing discretionary criteria.

DLCD Category:
Zoning and Code

Priority: High

Lead: BPS

Impact

Affordability: All

Tenure: Own

Populations Served:
General

Magnitude: Low

Partners: BDS

3. Explore Expanding Homeownership Programs

The City should support the expansion of programs that create new housing for low to moderate income homebuyers. Prioritizing programs with a strong record of serving people with disproportionately low homeownership rates, such as:

- Land, tax incentives, grants, density bonuses, or expedited permitting to develop new housing
- Increased funding in programs that aid homebuyers, such as downpayment assistance, education, and matched savings programs.

DLCD Category:
Resources and
Incentives

Priority: High

Lead: Prosper/PHB

Impact

Affordability : 80-120%

Tenure : Own

Populations Served :
General

Magnitude: Medium

Partners:

4. Improve Middle Housing Permit Process

Middle housing, such as ADUs, duplexes and fourplexes can provide a greater range of housing options, allow for lower-cost homeownership. Middle housing development processes could be more navigable for residents and developers.

- A. Evaluate opportunity to accelerate the review times for projects that are using previously approved plans.
- B. Evaluate capacity for dedicated inspections for middle housing (or all residential construction) projects, similar to the Field Issuance Remodel program.
- C. Review middle housing development projects to improve permitting process and assess infrastructure needs.
- D. Identify challenges associated with providing public infrastructure to serve middle housing developments and strategies to overcome them.

DLCD Category:
Regulation and
Process

Priority: Medium

Lead: BDS

Impact

Affordability : 80%+

Tenure : Own

Populations Served :
General

Magnitude: Low

Partners: Public
Infrastructure

Additional Ideas for Consideration:

- 5. Explore Opportunities to Support Alternative Ownership Models** – Assess and explore if there are barriers to cooperative ownership models such as Community Land Trust (CLT) or Limited Equity Cooperative for lower barrier entry to homeownership.
- 6. Explore Middle Housing Support for Low- and Moderate-Income Owners-** Explore programs to facilitate low-income homeowners adding new rental units to their property, including possible loan programs, financing, education, etc. (see Verde’s program). There may be an opportunity to foster an ADU program that leads owners through ADU development steps and renting to a small household with a moderate to low income.

C. Increase Access To Opportunity

These strategies help Portland ensure equitable access to housing and aims to increase the number of Portlanders who live in safe, healthy housing that provides convenient access to jobs and to goods and services that meet daily needs, connected to the rest of the city and region by safe, convenient, and affordable multimodal transportation. These actions and programs are ones that the City has implemented or will consider implementing.

Figure 5. Existing and Ongoing Programs and Actions That Increase Access to Opportunity

Design Overlay Zone Assessment (DOZA)	Three-Bedroom Unit Bonus
Residential Infill Project (RIP)	Shelter 2 Housing Continuum (S2HC)
West Portland Town Center	Central City 2035
Lower Southeast Rising	Better Housing by Design (BHD)
Montgomery Park to Hollywood	

PROPOSED STRATEGIES

1. Study Multi-dwelling Zoning Changes in Inner Centers & Corridors

As identified in the [BPS Strategic Plan](#), the City will explore increasing housing capacity in high-opportunity neighborhoods to promote fair housing, address racial segregation, and expand affordable housing options. This may involve expanding commercial mixed-use and multi-dwelling zoning in centers and corridors in the inner neighborhoods.

- Conduct Infrastructure Capacity Analysis - This analysis, funded by a DLCDC grant, aims to determine whether the existing infrastructure in the inner eastside neighborhoods can support increased housing densities beyond current allowances.

DLCDC Category:
Zoning and Code

Priority: High

Lead: BPS

Impact

Affordability: All

Tenure: Rent

Populations Served:

Low-income communities;
Communities of Color,
Older adults, People
with disabilities

Magnitude: High

Partners: BDS,
Infrastructure bureaus

2. Study Zoning Bonuses and Incentives

This strategy aims to assess the entire landscape of floor area ratio (FAR) density and building height bonuses in the zoning code. The goal is to restructure the development incentives to support needed housing types, such as larger units, accessible units and affordable housing to serve all household types, incomes and needs.

DLCDC Category:
Zoning and Code

Priority: High

Lead: BPS

Impact

Affordability: All

Tenure: Both

Populations Served:

Low-income communities;
Older adults, People with
disabilities

Magnitude: medium

Partners: PHB/BDS

D. Reduce Barriers to Development and Improve Processes

These strategies, programs and projects aim to address known impediments to providing needed housing. These include but are not limited to permitting impediments and barriers identified through the [housing production survey conducted by Commissioner Rubio](#) office as well as the ongoing engagement on housing policy across the city. These actions and programs are ones that the City has implemented or will consider implementing.

Figure 6. Existing /Ongoing Programs and Actions that Reduce Barriers and Improve Processes

Permit Improvement Task Force	Early Assistance Options for Middle Housing Pilot
Residential Permitting Single Point of Contact	Team Business Process Analysis Review
Multi-Dwelling Housing Pilot	Local Transportation Infrastructure Charge Exemption
Public Works Pilot	Temporary Early Assistance Fee Reduction
Housing Regulatory Relief Project	Historic Resources Code Project
2023 RICAP 10	Parking Compliance Amendments Project
System Development Charges <ul style="list-style-type: none"> • Exemption • Freeze • Deferral 	
Prosper Portland Construction Business And Workforce Equity	

PROPOSED STRATEGIES

1. Implement Regulatory Reform Project

This project aims to establish a new code and policy process that streamlines when code and fee changes are brought to Council. The new process aims to enhance collaboration among bureaus responsible for implementing development regulations (BES, PBOT, Water, BDS, Parks/Urban Forestry, BES), ensure cross-code regulatory alignment, establish frequent updates with City Council, reduce code conflicts, identify development impacts, establish a feedback loop with both customers and staff to inform code revisions, and document barriers identified by review teams and customer-facing staff to be considered for review.

DLCD Category:

Regulation and Process

Priority: High

Lead: Permit

Improvement Team

Impact

Affordability: All

Tenure: Both

Populations Served: General

Magnitude: Medium

Partners: BDS, BPS,

Public Infrastructure Development Services, PHB

2. Improve User Experience within Permitting Systems

These projects aim to make the permitting process more user-friendly by streamlining and simplifying the process, removing any inefficiencies that unnecessarily slow down projects and contribute to increased development costs.

- A. Implement Single Permitting Authority - Improve permitting process through a single permitting authority structure.
- B. Set up Public Infrastructure Prescreen - Include infrastructure teams in the permit prescreen process.
- C. Standardize Data and Reporting - Provide timely data on permitting, providing managers with early alerts regarding timeline problems.
- D. Create a Customer Focused Website - Redesign permitting websites to better align content and improve customer wayfinding.
- E. Establish Intake Success: New Single-Family Residence (NSFR) - Create portal to guide the customer through the application process, resulting in more accurate and efficient NSFR permit applications.
- F. Create A More Accurate Pre-Issuance List - The new report will provide transparency to both customers and Permitting Services on the pre-issuance permitting queue.
- G. Establish Single Point of Contact - Each project is assigned one person to work with as evaluation occurs. This will be expanded to all building types.

DLCD Category:
Regulation and
Process

Priority: High

Lead: CAO, Permit
Improvement Team,
BDS, BTS

Impact

Affordability: All
Tenure: Both
Populations Served:
General
Magnitude: Medium

Partners: Public
Infrastructure
Development Teams,
BDS, BTS

3. Explore Development Services Funding Model

The funding and staffing model for development permitting needs to be reformed to build a mechanism that is not completely reliant on fees and can provide sustained funding. Best practices from other jurisdictions point to a need for funding that avoids the vulnerability of the current system to development cycles, creating a volatile staffing model and makes retaining/recruiting a skilled and technical workforce unattainable.

DLCD Category:
Regulation and
Process

Priority: High

Lead: Permit
Improvement Team

Impact

Affordability: All
Tenure: Both
Populations Served:
General
Magnitude: Medium

Partners: BDS, Public
Infrastructure
Development Services

4. Explore Infrastructure Investments and Strategies

The City will explore strategies that enhance infrastructure investment to support housing production and ensure that capital improvement plans, public facility plans, transportation plans, and other infrastructure plans are up-to-date and prioritize areas that need investment.

- The City should integrate growth management, asset management and capital improvement planning to prevent infrastructure deficiencies from hindering housing development. The City should coordinate housing development and infrastructure improvements.
- Publicly Funded Infrastructure Improvements – City should consider having a fund to quickly deploy to help fund off-site improvements triggered by development.

DLCD Category: Land and Infrastructure
Priority: Medium

Lead: BPS

Impact

Affordability: All

Tenure : Both

Populations Served : General

Magnitude: Medium

Partners: PBOT, BES, PWB

5. Study System Development Charges (SDC) Revisions

Recent studies and engagement show that SDCs may impact the feasibility of certain types of development. However, SDCs are crucial for meeting infrastructure needs. The City should comprehensively study how SDCs, and other fees affect development feasibility, aiming to find the right balance between adequately supporting new growth and minimizing adverse impacts on development goals. Opportunities for study include;

- Study the impact of scaling SDCs to unit size
- Study the impact of scaling SDCs to income level
- Consider the removal of "ADU specific" waiver and replace with one waiver for sites with more than 1 dwelling when one dwelling is below a set size threshold (to align with / increase middle housing).

DLCD Category: Resources and Incentives
Priority: Medium

Lead: PBOT

Impact

Affordability: All

Tenure: Both

Populations Served: General

Magnitude: Low

Partners: BDS, Infrastructure Bureaus, BPS, PHB

Additional Ideas for Consideration:

6. Improve data collection to track state mandated housing unit production-
 - A. Create list of standardized inputs/options for tracking different permit trends- e.g., bedroom count, tiny-home hookups, etc.
 - B. Consider tracking Accessible Units within permitting software - include number of units and accessibility level of those units ("Accessible Unit"; "Type A Unit"; "Type B Unit"; "Visitable Unit").

E. Stabilize Current and Future Households

These actions and programs are ones that the City has implemented or will consider implementing in order to support the stabilization of current and future households, they aim to prevent houselessness, and reduce housing insecurity.

Figure 7. Existing and Ongoing Programs Addressing Stabilization, Anti-Displacement and More

Joint Office of Homeless Services	0% Home Repair Loans
Tax increment Financing (TIF)	BES & PWB Financial Assistance
<ul style="list-style-type: none"> • Single Dwelling Home Repair • Homeownership 	<ul style="list-style-type: none"> • RAMP • Bill discount
<ul style="list-style-type: none"> • Rehabilitation & Preservation of Regulated • Acquisition & Rehabilitation of Market-Rate 	<ul style="list-style-type: none"> • Crisis voucher • Water Leak Repair Assistance
Anti-Displacement Action Plan	<ul style="list-style-type: none"> • BES Safety Net Low Income Loans
Action Plan for An Age-Friendly Portland	Affordable Housing Land Banking
Age- & Disability-Inclusive Neighborhood Project (ADIN)	American Rescue Plan Act Funds
N/NE Preference Policy	<ul style="list-style-type: none"> • Affordable Housing Preservation
N/NE Community Development Initiative	<ul style="list-style-type: none"> • 82nd Avenue Housing Anti-Displacement
Down Payment Assistance Loan Program	<ul style="list-style-type: none"> • Joint Office of Homeless Services Motel Shelter Strategy
Affordable Housing Green Building Policy	<ul style="list-style-type: none"> • PSR Expansion 24/7
Affordable Housing Air Conditioning	<ul style="list-style-type: none"> • Afloat: Utility Debt Relief
Landlord-Tenant Mediation Pilot Program	<ul style="list-style-type: none"> • Eviction Legal Defense
Short Term Rental Ordinance	<ul style="list-style-type: none"> • Homeowner Foreclosure Prevention
Rental Services Office (RSO)	<ul style="list-style-type: none"> • Housing Stabilization Contingency
Fair Access in Renting (FAIR)	<ul style="list-style-type: none"> • Oregon Worker Relief
Eviction Legal Support	<ul style="list-style-type: none"> • Rent Assistance Streets to Stability
Mandatory Relocation Assistance	<ul style="list-style-type: none"> • COVID-19 Homeless Services
Empowered Neighborhood Program	<ul style="list-style-type: none"> • Flexible household assistance
Home Repair	<ul style="list-style-type: none"> • Rapid Workforce Training & Employment
Lead Hazard Control Grant Program	<ul style="list-style-type: none"> • RV Pollution Prevention Program
Excess to Access	<ul style="list-style-type: none"> • Match2: Utility Debt Relief

PROPOSED STRATEGIES

1. Preserve Existing Affordable Housing

Explore preventing displacement and preserving unregulated affordable housing through strategies.

- A. Prepare an inventory of regulated and unregulated affordable housing to support proactive policies to preserve the affordable housing stock.
- B. Consider acquisition, low-interest loans/revolving loan fund for preservation.
- C. Evaluate opportunity to coordinate with Portland Clean Energy Fund on energy efficiency improvements to work in concert with the rehabilitation of affordable housing.
- D. Explore unreinforced masonry seismic funding and code changes to stabilize existing affordable housing

DLCD Category:
Stabilization and
Other

Priority: High

Lead: PHB

Impact

Affordability: 0-120%

Tenure : Rent

Populations Served :
General

Magnitude: Low

Partners:

2. Study Tenant Opportunity to Purchase Policies

Tenant Opportunity to Purchase Policies can help provide services, such as technical, legal, and financial assistance to tenants wishing to purchase their units, allowing tenants to remain in their unit after it is sold, renew their lease following the sale of the unit, or access relocation assistance.

DLCD Category:
Stabilization and
Other

Priority: Low

Lead: PHB

Impact

Affordability: 0-120%

Tenure : Both

Populations Served :
General

Magnitude: Low

Partners:

3. Identify Funding to Support Existing Affordable Housing

Existing affordable housing needs continuing financial support for operations or deferred maintenance. This funding could help maintain and improve affordability by covering a portion of the ongoing costs of operating affordable housing developments.

- Evaluate feasibility and prioritize Permanent Supportive Housing (PSH) services.
- Increase alignment between partners to better tie funding to need.

DLCD Category:
Resources and
Incentives

Priority: Medium

Lead: PHB

Impact

Affordability: 0-30%

Tenure: Both

Populations Served
Low-income
communities

Magnitude: low

Partners:

Additional Ideas For Consideration

4. **Explore and support residents and housing providers in accessing state and federal fundings –**
Expand awareness of Medicaid funding availability for housing services for people with disabilities.

F. Promote Age and Disability Friendly Housing

These strategies aim to further Portland’s ability to ensure equitable access to housing, making a special effort to remove disparities in housing access for people with disabilities and older adults. These strategies build on the recommendations in the draft action plan for Age- & Disability-Inclusive Neighborhoods (ADIN).

Figure 8. Existing and Ongoing Policies Addressing Age and Disability Friendly Housing

Action Plan for An Age-Friendly Portland	Fair Access in Renting (FAIR)
Visitable Unit Bonus	Empowered Neighborhood Program
Excess to Access	

PROPOSED STRATEGIES

1. Explore Accessible Housing Production Strategies

Examine and reduce the financial, regulatory, and institutional barriers to developing needed accessible housing in the aging city.

- Develop a method for estimating the accessible housing stock.
- Consider Age-Friendly Amendments to Title 33.
- Convene officials to discuss legislation that increases jurisdictions’ ability to regulate and incentivize accessible housing.
- Explore programmatic opportunities to connect households to units

DLCD Category:
Zoning and Code

Priority: Medium

Lead: PHB /BPS

Impact

Affordability: All

Tenure: Both

Populations Served:

Low-income communities; Older adults, People with disabilities

Magnitude: Low

Partners: BDS, County; DLCD, BCD, OHCS, SPD, ADVSD, Developers

2. Educate on Opportunities for Aging in Place & Community

Provide technical assistance for community members on incremental housing development guidelines. Materials should focus on establishing clear guides to incremental improvements that would enhance aging in place/community (e.g., zero-step entrances, universal design, adaptable housing, affordable neighborhood-based housing models).

DLCD Category:
Stabilization and Other

Priority: Low

Lead: BPS

Impact

Affordability: All

Tenure: Both

Populations Served :

General

Magnitude: Low

Partners: BDS/PHB

G. Promote Climate Friendly and Healthy Homes

These strategies aim to promote the development of climate friendly and healthy homes so that there is access to high-performance housing for people of all abilities and income levels. A critical connection exists between the quality of the housing unit and the health of its occupants. Access to open spaces, opportunities for social interactions, green features, low-carbon building and adaptability also influence the health of a community. These focus on building and maintaining Portland’s housing stock in ways that foster environmental and community health and builds on the Climate Emergency work plan.

Figure 9. Existing and Ongoing Policies Addressing Climate Friendly and Healthy Homes

Tax increment Financing (TIF)	BES & PWB Financial Assistance
<ul style="list-style-type: none"> • Single Dwelling Home Repair 	<ul style="list-style-type: none"> • RAMP
<ul style="list-style-type: none"> • Rehabilitation & Preservation of Regulated 	<ul style="list-style-type: none"> • Water Leak Repair Assistance
<ul style="list-style-type: none"> • Acquisition & Rehabilitation of Market-Rate 	RV Pollution Prevention Program
Affordable Housing Green Building Policy	Home Repair
Affordable Housing Air Conditioning	Lead Hazard Control Grant Program
Empowered Neighborhood Program	Excess to Access
Portland Clean Energy Fund (PCEF)	EV Ready Requirement

PROPOSED STRATEGIES

1. Support Mass Timber and Modular Innovations

Explore opportunities to update zoning and building codes to facilitate the construction of mass timber and modular housing. The widespread use of modular construction not only lowers construction costs and timelines. This ties into strategies but also aligns with the goals outlined in Advance Portland and promotes Portland’s emergence as an innovator in the housing market. In addition, consider how to invest in the necessary infrastructure, including workforce development, to support the growth of modular and mass timber construction.

DLCD Category: Zoning and Code

Priority: Medium

Lead: BPS

Impact

Affordability: All

Tenure: Both

Populations Served: General

Magnitude: Low

Partners: Port / BDS / Prosper / PHB

2. Develop Low Carbon Building Policies

It's critical to lower carbon of new development through project design and material selection before construction. The City will consider developing policies that reduce the carbon content of building materials and construction emissions through the use of low-carbon alternatives, adaptive reuse and whole-building life-cycle assessments (LCAs) as well as policies around solar and electric vehicle (EV) readiness.

DLCD Category:
Stabilization and
Other

Priority: High

Lead: BPS

Impact

Affordability: All

Tenure : Both

Populations Served :
General

Magnitude: Low

Partners: DEQ, BDS, Prosper, Metro, Mass Timber Coalition, Other experts and topic area partners

3. Promote Commercial to Residential Conversion / Adaptive Reuse

As cities face the reality of vacant commercial buildings in a changing economy, there is an opportunity to repurpose these buildings into much needed housing. Some options to explore are;

- A. Identify high opportunity underutilized assets in centers and corridors.
- B. Review existing codes and zoning policies and establish ones that encourage the reuse of existing buildings.
- C. Consider an expansion of historic resource incentives, which allow a variety of uses not otherwise allowed.
- D. Code flexibility for adaptation is key but must ensure new units have efficient energy systems for livability and affordability.

DLCD Category:
Zoning and Code

Priority: High

Lead: BPS / Prosper

Impact

Affordability: All

Tenure: Both

Populations Served:
General

Magnitude: Low

Partners: Port / BDS/
Prosper / PHB

Additional ideas to consider

4. Increased Coordination With Emergency Preparedness - High risk fire and mitigation strategies in the event of wildfire; coordination between groups doing that work and folks doing planning for housing production.

H. Advocate at the State and Federal Level

The City faces limitations in its role for rulemaking or rule changes at the local level, some changes in codes or regulations that would promote housing production require the City to advocate at the State and Federal level.

1. Advocate for preservation of expiring regulated affordable units
2. Support changes to condo liability regulations
3. Advocate for State Rehabilitation Tax Credit
4. Support changes to increase accessible housing
5. Advocate for all electric housing production
6. Support exploration of single stair buildings
7. Advocate for and support middle income development funding sources/tools (particularly that would support development in Central City)
8. Advocate for changes in LIHTC (4 and 9%) locally and federally

Figure 10. Acronyms used in this Document

- BDS Bureau Of Development Services
- BPS Bureau Of Planning And Sustainability
- PHB Portland Housing Bureau
- PCEF Portland Clean Energy Community Benefits Fund (PCEF)
- OMF Office Of Management And Finance
- OHCS Oregon Housing And Community Services
- BTS Bureau Of Technology Services
- CAO City Attorney Office
- PBOT Portland Bureau Of Transportation
- PWB Portland Water Bureau
- BES Bureau Of Environmental Services
- BCD Building Codes Division
- SPD Oregon Aging And Disability Services
- DLCD Department Of Land Conservation And Development
- ADVSD Aging Disability & Veterans Services | Multnomah County
- DEQ Department Of Environmental Quality
- LIHTC Low Income Housing Tax Credit

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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.



THE BUREAU OF **PLANNING
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