



# PORTLAND HOUSING PRODUCTION STRATEGY (HPS)

2024

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THE BUREAU OF  
**PLANNING &  
SUSTAINABILITY**

# Purpose

- Commission's Advisory Role

# Process

- Today - Briefing and public comment
- June 11- Discussion

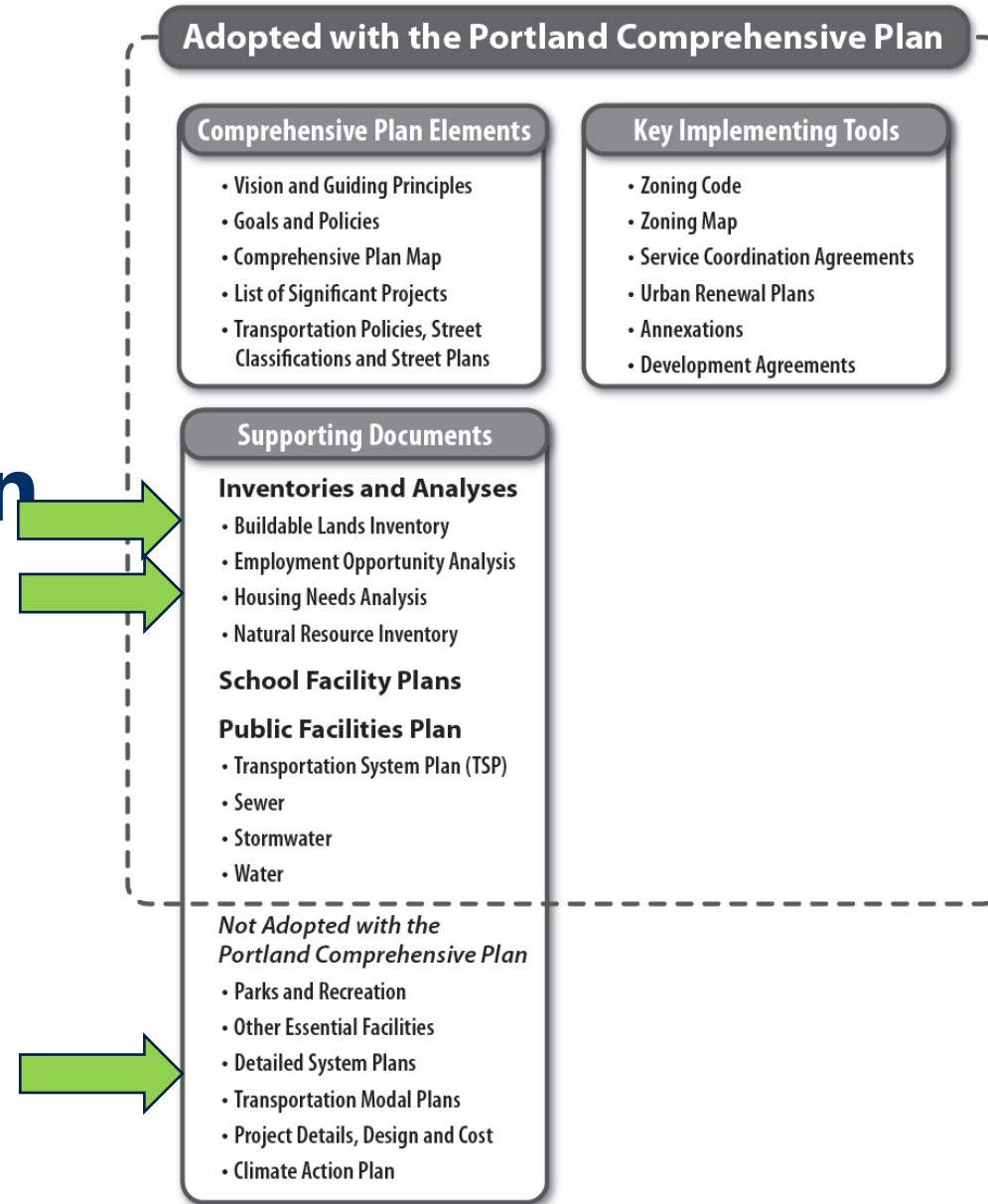


# Today we'll cover ...

- Briefing
  - Comprehensive Plan Context
  - Portland's Housing Needs
  - Housing Production Strategy
  - Engagement Summary
- Public Comment
- Discussion and Next Steps



# The Comprehensive Plan

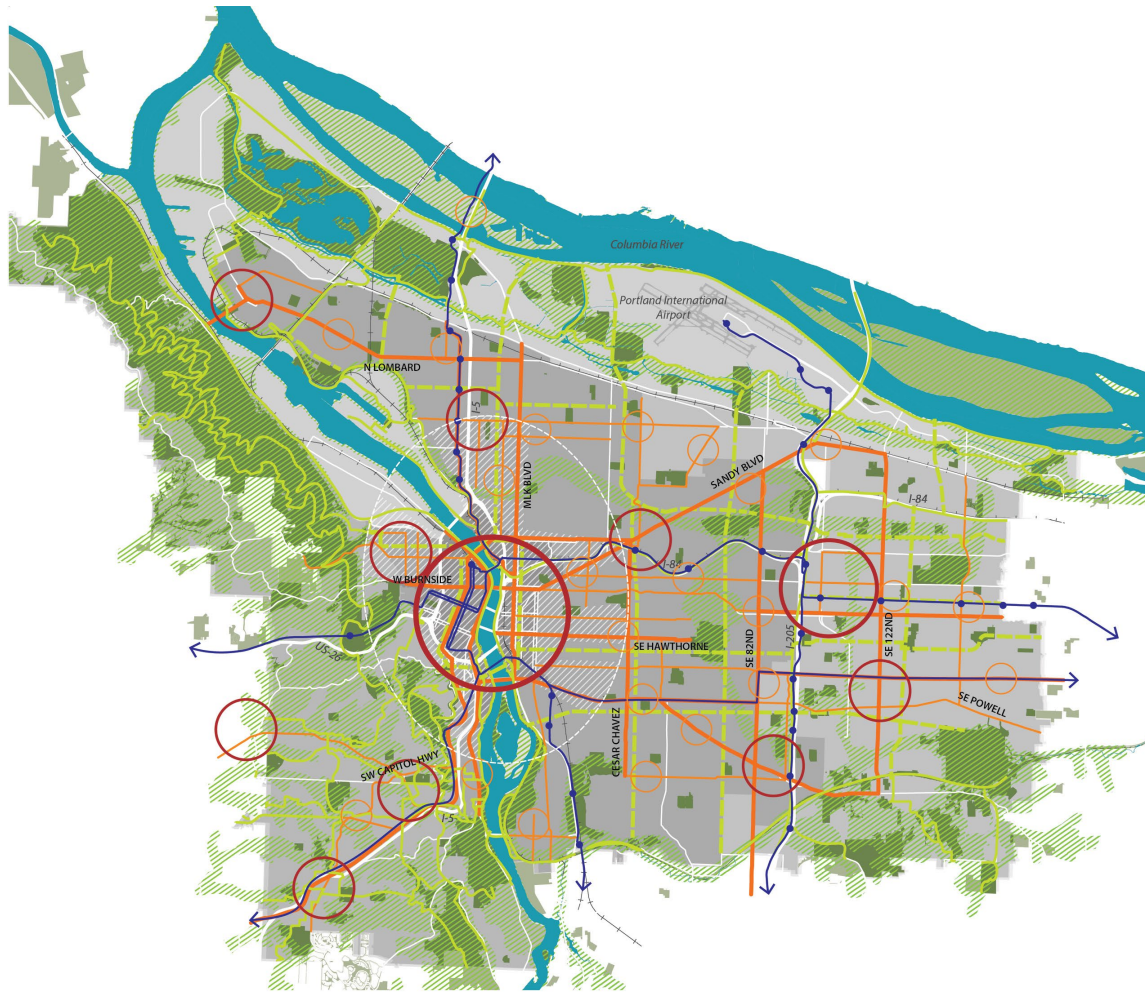




# 2035 Comprehensive Plan Chapter 5: Housing Goals and Policies



# Urban Design Framework



## Guiding Principles

- **Human Health.** Increasing access to complete neighborhoods.
- **Equity.** Reduce disparities.
- **Resilience.** Reduce risk to natural hazards, disasters and climate change.





**Goal 5.A: Housing diversity**

**Goal 5.B: Equitable access to housing**

**Goal 5.C: Healthy connected city**

**Goal 5.D: Affordable housing**

**Goal 5.E: High-performance housing**





# Portland's Housing Needs





# Portland's Housing Needs

## 2045 Housing Forecast



296,479 units in 2021



97,471 to 120,560 new units needed

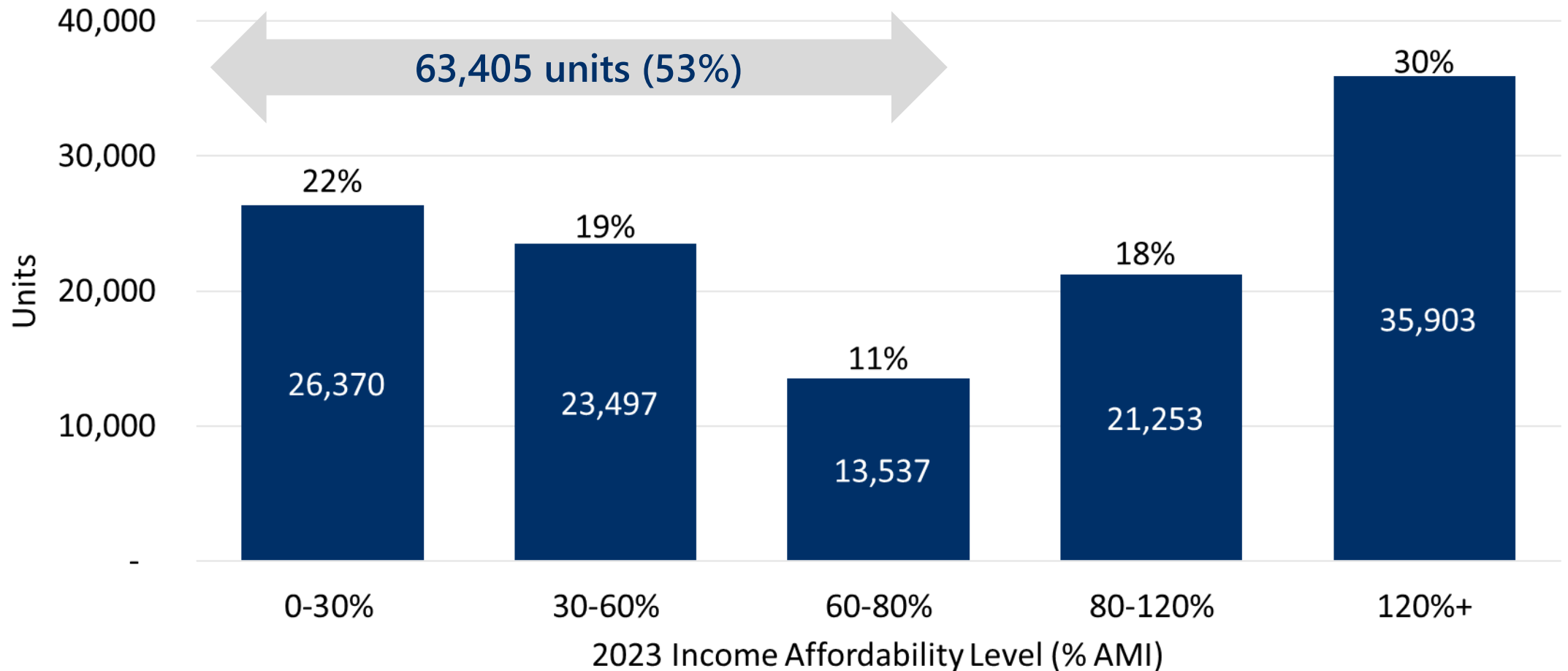


**417,039 units in 2045**



# New Housing Units by Income Level

*We need 63K units of affordable housing and 21K units of moderate-income housing*





# 2045 Housing Considerations

*We need different types of housing*

**Of the 120,560 Units...**

**New Housing Needed**

**Households experiencing  
Houselessness**

4,600

**Households with members who  
have disabilities**

21,300 to 26,300

**Households with children**

29,000 to 35,900

**Households with older adults**

22,100 to 27,400

\*Numbers rounded to nearest hundred

# Portland Has Excess Housing Capacity

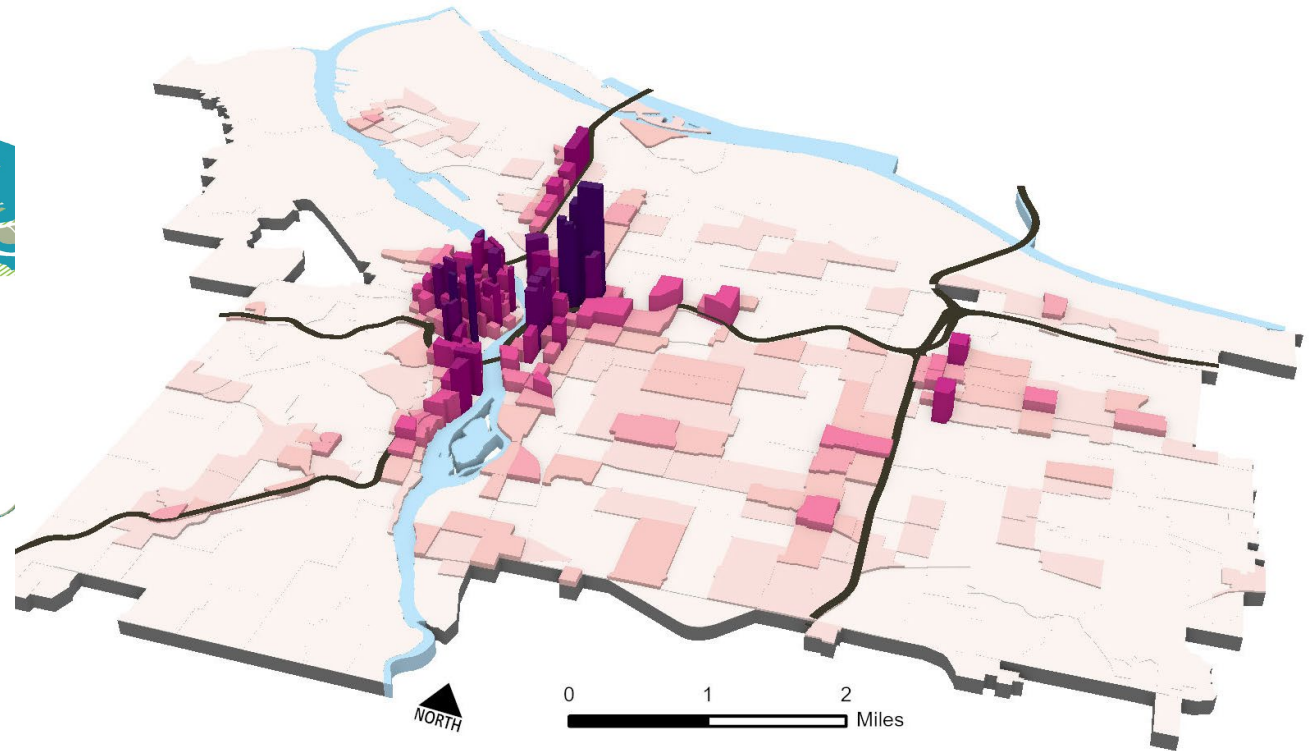
Demand: 120,560 Housing Units

Capacity: 237,000 Housing Units

## Portland Growth Strategy



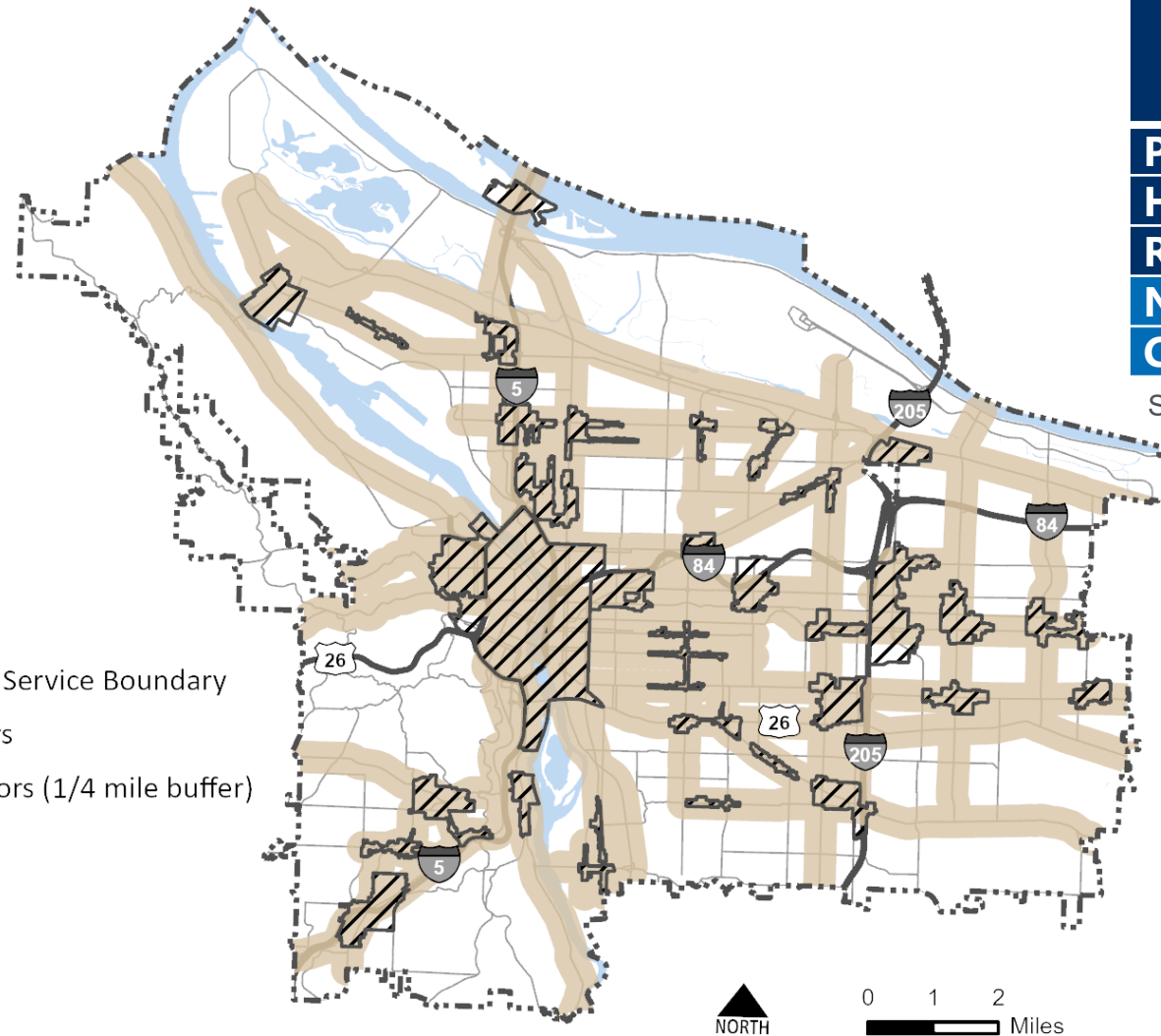
## Portland Residential Capacity



# Additional Fair Housing Analysis

- **Centers and Corridors** – Within a quarter mile of Portland’s centers
- **Areas of Economic Vulnerability** – More vulnerable to changing economic conditions.
- **Racially Concentrated Areas of Affluence (RCAA) and Poverty (RECAP)** – Areas of racialized affluence or poverty.
- **Areas of Opportunity** – Areas offering a mix of desirable services, opportunities, and amenities
- **Others:**
  - **Complete Neighborhoods**
  - **Low Carbon Areas/Areas of Low Residential VMT**
  - **Hazard Risk Areas**

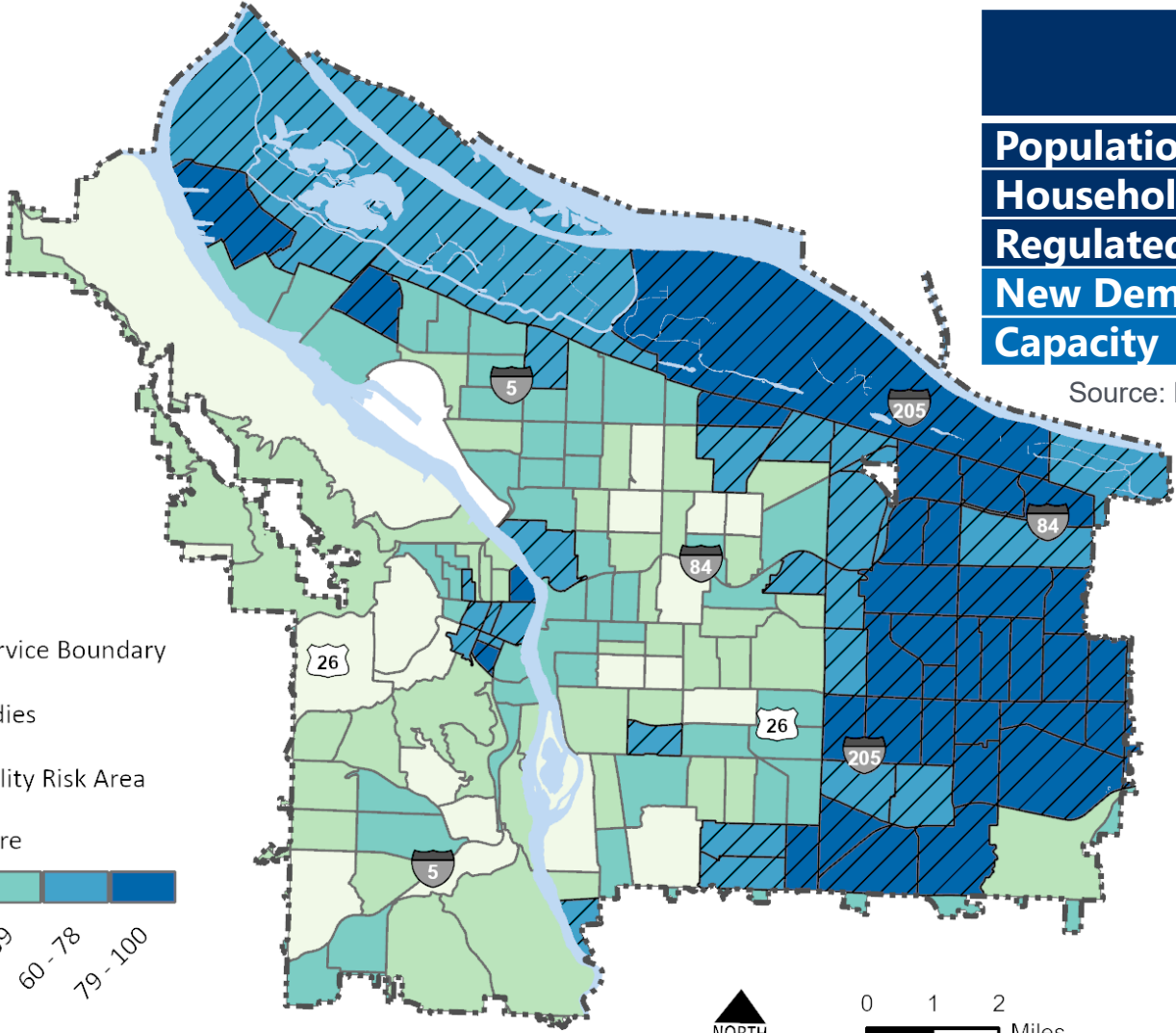
# Within a ¼ mile of Centers & Corridors



Share of...	Within a Quarter Mile of Centers and Corridors
Population	69%
Households	72%
Regulated Affordable Housing	90%
New Demand	84%
Capacity	86%

Source: BPS Analysis

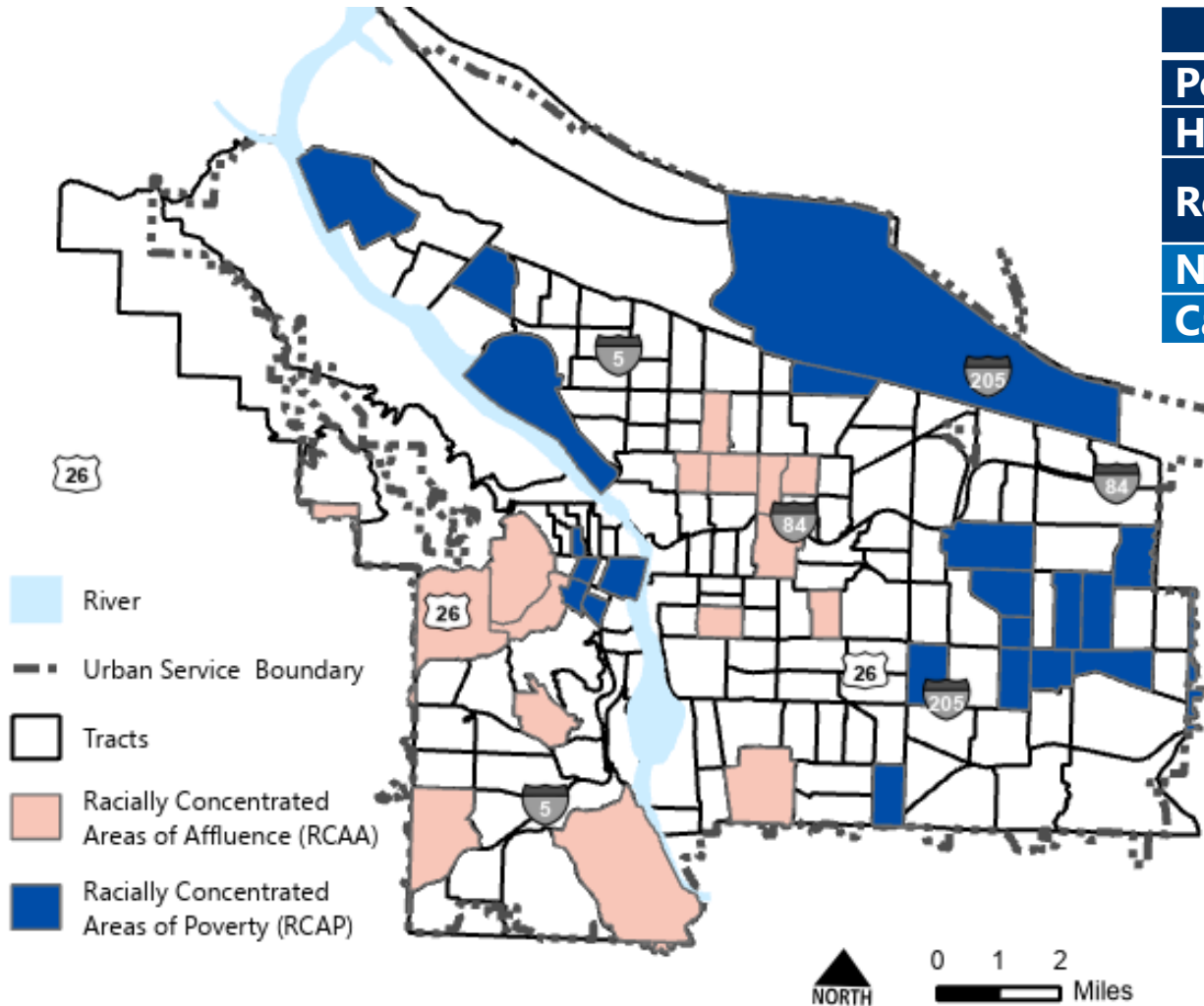
# Economic Vulnerability Risk



Share of...	Vulnerability Risk Areas
Population	38%
Households	35%
Regulated Affordable Housing	56%
New Demand	30%
Capacity	36%

Source: BPS Analysis

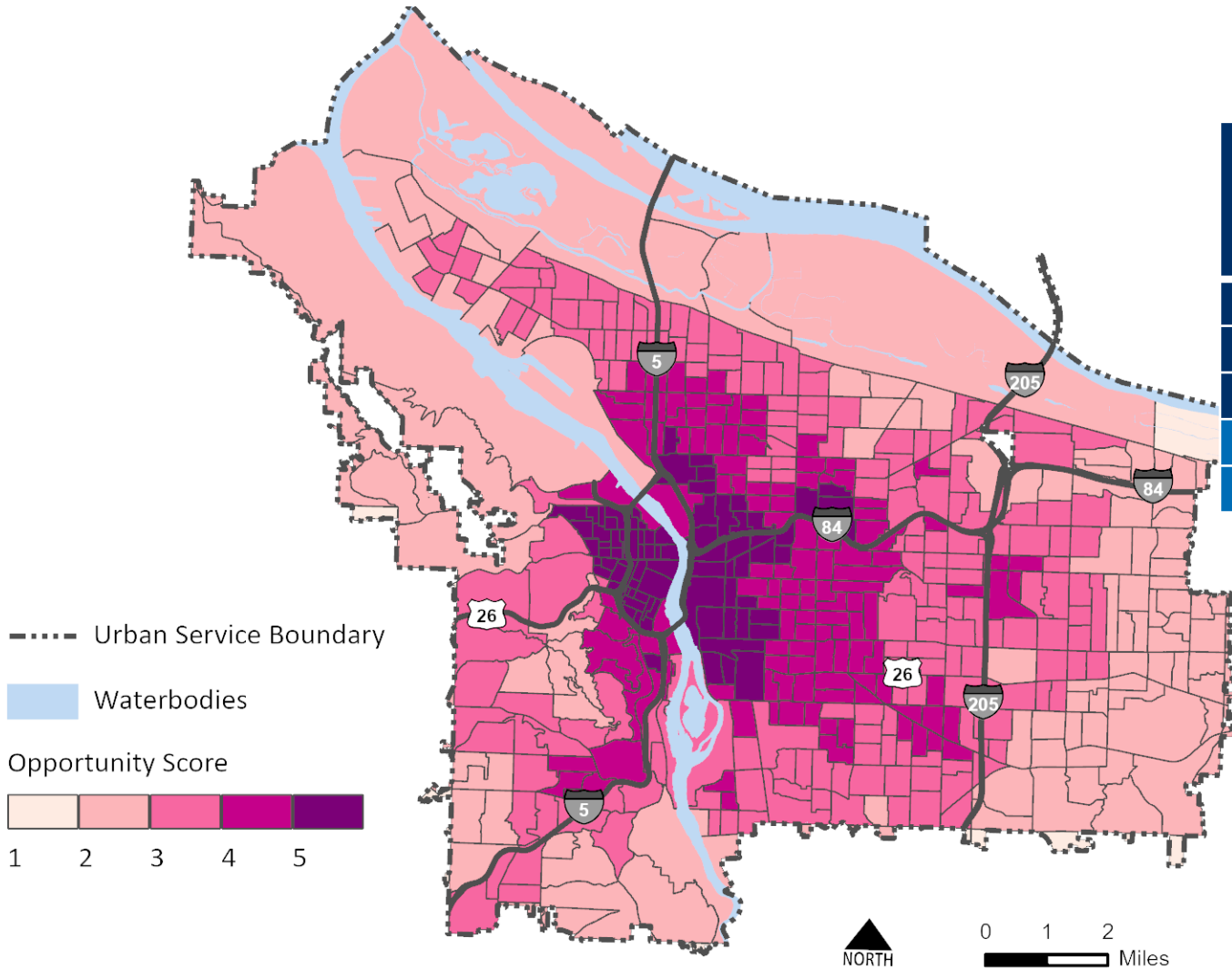
# Racially Concentrated Areas of Affluence (RCAA) and Poverty (RCAP)



Share of...	RCAP	RCAA
Population	13%	9%
Households	12%	8%
Regulated Affordable Housing	28%	<1%
New Demand	12%	3%
Capacity	12%	3%



# PHB Opportunity Areas



Share of...	High Opportunity Areas
Population	36%
Households	42%
Regulated Affordable Housing	61%
New Demand	60%
Capacity	58%

Source: BPS Analysis



# Strategies



# *What's in a strategy?*

**Description:** How it addresses needs in Portland

**Affordability:** Income levels served

**Tenure:** Renters or owners served

**Populations** served or impacted

**Magnitude of impact** of producing new and needed units

**Timeframe:** When it will be adopted

# What should the City do to ...

- A. Promote affordable housing (0-80% AMI)
- B. Increase homeownership
- C. Increase access to opportunity
- D. Reduce barriers to development
- 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

# What should the City do to ...

*Promote Affordable Housing (0-80% AMI)*

## Proposed Strategies

1. Inclusionary Housing Periodic Review
2. New Tax Increment Financing Districts
3. Housing bonds revenue source
4. Additional local revenue sources
5. Other state and federal funding sources
6. Rezone sites for affordable housing
7. Affirmatively furthering fair housing into City code
8. Comprehensive citywide land banking practice

# What should the City do to ...

## *Increase Homeownership*

### Proposed Strategies

1. Create new middle-income financial incentives
2. Update Land Division Code
3. Explore expanding homeownership programs
4. Improve middle housing permit process

# What should the City do to ...

## *Increase Access to Opportunity*

### Proposed Strategies

1. Study multi-dwelling zone changes in Inner Centers & Corridors
2. Study zoning bonuses and incentives

# What should the City do to ...

*Reduce Barriers to Development and Improve Processes*

## Proposed Strategies

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



# What should the City do to ...

## *Stabilize Current and Future Households*

### Proposed Strategies

1. Preserve existing affordable housing
2. Study tenant opportunity to purchase policies
3. Provide operating subsidies for affordable housing developments

# What should the City do to ...

## *Promote Age- and Disability-friendly Housing*

### Proposed Strategies

1. Explore accessible housing production strategies
2. Educate on opportunities for aging in place & community

# What should the City do to...

*Promote Climate-friendly and Healthy Homes*

## Proposed Strategies

1. Support mass timber and modular innovation
2. Develop low-carbon building policies
3. Promote commercial-to-residential conversions/adaptive reuse

# What should the City do to ...

## *Advocate for state and federal level changes*

### Proposed Strategies

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



# Engagement



# HPS Community Engagement

## By The Numbers

- 6** BIPOC Focus Groups
- 1** East PDX BIPOC Community Meeting
- 1** Citywide Open House
- 350** Citywide Survey responses
- 26** Community and Advisory groups
- 16** Developer Interviews
- 382** People engaged so far
- 4** Technical Advisory Committee Meetings
- 19** Internal Working Group Meetings

# Organizations Engaged

- Community Involvement Committee
- Development Review Advisory Council
- Historic Landmark Commission
- Design Commission
- N/NE Neighborhood Oversight Committee
- NW district (NWDA planning committee)
- Southeast UPLIFT
- North Portland Land Use Group
- East Portland Action Plan Housing Committee
- Central Northeast Neighbors LUTOP
- Living Cully
- Southwest Land Use & Transportation Forum
- Southwest Corridor Equity Coalition
- Fair Housing Council of Oregon
- Home Forward
- Housing Oregon
- Housing Land Advocates
- Housing Alliance
- League of Women Voters
- LatinoBuilt
- Neighborhood Partnerships
- Oregon Smart Growth
- Portland Homebuilders' Association
- Portland: Neighbors Welcome
- 1000 Friends of Oregon
- Welcome Home Coalition
- Community Engagement Liaisons

# Key Issues in Engagement

- Affordability
- Strategic paired assistance
- Safety and location
- Accessibility
- Transit service and access
- Community education
- Greater access to programs
- Code simplification
- Permitting and process improvements
- Financing Challenges
- East Portland
- Central City
- Commitment to action



# Developer Interview Summary

## Strategies

### Code

- Simplify the code
- Simplify Middle Housing code
- Utilize single-dwelling building code for 1-4 units
- Increase flexibility in historic districts
- Allow single stair buildings

### Financing

- Recalibrate/reduce SDCs (and timing of payment)
- Partnerships with institutions for housing
- Explore infrastructure funding
- Explore revolving loan fund

### Permitting

- Streamline reviews for certain housing types
- Streamline previously approved plans
- permitting for Criteria/point-based permitting
- Greater flexibility and reduced timing in inspection process.

# BIPOC Focus Groups Summary

- Affordability
- Homeownership
- Stabilization programs
- Location
- Safety
- Outdoor and green space
- Higher quality units
- Accessible units
- Family-sized units

# Survey Summary

- Affordability (76% high importance)
- Access to parks and natural areas (60% high importance)
- Assistance – utility, home repair, downpayment, rent, and tax (80% of renters, 52% of owners)
- More space (larger units and more rooms)
- Safety

# Engagement Impacting Revisions

## Items Affirmed

- Affordability
- Homeownership
- Aging in place
- Process improvements
- Access to opportunity

- Focus on 0-30% AMI affordability
- Acknowledge safety and livability as it relates to housing choice
- Address livability and development in Central City
- Address 82<sup>nd</sup> Avenue housing opportunity
- Clarify accessible housing strategies
- Emphasize homeownership
- Incorporate transit-oriented development and service coordination
- Commit to action where possible



# Next Steps

## May

- May 28 - HPS to Planning Commission for Public Comment

**Here Now**

## June

- June 11 - HPS Planning Commission Discussion
- Engagement results integrated into HPS

## Summer/Fall

- HPS to Council for Consideration and Adoption

**What's Next**