



# HOUSING NEEDS ANALYSIS (HNA)

December 6, 2023

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# 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

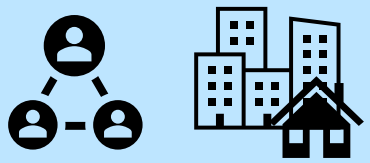


# Housing Needs Analysis

## Existing Conditions

## Housing Capacity Analysis

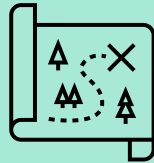
## Housing Production Strategy



Population &  
Housing



Project  
Housing Need



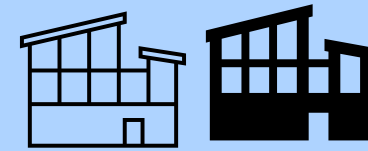
Inventory  
Buildable Land



Evaluate  
Needed Housing



**2023**



Promote Needed  
Housing



Reflect, Measure  
& Report

**Late 2023 & 2024**



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# 2045 Housing Forecast

## New OHNA methodology:

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

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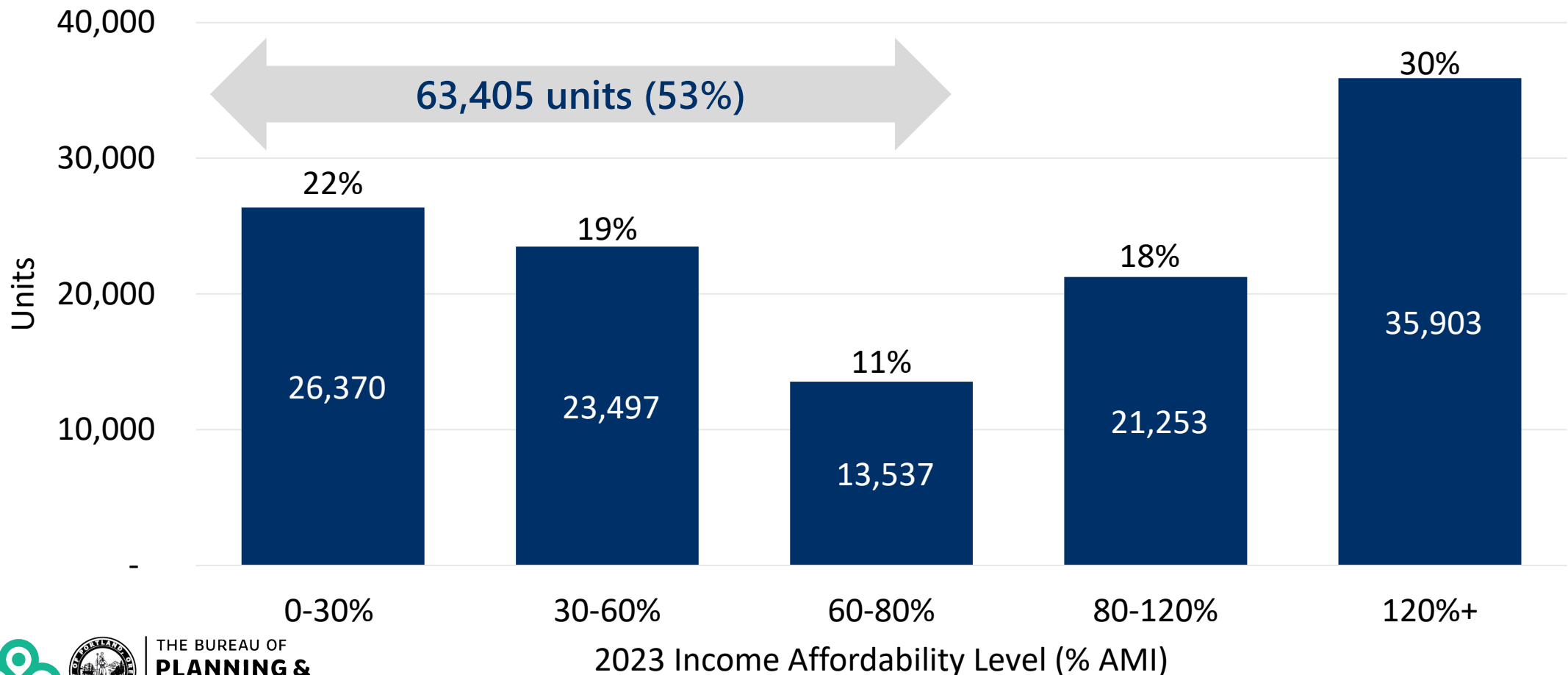
<b>2032 Catch-up Target</b>	<b>55,000</b>
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# New Housing Units by Income Level

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



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# 2045 Housing Considerations

*We need different types of housing*

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

\*Numbers rounded to nearest thousand

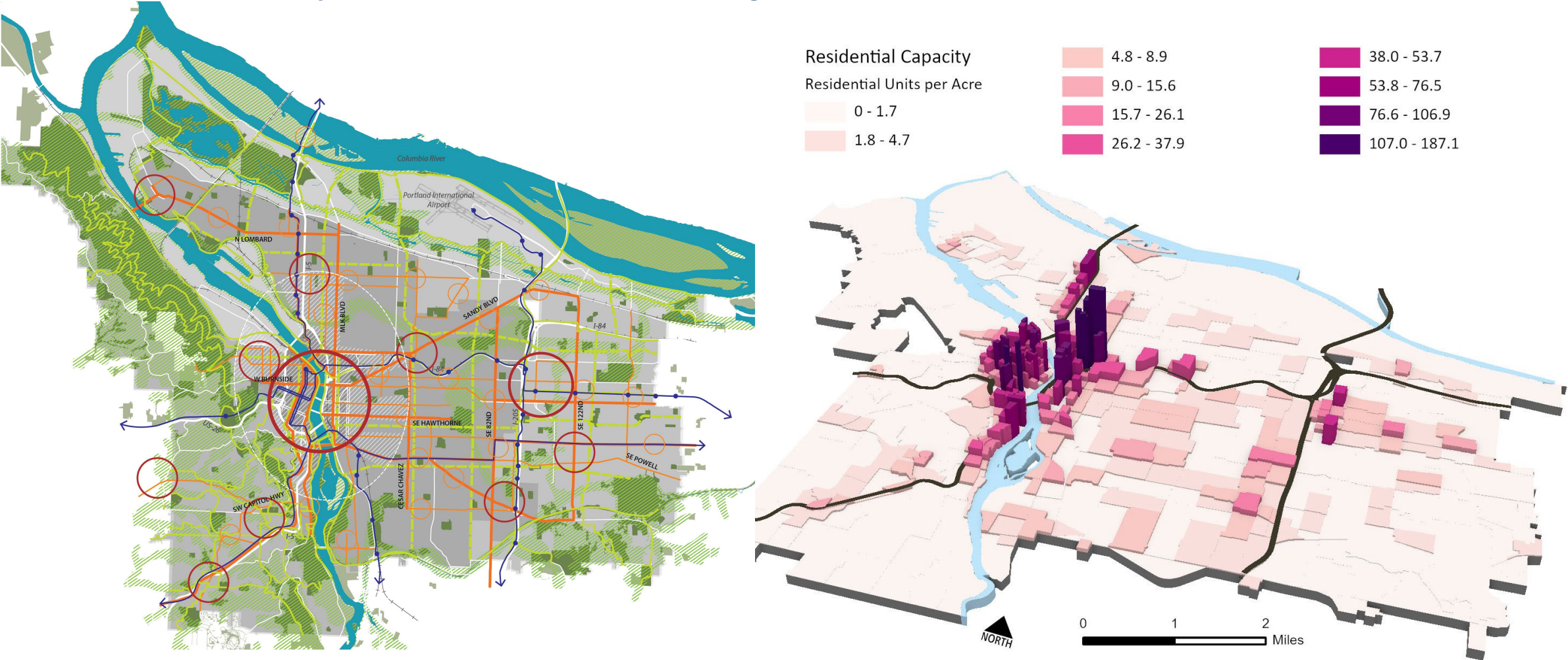
# Buildable Land Inventory (BLI)

## 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*



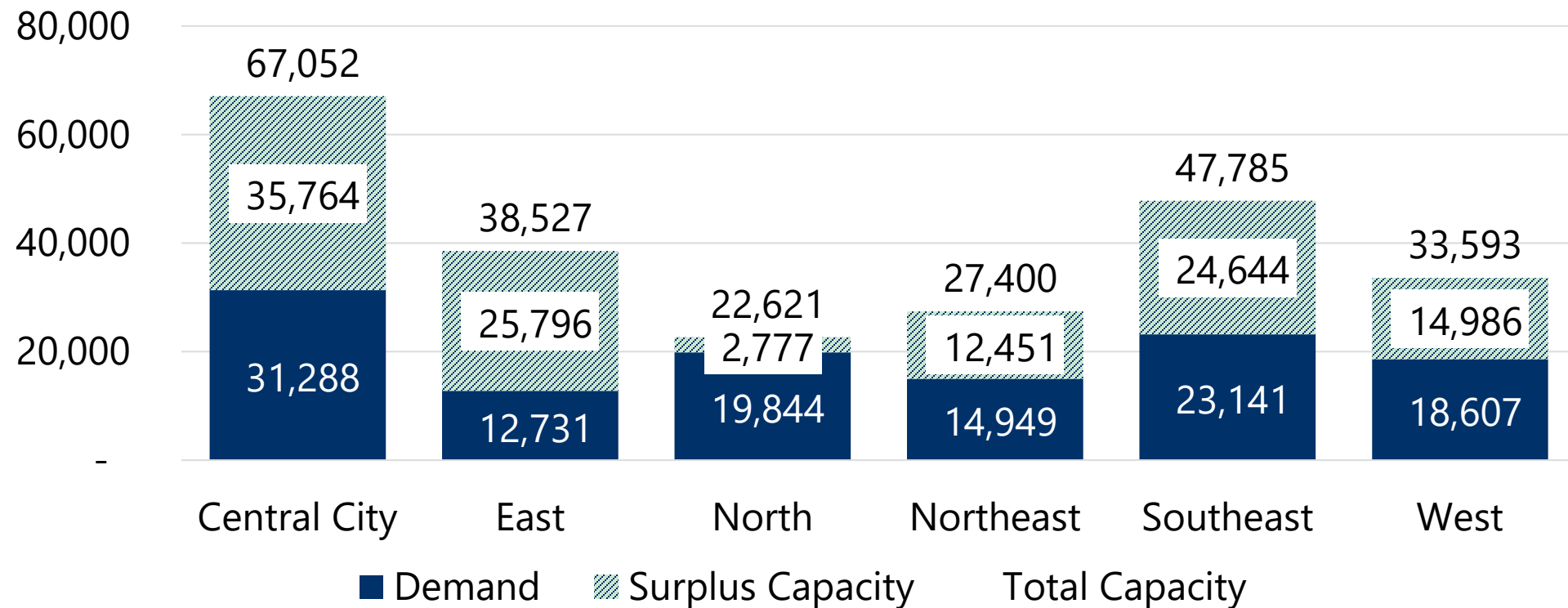
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# All Districts Have Excess Capacity

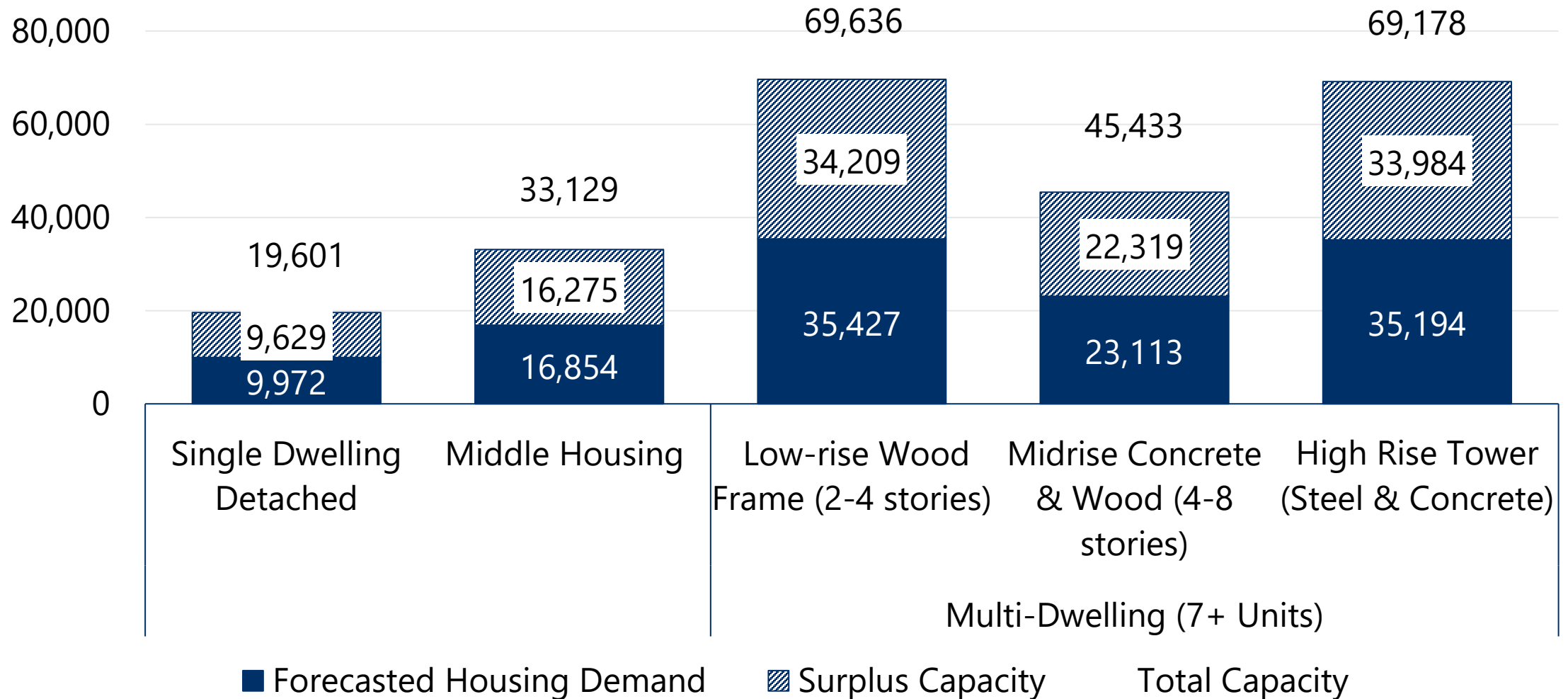
Citywide capacity: **237,000 housing units**

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

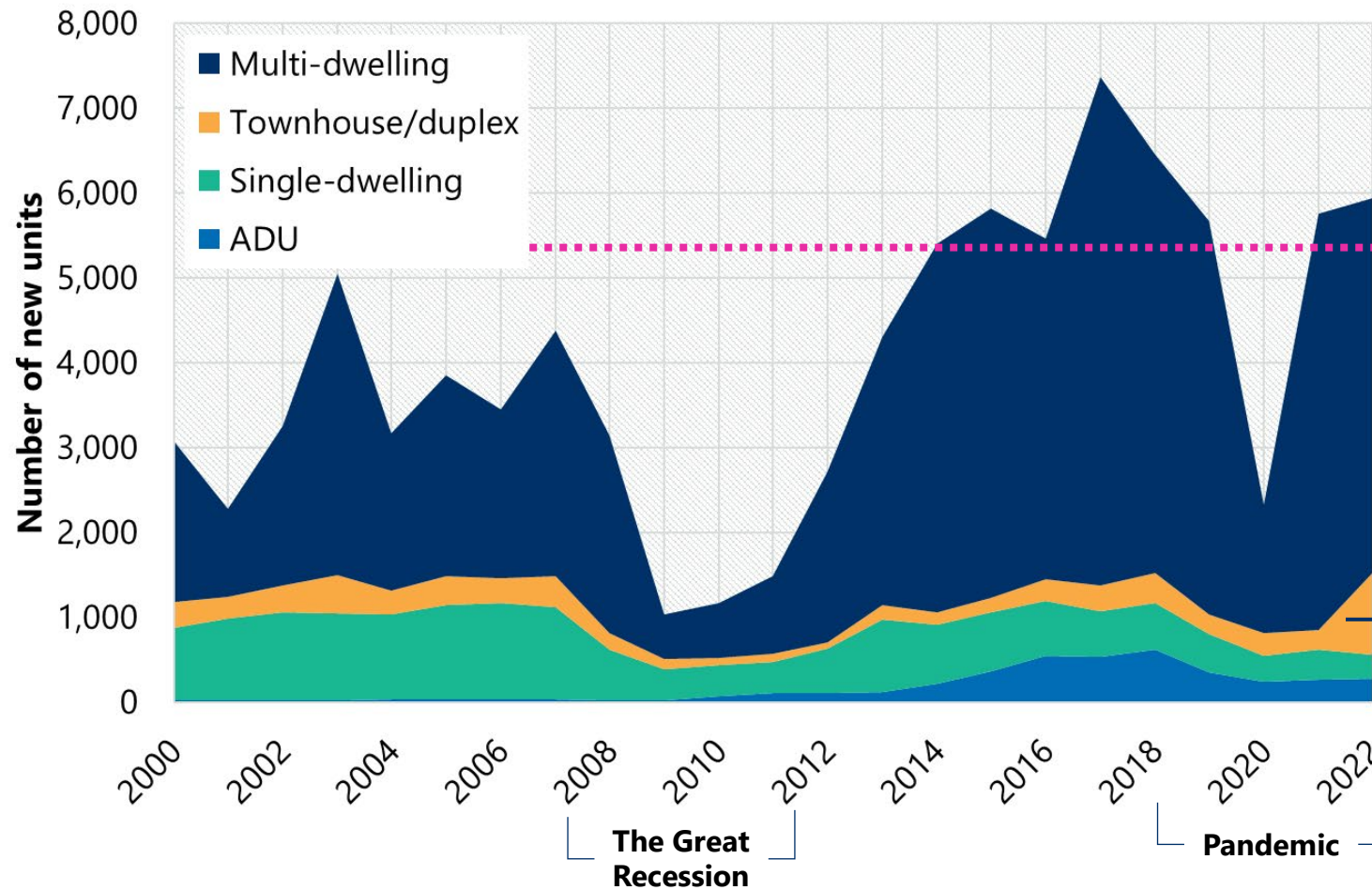




# Demand and Capacity for All Housing Types



# 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**

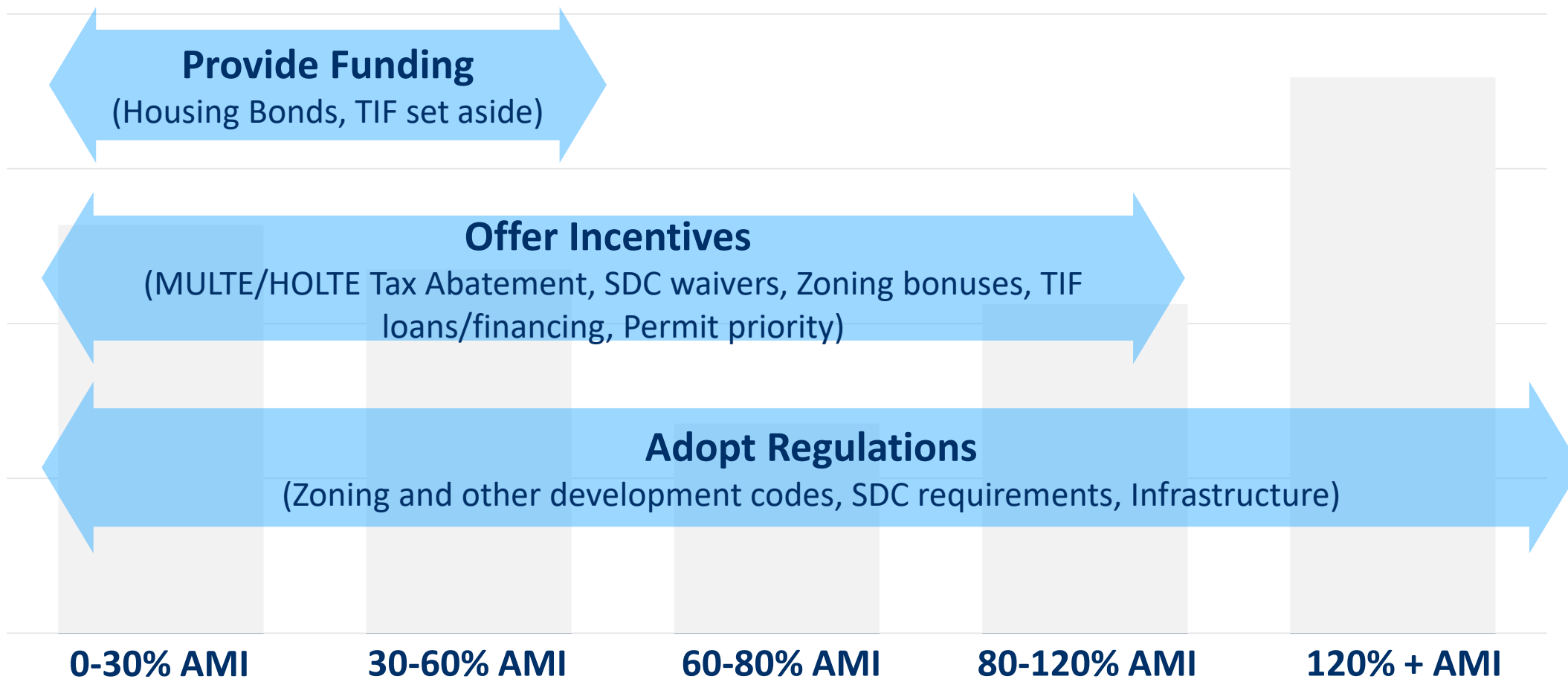


# What is the Housing Production Strategy?

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

# 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"><li>• IH Calibration Study Implementation</li><li>• Public Land Inventory</li><li>• Jurisdictional Funding Alignment</li></ul>	<ul style="list-style-type: none"><li>• Regulatory Improvement Code Amendment Package (RICAP)</li></ul>	<ul style="list-style-type: none"><li>• Housing Regulatory Relief Code Changes</li><li>• TIF District exploration<ul style="list-style-type: none"><li>• East Portland</li><li>• Central City</li></ul></li><li>• Permitting Process Improvements</li><li>• Land Division Code Update</li></ul>

## 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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