

Home / Council Clerk / Council Documents / Resolution

37673

Resolution

Adopt the 2024 Housing Production Strategy to identify actions to address housing needs

Adopted

WHEREAS, the 2023 State of Housing in Portland Report shows that housing affordability remains a challenge for most Portlanders, as rents and home sales prices have continued to climb and outpace incomes; and

WHEREAS, through Ordinances 187371, 187973, 188627, 189387, 190342, 190756, the City Council has declared and extended a housing emergency; and

WHEREAS, since the initial declaration, the City continues to take significant action to alleviate the emergency housing needs of people who are experiencing homelessness or are at risk of homelessness or displacement. Some of the measures are based on directives set forth in previous ordinances cited above, while others are part of larger local/regional/statewide efforts to increase the supply of affordable units and to enhance local tenant protection policies; and

WHEREAS, City Council adopted the 2045 Housing Needs Analysis (HNA) as a supporting document to the City's Comprehensive Plan on December 15, 2023, by Ordinance 191547; and

WHEREAS, profound income disparities continue to exist despite recent income gains for all types of households. While the citywide Median Household Income (MHI) was \$85,876 in 2022, the MHI for renter households was \$57,489 – 33 percent less than the citywide median; and

WHEREAS, in 2015, the overall rent growth in Portland was an average of 8 to 9 percent – one of the highest in the nation. The average overall asking rent has increased year over year by 6.1 percent in 2021 and 3.7 percent in 2022, but slowed to a modest growth of 0.4 percent in 2023; and

WHEREAS, households are considered cost-burdened if they pay 30 percent or more of their income on housing costs. Cost-burdened households are at increased risk of housing instability, with homelessness as the worst manifestation; and

WHEREAS, in 2022, more than a third of Portland households and about half of all renters in the city were cost burdened; and

Introduced by

<u>Mayor Ted Wheeler;</u> <u>Commissioner Carmen Rubio</u>

City department

<u>Planning and Sustainability</u> (<u>BPS)</u>

Contact

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Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date August 28, 2024 Requested Start Time 2:00 pm Time Requested 3 hours

9/3/24, 8:55 AM

37673 | Portland.gov

WHEREAS, the population experiencing homelessness are amongst the most vulnerable residents of Portland. The 2023 Point-in-Time (PIT) count recorded 6,297 people as experiencing both sheltered and unsheltered houselessness in Multnomah County. While the PIT count does not assess causes for homelessness, there is recognition that lack of affordable housing is a leading factor; and

WHEREAS, the 2045 HNA found a need for more than 120,000 new housing units by 2045; and

WHEREAS, on January 10, 2023, Governor Kotek signed Executive Order 23-04 acknowledging a statewide housing shortage and affordable housing crisis, establishing an annual housing target statewide of 36,000 units; and

WHEREAS, pursuant to Oregon House Bill 2003 (2019), Oregon Revised Statutes 197A.100 and Oregon Administrative Rules 660, Division 8, cities with a population greater than 10,000 are required to prepare and adopt an HNA that identifies needed housing types and price levels; and

WHEREAS, within one year of adopting an HNA, cities with a population greater than 10,000 are required to develop and adopt a Housing Production Strategy (HPS) to promote the development of needed housing identified in the adopted HNA; and

WHEREAS, the Bureau of Planning and Sustainability has worked closely with other City bureaus to identify 35 strategies across eight categories to address the wide range of housing needs in Portland; and

WHEREAS, on February 13, 2024, the Housing Production Strategy Discussion Draft was published; and

WHEREAS, BPS solicited community comments on the discussion draft through an online survey, presentations, interviews and community meetings; and

WHEREAS, on May 28, 2024, BPS staff provided a briefing on draft strategies to the Planning Commission to solicit input from the Commission in their non-legislative, advisory capacity on the Housing Production Strategy's consistency with adopted Comprehensive Plan policies. During the briefing, there was an opportunity for public comment. Twenty-seven (27) people provided in-person comment and another 107 submitted written comment through the Map App; and

WHEREAS, on June 11, 2024, the Planning Commission held a work session on the draft strategies and found that the strategies are consistent with the Comprehensive Plan; and

WHEREAS, on July 25, 2024, the Housing Production Strategy (Exhibit A) was published; and

WHEREAS, on July 26, 2024, notice of the August 28, 2024, City Council hearing on the Housing Production Strategy was mailed to those who presented oral and written comment to the Planning Commission; and

WHEREAS, on August 28, 2024, the City Council held a hearing on the Housing Production Strategy and invited public testimony.

NOW, THEREFORE, BE IT RESOLVED, City Council adopts the Housing Production Strategy to guide the City of Portland's actions to increase housing production.

BE IT FURTHER RESOLVED, City bureaus with jurisdiction over land use, transportation, infrastructure, economic development, and housing decisions will coordinate to implement the Housing Production Strategy and support the production of needed housing throughout Portland with goal of making housing more affordable to all Portlanders; and

BE IT FURTHER RESOLVED, the City of Portland will work with local stakeholders to advocate and collaborate with regional jurisdictions, state agencies and the federal government to promote actions that will increase housing production, especially for affordable housing; and

BE IT FURTHER RESOLVED, the Bureau of Planning and Sustainability will update City Council on the progress to implement the Housing Production Strategy by June 30, 2027, consistent with State requirements for a mid-term progress report.

Exhibits and Attachments

Exhibit A 8.22 MB

Impact Statement

Purpose of Proposed Legislation and Background Information

Oregon House Bill 2003 (2019) directed cities over 10,000 people to update their Housing Needs Analysis (HNA) and adopt a Housing Production Strategy. The law requires cities within the Portland Metro region to update their HNA every six years. The City of Portland was required to complete its HNA in 2023 and adopt the Housing Production Strategy (HPS) in 2024. This resolution will fulfill that state mandate.

The HNA estimated a demand for an additional 120,560 dwelling units by 2045. The Buildable Land Inventory (BLI) found that current plans and zoning provide an estimated development capacity of 236,977 units. At a basic level, Portland has more than enough development capacity to meet future demand. However, the needs analysis goes further to address specific housing needs such as affordability, accessibility, and larger households.

The HPS identifies specific actions (policies, programs, development regulations, financial incentives, etc.) that the City will implement over the next six years to meet those identified needs.

Financial and Budgetary Impacts

This resolution does not have any direct financial or budgetary impacts.

As a six-year action plan, staff time and additional future funding will be required to implement the policies, programs and recommendations included in the HPS.

Funding considerations for any specific action will be addressed through the City's budget process.

Community Impacts and Community Involvement

Staff attended or hosted 25 meetings during the Discussion and Proposed Draft phases of the HPS, where over 250 individuals participated. Organizations included: Portland State University Homelessness Research Center, Anti Displacement PDX, Cully Neighborhood Association, Portland Neighbors Welcome, Development Review Advisory Committee, BPS Community Involvement Committee, Portland Homebuilders' Association, Portland Building And Development Council, East Portland Action Plan Housing Committee, Central Eastside Industrial Council, Oregon Smart Growth, North Portland Land Use Group, SE Uplift, and the Southwest Land Use & Transportation Forum, N/NE leadership Oversight Committee, Design Commission, Landmarks Commission, NW district (NWDA planning committee), Housing Land Advocates, CNN LUTOP, Housing Oregon, Housing Alliance, Neighborhood Partnerships, Living Cully (Habitat for Humanity, Hacienda CDC, NAYA, and Verde), Fair Housing Council of Oregon, 1000 Friends of Oregon, Southwest Corridor Equity Coalition and League of Women Voters.

Staff hosted one online open house.

Staff coordinated with contractors to host six online and in-person BIPOC focus groups and one in-person East Portland BIPOC community meeting.

Staff hosted Technical Advisory Committee meetings during the Discussion, Proposed and Recommended Draft phase, participation included staff from Joint Office of Homeless Services, Multnomah County, Metro, Department of Land Conservation and Development and City of Portland.

Staff hosted a biweekly interbureau Working Group meeting with staff from Portland Housing Bureau, Bureau of Planning and Sustainability, Bureau of Development Services, Portland Permitting and Development, Prosper Portland, Bureau of Transportation and Office of Management and Finance.

Project documents have been shared on the Housing Needs Analysis and Housing Production Strategy project website:

https://www.portland.gov/bps/planning/housing-production/2045-hna-andhps (https://www.portland.gov/bps/planning/housing-production/2045-hnaand-hps).Public notice for all briefings and hearings was sent and the MapApp was opened for testimony in advance in accordance with policy.

9/3/24, 8:55 AM

Staff provided a briefing on draft strategies to the Planning Commission with the opportunity for public comment. Twenty-seven (27) people provided inperson comment and another 107 submitted written comment through the Map App.

100% Renewable Goal

Not applicable. Adoption of the Housing production Strategy does not directly increase the City's total energy use or the City's renewable energy use.

Budget Office Financial Impact Analysis

No direct fiscal impact. Acceptance of the Housing Production Strategy includes a six-year plan that will require resources to support staff and program expenses. Any associated funding need will be addressed through the Budget Development process.

Document History

Item 756 Time Certain in <u>August 28, 2024 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2024/8/28)</u>

City Council
Adopted
Commissioner Rene Gonzalez Yea
Commissioner Mingus Mapps Yea
Commissioner Carmen Rubio Yea
Commissioner Dan Ryan Yea
Mayor Ted Wheeler Yea