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191897

Ordinance

Provide emergency housing services by continuing the current housing emergency

Passed

The City of Portland ordains:

Section 1. The Council finds:

- 1. On October 7, 2015, the Council, through Ordinance 187371, declared a housing emergency for a period of one year.
- 2. On September 7, 2016, the Council, through Ordinance 187973 extended the housing emergency declared in 2015 for one year.
- 3. On October 4, 2017, the Council, through Ordinance 188627 extended the housing emergency for an eighteen-month duration.
- 4. On February 12, 2019, the Council, through Ordinance 189387 further extended the housing emergency for a twenty-four-month duration.
- 5. On March 31, 2021, the Council, through Ordinance 190342 extended the housing emergency for a twelve-month duration.
- 6. On March 30, 2022, the Council, through Ordinance 190756 extended the housing emergency for a three-year duration.
- 7. Since the initial declaration, the City continues to take significant measures to alleviate the emergency housing needs of people experiencing homelessness or at risk of homelessness or displacement. Some of the measures are based on directives set forth in the previous ordinances while others are part of larger local/regional/statewide efforts to add to the supply of affordable units and to enhance local tenant protection policies.
- 8. Since the State of Emergency went into effect the Portland Housing Bureau has created a pipeline of over 7,780 units of affordable housing that will house over 15,000 Portlanders. Nearly one-third of these units are deeply affordable, 20% are as a result of the City's Inclusionary Housing program, and 4,344 units are already in operation.
- Pursuant to Ordinance 187973, the City's mandatory Inclusionary Housing program was developed and went into effect February 1, 2017. It was most recently recalibrated in early 2024 with Ordinance 191610. Since Portland's Inclusionary Housing program has been in effect, the City has permitted, or is in the process to permit over 1,234 affordable private market Inclusionary Housing units throughout the City.

Introduced by

Mayor Ted Wheeler

City department

Housing Bureau

Contact

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Requested Agenda Type Regular

Date and Time Information

Requested Council Date September 25, 2024

- 10. During the present state of emergency under PCC 15.040.040, the Council has had the ability to provide temporary housing and temporary permits for shelter and related services for those experiencing homelessness. Continuation of the state of emergency would allow the City to continue this work.
- 11. Portland's total population is 653,296 people making it the 25th most populous city in the nation and the 6th largest city on the west coast. From 2010-2022, the City grew by 8.5%, adding around 49,867 residents. While there have been short term declines in population, the long term pace of population growth means continuing demand for housing supply that can meet the housing needs of existing and new households without cost burdening them.
- 12. According to national economists, Portland is in the top 25 best performing large metropolitan areas in the nation for growth in real median household income and growth in educational attainment, in addition to other measures of economic success. In spite of this, the prosperity is not shared by all segments of the population.
- Profound income disparities continue to exist despite recent income gains for all types of households. While the citywide Median Household Income (MHI) is at \$81,119 in 2022, the MHI for renter households at \$53,589 is 34% less than the citywide measure.
- 14. In 2015, the overall rent growth in Portland was an average of 8 to 9 percent one of the highest in the nation. In 2022, Portland's rent growth increased 8.8% from 2021 to \$1,530 a month. Portland experienced a short period of negative rent growth (on average) from 2022 to 2023, with preliminary data showing a return to positive rent growth for 2024. Portland's rent growth is now projected to remain positive and continue through and beyond 2025.
- 15. Households are extremely cost-burdened if they pay 50% or more of their income on housing costs and cost-burdened if they pay 30% or more of their income on housing costs. Cost-burdened households are at increased risk of housing instability, with homelessness as the worst manifestation.
- 16. As national and local studies, including the work of Dr. Gregg Colburn at the University of Washington, make clear, as housing becomes less affordable, homelessness increases.
- 17. The population experiencing homelessness are amongst the most vulnerable residents of Portland. Multnomah County has recently begun collecting more robust, real-time data on homelessness, allowing them to develop a more complete by-name count. The Homelessness Response Action Plan identified 11,153 people of January 2024 who were experiencing all forms of literal homelessness in Multnomah County, including 5,398 confirmed as unsheltered, 2,593 in a publicly-funded shelter, 604 occupying temporary non-government funded shelters, and an additional 2,558 people whose housing status could not be confirmed.
- 18. In August 2019, Portland State University's Homelessness Research & Action Collaborative estimated that in 2017 38,000 people experienced homelessness or lived doubled up in Multnomah, Clackamas, and

Washington Counties and up to 107,000 households were experiencing housing insecurity or were at risk of homelessness.

- 19. The persistence of people experiencing unsheltered homelessness, the reliance of over 2,500 people in our emergency shelters and the severe shortage of affordable housing are circumstances that create an immediate need to provide adequate, safe, and habitable shelter to persons experiencing homelessness.
- 20. Experiencing homelessness or being on the brink of it causes tremendous human suffering and demands a spectrum of emergency responses that includes adequate, safe and habitable shelters, affordable housing units, and appropriate supportive services. Since 2015, the Council has in effect recognized and responded to the ongoing affordable housing crisis in an emergency mode.
- 21. During this period of emergency, the Council has funded a wide range of other programs including but not limited to the Impact Reduction Program, Navigation Team, the Park Ranger Program, Neighborhood Response Teams, Portland Street Response, City Shelter Services, the Street Services Coordination Center, and most recently Portland Solutions to mitigate impacts of homelessness, improve community livability and to address issues of public health and safety.
- 22. Alongside directives from emergency ordinances several other noteworthy efforts are underway to address Portland's affordable housing crisis and to strengthen protections for renters most vulnerable to displacement and/or homelessness.
- 23. Responding to an urgent community need, in October 2017, the Council and the Multnomah County Board of Commissioners adopted parallel resolutions stating the goal to create 2,000 new supportive housing units by the year 2028. Since this Goal was set the Portland Housing Bureau and the Joint Office for Homeless Services has over 2,312 units planned with more than 1,156 new Supportive Housing units opened, and 1,156 opening by 2028.
- 24. In November 2016, Portland voters approved measure No. 26-179, authorizing \$258.4 million in general obligation bonds to fund at least 1,300 units of newly affordable housing. To date, the bond measure has helped add 1,859 affordable units that are now complete or in progress, including 399 units of Permanent Supportive Housing.
- 25. In November, 2018, voters in the Portland Metro region approved measure No 26-199, which has directed over \$211million to the Portland Housing Bureau for the creation of over 1,787 affordable units including 311 units of Permanent Supportive Housing. The final units funded by the Metro Bond are anticipated to open in the next three years.
- 26. In May 2020, Portland Metro voters approved measure 26-210 authorizing a combined income tax and business tax designed to raise \$248 million per year to fund supportive housing services in Washington, Clackamas, and Multnomah counties. To date, this has generated significant resources that have allowed Multnomah County to increase investments in shelters, rapid rehousing programs, eviction prevention, and other strategies to address the homelessness crisis.

These investments are anticipated to continue until at least 2030 when the tax measure is currently set to expire.

- 27. <u>The N/NE Neighborhood Housing Strategy is a City initiative to address</u> <u>the legacy of displacement in North and Northeast Portland through</u> <u>investments to create new affordable housing opportunities for first-</u> <u>time homebuyers, and home retention programs for longtime</u> <u>residents of the area. Since the adoption of the Strategy 1564 rental</u> <u>units have opened, 127 new homeowners have been created, and</u> <u>1,127 low income homeowners have received critical home repairs.</u>
- 28. In December 2023, the Council adopted a Housing Needs Analysis, which identified the need for 4,604 additional units of housing to accommodate the current population of houseless Portlanders and an additional 18,211 units of housing for extremely low-income residents over the next 20 years.
- 29. The City is currently in the process of developing a Housing Production Strategy, a five-year action plan to create the types of housing needed to meet the full spectrum of needs of Portland's residents, including residents with extremely low or no income and those at risk of or currently experiencing homelessness. The Housing Production Strategy is was adopted by City Council in August 2024 and will be implemented by the City in earnest over the coming years. Extension of this housing emergency through 2027 to reflect the on-going community needs will support and help further these implementation efforts.
- 30. In July 2024, the City and County adopted a three-year extension of the Homelessness Response System IGA, which includes a deeper level of coordination and oversight and a more detailed action plan for homelessness response in the coming years. Implementation of the new IGA and action plan are now well underway and making headway. Extension of this housing emergency through 2027 to reflect the ongoing community needs will support and help further these implementation efforts.
- 31. Ordinance 189387 directed Bureau of Planning and Sustainability (BPS) to develop a legislative proposal to amend City Code to allow for the permanent siting of day storage units, temporary housing, shelters, alternative shelter siting, and Type IIx process option for certain defined affordable housing projects.
- 32. On April 28, 2021, City Council adopted the Shelter to Housing Continuum package, which enacted permanent zoning code amendments to address the growing crisis of houseless Portlanders. Additional refinements were made in February 2023 to address technical issues that arose in implementation. The City and County have continued to evolve and expand the shelter system since then, and several additional potential zoning code changes have been identified for consideration over the next year.
- 33. The economic drivers of houselessness were exacerbated by the COVID-19 pandemic, and it will take the City and County years to establish and run emergency shelter programs and provide connections from shelter into more permanent housing solutions to mitigate the crisis.

- 34. The State of Emergency Declarations by Council have allowed for the siting of day storage units and expedited design review process for affordable housing. These operational improvements have provided significant efficiencies and improvements to be able to address expedited affordable housing development, and to provide service locations to people experiencing homelessness.
- 35. Before the State of Housing and Emergency terminates, these system improvements should be put into operation as the normal course of business of the City.
- 36. The City is currently preparing for a historic change in the organization of its governmental functions, elected representation, and decisionmaking processes beginning on January 1, 2025 as enacted by voters in measure 26-228 in November 2023. Due to the scale and significance of this change and the constraints on elected and staff capacity in early 2025 and the evidence that the immediate need for adequate, safe and habitable shelter will not be resolved before March 2025, the Council finds that it is necessary to act to further extend this state of emergency in advance of March 2025 in order to ensure the smooth and uninterrupted functioning of the City's homelessness response and related efforts.
- 37. In adopting these findings. Council relied on information and analysis provided to Council, including but not limited to information in the city's Housing Needs Analysis, Homelessness Response Action Plan and 2023 State of Housing Report.

NOW, THEREFORE, the Council directs:

- A. There continues to be a state of emergency presented by the sufferings of people experiencing homeless or housing instability through Portland, requiring further extension of the housing emergency initially declared by Ordinance 187371 and subsequently extended through Ordinances 187973, 188627, 189387, 190342 and 190756 under Portland City Code (PCC) Title 15 for the entire city. The housing emergency declared by 187371 is hereby further extended through October 25, 2027.
- B. For the duration of the housing emergency, the City may otherwise exercise such authority as is provided in PCC 15.08.025.
- C. If any provision of the Declaration of Emergency, or any Emergency Orders, directives, commands, or other orders issued under the authority of the Declaration, or their application to any person or circumstance is held to be invalid, then the remainder of the duly exercised authority, including the application of such part or provision to other persons or circumstances, shall not be affected and shall continue in full force and effect. To this end, the provisions of the Declaration of Emergency, or any Emergency Orders, directives, commands, or other order issued under the authority of the Declaration, are severable.

Exhibits and Attachments

- Supplemental Information 2023 State of Housing Report 20.3 MB
- Supplemental Information Housing Needs Analysis 4.81 MB
- <u>Supplemental Information Homelessness Response Action Plan</u>
 1.57 MB

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council September 25, 2024

Auditor of the City of Portland Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

Extends the 2015 Housing State of Emergency for thirty-six months (to October 25, 2027).

The State of Emergency is one of many actions the City has taken to acknowledge and address the housing and homelessness crisis. Among other things, it allows the City to provide emergency shelter and emergency housing services for the duration of the State of Emergency.

This is the sixth extension of the Housing State of emergency. The previous Ordinances were:

- Ordinance 187371, declared a housing emergency for a period of one year (ending October 7, 2015).
- Ordinance 187973, extended the housing emergency declared in 2015 for one year (ending September 7, 2016).
- Ordinance 188627, further extended the housing emergency for an eighteen-month duration (ending October 4, 2017).
- Ordinance 189387, further extended the housing emergency for a twenty-four-month duration (ending February 12, 2019).
- Ordinance 190342, further extended the housing emergency for a twelve-month duration (ending March 31, 2021).
- Ordinance 190756, further extended the housing emergency for a thirty-six month duration (ending March 22, 2025).

Financial and Budgetary Impacts

There are no direct or immediate financial and budgetary impacts of extending the Housing State of Emergency.

Community Impacts and Community Involvement

The State of Emergency may impact all Portlanders, as the houselessness and housing affordability crisis continues to be one of the city's top priorities.

100% Renewable Goal

N/A

Financial and Budget Analysis

No fiscal impact. The purpose of the proposed legislation is to extend the 2015 Housing State of Emergency for thirty-six months (to October 25, 2027). This is the sixth extension since the initial declaration of the housing emergency.

Document History

Item 800 Time Certain in <u>September 18-19, 2024 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2024/9/18</u>)

City Council

Passed to second reading

Passed to second reading September 25, 2024 at 9:30 a.m.

Item 824 Regular Agenda in <u>September 25, 2024 Council Agenda</u> (<u>https://www.portland.gov/council/agenda/2024/9/25</u>)

(City Council)

Passed

Aye (4): Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez Absent (1): Ted Wheeler