

**\*ORDINANCE NO. 188627**

Further extend the housing emergency to address continuing homelessness issues, identify Council powers, specify an eighteen-month duration, and waive portions of the zoning code. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. Portland has grown by more than 80,000 people in 29,000 households since 2000, but housing supply has not come close to meeting the demand. The resulting low vacancy rates and price increases have had severe consequences. Between 2006 and 2015 the Oregon Office of Economic Analysis estimated that the Portland housing market was under-built by approximately 23,000 units of housing - insufficient just to keep up with population growth.
2. The number of people experiencing homelessness in our community increased to 4,177 in 2017 from 3,801 in 2015, according to the most recent Point in Time Count. That number includes people in emergency shelter, in transitional housing or without shelter. There continues to be an insufficient number of emergency shelters and affordable permanent housing options to accommodate the number of people experiencing homelessness.
3. In the past year, partners in our community initiative to end homelessness have generated over 600 new permanent shelter beds, bringing the total up to 1,458.
4. In addition, housing placements have set records for the past two fiscal years and exceeded target goals. Providers helped place 4,889 people into housing in the 2016-17 fiscal year - a 65 percent increase from the 2,967 people placed in 2013-14. Providers helped 4,603 people into housing in 2015-16.
5. Both increases speak to the impact of the ongoing housing crisis that is pushing people into homelessness and keeping them there. Rents and housing costs continue to outpace income for our most vulnerable neighbors.
6. On October 7, 2015, the Council, through Ordinance 187371, declared a housing emergency for a period of one year.
7. On September 7, 2016, the Council, through Ordinance 187973 extended the housing emergency declared in 2015 for one year.
8. The City has taken significant actions to alleviate the housing emergency since the housing emergency was first declared in 2015 and extended in 2016. In November 2016, Portland voters approved a historic general obligation affordable housing bond of \$258.4 million to fund the development, rehabilitation and preservation of a minimum of 1,300 units of affordable housing within 5-7 years.

This is the largest general obligation bond in the history of Portland. All units will be affordable for households earning 60% Area Median Income (AMI) or below.

9. Tenant protections have been a top priority for the City demonstrated by additional policy initiatives like inclusionary zoning, mandatory relocation assistance, and extension of a 30-day notice to a 90-day notice.
10. Under the housing emergency, the Government Accountability and Transparency Review (GATR) process was created to reduce the time and expense associated with the development of affordable housing. This is a joint effort of the bureaus of Housing, Environmental Services, Transportation, and Development Services. Given the continued deficit of more than 20,000 units of housing affordable to our lowest-income households, sustaining this program is critical and preserving it for up to three years will expedite the construction of hundreds of new units of affordable housing that are slated for production during that period.
11. Despite these actions, an immediate need to provide adequate, safe, and habitable shelter to persons experiencing homelessness is necessary. Therefore, a housing emergency continues.
12. In 2016, Portland rents continued to increase at an average rate of 7% over the previous year—or roughly \$75 per month. The largest rent increases, 12-18%, were in rental units with 1, 2, or 3 bedrooms, while studio apartments experienced a comparatively smaller increase at 3%. This marks the 4th year in a row that Portland has experienced rent increases in excess of 5% per year, with the average rent in Portland increasing nearly 30% since 2012.
13. While studio apartments have seen rental prices flatten or fall in the Central City and Inner East Portland, Southwest Portland and Outer Southeast Portland have experienced double digit increases with studio rents between 15-60% higher than in 2015.
14. Rents for 1, 2, and 3-bedroom apartments have increased in every neighborhood in the city. With the exception of the St. Johns and Hillsdale-Multnomah-Barbur neighborhoods, a Portland renter looking for a 1-bedroom apartment with an average rent below \$1,000 per month will likely need to look in neighborhoods far from the downtown core, jobs and high-frequency transit.
15. In a trend similar to 2015, some of the largest rent increases continue to occur in neighborhoods in East Portland. This highlights continued concerns of increased housing instability and cost burden in the most affordable areas of the city. Additionally, large rent increases in neighborhoods in Southwest and North Portland in both 2015 and 2016 raise concerns over potential involuntary economic displacement.

16. Despite the improving economy, a 2017 point-in-time count of homelessness in Portland and Multnomah County found that on any given night in Multnomah County, more than 1,668 people experience homelessness without even basic emergency shelter. They were found sleeping on the streets or in parks, cars, abandoned buildings, or other places not meant for human habitation.
17. These combined circumstances are contributing to significant human suffering, creating an immediate need to provide adequate, safe, and habitable shelters for persons experiencing homelessness, and to rapidly increase the supply of permanent affordable housing. The severe shortages of rental housing and shelter space arise from human-made events and circumstances, causing or threatening to cause human suffering and contributing to a growing deterioration of public spaces throughout the City.
18. It is appropriate for the Council to extend the housing emergency declaration to allow for temporary housing, emergency mass shelters and storage to serve the homeless, and to expedite the creation of affordable housing. The housing emergency has impacted areas throughout the entire City of Portland. Under state law, the Portland City Charter and Portland City Code, the Council has authority to declare a housing emergency for the purpose of addressing the shelter and housing needs of the homeless and those in jeopardy of becoming homeless, and protecting the public health, safety and welfare.
19. Despite the additional shelter, supportive housing efforts, and legislative tenant protections, areas throughout the City are continuing to experience significant numbers of homeless persons who are sleeping outdoors. These unpermitted locations where outdoor sleeping occurs are without appropriate sanitation facilities or proper trash receptacles. These conditions pose potential health and safety threats for both the residents and the surrounding communities. Because the outdoor sleeping locations are makeshift, there are also no secure facilities for storage of personal items, creating additional hardships for the residents.
20. The City currently pays for on-going cleanup of outdoor sleeping locations occurring on City-owned public property. During the housing emergency declaration to date the City has worked with public, private and non-profit entities to expand health and sanitation services to those sleeping outdoors. Because the crisis is ongoing, these efforts must be continued and expanded to address basic humanitarian needs at areas around the City with significant concentrations of homeless residents.
21. As part of the housing emergency to date, the City has successfully piloted the siting of mobile day storage facilities that include portable toilets and sharps containers. These storage units reduce the potential threats to public health, decrease the personal safety issues for campers, and reduce City expenses for campsite cleanup. With the continued large numbers of unsheltered people living

in the City, this service remains critically important and should be expanded for at least another eighteen months.

22. Under the housing emergency to date, the City, in cooperation with Multnomah County, has addressed the impact of outdoor sleeping by expanding emergency shelter capacity and options, but given the anticipated continued pressure on the rental housing market, and associated challenges for low-income households to find and maintain housing, there remains an urgent need to continue shelter expansion and to transition temporary shelter capacity to permanent shelter capacity over the next eighteen months.
23. Under Ordinance No. 187616 Council authorized design review and historic design review procedures for certain defined affordable housing projects through a Type IIx procedure, rather than a Type III procedure, in compliance with requirements specified in that ordinance. Ordinance No. 187973 established that the provisions of Ordinance No. 187616 shall remain effective for the duration of the housing emergency.
24. The City's efforts to date have helped to ameliorate the housing emergency. Nonetheless, it is anticipated that the circumstances giving rise to the housing emergency will continue for a period of at least another eighteen months. Accordingly, the Council should extend the emergency declaration for a corresponding time period so that appropriate efforts can be continued.

NOW, THEREFORE, the Council directs:

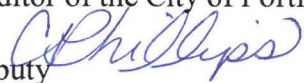
- a. There continues to be a state of emergency presented by the homeless situation throughout the City of Portland, requiring extension of the housing emergency declared by Ordinance 187371 under Portland City Code (PCC) Title 15 for the entire City. The provisions of PCC 15.04.040.B limiting the duration of the extension of a housing emergency are waived, and the housing emergency declared by Ordinance 187371 is hereby further extended for an additional eighteen month period, through April 4, 2019.
- b. The duration of the housing emergency shall be for a period of eighteen months from the effective date of this ordinance, unless extended by the Council as provided in PCC 15.04.030.B, or terminated sooner by the Council as provided in PCC 15.04.030.G.
- c. For the duration of the housing emergency, the City may otherwise exercise such authority as is provided in PCC 15.08.025.
- d. The provisions of Ordinance 187616 authorizing a Type IIX rather than Type III design review and historic design review of certain defined affordable housing projects will continue in effect for the duration of the housing emergency.

- e. The applicable provisions of Title 33, other than the temporary general regulations under Portland City Code Section 33.296.040, shall be waived to allow the City to site up to five day storage units at various locations for the duration of the housing emergency.
- f. Within 180 days after passage of this ordinance, the Portland Housing Bureau and the Joint Office of Homeless Services will determine criteria for ending the housing emergency and report back their findings to Portland City Council and to the Multnomah County Board.
- g. The report will include both the criteria for ending the housing emergency and recommendations for implementation of meeting said criteria by April 4, 2019.

Section 2. The Council declares that an emergency exists because any delay in acknowledging the ongoing homelessness crisis would be detrimental to the public welfare; therefore, this ordinance shall be in full force and effect from and after its passage by Council.

Passed by the Council: OCT 04 2017

Mayor Ted Wheeler  
Prepared by: Andrea Valderrama  
Date Prepared: 09/21/2017

**Mary Hull Caballero**  
Auditor of the City of Portland  
By   
Deputy

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<p style="text-align: center;"><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b></p>	<p>CLERK USE: DATE FILED <u>SEP 26 2017</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance &amp; Administration - Wheeler <i>WC</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>Susan Parsons</i></u> Deputy</p> <p><b>ACTION TAKEN:</b></p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Mayor Wheeler</p>	
<p>Prepared by: Andrea Valderrama Date Prepared: Sept. 26<sup>th</sup>, 2017</p>	
<p><b>Impact Statement</b></p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document.</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b> required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>LFR</i></p>	
<p>Council Meeting Date <b>October 4<sup>th</sup>, 2017</b></p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <i>1072</i></p> <p>Start time: <b>9:45AM</b></p> <p><b>Total amount of time needed: 30 minutes</b> (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p><b>Total amount of time needed:</b> (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	