



**DATE:** May 14, 2025  
**TO:** Board of Commissioners  
**FROM:** Shea Flaherty Betin, Interim Executive Director  
**SUBJECT:** Report 25-15  
Update on City of Portland Housing Production Strategy

**BRIEF DESCRIPTION OF INFORMATION ITEM**

No action requested; this item is informational only.

At the May 14, 2025, Prosper Portland Board of Commissioners (Board) meeting, City of Portland Bureau of Planning & Sustainability (BPS) and Portland Housing Bureau (PHB) staff will provide an update on the 2024 Housing Production Strategy (HPS). Statewide Planning Goal 10 requires the City of Portland (the City) to inventory buildable lands and ensure there is enough zoned land to accommodate their housing needs over the next 20 years and requires the City to update its Housing Needs Analysis every six years. In addition to supporting housing production, the Housing Needs Analysis and HPS can highlight community priorities and help craft stabilization strategies to keep vulnerable communities in their homes.

In August 2024, the Portland City Council adopted the 2024 HPS (included as Attachment A). The HPS evaluates current housing policies and programs to identify additional actions the City can take to meet needs identified in the HNA and identifies housing production strategies that support the development of needed housing. It includes strategies to support the construction of needed housing as well as ways to measure and report on housing development. The HPS includes recommended zoning code and map changes, regulatory reforms, financial incentives, funding, land acquisition and preservation, and partnerships that address the housing production needs of the next five years. These actions must consider impacts on low-income households, communities of color, people with disabilities, and other state and federally protected classes.

Recommendations of the HPS also deliver on multiple Advance Portland objectives related to the Central City and Corridors, including:

- Objective 3.1: Increase Mixed Income Housing in Subdistricts with a Lack of Residential Use and an Imbalanced Mix of Uses
- Objective 3.3: Catalyze Public-private Partnerships to Unlock Infill Development of Large Scale Mixed-use, Mixed-income Sites with High Transit Accessibility
- Outcome 3.8: Address Housing Production Across a Continuum of Affordability

Many of the HPS actions and strategies will be collaborative efforts between multiple bureaus. Prosper Portland is listed as the lead agency, with strong collaboration expected, on the following activities:

- Create New Tax Increment Financing (TIF) Districts
- Create New Middle-Income Financial Incentives
- Implement and Support Catalytic Investments
- Kickstart Housing Demand in Central City
- Promote Commercial to Residential Conversion / Adaptive Reuse
- Explore Infrastructure Investments and Strategies

BPS and PHB staff will provide a broad overview of the HPS and offer the opportunity for questions and discussion with the Board.

**ATTACHMENT**

- A. 2024 Housing Production Strategy, as adopted



# City of Portland 2024 Housing Production Strategy

## As-Adopted

Resolution No. 37673  
August 2024

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# Acknowledgments

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## Project Team

Ariel Kane, Economic City Planner II  
Tom Armstrong, Supervising Planner  
Sam Brookham, Economic City Planner II  
Julia Michel, Economic City Planner II  
Patricia Diefenderfer, Chief Planner

## Contributors

Neil Loehlein, GIS Supervisor  
Anamaría Pérez, Analyst  
Lauren McKinney-Wise, GIS Technician  
Elizabeth Hilt, Financial Analyst  
Richard Eisenhauer, SDC/Fixed Rail Supervisor  
Adrienne Aiona, Engineering Supervisor  
Daniel Ramirez-Cornejo, SDC Analyst  
Mary Leung, Financial Analyst  
April Bertelsen, Transit Modal Coordinator

## Citywide Housing Production Working Group

Jill Chen, Housing Bureau (*former staff*)  
Jessica Conner, Housing Bureau  
Dory Hellyer, Housing Bureau  
Danell Norby, Housing Bureau  
Antoinette Pietka, Housing Bureau  
Tanya Wolfersperger, Housing Bureau  
Lisa Abuaf, Prosper Portland  
Justin Douglas, Prosper Portland  
Sarah Harpole, Prosper Portland  
Kimberly Tallant, Permitting and Development  
Terri Theisen, Permit Improvement Project  
Ellen Weeks, Permit Improvement Project  
Mathew Berkow, Bureau of Transportation

## Technical Advisory Committee

Kyle Diesner, Bureau of Planning and Sustainability  
Ludwig Salzmänn, Bureau of Planning and Sustainability  
Alan De La Torre, Portland State University  
Abe Moland, Multnomah County  
Max Nonnamaker, Multnomah County  
Claudia Sharygin, Multnomah County  
Lori Kelley, Multnomah County  
Jenna Kivanc, Multnomah County  
Ted Reid, Metro  
Clint Chiavarini, Metro  
Dennis Yee, Metro  
Emily Lieb, Metro

## Department of Land Conservation and Development

Kelly Reid, Regional Representative for Multnomah and Clackamas Counties  
Sean Edging, Housing Planner  
Celestina Teva, Housing Planner

## Contact

Ariel Kane  
Economic Planner | Bureau of Planning and Sustainability  
[ariel.kane@portlandoregon.gov](mailto:ariel.kane@portlandoregon.gov)

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# Overview

In 2023, the City of Portland adopted a [Housing Needs Analysis \(HNA\)](#) to understand current and future housing needs in Portland. The Housing Production Strategy (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. The state requires the City to complete an HNA and HPS every six years.<sup>1</sup>

## Why Is This Important?

A place to live is a basic human need, and ensuring access to fair and equitable housing is essential for providing Portlanders with the opportunities and security they need to lead healthy and successful lives. Unfortunately, Portland, like many other cities in the US, is facing an unprecedented housing crisis, making housing increasingly unaffordable for most residents. Escalating rents and home prices consistently outpace incomes, widening the gap between household earnings and housing costs. Affordable housing, defined as spending no more than 30 percent of income on housing costs, remains elusive for many. More than a third of Portland households spend more than 30 percent of their income on housing costs, and around 50 percent of renters in the city are cost burdened.

In 2015 the City passed the [Emergency Ordinance Declaring a State of Emergency for Housing and Houselessness](#), enshrining the urgency and great need faced by Portlanders to have access to more affordable and stable housing. The purpose of the Housing Production Strategy is to continue to implement policies and programs that will help Portland meet its need for quality, affordable homes for a growing and socioeconomically diverse population, and ensure equitable housing access in a time of increased urgency. The City of Portland's 2035 Comprehensive Plan serves as policy guidance to provide adequate access to housing for a socially- and economically diverse population; support fair, equitable, healthy, and physically accessible housing; and maintain and expand a supply of permanently affordable housing for Portland's most vulnerable residents.

In 2020, the City passed the [Climate Emergency Declaration](#), acknowledging that Portland's policies, planning, and infrastructure investment practices has contributed to communities of color and low-income neighbors experiencing high temperatures, high utility bills, poor air quality, and greater risk to health. With this in mind, the Climate Emergency Workplan and [Climate Investment Plan](#) describes the actions the City and its partners will take to make Portland more resilient and explore ways to reduce the climate impact of new housing units on Portland's households.

<sup>1</sup> As provided in ORS 197A.100 a city with a population of more than 10,000 people must adopt a Housing Production Strategy Report that includes a list of specific actions that the City will undertake to promote development to address housing needs identified for the most recent period described in the Housing Need Analysis. The requirements are further documented in [Oregon Secretary of State Administrative Rules](#).



# Portland's Housing Need

Portland faces an increasingly wide range of housing needs and growing challenges in meeting those needs. Below is a summary of key findings from the HNA as well as the additional housing needs assessment prepared as part of the HPS process. These analyses emphasize equitable outcomes for Portland's current and future residents and recognize that some communities face bigger challenges to meeting their housing needs—especially low-income households, communities of color, elders, people with disabilities, and people experiencing homelessness.

In 2023, approximately 41 percent of home sales were affordable to households earning Portland's median income. In addition, renter households earning the renter median income could only afford the average rent in six out of Portland's twenty-four neighborhoods. This level of mismatch between incomes and home costs exacerbates the prevalence of cost-burdened households. In 2021, over 50 percent of renter households were cost-burdened. The housing affordability gap widens significantly when considering median income by race and ethnicity, particularly for Black, Indigenous, and Latine households. According to Portland's Housing Bureau's 2023 State of Housing report, these households earning the average income could not afford the average home sale price in any Portland neighborhood. Notably, the average Black household is also unable to afford the average rent in all but one any neighborhood.

## How Much Growth Is Portland Planning For?

Metro's 2019 regional population forecast allocated 97,471 new households to Portland, about 35 percent of the region's growth, which is the basis for determining future needs. Adjustments are made



**279,797 HOUSEHOLDS IN 2021**



**296,479 UNITS IN 2021**



**97,471 NEW HOUSEHOLDS  
FORECASTED**



**97,471 TO 120,560 NEW UNITS  
NEEDED**



**377,268 HOUSEHOLDS IN 2045  
35% INCREASE**



**417,039 UNITS IN 2045  
41% INCREASE**

to account for a vacancy rate, housing for those facing houselessness and for underproduction since 2010. These adjustments bring the estimated demand to 120,560 dwelling units by 2045.<sup>2</sup>

At a basic level, Portland has an estimated overall development capacity for 236,977 housing units, which is sufficient to meet the estimated demand of 120,560 units. However, the needs analysis goes further to address specific housing types.<sup>3</sup> Portland needs to support the development of 120,560 new units of housing by 2045 - an average of 5,200 units per year. Additionally, to align with Governor Kotek's statewide housing production strategy, the City should "catch-up" the units from underproduction and for households experiencing houselessness and build 55,000 units by 2032, roughly, 6,000 units per year.

## What Does the Need Look Like?

The City must plan to accommodate Portlanders with a diverse range of needs in terms of unit types and prices in locations that help meet the needs of all, including low-income populations, communities of color, and people of all ages and abilities. Portland's future housing needs are not evenly distributed among the population in the city. There are households facing historic and ongoing disadvantages, especially those impacted by limited housing choice and access. The housing needs of these populations are briefly summarized below.<sup>4</sup>

The City has made significant strides in addressing housing affordability over the last decade. Since declaring a housing emergency in 2015, the City has successfully opened and preserved more than 4,800 units of regulated affordable housing, one-third of which were deeply affordable to households earning 0 – 30 percent of the Area Median Income (AMI).<sup>5</sup> This achievement was primarily made possible with significant funding from local revenue sources and further supported by the City's implementation of an inclusionary housing program and code amendments expediting the permitting process. The housing emergency has also helped increase shelters and services for people experiencing homelessness.

However, despite these efforts, the urgency of the situation persists and demands continued action by the City to address housing affordability.

<sup>2</sup> This analysis is documented in the [2045 Housing Needs Analysis](#).

<sup>3</sup> The [Buildable Land Inventory \(BLI\)](#) considers vacant land, redevelopment feasibility, and constraints on development to estimate the future development capacity under current planning and zoning designations

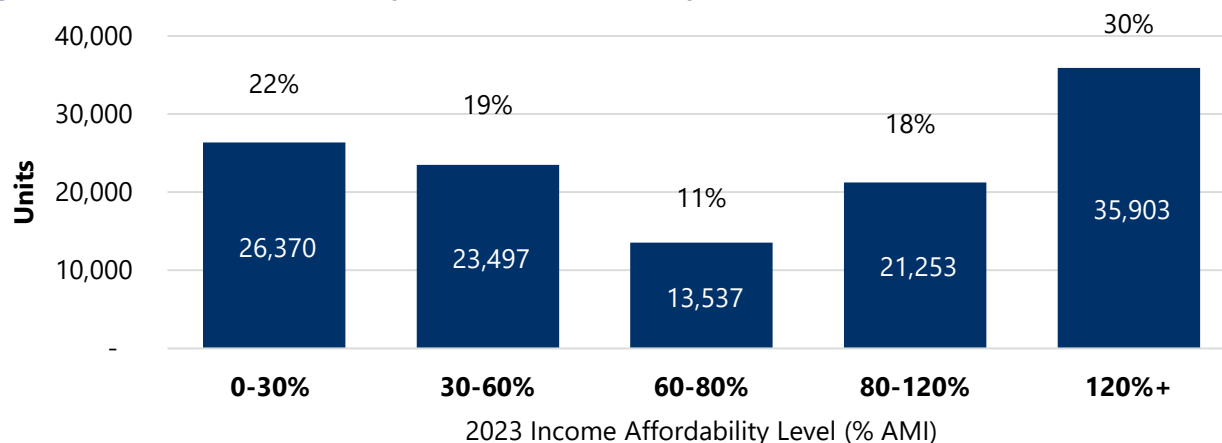
<sup>4</sup> Additional context is provided in Additional Housing Need Context

<sup>5</sup> [PHB State of Housing Report 2022](#) (using ACS 2022 5-Year Estimates), in this document, area median income and median family income are used interchangeably, it refers to the household income for the median/'middle' household in the region.

## Housing Need by Income Affordability

In 2023, the Portland-Vancouver-Hillsboro regional 100% Area Median Income (AMI) ranged from \$80,000 for a single-person household to \$114,000 for a four-person family. If Portland is to maintain its income diversity, 53 percent, or more than 63,000 units, will need to be affordable to lower income (0-80% AMI) households. Development of new housing affordable to lower income households generally requires subsidy or other financial support.

**Figure 1. Total Units Needed By Income Affordability**



Source: BPS analysis

### Extremely Low-Income Households (0 to 30% AMI)

**Existing Households: 48,179**

**New Units: 18,211 to 26,370**

In 2023, a single-person household could earn at most \$23,700 and a household of four, \$33,900. Monthly affordable housing costs would be between \$700 and \$900. Meeting the housing needs of these households will require a combination of preserving existing income-restricted affordable housing and the development of new income-restricted affordable housing.

### Very Low-Income Households (30 to 60% AMI)

**Existing Households: 51,408**

**New Units: 19,431 to 23,497**

In 2023, a single-person household could earn at most \$48,000 and a household of four, \$68,600. Monthly affordable housing costs would be between \$1,300 and \$1,900. Meeting the needs of these households will require preserving existing affordable housing and development of new income-restricted affordable housing.

## Low-Income Households (60 to 80% AMI)

**Existing Households: 32,751**

**New Units: 12,379 to 13,537**

In 2023, a single-person household would earn at most \$63,200 and a household of four, \$90,200. Monthly affordable housing costs would be between \$1,800 and \$2,500.

## Middle-Income Households (80 to 120% AMI)

**Existing Households: 53,579**

**New Units: 20,697 to 21,253**

In 2023, a single-person household could earn at most \$96,100 and a household of four would earn \$137,300, with monthly affordable housing costs between \$2,700 and \$3,800.

## High-Income Households (> 120% AMI)

**Existing Households: 93,880**

**New Units: 35,853 to 35,903**

In 2023, a single-person household would earn more than \$96,100, and a household of four \$137,300. Monthly affordable housing costs would be greater than \$2,700.

Housing needs for high-earning households are likely to be met through private development. The development of housing that is affordable to high-income households is important in freeing up existing housing stock where households are renting or buying down, when it may be affordable to lower-income households.

## Housing Needs of Specific Populations

### Black, Indigenous, and People of Color (BIPOC) Households

**Existing Households: 81,526**

**New Units: 26,582 to 30,071**

In 2021, just 19 percent of Black householders earned more than 120 percent AMI, compared to 45 percent of white householders and 30 percent of BIPOC households overall. The impacts of a constrained housing supply are more starkly felt by Black, Indigenous and Households of Color.

In a challenging housing market, income disparities further impede the ability of households to enter the market, build wealth through ownership, and further burden renters. The share of BIPOC householders in Portland has increased from 20 percent in 2010 to 25 percent in 2021. Meeting the needs of these households will require addressing the affordability issues as well as ensuring that people of color have access to housing without discrimination.

## Households Experiencing Houselessness

**Existing Households: 2,516**

**New Units: 4,604**

Many households currently experiencing houselessness have some income, but still cannot find an available, affordable home. To house households currently experiencing houselessness;

- 4,098 units are needed for households earning less than 30 percent AMI;
- 368 units are needed for households earning less than 60 percent but more than 30 percent AMI;
- 138 units are needed for households earning less than 80 percent but more than 60 percent AMI.

Meeting the housing needs of people experiencing houselessness ranges from emergency assistance to prevent houselessness, permanent supportive housing, and improved access to an affordable unit.

## Households With Members Who Have Disabilities

**Existing Households: 65,279**

**New Units: 21,277 to 26,318**

Overall, an estimated 22 to 27 percent of all households in Portland have at least one household member with disabilities (CHAS 2019, ACS 2021). Households earning less than 50 percent AMI are more likely to have members with disabilities. Adults with disabilities are more likely to rely on supplemental security income (SSI), which is insufficient to meet most basic needs.

Meeting the housing needs of these households will require addressing affordability issues, considering the characteristics of housing design as accessible and/or visitable, as well as ensuring access to housing without discrimination.

## Households With Older Adults

**Existing Households: 63,514**

**New Units: 22,126 to 27,367**

People over 65 years old are more likely to report a disability, and in Portland, 33 percent of people over 65 report having at least one disability, increasing the need for accessible units. As the proportion of older adults increases, the importance of establishing “aging in community” housing practices becomes increasingly significant and will drive demand for older adults. Meeting the housing needs of these households will require addressing affordability issues, as well as ensuring access to housing without discrimination, and promoting the development of a variety of housing types, such as intergenerational housing, small easy-to-maintain dwellings, or assisted-living facilities.

## Large Households, Multigenerational Households, or Households with Children

**Existing Households: 83,293**

**New Units: 22,694 and 35,890**

If the trend for households from the 2017-2021 American Community Survey continues, 30 percent of new housing units will need to be able to accommodate three or more persons. Meeting the housing needs of these households in order to ensure there is not overcrowding will require providing larger units with a greater number of bedrooms and consideration of a variety of housing types in order to support intergenerational housing.

**Figure 2. Summary of Total Units Needed by Affordability and Household Characteristic**

	EXISTING HOUSEHOLDS	NEW UNITS
EXTREMELY LOW INCOME (0 TO 30%)	48,179	18,211 to 26,370
VERY LOW INCOME (30 TO 60%)	51,408	19,431 to 23,497
LOW INCOME (60 TO 80%)	32,751	12,379 to 13,537
MIDDLE INCOME (80 TO 120%)	72,244	20,697 to 21,253
HIGH INCOME (> 120%)	126,585	35,853 to 35,903
BLACK, INDIGENOUS, AND PEOPLE OF COLOR (BIPOC) HOUSEHOLDS	81,526	26,582 to 30,071
HOUSEHOLDS EXPERIENCING HOUSELESSNESS	2,516	4,604
HOUSEHOLDS WITH MEMBERS WHO HAVE DISABILITIES	65,279	21,277 to 26,318
HOUSEHOLDS WITH OLDER ADULTS	63,514	22,126 to 27,367
HOUSEHOLDS WITH CHILDREN	65,146	29,016 to 35,890

## Where Is Housing Demand Located?

For the most part, the housing location analysis reveals a concentration of housing demand in key growth areas that are consistent with Portland's Comprehensive Plan policies such as focusing growth in complete neighborhoods, centers and corridors, and high-opportunity areas with access to services and amenities. However, when housing demand location is examined through an equity and resilience lens, the city's expected patterns of growth unveil additional considerations. The racially and ethnically concentrated areas of affluence and poverty analysis underscores the importance of addressing past exclusionary zoning practices to promote fair housing. These zoning patterns not only exclude low-income and protected-class households from accessing high-opportunity areas but also concentrate housing demand pressures in other neighborhoods, potentially driving up housing costs, which can be particularly harmful in economically vulnerable neighborhoods. Redressing these past practices can help distribute housing demand more evenly, increase housing opportunities in key growth areas, and thereby alleviate pressures in vulnerable neighborhoods. Furthermore, recognizing the overlap between climate risk areas, particularly urban heat islands, and high-risk liquefaction zones, and Portland's key growth areas are crucial for sustainable growth. Implementing policies to mitigate climate risk impacts will enhance the resilience of vulnerable residents living in regulated affordable housing units located in these areas.

## What are the Barriers to Producing Needed Housing?

The barriers to the development of housing in Portland include issues that range across local, state, and federal issues, these are described in more detail in Appendix A. Additional Housing Need Context, Existing And Expected Barriers To The Development Of Needed Housing

- **Development and construction costs.** Nationally, development costs have significantly increased over the past few years. At the same time, rental rates and sale prices slowed, resulting in feasibility gaps for many residential projects.
- **Workforce availability.** Nationally and locally, limited availability of labor, particularly in the construction workforce, has also contributed to setbacks and challenges in the construction of needed housing.
- **Financing and investment funding and resources.** With banks and other lenders now less willing to lend, developers must seek other sources of funding. For some, that means reducing their capacity for other projects; for others, that means taking on less favorable loan conditions. For affordable housing developers, the pool of possible funders is small, and compliance can be challenging.
- **Regulatory burden.** The City continues to streamline the development review process to decrease the time it takes to obtain a permit. As well, the City will continue to review and amend development code regulations to consider how the cost of compliance affects development feasibility and housing affordability.
- **Mortgage and loan interest rates.** Interest rate increases have been consequential to development feasibility and housing affordability. For example; the monthly payment on a median-priced house has increased by more than 50 percent due to higher loan rates.
- **Resident ability to pay or compete.** Mismatches in the market, or underproduction of units at needed affordability levels, presents demand-side barriers, so even if housing gets built, it does not match the incomes or needs of current households, both renters and owners.



# New Strategies to Meet Future Housing Need

Portlanders need access to high-quality affordable housing that accommodates their needs, preferences, and financial capabilities. Accordingly, future housing supply should accommodate different types, tenures, density, sizes, costs, and locations. The Housing Production Strategy identifies strategies and actions the City can take to promote housing development that meets the community's current and future needs, with a focus on more equitable and affordable housing options for a wider range of incomes, needs, and preferences.

There are several key themes that run through the strategies:

- **Produce more housing** – the overall goal is to produce more housing of all types to meet Portland's housing production targets that are assigned by the State of Oregon.
- **Additional funding for affordable housing** – the City has been successful in fully distributing the funds and exceeding development targets for the recent City and Metro affordable housing bonds. The City also has relied on tax increment financing along with state and federal funding. All of the funding sources will need to be sustained and increased to meet our affordable housing goals.
- **Increase capacity in high opportunity neighborhoods** – While overall the City has an adequate zoning capacity to meet future growth, that capacity needs to be better distributed to minimize displacement; increase capacity in high opportunity, complete neighborhoods through area planning and zone changes; breakdown exclusivity; and reduce carbon emissions.
- **Continuous improvement** – since the 2015 Housing Emergency Declaration, the City has adopted a number of changes to the zoning code and development review permitting. This work will continue to streamline the review process and remove code barriers to development.
- **Implement catalytic developments** – there are a number of large development projects in and around the Central City that represent the potential for thousands of housing units, including affordable housing. The City has an important role, both directly and supportive, to ensure these developments come to fruition.

This action plan and subsequent strategies aim to address the wide range of housing types and affordability levels in addition to overall net new housing production. Strategies are organized into the following eight initiatives:

- A. Promote Affordable Housing (0-80% AMI):** Increase the supply of regulated and unregulated affordable housing units.
- B. Increase Middle Income Housing and Homeownership:** Improve access to middle income housing and homeownership opportunity, by improving retention, and choice for people of color and others who have been historically underserved and under-represented.

- C. Increase Access to Opportunity:** Ensure equitable access to housing in safe, healthy neighborhoods with convenient access to jobs, goods and services.
- D. Reduce Barriers to Development and Improve Processes:** Address known regulatory impediments to building needed housing.
- E. Stabilize Current and Future Households:** Support current and future households to reduce housing insecurity and prevent homelessness.
- F. Promote Age and Disability Friendly Housing:** Ensure equitable access to housing for people with disabilities and older adults.
- G. Promote Climate Friendly and Healthy Homes:** Increase access to high-performance and climate resilient housing for Portlanders of all abilities and income levels.
- H. Advocate at the State and Federal Level:** To fully address housing needs locally, the City will need policy changes or funding at the state and federal level.

Each strategy includes the following information:

- **Description:** What is the strategy? How can the strategy work to address identified housing needs in Portland? What are potential outcomes?
- **Affordability target:** What income levels are served by the strategy?
- **Tenure target:** Are renters or owners served by the strategy?
- **Populations served:** What specific populations are served by the strategy?
- **Magnitude of Impact:** What is the anticipated impact for producing new and needed units?  
*(Low: Indirect or low impact on actual production, Medium: Likely to have some direct impact on the production of units, High: likely to directly produce or facilitate the production of units)*
- **Time Frame:** When does the City expect the action to be adopted and implemented?  
*(Near Term (1-2 years), Medium Term (within 3-5 years), and Longer Term (>5 years)).*
- **Priority:** How important is it for the City to adopt and implement this action in the next 6 years?  
*(Generally, High priority (1-2 years); Medium (3-5 years); Low (>5 years)).*
- **Lead:** The city department most likely to take the lead in implementing a strategy
- **Partners:** Likely collaborators in implementing a strategy

## New Strategies By Initiative

### A. Promote Affordable Housing (0-80% AMI)

1. Replace Housing Bonds Revenue Source
2. Create New Tax Increment Financing (TIF) Districts
3. Leverage Other State and Federal Funding Sources
4. Establish a Comprehensive Citywide Land Banking Strategy
5. Rezone Sites For Affordable Housing
6. Review and Update Inclusionary Housing (IH) Program
7. Update Short Term Rental Nightly Fee

### C. Increase Access To Opportunity

1. Implement and Support Catalytic Investments
2. Increase Housing Capacity in Inner Centers & Corridors
3. Revise Zoning Bonuses and Incentives
4. Kickstart Housing Demand in Central City
5. Increase Housing Capacity in the Central City
6. Identify Housing Opportunity Along 82nd Avenue
7. Promote Increased Transit Service
8. Incorporate Affirmatively Furthering Fair Housing

### E. Stabilize Current and Future Households

1. Preserve Existing Affordable Housing
2. Launch Affordable Housing Listing Service

### G. Promote Climate Friendly and Healthy Homes

1. Support Mass Timber and Modular Innovations
2. Develop Low Carbon Building Policies
3. Promote Commercial to Residential Conversion / Adaptive Reuse
4. Implement Heat Adaptation Recommendations

### B. Increase Middle Income Housing and Homeownership

1. Create New Middle-Income Financial Incentives
2. Update Land Division Code
3. Expand Homeownership Programs
4. Improve Middle Housing Permit Process

### D. Reduce Barriers to Development and Improve Processes

1. Implement Regulatory Reform Project
2. Improve User Experience within Permitting Systems
3. Reform Development Services Funding Model
4. Explore Infrastructure Investments and Strategies
5. Revise System Development Charges (SDC)

### F. Promote Age and Disability Friendly Housing

1. Implement Accessible Housing Production Strategies
2. Educate on Opportunities for Aging in Place & Community

### H. Advocate at State and Federal Level

1. Advocate for Funding for Production and Preservation
2. Advocate for Regulatory and Code Changes to Meet Housing Need
3. Advocate for Policy that Supports the Building of Resilient Homes

## New Strategies by Lead Bureau

Many of these actions and strategies will be collaborative efforts between multiple bureaus, in this table, lead bureau is simplified to one bureau, even where strong lead or collaboration is expected.

Portland Housing Bureau (PHB)	Bureau of Planning and Sustainability (BPS)
<ul style="list-style-type: none"> <li>• Replace Housing Bonds Revenue Source</li> <li>• Create New Tax Increment Financing (TIF) Districts</li> <li>• Leverage Other State and Federal Funding Sources</li> <li>• Establish a Comprehensive Citywide Land Banking Strategy</li> <li>• Rezone Sites For Affordable Housing</li> <li>• Review and Update Inclusionary Housing (IH) Program</li> <li>• Update Short Term Rental Nightly Fee</li> <li>• Expand Homeownership Programs</li> <li>• Preserve Existing Affordable Housing</li> <li>• Launch Affordable Housing Listing Service</li> </ul>	<ul style="list-style-type: none"> <li>• Rezone Sites for Affordable Housing</li> <li>• Increase Housing Capacity in Inner Centers &amp; Corridors</li> <li>• Revise Zoning Bonuses and Incentives</li> <li>• Increase Housing Capacity in the Central City</li> <li>• Identify Housing Opportunity Along 82nd Avenue</li> <li>• Incorporate Affirmatively Furthering Fair Housing</li> <li>• Implement Accessible Housing Production Strategies</li> <li>• Educate on Opportunities for Aging in Place &amp; Community</li> <li>• Support Mass Timber and Modular Innovations</li> <li>• Develop Low Carbon Building Policies</li> <li>• Implement Heat Adaptation Recommendations</li> </ul>
Prosper Portland	Infrastructure Bureaus: Portland Bureau of Transportation (PBOT) / Portland Water Bureau (PWB) / Bureau of Environmental Services (BES) / Portland Parks and Recreation (PPR)
<ul style="list-style-type: none"> <li>• Create New Tax Increment Financing (TIF) Districts</li> <li>• Create New Middle-Income Financial Incentives</li> <li>• Implement and Support Catalytic Investments</li> <li>• Kickstart Housing Demand in Central City</li> <li>• Promote Commercial to Residential Conversion / Adaptive Reuse</li> <li>• Explore Infrastructure Investments and Strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Revise System Development Charges (SDC)</li> <li>• Promote Increased Transit Service</li> </ul>
Permitting and Development (PP&D)	Office of Government Relations (OGR)
<ul style="list-style-type: none"> <li>• Improve Middle Housing Permit Process</li> <li>• Implement Regulatory Reform Project</li> <li>• Improve User Experience within Permitting Systems</li> <li>• Reform Development Services Funding Model</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate for Funding for Production and Preservation</li> <li>• Advocate for Regulatory and Code Changes to Meet Housing Need</li> <li>• Advocate for Policy that Supports the Building of Resilient Homes</li> </ul>

## New Strategies by Adoption And Implementation Timeline

**Legend:**



**Project Start:** When the project was/will likely be initiated



**Adoption:** When a new policy/program is expected to be adopted by year



**Implementation:** When a new policy/program is expected to be effective by year

Strategy	Pre-2024	2024	2025	2026	2027	2028	2029	2030
<b>A. Promote Affordable Housing (0-80% AMI)</b>								
A1. Replace Housing Bonds Revenue Source		▶		→	»»			
A2. Create New Tax Increment Financing (TIF) Districts	▶	→	»»					
A3. Leverage Other State and Federal Funding Sources		▶	→	»»				
A4. Establish a Comprehensive Citywide Land Banking Strategy			▶ →		»»			
A5. Rezone Sites for Affordable Housing		▶	→ »»					
A6. Review and Update Inclusionary Housing (IH) Program					▶ →	»»		
A7. Update Short Term Rental Nightly Fee			▶ →	»»				
<b>B. Increase Middle Income Housing and Homeownership</b>								
B1. Create New Middle-Income Financial Incentives	▶	→						»»
B2. Update Land Division Code	▶	→ »»						
B3. Expand Homeownership Programs				▶	→	»»		
B4. Improve Middle Housing Permit Process						▶ →	»»	
<b>C. Increase Access to Opportunity</b>								
C1. Implement and Support Catalytic Investments		▶	→					»»
C2. Increase Housing Capacity in Inner Centers & Corridors		▶				→ »»		
C3. Revise Zoning Bonuses and Incentives		▶	→	»»				
C4. Kickstart Housing Demand in Central City	▶ →	»»						
C5. Increase Housing Capacity in the Central City		▶			→ »»			
C6. Identify Housing Opportunity Along 82nd Avenue		▶	→	»»				
C7. Promote Increased Transit Service		▶	→					
C8. Incorporate Affirmatively Furthering Fair Housing							▶ →	»»
<b>D. Reduce Barriers to Development and Improve Processes</b>								
D1. Implement Regulatory Reform Project	▶	→ »»						
D2. Improve User Experience within Permitting Systems	▶ →		»»					
D3. Reform Development Services Funding Model		▶	→ »»					

**Legend:**



**Project Start:** When the project was/will likely be initiated



**Adoption:** When a new policy/program is expected to be adopted by year



**Implementation:** When a new policy/program is expected to be effective by year

Strategy	Pre-2024	2024	2025	2026	2027	2028	2029	2030
D4. Explore Infrastructure Investments and Strategies								
D5. Revise System Development Charges (SDC)								
<b>E. Stabilize Current and Future Households</b>								
E1. Preserve Existing Affordable Housing								
E2. Launch Affordable Housing Listing Service								
<b>F. Promote Age And Disability Friendly Housing</b>								
F1. Implement Accessible Housing Production Strategies								
F2. Educate on Opportunities for Aging in Place & Community								
<b>G. Promote Climate Friendly and Healthy Homes</b>								
G1. Support Mass Timber and Modular Innovations								
G2. Develop Low Carbon Building Policies								
G3. Promote Commercial to Residential Conversion / Adaptive Reuse								
G4. Implement Heat Adaptation Recommendations								
<b>H. Advocate at State and Federal Level</b>								
H1. Advocate for Funding for Production and Preservation								
H2. Advocate for Regulatory and Code Changes to Meet Housing Need								
H3. Advocate for Policy that Supports the Building of Resilient Homes								

## A. Promote Affordable Housing (0-80% AMI)

Portland has an adequate supply of land to meet its future housing needs. The challenge is to provide housing with a diverse range of unit types and prices in locations that help meet the needs of all. Without these strategies, access to quality, affordable homes will continue to be out of reach to those whom the market does not adequately serve, including low-income populations, communities of color and people of all ages and abilities.

The greatest need identified during HPS engagement, through the Black, Indigenous and other People of Color (BIPOC) focus groups, community meetings, survey responses, draft public comment and stakeholder meetings, was the need for more affordable housing, especially for lower-income households, including renters who are concerned about rent increases and people on the brink of or already experiencing homelessness. With a demonstrated need for 53 percent of Portland's future housing needing to be affordable at 80 percent AMI or below, and an existing shortage of affordable housing for current Portlanders, this initiative and the subsequent strategies are necessary to help meet those needs.

While the City works with partners at JOHS, Multnomah County, Metro and with community partners to implement the [Homelessness Response Action Plan](#), this initiative, in combination with initiative E. Stabilize Current and Future Households, aim to increase access to housing choice and prioritize extremely low-income households who may be at risk of becoming homeless.

These strategies aim to increase the supply of regulated and unregulated affordable housing units in Portland to address the city's pressing need for quality, affordable homes for a growing and socioeconomically diverse population, and to help ensure equitable access to housing. The ability to produce substantial amounts of affordable housing is heavily dependent on funding availability to support affordable housing development. Past housing bonds have played a pivotal role in this effort. Therefore, replacing those bonds with alternative revenue sources is instrumental in significantly increasing Portland's inventory of affordable housing units.

Implementing these strategies requires coordinated action and strong public-private partnerships. A wide variety of stakeholders have a role, including agencies such as the Portland Housing Bureau and Home Forward, community development corporations and other nonprofit community organizations, and private sector real estate and development partners. Staff time will be required to develop and maintain these partnerships as well as review and revise existing programs and code regulations to better facilitate affordable housing development.

**Figure 3. Existing and Ongoing Programs and Actions That Promote Affordable Housing**

Existing and Ongoing Programs Promoting Affordable Housing	
Inclusionary Housing (IH) Program	Land Acquisition and Banking
<a href="#">Mixed Use Zoning</a>	Public Land Inventory



Existing and Ongoing Programs Promoting Affordable Housing	
<a href="#">Manufactured Dwelling Park (MDP) Zoning</a>	<a href="#">Expanding Opportunities for Affordable Housing</a>
<a href="#">Deeper Housing Affordability (DHA) bonus</a>	<a href="#">Construction Excise Tax</a>
Tax <a href="#">Increment</a> Financing (TIF)	Short Term Rental Lodging Tax
<ul style="list-style-type: none"> <li>Regulated Affordable Rental Housing</li> <li>Property Acquisition and Rehabilitation</li> <li>Gap Financing For Middle Income Housing</li> </ul>	<a href="#">American Rescue Plan Act Funds</a> <a href="#">Portland Clean Energy Fund (PCEF)</a> <a href="#">Metro Supportive Housing Services Fund</a>
Metro Housing Bond	<a href="#">Portland Housing Bond</a>
<a href="#">Multiple-Unit Limited Tax Exemption (MULTE) &amp; Extension</a>	<a href="#">Non-Profit Low Income Housing Limited Tax Exemption</a>
Affordable Housing Construction Excise Tax Exemption	<a href="#">Homebuyer Opportunity Limited Tax Exemption (HOLTE)</a>
Fair Housing Policy Audits	Fair Housing Testing
Federal Funding <ul style="list-style-type: none"> <li>Community Development Block Grant (CDBG)</li> <li>HOME Investment Partnerships (HOME)</li> <li>Emergency Solutions Grants (ESG)</li> <li>Housing Opportunities for Persons with AIDS (HOPWA)</li> </ul>	State Funding <ul style="list-style-type: none"> <li>Permanent Supportive Housing (PSH)</li> <li>LIFT and Housing Trust Funds (HTF)</li> <li>9% Low-Income Housing Tax Credit (LIHTC)</li> <li>4% Low-Income Housing Tax Credit (LIHTC)</li> </ul>
Other Federal and State Funding	Affirmative marketing for City Incentives

## NEW STRATEGIES

### 1. Replace Housing Bonds Revenue Source

The City has been successful in fully distributing the funds and exceeding development targets for the two recent affordable housing bonds (\$258.4M (Portland) and \$211M (Metro)). The City will continue to be responsible stewards of public funds and maintain the systems and processes put in place to quickly and effectively use bond funding to create new affordable housing. The City will use lessons learned from the bonds and establish a per unit funding level that assures the long-term affordability and viability of affordable housing projects. The City will identify a long-term sustainable funding source for affordable housing development that aligns resources with the Housing Needs Analysis' identified housing production needs. Essential to this production strategy will be to identify resources for continued long-term operational support for affordable housing as well as resources for a risk mitigation pool.

**DLCD Category:**  
Resources and  
Incentives

**Priority:** High

**Lead:** PHB

#### Impact

**Affordability:** 0-80%

**Tenure:** Both

**Populations Served:**  
Low-income  
communities

**Magnitude:** High

**Partners:** State, Metro,  
Multnomah County

**Project Start:** Jan 2024

**Adoption:** July 2026

**Implementation:** July 2027

## 2. Create New Tax Increment Financing (TIF) Districts

Prosper Portland and Portland Housing Bureau are exploring establishing up to six new TIF districts in East Portland (including along 82nd Avenue) and the Central City. The creation of new TIF districts will increase investment in those areas and provide funding, through the 45% set-aside policy, to support affordable housing development, as well as resources available to support middle income housing (B1) and the creation of quality jobs. The goal is for City Council to vote on the first set of TIF districts in October 2024. Should City Council approve new tax increment finance district(s), Prosper Portland and Portland Housing Bureau will support and staff community action planning processes that identify spending priorities for the first five years of each TIF district, which will include both the 45% Set Aside Policy resources for 0 – 60% AMI rental and 0-80% AMI ownership as well as middle income and market rate housing above those thresholds.

**DLCD Category:**  
Resources and  
Incentives

**Priority:** High

**Lead:** Prosper, PHB

**Partners:** BPS, OMF,  
Multnomah County

**Project Start:** August 2023

**Adoption:** October 2024

**Implementation:** July 2025

### Impact

**Affordability:** 0-120%

**Tenure:** Both

**Populations Served:**

Low-income  
communities + general

**Magnitude:** High (~5  
years post-adoption)

## 3. Leverage Other State and Federal Funding Sources

There are additional resources or programs at the state and federal level that may offer funding for housing projects, especially affordable housing projects. Many of these programs are administered by the federal Department of Housing and Urban Development (HUD) or the state Oregon Department of Housing and Community Services (OHCS)

- A. Build PHB's resource development capacity to increase participation in state and federal funding programs for affordable housing.
- B. Identify and pursue grant opportunities to diversify funding sources for affordable housing.
- C. Coordinate with OHCS to align local and state funding opportunities for affordable housing projects.
- D. Explore new/expanded funding sources including a Private Activity Bond Recycling Program, 501c3 Bonds, PSH funding for capital and operating costs, and HUD/Fannie/Freddie sources.

**DLCD Category:**  
Resources and  
Incentives

**Priority:** Medium

**Lead:** PHB

**Partners:** OHCS, HUD,  
Prosper, BPS

**Project Start:** 2024

**Adoption:** July 2025

**Implementation:** July 2026

### Impact

**Affordability:** 0-120%

**Tenure:** Both

**Populations Served:**

Low-income  
communities

**Magnitude:** High

## 4. Establish a Comprehensive Citywide Land Banking Strategy

### Impact

The City will create a comprehensive citywide land banking strategy for affordable residential and mixed-use development. The strategy will utilize information from the 2023 Public Land Inventory and integrate insights from market analyses, enhanced financial planning, land acquisition and tender procedures, and community engagement, and explore partnerships with other agencies.

- The City will initiate new formal coordination and processes among all local area land banking entities, organizations, and agencies in an effort to increase communication, advocacy, and support of land banking practices.
- The City will pursue a variety of local, regional, state, and federal funding sources for land acquisition, holding land, site clearance, land swapping, and land entitlement for affordable and middle-income housing development.

**DLCD Category:** Land and Infrastructure **Priority:** High

**Lead:** PHB/Prosper

**Affordability:** 0-120%

**Tenure:** Both

**Populations Served:**

Low-income communities

**Magnitude:** Medium

**Partners:** Metro, Multnomah County, local, state and federal agencies

**Project Start:** 2025

**Adoption:** July 2025

**Implementation:** July 2027

## 5. Rezone Sites for Affordable Housing

The City will conduct a project based on the [Expanding Opportunities for Affordable Housing](#) project to rezone additional sites.

The initiative aims to collaborate with affordable housing providers and faith-based organizations that own properties and are working on plans to develop or preserve affordable housing, but face zoning restrictions. The project strategically upzone land to increase housing unit capacity. BPS will coordinate with infrastructure bureaus to review proposed sites and identify any potential infrastructure capacity deficiencies.

**DLCD Category:** Zoning and Code **Priority:** High

**Lead:** BPS

**Impact**

**Affordability:** 0-80%

**Tenure:** Both

**Populations Served:**

Low-income communities

**Magnitude:** Medium

**Partners:** PHB, PP&D, Infrastructure Bureaus, Institutions, affordable developers

**Project Start:** July 2024

**Adoption:** June 2025

**Implementation:** July 2025

## 6. Review and Update Inclusionary Housing (IH) Program

Portland's IH program requires that buildings with 20 or more new units provide a percentage of the new units at rents or sale prices affordable to households making up to 80% AMI for a period of 99 years. The program offers incentives (such as property tax exemptions and development fee exemptions) to help offset the compliance costs to maintain the financial feasibility of new residential buildings. The program options and incentives promote affordable family-sized units and deeper affordability levels up to 60% AMI. In 2023, the City undertook a comprehensive review of the IH program, which resulted in changes to the regulations and financial incentives to account for the cost of compliance.

- Conduct IH Program Periodic Review - City Council committed to periodically reviewing the regulations and incentives of Portland's IH program and making necessary revisions based on policy intent, market conditions, and program goals. ([Ordinance No. 191610](#)).

**DLCD Category:**  
Zoning and Code

**Priority:** High

**Lead:** PHB

**Partners:** BPS

**Project Start:** Jan 2027

**Adoption:** Dec 2027

**Implementation:** Spring 2028

### Impact

**Affordability:** 0-80%

**Tenure:** Both

**Populations Served:**  
Low- and moderate-income communities

**Magnitude:** High

## 7. Update Short Term Rental Nightly Fee

Portland charges a \$4 nightly fee on short-term rentals, on Booking Agents and short-term rental hosts for each night a guest rents a room. The funds generated from this fee fund affordable housing and houselessness initiatives in the Portland area.

This project would update the existing transient occupancy tax policy to tie the City's current nightly rate to the consumer price index, or similar market metric, for increases tied to market conditions.

**DLCD Category:**  
Resources and  
Incentives

**Priority:** Medium

**Lead:** PHB

**Partners:** State, Metro,  
Multnomah County

**Project Start:** Jan 2025

**Adoption:** July 2025

**Implementation:** July 2026

### Impact

**Affordability:** 0-80%

**Tenure:** Rent

**Populations Served:**  
Low-income  
communities

**Magnitude:** High

## B. Increase Middle Income Housing and Homeownership

The high cost of housing is challenging for middle-income households, or those earning between 60 percent and 120 percent of the area median income (AMI). Only 46 percent of the for-sale housing stock in Portland was affordable to households earning the Median Household Income (MHI) in 2023. As a consequence of the uniformly high housing costs, middle-income households are still largely priced out of homeownership. Uniformly high housing costs are similarly pervasive in the rental housing market, which serves many middle-income households in Portland.

These strategies aim to increase housing availability and access across a broader range of incomes and to improve homeownership rates, homeownership and renter retention, and locational choice for historically under-served and under-represented groups, including communities of color. They also aim to encourage a variety of rental and ownership opportunities and choices that help address gaps in middle income housing.

Expanding homeownership opportunities increases opportunities to accumulate wealth and live in more stable and secure housing. This is particularly impactful for marginalized communities historically excluded from the housing market, who have had few opportunities to build generational wealth through property ownership. These efforts contribute to both individual and generational prosperity.

Proposed strategies that offer financial incentives to fund homeownership programs can come at the expense of forgoing tax revenue. Creating these programs, assessing the implications of reduced city revenue, and identifying alternative funding sources to expand existing programs will require significant staff time.

**Figure 4. Existing and Ongoing Programs and Actions That Promote Middle Income Housing and Ownership**

Existing and Ongoing Programs Promoting Ownership	
Tax Increment Financing (TIF) <ul style="list-style-type: none"> <li>• Middle Income &amp; Market Rate Housing</li> <li>• Large Scale Site Preparation for Significant, Multiphase Housing Production</li> <li>• Property Acquisition and Rehabilitation</li> <li>• Gap Financing For Middle Income Housing and to Attract Private Capital</li> </ul>	<a href="#">Homebuyer Opportunity Limited Tax Exemption (HOLTE)</a>
<a href="#">Down Payment Assistance Loan Program</a>	<a href="#">N/NE Preference Policy</a>

## NEW STRATEGIES

### 1. Create New Middle-Income Financial Incentives

The City will create new programs for grants, loans, tax exemptions and charge/fee exemptions to support middle-income (80-120% AMI) housing development and strategically attract private investment to generate market rate housing. In 2024, Prosper Portland created new guidelines for loans targeting middle income and market rate housing development and to leverage and attract partner capital. Approved through Prosper Portland Board Resolution No. 7525, new Prosper Portland lending products include:

- Predevelopment loans for attached and/or multi-dwelling residential projects;
- Property acquisition and construction financing loans for attached and/or multi-dwelling residential projects;
- Property acquisition and permanent financing for middle-income and market-rate multi-dwelling rental and mixed-use projects;
- Leverage loan resources, including via new Tax Increment Finance districts, via partnership with community lenders to scale funding.

Prosper Portland will periodically review lending performance and consider updates to loan program guidelines to increase unit production; ensure consistent financial returns that sustains a revolving program; and establish regulatory affordability agreements.

Prosper Portland and Portland Housing Bureau are exploring establishing up to six new TIF districts in East Portland and the Central City to increase resources available to support middle income housing and spur new housing production at significant opportunity sites in the Central City (including Broadway Corridor, OMSI, and the Lloyd Mall areas) and along key corridors in East Portland (including along 82<sup>nd</sup> Avenue). The goal is for City Council to vote on the first set of TIF districts in October 2024 (A2).

#### Impact

**Affordability:** 80-120%

**Tenure:** Rent

**Populations Served:**  
General

**Magnitude:** Medium

**DLCD Category:**  
Resources and  
Incentives

**Priority:** High

**Lead:** Prosper

**Partners:** PHB

**Project Start:** October 2023

**Adoption:** March 2024

**Implementation:** March 2030

## 2. Update Land Division Code

Dividing land into smaller parcels can help increase housing development opportunities in areas with limited available land. [This project](#) aims to simplify the land division process for smaller, less complex properties by streamlining application requirements and creating clear and objective standards as alternatives to the existing discretionary criteria.

**DLCD Category:**  
Zoning and Code

**Priority:** High

**Lead:** BPS

### Impact

**Affordability:** All

**Tenure:** Own

**Populations Served:**  
General

**Magnitude:** Low

**Partners:** PP&D,  
Infrastructure Bureaus

**Project start:** July 2022

**Adoption:** August 2024

**Implementation:** October 2024

## 3. Expand Homeownership Programs

The City will expand existing programs and develop new programs that create housing for low to moderate income homebuyers such as:

- Expand land availability, tax incentives, grants, density bonuses, and fee waivers or expedited permitting to develop new housing.
- Increase funding for downpayment assistance, homebuyer education, and matched savings programs.
- Implement new programs that support alternative homeownership models. For example, limited equity, cooperatives, limited profit housing models, and non-market housing.

**DLCD Category:**  
Resources and  
Incentives

**Priority:** High

**Lead:** PHB

### Impact

**Affordability:** up to  
120%

**Tenure:** Own

**Populations Served:**  
Low- and moderate-  
income households

**Magnitude:** Medium

**Partners:** BPS, Prosper

**Project Start:** 2026

**Adoption:** July 2027

**Implementation:** July 2028



## 4. Improve Middle Housing Permit Process

Middle housing, such as ADUs, duplexes and fourplexes, can provide a greater range of housing options, and allow for lower-cost homeownership. Middle housing development permitting could be more navigable for residents and developers.

- Review middle housing development projects to assess and improve permitting process and development standards.
- Evaluate opportunity to accelerate the review times for projects that use previously approved plans.
- Evaluate capacity for dedicated inspections for middle housing projects, similar to the Field Issuance Remodel program.
- Identify challenges associated with providing public infrastructure to serve middle housing developments and create strategies to overcome them.
- Initiate a zoning code project to simplify middle housing types and offer greater flexibility in site design.

### Impact

**Affordability:** 80%+

**Tenure:** Own

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Regulation and  
Process

**Priority:** Medium

**Lead:** Portland  
Permitting &  
Development

**Partners:** BPS,  
Infrastructure Bureaus

**Project Start:** January 2027

**Adoption:** January 2028

**Implementation:** January 2028

## C. Increase Access to Opportunity

This initiative works to help ensure equitable access to housing and aims to increase the number of Portlanders of all income levels living in safe, healthy housing that provides convenient access to jobs, goods and services that meet daily needs. These strategies also aim to connect more households to the rest of the city and region by way of safe, convenient, and affordable multimodal transportation. Given that these strategies aim to increase the supply of housing in areas of high opportunity, it's important to consider how some of these strategies may have an impact on existing infrastructure, including transportation and utility systems.

There is a concentration of areas of [high opportunity](#), [complete neighborhoods](#), [low carbon neighborhoods](#) and areas with [lower risk of natural and climate hazards](#) in and around Portland's Inner Centers and Corridors. Many of the city's historic districts and landmarks, which are also located in the Central City and inner neighborhoods, have historically provided many different housing types and opportunities exist to expand on these typologies in the future both through adaptive reuse and new development. These strategies work to increase fair housing access by developing housing in compact, mixed-use neighborhoods and by supporting more neighborhoods to become more complete neighborhoods.

Through public comment and community meetings, staff heard about community desire to increase opportunity for households to be able to choose to live in these inner neighborhoods. Many of which are [areas of racially concentrated affluence](#), with evidence of historic exclusion. The HPS aims to address these concerns through strategies like C1. Implement and Support Catalytic Investments, C2. Increase Housing Capacity in Inner Centers and Corridors and C4. Kickstart Housing Demand in Central City.

Additionally, through focus groups and community meetings, staff heard more about community desire to have greater access to transit service, to neighborhoods that feel safe and housing in their current neighborhoods that meets household needs. The HPS aims to address these community desires through strategies such as C5. Increase Housing Capacity in the Central City, C6. Identify Housing Opportunity Along 82nd Avenue, and C7. Promote Increased Transit Service.

**Figure 5. Existing and Ongoing Programs and Actions That Increase Access to Opportunity**

Existing and Ongoing Programs Supporting Increased Access to Opportunity	
<a href="#">Design Overlay Zone Assessment (DOZA)</a>	<a href="#">Three-Bedroom Unit Bonus</a>
<a href="#">Residential Infill Project (RIP)</a>	<a href="#">Shelter 2 Housing Continuum (S2HC)</a>
<a href="#">West Portland Town Center</a>	<a href="#">Central City 2035</a>
<a href="#">Lower Southeast Rising</a>	<a href="#">Better Housing by Design (BHD)</a>
<a href="#">Montgomery Park to Hollywood</a>	<a href="#">N/NE Preference Policy</a>
<a href="#">N/NE Community Development Initiative</a>	N/NE Housing Strategy
<a href="#">PBOT New Mover Transportation Wallet</a>	<a href="#">Advance Portland</a>

## NEW STRATEGIES

### 1. Implement and Support Catalytic Investments

There are a number of major signature projects across Portland that the City is playing a significant implementation role. Successful projects will result in a significant number of units developed by private and affordable developers.

- **Albina Vision Trust** – The City will coordinate with the Albina Vision Trust (AVT) on the preparation of a Central City Master Plan for the Portland Public Schools (PPS) Mathew Prophet Education Center site. The City is providing early technical feedback that will help to shape the redevelopment of this site into 1,000 new housing units and community space. At the same time AVT and the City have been awarded a \$800,000 Reconnecting Communities Grant to create a framework plan for a 94+ acre area that includes the PPS site, the Rose Quarter, new highway cover, waterfront, and other portions of historic Albina. The framework plan will create a roadmap for restorative development efforts in Albina.
- **Broadway Corridor** – The City will implement infrastructure investments that will support the development of mixed-income residential development including at least 720 new affordable units along with small business and anchor employment opportunities, new parks and the green loop in a high-density mixed-use development across 14 acres and up to 4 million square feet of development potential. The City will extend NW Johnson Street and associated water and sewer utilities to support the construction of new affordable housing units with \$6 million dollars from the State of Oregon, along with additional public investment in necessary infrastructure.
- **Lloyd Mall Redevelopment** – The current owner is preparing an application for a Central City Master Plan (CCMP), and a Technical Advisory Group made up of City bureaus has been meeting with the owner and consultant team to provide expertise on the city regulations including the zoning code, infrastructure requirements and design guidelines and other requirements that affect future site redevelopment.
- **Montgomery Park Area Plan** – The City is in the process of adopting an area plan that will create a new mixed-use, transit-oriented neighborhood in this high opportunity area. The City will change the zoning, including creating a new plan district, to facilitate the development of more than 2,000 units, including affordable housing that exceed inclusionary housing

#### Impact

**Affordability:** All

**Tenure:** Both

#### Populations Served:

General, Low-income communities, communities of color

**Magnitude:** High

requirements. The City will adopt a public benefits agreement with the owners of the two largest opportunity sites in the area to increase the amount of affordable housing, public parks/plazas, and affordable commercial space. In addition, the City will proceed with work to extend the Portland Streetcar line to this area.

- **Oregon Museum of Science and Industry Redevelopment (OMSI) –**  
The City will make public infrastructure and affordable housing in alignment with the OMSI District Central City Master Plan. PBOT will construct New Water Avenue using \$10.9 million in Tax Increment Finance, \$6 million Site Infrastructure award from the State of Oregon and \$5 million of additional State funding awarded to OMSI. Additional private investment will support the development of a 24-acres mixed-use transit-oriented development, with up to 1,200 housing units of which at least 20% will be affordable through the City’s Inclusionary Housing Policy with the potential for additional affordable units to be delivered by investment by the Portland Housing Bureau.
- **South Waterfront** – The South Waterfront area of Portland’s Central City offers significant opportunity for new affordable and market-rate housing together with job growth via the Oregon Health & Science University 20-Year Facilities Plan. Private and public investments in SW Bond Avenue, South Portal, the greenway, and open space will be critical to delivering on new development and serving current and new residents in the district.

**DLCD Category:** Zoning and Code      **Priority:** High      **Lead:** Prosper, PHB, BPS

**Partners:** PP&D, City bureaus, Albina Vision Trust, Go Lloyd, Property owners, Developers, Portland Public Schools (PPS), Metro, Multnomah County

**Project Start:** 2024

**Adoption:** 2025

**Implementation:** 2030

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## 2. Increase Housing Capacity in Inner Centers & Corridors

As identified in the [BPS Strategic Plan](#), the City will increase housing capacity in high-opportunity neighborhoods to promote fair housing, address racial segregation, and expand affordable housing options. These changes may involve increasing and expanding commercial mixed-use and multi-dwelling zoning in centers and corridors in the inner neighborhoods.

- Conduct Infrastructure Capacity Analysis, funded in part by a DLCD grant, to determine the extent to which the existing infrastructure can support increased housing densities and identify investments needed to support increased capacity.
- Initiate an area plan project to increase mixed use and multi-dwelling zoning based on the results of the infrastructure capacity analysis.

**DLCD Category:**  
Zoning and Code

**Priority:** High

**Lead:** BPS

**Partners:** PP&D,  
Infrastructure bureaus

**Project Start:** July 2024

**Adoption:** July 2028

**Implementation:** August 2028

### Impact

**Affordability:** All

**Tenure:** Rent

**Populations Served:**

Low-income communities;  
Communities of Color,  
Older adults, People with disabilities

**Magnitude:** High

## 3. Revise Zoning Bonuses and Incentives

This strategy aims to address the wide range of floor area ratio (FAR) density and building height bonuses in the zoning code. The goal is to restructure the development incentives to support needed housing types, such as larger units, accessible units and affordable housing to serve all household types, incomes and needs.

- Funded in part by a DLCD grant, this code project will audit Portland's mixed use and multi-dwelling zoning regulations to identify barriers to housing production. These zones have 60% of Portland's residential growth capacity. The project will analyze FAR, maximum building height and bonuses to further increase capacity and facilitate production.

**DLCD Category:**  
Zoning and Code

**Priority:** High

**Lead:** BPS

**Partners:** PHB, PP&D

**Project Start:** September 2024

**Adoption:** June 2025

**Implementation:** March 2026

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**

General

**Magnitude:** Medium

#### 4. Kickstart Housing Demand in Central City

This strategy aims to encourage housing production in the Central City by improving the livability of the area and making it an attractive place for developers to invest and residents to live. Like all other major cities on the West Coast, Portland is responding to issues of houselessness, lack of affordability, and behavioral health crises. Economic activity and vibrancy across Central City's ten neighborhoods has weakened, despite many having higher access to services, transit options and density. The Central City Task Force and Prosper Portland's Advance Portland strategic action plan include actions for the City to retain and recruit businesses and investment; to support office to residential conversions; and to activate and enhance the Central City so that community members once again view it as a safe and attractive place to live, work, and play:

- Establish and expand incentives for office-to-residential conversion, including direct financial incentives such as tax increment financing or other new financial tools, together with regulatory streamlining.
- Activate public rights-of-way in partnership with business and community partners, including maintaining opportunities for outdoor dining; expanding the public street plaza program; and investing in the programming of pedestrian plaza spaces held by the City or other public partners to serve residents and visitors.
- Enhance the Central City as a regional gathering spot by investing in renovation and activation of public open spaces and anchors to make them active and desirable places to attract additional investment in new residential development, and to enliven adjacent districts.
- Encourage temporary and permanent tenanting of vacant ground floor commercial spaces into active uses that supports local community and adjacent resident needs.

##### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** low

**DLCD Category:**  
Stabilization

**Priority:** High

**Lead:** Prosper, BPS,  
PP&D

**Partners:** PBOT, PPR,  
PHB

**Project Start:** April 2023

**Adoption:** April 2023

**Implementation:** Ongoing  
through 2028

## 5. Increase Housing Capacity in the Central City

While Central City covers only three percent of the land base in Portland, it allows for the densest development in the region. But given the dire need for more housing in Portland, BPS and partner bureaus will explore ways the City can do more to create more housing in the city core.

BPS will update Central City zoning regulations to remove barriers to housing production, such as analyzing current densities (FAR) and heights and current utilization of allowable densities and heights.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Medium

**DLCD Category:**

Zoning and Code

**Priority:** High

**Lead:** BPS

**Partners:** PHB, PP&D

**Project Start:** October 2024

**Adoption:** July 2026

**Implementation:** October 2026

## 6. Identify Housing Opportunity Along 82nd Avenue

In conjunction with the 82<sup>nd</sup> Avenue Transit Project, the City will evaluate housing opportunities along 82<sup>nd</sup> Avenue, which includes:

- Analyze development feasibility along different segments of the corridor to identify gaps between development costs and achievable rents/prices;
- Identify developable sites per the Buildable Lands Inventory that can be developed in the near term as development interest and funding opportunities align;-and
- Consider zoning bonuses and incentives to encourage needed housing types, such as affordable housing, larger units, and accessible units.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
Low-income communities; older adults, People with disabilities

**Magnitude:** low

**DLCD Category:**

Zoning and Code

**Priority:** Medium

**Lead:** BPS

**Partners:** PBOT, PHB, PP&D, Prosper

**Project Start:** August 2024

**Adoption:** December 2025

**Implementation:** March 2026



## 7. Promote Increased Transit Service

Access to transit service has been identified as a key factor in housing choice. The City will work with TriMet and Metro to promote increased transit service and improved transit speed and reliability in centers and corridors with higher levels of existing housing units and future development capacity. Actions include:

- Work with TriMet to implement its Forward Together 1.0 bus service concept to increase and expand bus and light rail service, including several bus service improvements in East Portland. Work with TriMet to develop Forward Together 2.0, a long-range service concept plan.
- Work with Metro and TriMet's Better Bus program and other programs to implement transit priority projects to improve transit speed and reliability, especially along the City's Rose Lane Transit Network.
- Work with Metro, TriMet and other partner agencies to plan, fund and build the 82nd Ave Transit Project, to implement the next Frequent Express (FX) bus line in Portland.
- Work with TriMet on the development of their Frequent Express (FX) System Plan, including seeking additional funding and federal matching funds to implement additional FX bus lines and other regional High-Capacity Transit lines in Portland.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**

Low-income communities; older adults, People with disabilities

**Magnitude:** low

**DLCD Category:**  
Infrastructure

**Priority:** Medium

**Lead:** PBOT

**Partners:** BPS, TriMet, Metro, Streetcar

**Project Start:** August 2024

**Adoption:** August 2025

**Implementation:** December 2030

## 8. Incorporate Affirmatively Furthering Fair Housing

Fair housing means ensuring distribution of housing at all affordability levels in all neighborhoods in the city. Fair housing does not concentrate poverty in a single area, neighborhood, or geography. Fair housing is addressed by Comprehensive Plan Goal 5.B: Equitable access to housing; stating that Portland ensures equitable access to housing, making a special effort to remove disparities in housing access for people with disabilities, people of color, low-income households, diverse household types, and older adults.

The City will further explore how to incorporate an analysis and strategy for addressing fair housing in Zoning Map, Comprehensive Plan Map and City Code changes. The strategy has two parts:

- PHB will conduct a fair housing analysis of zoning and housing codes as part of federally required analysis for Consolidated Plan and Affirmatively Furthering Fair Housing reports.
- PHB will prepare a map where affordable housing currently exists and identify communities where affordable housing is not available and develop plans or code changes to encourage affordable housing development.
- BPS will explore enhanced fair housing requirements that are consistent with Statewide Land Use Planning Goals. For example, as part of voluntary quasi-judicial map amendments, developers could be required to have a fair housing strategy.

**DLCD Category:**  
Zoning and Code

**Priority:** Low

**Lead:** BPS, PHB

**Partners:** PP&D

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**

Low-income communities;  
Communities of color;  
Older adults, People with disabilities

**Magnitude:** Low

**Project Start:** July 2028

**Adoption:** June 2029

**Implementation:** July 2030

## D. Reduce Barriers to Development and Improve Processes

The City has been actively adopting solutions for known regulatory impediments identified through the Permit Improvement Task Force, the [housing production survey conducted by Commissioner Rubio's](#) office, developer interviews and engagement with stakeholders such as Housing Oregon, Oregon Smart Growth and the Homebuilders Association.

These actions and programs are ones that the City has implemented or will implement. These proposed strategies aim to review and revise city services, development code regulations and the way the City processes development permits.

While many of these strategies are crucial for housing production, it's important to recognize that they may primarily benefit market-rate development and may not necessarily incentivize other types of needed housing. Implementing additional strategies to incentivize the production of housing that serves the specific needs of underserved populations in tandem with actions that reduce barriers to development is necessary.

**Figure 6. Existing/Ongoing Programs and Actions that Reduce Barriers and Improve Processes**

Existing and Ongoing Programs Reducing Barriers and Improving Processes	
<a href="#">Permit Improvement Task Force</a>	Early Assistance Options for Middle Housing Pilot
Residential Permitting Single Point of Contact	Team Business Process Analysis Review
Multi-Dwelling Housing Pilot	<a href="#">Local Transportation Infrastructure Charge Exemption</a>
Regulatory Work Group	Temporary Early Assistance Fee Reduction
Unification of Development Review Teams	<a href="#">Historic Resources Code Project</a>
<a href="#">Housing Regulatory Relief Project</a>	<a href="#">Parking Compliance Amendments Project</a>
<a href="#">RICAP 10</a>	Prosper Portland Construction Business And Workforce Equity
System Development Charges <ul style="list-style-type: none"> <li><a href="#">Exemption</a></li> <li><a href="#">Freeze</a></li> <li><a href="#">Deferral</a></li> </ul>	Pre-approved Detached ADU Plans
<a href="#">Sanitary and Stormwater Rate Updates</a>	

## NEW STRATEGIES

### 1. Implement Regulatory Reform Project

This project aims to establish a new code and policy process that streamlines when code and fee changes are brought to Council. The new process aims to enhance collaboration among bureaus responsible for implementing development regulations (BES, PBOT, PWB, PP&D, PPR/Urban Forestry), ensure cross-code regulatory alignment, establish frequent updates with City Council, reduce code conflicts, identify development impacts, establish a feedback loop with both customers and staff to inform code revisions, and document barriers identified by review teams and customer-facing staff to be considered for review.

**DLCD Category:**  
Regulation and Process

**Priority:** High

**Lead:** Portland  
Permitting &  
Development

#### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Medium

**Partners:** BPS, BES,  
PBOT, PWB, PPR/Urban  
Forestry

**Project Start:** February 2022

**Adoption:** January 2024

**Implementation:** July 2024

## 2. Improve User Experience within Permitting Systems

These projects aim to make the permitting process more user-friendly by streamlining and simplifying the process, removing any inefficiencies that unnecessarily slow down projects and contribute to increased development costs.

- A. Implement Portland Permitting & Development- Improve permitting process through a single permitting authority structure.
- B. Set up Public Infrastructure Prescreen - Include infrastructure teams in the permit prescreen process.
- C. Standardize Data and Reporting - Provide timely data on permitting, providing managers with early alerts regarding timeline problems.
- D. Create a Customer Focused Website - Redesign permitting websites to better align content and improve customer wayfinding.
- E. Establish Intake Success: New Single-Family Residence (NSFR) -Create digital conditional logic to guide the customer through the application process, resulting in more accurate and efficient NSFR permit applications.
- F. Create A More Accurate Pre-Issuance List - The new report will provide transparency to both customers and Permitting Services on the pre-issuance permitting queue.
- G. Establish Single Point of Contact - Each project is assigned one person to work with as evaluation occurs. This will be expanded to all building types.
- H. Continue annual customer survey to gather feedback and determine what improvements are effective and where additional improvements are needed.
- I. Build and implement a streamlined and transparent Public Works Permit review solution, including metrics to assist with the management and resolution of future inefficiencies.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Medium

**DLCD Category:**  
Regulation and Process

**Priority:** High

**Lead:** CAO, PP&D, BTS

**Partners:** BES, PBOT,  
PWB, PPR/Urban  
Forestry

**Project Start:** 2021

**Adoption:** July 2022

**Implementation:** July 2025

### 3. Reform Development Services Funding Model

The funding and staffing model for development permitting needs to be reformed to build a mechanism that is not completely reliant on fees and can provide sustained funding. Best practices from other jurisdictions point to a need for funding that avoids the vulnerability of development cycles, which creates volatile staffing model and makes retaining/recruiting a skilled and technical workforce difficult.

#### Impact

**Affordability:** All  
**Tenure:** Both  
**Populations Served:** General  
**Magnitude:** Medium

**DLCD Category:**  
Regulation and Process

**Priority:** High

**Lead:** PP&D

**Partners:** BES, PBOT,  
PWB, PPR/Urban  
Forestry

**Project Start:** August 2024

**Adoption:** June 2025

**Implementation:** July 2025

### 4. Explore Infrastructure Investments and Strategies

The City will ensure that capital improvement plans, public facility plans, transportation plans, and other infrastructure plans are up-to-date and prioritize areas that need investment. In order to coordinate housing development and infrastructure improvements, the City will integrate growth management, asset management and capital improvement planning to prevent infrastructure deficiencies from hindering housing development.

Also, the City will explore strategies that enhance infrastructure investment to support housing production:

- Significant Catalytic Sites – Provide funding, including through tax increment financing, System Development Charges or another dedicated fund, to unlock significant housing production on large scale sites lacking existing transportation and utility infrastructure.
- Publicly Funded Infrastructure Improvements – Create a fund to quickly deploy resources to help fund off-site improvements triggered by individual developments.

#### Impact

**Affordability:** All  
**Tenure:** Both  
**Populations Served:** General  
**Magnitude:** Medium

**DLCD Category:** Land  
and Infrastructure

**Priority:** Low

**Lead:** Prosper, BPS

**Partners:** PBOT, BES,  
PWB

**Project Start:** July 2028

**Adoption:** June 2029

**Implementation:** July 2029

## 5. Revise System Development Charges (SDC)

The City will comprehensively study how SDCs, and other fees affect development feasibility, and adjust accordingly to find the right balance between adequately serving new growth and minimizing adverse impacts on housing feasibility. Recent studies and engagement show that SDCs may impact the feasibility of certain types of development. However, SDCs are crucial for meeting infrastructure needs. The City has a complex fee structure across multiple bureaus with differing timelines. Upcoming studies and revisions include:

- BES will implement rule changes related to the user, development, and connection charges study in FY 24-25.
- PPR will review and update their methodology in 2026.
- PBOT will study fees and charges and their impact on development by 2027. PBOT currently scales its SDCs by dwelling size, with two single dwelling size categories and one for multi-dwelling projects. As part of the next program update in 2027, PBOT may further stratify the residential dwelling size categories to match those used in the Parks SDC program.
- During these revision periods, bureaus will evaluate SDC fee structures and exemptions to incentivize development types, affordability levels and locations that better serve housing needs and equity goals.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Resources and  
Incentives

**Priority:** Medium

**Lead:** BES, PBOT, PWB,  
PPR/Urban Forestry

**Partners:** PP&D, BPS, PHB

**Project Start:** 2022

**Adoption:** July 2024

**Implementation:** July 2027

## E. Stabilize Current and Future Households

The HNA identified an underproduction of units in Portland over the last ten years, particularly for units affordable to households earning less than 80 percent AMI, adding pressure to the existing affordable housing. With more than a third of Portland households spend more than 30 percent of their income on housing costs, and around 50 percent of renters in the city are cost burdened, housing costs continue to increase at a rate that is hard for incomes to keep up with. Throughout engagement, we heard from households and advocates the continuing need to preserve programs that help to stabilize households, including utility and financial assistance for Portland's current households.

Advocates across the city, through community meetings, public comment and at the BIPOC focus groups/community meetings indicated the increasing need for stabilized housing, through strategies such as acquisition, funding, and easing access to existing affordable housing. Increasing housing costs in Portland are imposing significant financial strain on residents, particularly those already on the verge of housing instability. Finding ways to help vulnerable households remain in their homes and communities is fundamental to their stability and well-being as well as the City's goals around equitable access to quality and affordable housing.

As noted in the assessment of Areas of Economic Vulnerability, about 35 percent of Portland's households reside in areas of economic vulnerability. These areas also have over 50 percent of regulated affordable housing units with a roughly proportional share of the development capacity and new housing demand. While the City continues to invest in and incentivize the development of housing across the City, these households in particular will benefit from stabilizing measures that help mitigate the involuntary displacement of vulnerable households and preserve affordability.

The City continues to invest in ongoing and existing policies and programs that provide funding or manage programs that aid households in maintaining their housing (Figure 7). New strategies focus on building out policy and programs that will preserve the supply of regulated and unregulated affordable housing units and help ensure equitable access to housing. These strategies support the stabilization of current and future households, to prevent houselessness, and reduce housing insecurity.

The City will continue to work with nonprofit agencies and developers in conjunction with the Continuum of Care to identify additional resources that the City may be able to provide support for, such as supportive housing, services to people experiencing houselessness and houselessness prevention. While the City works with partners at JOHS, Multnomah County, Metro and with community partners to implement the [Homelessness Response Action Plan](#), this initiative, in combination with initiative A. Promote Affordable Housing (0-80% AMI), aims to reduce risk of displacement, support vulnerable community members and extremely low-income households who may be at risk of becoming houseless.

**Figure 7. Existing and Ongoing Programs Addressing Stabilization, Anti-Displacement and More**



Existing and Ongoing Stabilization and Anti-Displacement Programs	
Joint Office of Homeless Services Programs	<a href="#">0% Home Repair Loans</a>
• <a href="#">Homelessness Response Action Plan</a>	<a href="#">Mandatory Relocation Assistance</a>
Tax increment Financing (TIF)	<a href="#">Lead Hazard Control Grant Program</a>
• Single Dwelling Home Repair	<a href="#">Excess to Access</a>
• Homeownership	<a href="#">Safety Net Low Income Loans</a>
• Rehabilitation & Preservation of Regulated	<a href="#">Sewer, Stormwater And Water Financial Assistance</a>
• Acquisition & Rehabilitation of Market-Rate	• <a href="#">RAMP</a>
<a href="#">Anti-Displacement Action Plan</a>	• Bill discount
<a href="#">Action Plan for An Age-Friendly Portland</a>	• Crisis voucher
<a href="#">Age- &amp; Disability-Inclusive Neighborhood Project (ADIN)</a>	• Water Leak Repair Assistance
<a href="#">N/NE Preference Policy</a>	<a href="#">N/NE Community Development Initiative Action Plan</a>
Fair Housing Policy Audits	Fair Housing Testing
Affirmative Marketing for City Incentives	<a href="#">Workforce Development</a>
<a href="#">Down Payment Assistance Loan Program</a>	<a href="#">Empowered Neighborhood Program</a>
<a href="#">Affordable Housing Green Building Policy</a>	<a href="#">Affordable Housing Air Conditioning Requirements</a>
<a href="#">Landlord-Tenant Mediation Pilot Program</a>	<a href="#">Short Term Rental Ordinance</a>
<a href="#">Rental Services Office (RSO)</a>	<a href="#">Fair Access in Renting (FAIR)</a>
<a href="#">Eviction Legal Support</a>	

## NEW STRATEGIES

### 1. Preserve Existing Affordable Housing

The City will preserve affordable housing through the following actions

- A. Develop a preservation portfolio by preparing an inventory of regulated and unregulated affordable housing to support proactive policies to preserve the affordable housing stock.
- B. Acquire properties using low-interest loans/revolving loan fund for preservation.
- C. Coordinate with Portland Clean Energy Fund on energy efficiency improvements to work in conjunction with the rehabilitation of affordable housing.
- D. Identify unreinforced masonry buildings and seismic retrofit funding and code changes to stabilize existing affordable housing.
- E. Working with the State/OHCS to identify dedicated funding and explore legislative or programmatic updates to foster preservation, including potential changes to state statute for property tax exemptions.
- F. Include preservation as an allowed use for all new affordable housing funding streams within all potential new TIF districts and housing bonds.
- G. Support loan restructures and modifications for existing regulated projects to ensure they can continue to be operated as affordable housing.
- H. Coordinate with Joint Office of Homeless Services and OHCS to ensure Permanent Supportive Housing (PSH) units have adequate funding. Align funding sources with actual costs for property management, service delivery, and other operating needs.

#### Impact

**Affordability:** 0-80%

**Tenure:** Rent

**Populations Served:**  
Low-income  
communities,

**Magnitude:** High

**DLCD Category:**  
Stabilization and Other

**Priority:** High

**Lead:** PHB

**Partners:** BPS, PP&D,  
State, JOHS, Multnomah  
County, Home Forward

**Project Start:** 2024

**Adoption:** July 2024

**Implementation:** July 2028

## 2. Launch Affordable Housing Listing Service

In partnership with local housing providers and other jurisdictions, the City will establish an affordable housing listing service to help low-income households better access affordable housing opportunities. The City will be conducting a request for professional services for an affordable housing listing service to kick-off these efforts. The service would allow households to search for opportunities by geography and accessibility needs.

**DLCD Category:**  
Stabilization and Other

**Priority:** Medium

**Lead:** PHB

**Project Start:** Summer 2024

**Adoption:** December 2025

**Implementation:** July 2027

### Impact

**Affordability:** 0-30%

**Tenure:** Both

**Populations Served:**

Low-income  
communities

**Magnitude:** low

**Partners:** Home  
Forward, Metro, local  
providers of affordable  
housing.

## F. Promote Age and Disability Friendly Housing

Approximately a quarter of all households in Portland have at least one family member with a disability and over 13 percent of the population is over the age of 65, and these numbers are forecast to increase. Because of the ageing population and the acute need to meet the needs of community members living with disabilities, BPS conducted extensive engagement for the Age- and Disability-Inclusive Neighborhood action plan, which has been incorporated into these strategies.

The HPS community engagement also identified a need for specific actions such as updating incentives in the zoning code and developing a comprehensive source of information for developing housing that allows ageing households to age in community. Some recommendations from advocates and community members are beyond the scope of local regulation and are therefore included in other initiatives.

These strategies promote age and disability friendly housing and increase Portland's ability to ensure equitable access to housing, making a special effort to remove disparities in housing access for people with disabilities and older adults. These strategies build on the recommendations in the draft action plan for [Age- & Disability-Inclusive Neighborhoods \(ADIN\)](#).

These strategies will require staff time to revise the regulatory barriers and incentives to help produce more accessible units as well as create programs specifically focused on supporting the development of accessible units.

**Figure 8. Existing and Ongoing Policies Addressing Age and Disability Friendly Housing**

Existing and Ongoing Programs Addressing Age and Disability Friendly Housing	
<a href="#">Action Plan for An Age-Friendly Portland (2014)</a>	<a href="#">Fair Access in Renting (FAIR)</a>
<a href="#">Visitable Units Bonus</a>	<a href="#">Empowered Neighborhood Program</a>
<a href="#">Age- &amp; Disability-Inclusive Neighborhoods (ADIN) Action Plan (2023)</a>	

## NEW STRATEGIES

### 1. Implement Accessible Housing Production Strategies

The City aims to reduce the financial, regulatory, and institutional barriers to developing needed accessible housing in the aging city.

- Review and revise Chapter 33.229 Elderly and Disabled High Density Housing to consider relevancy and use as well as the opportunity to target middle housing.
- Revise visitable units bonus (33.120.211.C.4) to incentivize the increased development of visitable and accessible units that meet Universal Design, Oregon Lifelong Housing Certification, and other similar standards.
- Create an accessible housing inventory – BPS, PHB and PP&D will work together to identify opportunities to fund and support the work of creating an accessible housing inventory in order to better understand the gap in accessible housing. The City will explore programmatic opportunities to connect households to units (D3).

**DLCD Category:**  
Zoning and Code

**Priority:** Medium

**Lead:** BPS, PHB

#### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**

Low-income communities; Older adults, People with disabilities

**Magnitude:** Low

**Partners:** PP&D, Multnomah County; DLCD, BCD, OHCS, SPD, ADVSD, Developers

**Project start:** July 2027

**Adoption:** June 2028

**Implementation:** Oct. 2028

### 2. Educate on Opportunities for Aging in Place & Community

Provide technical assistance on incremental housing development guidelines to enhance aging in place/community (e.g., zero-step entrances, universal design, adaptable housing, affordable neighborhood-based housing models). Create programs to support two types of development:

- Retrofits to allow households to age in community/place.
- Middle housing opportunities for aging in community

**DLCD Category:**  
Stabilization and Other

**Priority:** Low

**Lead:** BPS

**Partners:** PP&D, PHB

#### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**

General

**Magnitude:** Low

**Project start:** July 2028

**Adoption:** June 2029

**Implementation:** July 2029

## G. Promote Climate Friendly and Healthy Homes

These strategies promote the development of climate friendly and healthy homes so that people of all abilities and income levels have access to high-performance and climate resilient housing. A critical connection exists between the quality of the housing unit and the health of its occupants. Access to open spaces, opportunities for social interactions, green features, low-carbon building and adaptability also influence the health of a community.

New housing production will result in development that lasts for generations, and therein lies the opportunity to ensure the provision of affordable, quality housing that prioritizes equitable access to safe and healthy living environments and supports community resiliency. In community engagement we heard residents support policies that address not only net housing production but housing that will be resilient to the changing climate. The analysis shows that close to half of all regulated affordable units are situated in Portland's hottest neighborhoods, along with 39 percent of new demand and 38 percent of current housing capacity.

These strategies focus on building and maintaining Portland's housing stock in ways that foster environmental and community health and builds on actions in the [Climate Emergency Work Plan](#) and the [Climate Investment Plan](#). Eliminating and reducing carbon from buildings, vehicles, and businesses is one part of addressing the climate emergency. The other part is helping residents become resilient to day-to-day impacts of climate change like excessive heat, wildfire smoke, power outages, flooding and more.

**Figure 9. Existing and Ongoing Policies Addressing Climate Friendly and Healthy Homes**

Existing and Ongoing Programs	
Tax increment Financing (TIF)	<a href="#">BES &amp; PWB Financial Assistance</a>
<ul style="list-style-type: none"> <li>Single Dwelling Home Repair</li> <li>Rehabilitation &amp; Preservation of Regulated</li> <li>Acquisition, Disposition&amp; Development of Market-Rate within Prosper Portland's Green Building Policy</li> </ul>	<ul style="list-style-type: none"> <li><a href="#">RAMP</a></li> <li>Water Leak Repair Assistance</li> </ul>
<a href="#">Affordable Housing Green Building Policy</a>	<a href="#">RV Pollution Prevention Program</a>
<a href="#">Affordable Housing Air Conditioning</a>	<a href="#">Home Repair</a>
<a href="#">Empowered Neighborhood Program</a>	<a href="#">Lead Hazard Control Grant Program</a>
<a href="#">Portland Clean Energy Fund (PCEF)</a>	<a href="#">Excess to Access</a>
<a href="#">SDC Waiver for Office to Residential Conversion</a>	<a href="#">EV Ready Requirement</a>

## NEW STRATEGIES

### 1. Support Mass Timber and Modular Innovations

As modular and mass timber innovations and developments increase in Portland, the City can support these innovations by updating zoning and development codes to facilitate the construction of mass timber and modular housing. The widespread use of modular construction not only lowers construction costs and timelines, but it also aligns with the goals outlined in Advance Portland and promotes Portland's emergence as an innovator in the housing market.

- In addition, the City will study the economic opportunity to invest in the necessary infrastructure and workforce development to support the growth of modular and mass timber construction.

**DLCD Category:**  
Zoning and Code

**Priority:** Medium

**Lead:** BPS, Prosper

#### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**Partners:** Port, PP&D, PHB, Mass Timber Coalition

**Project start:** July 2028

**Adoption:** June 2029

**Implementation:** July 2029

### 2. Develop Low Carbon Building Policies

The City will continue to develop policies that reduce both operational and embodied carbon, as well as the carbon content of building materials and construction emissions. Carbon can be lowered in development through project design, engineering, and material selection before construction. Embodied carbon can be reduced through the use of low-carbon alternatives, adaptive reuse and whole-building life-cycle assessments, etc. Operational carbon reduction strategies include onsite and community-owned solar, renewable electric grid, electric new construction homes, advanced building energy codes, and electric vehicle (EV) readiness.

The Portland Clean Energy Community Benefits Fund (PCEF) invests in community-led and informed projects to reduce carbon emissions and make Portland more resilient. PCEF's [Climate Investment Plan \(CIP\)](#) for 2023-28 identifies key programs that will reduce carbon emissions and address the needs of Portland residents most impacted by a rapidly changing climate. The CIP will invest over \$300 million in energy efficiency and renewable energy programs to support housing that will be built to high-efficiency, low-carbon, resilient standards. PCEF will also invest over \$100 million in planting and maintaining Portland's urban tree canopy and \$41 million in workforce and contractor development. Specifically, these

#### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

collective investments will support clean energy upgrades in over 5,000 affordable multifamily units and over 3,000 moderate- and low- income single family homes; and planting and establishment of over 15,000 street trees, and maintaining over 240,000 street trees.

**DLCD Category:**  
Stabilization and Other

**Priority:** Low

**Lead:** BPS

**Partners:** DEQ, PP&D,  
Prosper, Metro, Mass  
Timber Coalition

**Project start:** July 2026

**Adoption:** June 2029

**Implementation:** July 2029

### 3. Promote Commercial to Residential Conversion / Adaptive Reuse

As cities face the reality of vacant commercial buildings in a changing economy, there is an opportunity to repurpose these buildings into much needed housing. The City will explore additional policies to support adaptive reuse:

- A. Identify high opportunity underutilized assets in centers and corridors for conversion.
- B. Establish financial and regulatory tools to incentivize office-to-residential conversion; including use of direct financial incentives (tax increment financing, expanded system development charge waivers, and tax abatement) and regulatory streamlining.
- C. Review existing codes and zoning policies and establish ones that encourage the reuse of existing buildings.
- D. Expand historic resource incentives to allow a wider variety of uses not otherwise allowed.
- E. Evaluate code flexibility for adaptation and efficient energy systems for livability and affordability.

#### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Zoning and Code

**Priority:** Medium

**Lead:** Prosper, BPS,  
PP&D

**Partners:** Port, PHB

**Project start:** 2023

**Adoption:** ongoing

**Implementation:** ongoing



## 4. Implement Heat Adaptation Recommendations

Given the rising urban heat risks associated with increased density, growth and the changing climate, BPS has developed recommendations for addressing urban heat, including nature based, engineered, and policy solutions. Adopting these solutions will ensure healthy and safe housing Portlanders. The recommendations most pertinent to housing development include:

- Cool Roof Regulations – Explore adopting cool roof regulations for new multi-dwelling buildings and retrofits. Cool roof requirements lower local outside air temperature which decreases the urban heat island effect, slow smog formation, reduce energy demand, decrease roof temperature, help older inefficient air conditioners provide sufficient cooling and improve indoor comfort and safety for spaces that are not air conditioned, reducing preventable heat-related illness and death.
- Other heat adaptation recommendations related to new development include shade tree planting and built shade structures in common outdoor areas, Cool Corridors Planning, planting manual updates and Environmental Justice Spatial analysis and mapping.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Stabilization and Other

**Priority:** Low

**Lead:** BPS

**Partners:** PCEF, PBOT,  
PPR, UF, Other experts  
and topic area partners

**Project Start:** 2023

**Adoption:** 2028

**Implementation:** 2029

## H. Advocate at the State and Federal Level

The City faces limitations in its role at the local level. Through the engagement done with community coalitions, the survey and public comment received, it was clear that many changes that would promote housing production, and the type of housing needed in communities in Portland, require the City to advocate for funding and policy changes at the State and Federal level. The following strategies identify state and federal action that would advance Portland’s housing production strategies and goals. This list is meant to highlight various advocacy efforts that would help the City overcome some of the financial and regulatory barriers to housing production.

### 1. Advocate for Funding for Production and Preservation

The state legislature has recently recognized the importance of helping cities with funding for housing production. Continued state funding for affordable housing is critical to meeting our targets for lower income households. There is a need for additional funding to preserve existing affordable housing, especially those units with expiring 10-year agreements. Expanded support for middle income housing for households making between 60-120% AMI. Recently, the state legislature provided funding for public infrastructure projects that support housing. More investments like those are needed to support infrastructure for individual developments and larger catalytic projects.

**Impact**

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Stabilization and Other

**Priority:** Low

**Lead:** OGR, PHB

**Partners:** PP&D,  
Prosper, BPS

**Project Start:** 2024

**Adoption:** 2025

**Implementation:** 2025



## 2. Advocate for Regulatory and Code Changes to Meet Housing Need

Many state policy changes could be made at both the statutory and regulatory level to accelerate housing production including updating condominium laws; increasing visitability and accessible units; allowing for midsize multi-dwelling buildings with a single (staircase) exit; and reducing burdens on affordable housing. Other ideas include changing the Low-Income Housing Tax Credit program to focus on affordable housing; creating a State Rehabilitation Tax Credit to support seismic upgrades, energy retrofits, and conversion of non-residential buildings to housing; reforming the Mortgage Interest Deduction to generate revenue for affordable housing funding and creating pilot projects using a limited profit, non-market, or other alternative housing development models.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Stabilization and Other

**Priority:** Low

**Lead:** OGR

**Partners:** PP&D, PHB,  
BPS, Prosper

**Project Start:** 2024

**Adoption:** 2025

**Implementation:** 2025

## 3. Advocate for Policy that Supports the Building of Resilient Homes

As the City of Portland continues to work to produce more resilient and environmentally friendly homes, there are opportunities for the state and federal governments to do more to reduce embodied carbon in construction and incentivize shifts to all-electric standards.

### Impact

**Affordability:** All

**Tenure:** Both

**Populations Served:**  
General

**Magnitude:** Low

**DLCD Category:**  
Stabilization and Other

**Priority:** Low

**Lead:** OGR

**Partners:** BPS, PP&D,  
PHB, Prosper

**Project Start:** 2024

**Adoption:** 2025

**Implementation:** 2025

# Monitoring Progress

As Portland's first Housing Production Strategy, the City is establishing performance measures to track strategy implementation and progress. In three years (2027), the City will submit to the State a progress report that reports on actual housing production as well as a summary of the actions taken by the City to implement the strategies and an assessment of the circumstances or factors that posed a barrier to implementation with a plan for addressing the identified need that the strategy addressed. The City must also include a reflection of the relative efficacy of implemented strategies. In addition to the annual monitoring the City does on the total number of units produced and units produced by type the performance metrics for monitoring progress are:

**Figure 10. Proposed Metrics for Monitoring Progress**

<b>A. Promote Affordable Housing (0-80% AMI)</b> <ul style="list-style-type: none"> <li>• # of units by affordability (ACS/PUMS)</li> <li>• # of affordable units (0-80% AMI) produced</li> <li>• Average \$ investment per rental housing unit</li> <li>• Average \$ State and Federal funds invested per local \$</li> </ul>	<b>B. Increase Middle Income Housing and Homeownership</b> <ul style="list-style-type: none"> <li>• Change in # of ownership units (ACS)</li> <li>• # of ownership units built using TIF</li> <li>• Amount of \$ awarded for Middle-Income development</li> <li>• \$ used for homeownership programs</li> </ul>
<b>C. Increase Access To Opportunity / G. Promote Climate Friendly and Healthy Homes</b> <ul style="list-style-type: none"> <li>• % of new housing in complete neighborhoods</li> <li>• % of new housing in high opportunity areas</li> <li>• # of units produced within RCAA/RECAP</li> <li>• # of units produced within centers and corridors</li> <li>• % of new housing in low carbon neighborhoods</li> </ul>	<b>D. Reduce Barriers to Development and Improve Processes</b> <ul style="list-style-type: none"> <li>• # of days from application submittal to approved to issue</li> <li>• # of review cycles</li> <li>• Increased customer satisfaction via survey</li> <li>• % of teams meeting 1<sup>st</sup> and 2<sup>nd</sup> review goals</li> </ul>
<b>E. Stabilize Current and Future Households</b> <ul style="list-style-type: none"> <li>• # of PSH units built</li> <li>• # of HHs provided legal services for housing access and stabilization</li> <li>• # of HHs supported in HH level programs</li> <li>• % of BIPOC HHs provided legal services</li> <li>• \$ Amount of supportive services funding aligned with actual costs for property management, service delivery, and other operating needs</li> <li>• \$ Amount of funding for preservation and rehabilitation</li> <li>• # and distribution of severely cost burdened households</li> <li>• # of units produced within economically vulnerable tracts</li> <li>• # of regulated affordable units preserved through rehabilitation and/or new regulatory agreements</li> </ul>	<b>F. Promote Age and Disability Friendly Housing</b> <ul style="list-style-type: none"> <li>• # of accessible units permitted and produced</li> <li>• # of middle housing units permitted and produced</li> </ul>

# Engagement Summary

The Housing Production Strategy involved stakeholder engagement through a number of different avenues, including relying on the engagement of several projects that took place in recent years, including the Portland Insights Survey, Housing Regulatory Relief Project, 2045 Housing Needs Analysis and the Age and Disability Inclusive Neighborhood Discussion draft, all of which are described in more detail in Summary of Engagement from Recent Projects at the end of this report. These engagement efforts resulted in a revised draft of the Housing Production Strategy.

Broad and targeted engagement included outreach with both residents and developers of housing including discussions with individuals, coalitions, community groups and developers as well opportunities for general public comments via the web. This resulted in the following engagement, which is outlined and summarized in more detail in Appendix C. Engagement Plan and Activities:

- 256 individuals while at 25 organization/coalition meetings and open houses
- 66 individuals at six Black, Indigenous and People of Color (BIPOC) specific focus groups
- 42 individuals at in-person East Portland BIPOC community meeting
- 350 individuals via Citywide Housing Needs Survey
- 107 comments on the Discussion Draft of the HPS Action Plan
- 16 developers/producers of housing interviewed
- 4 Cross-Jurisdictional Technical Advisory Committee Meetings
- 28 Multi-Bureau Internal Working Group Meetings

## Residents

Across focus groups, community and stakeholder meetings, a citywide survey and public comment opportunities, the key issues identified by Portland residents included:

- **Affordability.** The greatest need identified was for more affordable housing, especially for lower-income households, including renters who are concerned about rent increases and people experiencing houselessness. Even with restricted rent, some housing is still out of reach and multiple types of services need to be stacked. There was a greater desire to better understand how to get on lists for access to affordable housing that comes online. Advocates suggested a more targeted focus on lower affordability levels for both rent and own strategies (<50 percent Area Median Income (AMI)) and at the 0-30 percent level there is a need for permanent supportive housing and rental assistance in addition to an affordable unit.

- **Access to opportunity.** Infrastructure and the expansion of transit opportunities were identified as key investments needed to support the construction of housing and to provide mobility and access to key services, such as grocery stores in neighborhoods.
- **Access to outdoor or green space.** Households value housing that has access to green space on the property but also within their neighborhoods.
- **Access to programs to gain or maintain homeownership.** Greater access to homeownership is desired (esp. for lower-income households). Greater access to stabilization or repair programs for middle-income households.
  - Targeting lower income levels of affordability for ownership is more likely to uplift BIPOC households given the current disparities in wealth and income distribution in Portland.
- **Safety.** Safe neighborhoods are desirable but feel unaffordable, some multi-dwelling properties themselves feel unsafe despite the presence of property management.
- **Accessibility.** The most critically needed specific needs housing types were identified as housing for households experiencing houselessness, mental health support, aging individuals and households, and persons with disabilities.
- **Commitment to action.** Advocates expressed a desire for bureaus to articulate a higher level of commitment to action within the strategies (i.e., “study” vs “do”).
- **Community Education.** Educate to increase access to opportunity for BIPOC homeowners specifically and homeowners generally, promote education on how to better utilize properties – around using code and doing small-scale development for middle housing and additional ownership opportunity
- **Adaptive reuse.** Residents are concerned with underutilization of existing commercial and residential buildings and the impacts of new development on old stock and on climate.
- **Increased housing preservation and production advocacy.** Staff heard a variety of items that should be supported in the City’s legislative work; consideration of single stair building, embodied carbon strategies for new housing, all electric housing production, additional infrastructure resources, eased burdens on affordable housing, Mortgage Interest Deduction Reform, and for a one-to-four-unit residential building code.

## Developers

City staff presented to and interviewed many different housing developers and coalitions, including Housing Oregon, Oregon Smart Growth, Portland Homebuilders Association, and individual market-rate, affordable, and middle housing developers. Summaries of each engagement effort are provided in the following sections.

Some of the primary feedback on barriers to development included:

- **High financing and development costs.** Material costs have stabilized but high interest rates have increased borrowing costs, constrained the debt market, and increased project costs. Additional high costs include labor as well as city requirements for system development charges. Smaller and affordable housing developers are especially impacted.
- **Permitting and inspection delays and uncertainty.** Uncertainty around the permitting and inspection process and timeline add cost and risk to development projects and can lead to developer hesitation to embark on new projects.
- **Land supply issues.** It is difficult to find sites appropriately zoned, especially for higher density affordable development. Affordable housing providers are unable to compete with market-rate developers because of the longer timelines associated with public financing. Many sites have stormwater, sewer, and transportation infrastructure limitations, which adds significant cost.
- **Low rent growth.** Rent growth has slowed down but costs (and capital) have continued to increase. Rent is too low in East Portland for market-rate projects to be financially feasible.
- **Challenging regulatory environment.** There is a perception of large sections of outdated, irrelevant, or complicated code, especially for multi-dwelling developments.

Some of the primary feedback on draft production strategies included:

- **Be aggressive with meaningful incentives.** Remove or increase height and FAR limits, simplify the Zoning Code, and revise SDCs.
- **Simplify and improve the permitting process.** Streamline permitting for previously approved plans; improve transparency, predictability, and timing; identify and eliminate unnecessary steps and common issues in adjustments; improve inter-bureau coordination.
- **Advocate for State legislative changes.** Allow single-staircase buildings and use of the single-dwelling residential code for middle housing (up to four units).
- **Explore financial opportunities to support housing development.** Utilize state revolving loan funds; expand incentives for affordable housing to 100-120 percent AMI; and explore opportunities to support private development.
- **Explore ways to support housing innovation.** Expand the use of mass timber, modular, and adaptive re-use/conversions.
- **Explore opportunities for development partnerships.**
- **Create a specific East Portland production strategy.** Increase density in areas where there is existing or future planning and investments, e.g., Powell, 82nd, 122nd, and TIF districts.

## Assessment of Engagement

Even though this project implemented a robust engagement effort starting in January 2024, there are opportunities for improvement in future engagement practices including:

- Time engagement to align with advocates availability. Because this project engagement took place before, during and shortly after the State legislative session we acknowledge that some organizations and community groups were not able to fully engage with the initial review of the draft strategies.
- Continue to improve relations with community organizations in ways that are more culturally responsive, trauma informed and respect the time, resources and capacity of communities without tokenization.
- Consider the impacts of hosting events during major religious holidays, e.g., Ramadan.
- Reflect on the languages that materials are shared in by default. Materials were translated into Spanish, Vietnamese, Chinese and Russian, however it was noted through engagement that translating into French might increase engagement with African communities in Portland.
- When attending community events, staff brought information on how to connect to current programs and resources. However, while the focus of the project is long-range, given the immediacy and sensitive nature of some individual household needs when engaging on the topic of housing, additional staff or partners who are experts in navigating these resources or who are able to directly connect community members to resources should participate in the meetings.



# Achieving Fair and Equitable Housing Outcomes

The City acknowledges land use and other policy has impacted fair and equitable housing outcomes in the [Historical Context of Racist Planning: A History Of How Planning Segregated Portland](#) report and [Anti-Displacement Action Plan; Foundation Report](#) and [A Dream Rezoned: Navigating Possibilities within Portland's Long History of Racist Planning](#). Additionally, through the [Consolidated Plan/Action Plan](#), [Consolidated Annual Performance and Evaluation Report \(CAPER\)](#) and [Analysis Of Impediments To Fair Housing Choice](#), the City conducts audits and analyses of existing policies to identify potentially discriminatory effects and opportunities to affirmatively further fair housing.

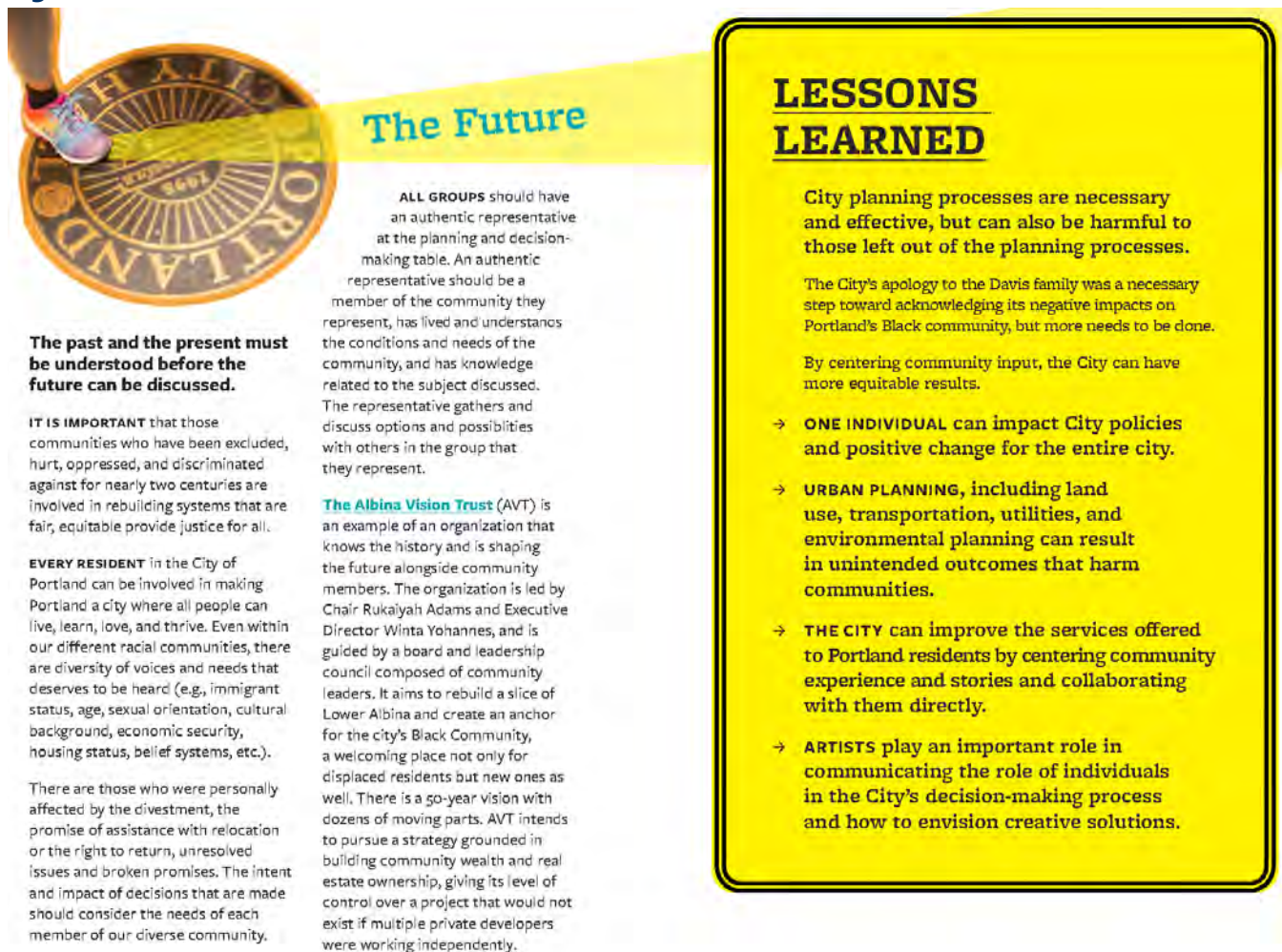
The City of Portland has a responsibility to affirmatively further fair housing by changing policies that have disparate impacts and instead intentionally create equitable outcomes. Federal protected classes are race, color, national origin, religion, gender, familial status, and disability. Oregon's additional protected classes are marital status, source of income, sexual orientation, gender identity, and status as a domestic violence survivor. In addition, Portland and Multnomah County's protected classes include occupation and age, if over 18. Under Fair Housing laws, it is illegal to deny access to housing in based on the characteristics of people within these protected classes.

The actions included in Portland's Housing Production Strategy aim to work together to achieve equitable outcomes for all residents. This evaluation summarizes the HPS strategies, in combination with other city actions, will achieve equitable outcomes. This is not intended to be an exhaustive evaluation of how each action addresses these outcomes but a high-level overview of the HPS as a whole. As outlined in [OAR 660-008-0050 the](#) factors the City must consider are:

- **Location of Housing in Compact, Mixed-Use Neighborhoods.** Is the City creating compact, mixed-use neighborhoods available to all people who belong to protected classes?
- **Fair Housing.** Is the City affirmatively furthering fair housing for all protected classes?
- **Housing Choice for Protected Classes.** Is the City facilitating access to housing choice for communities of color, low- income communities, people with disabilities, and other protected classes?
- **Housing Options for People Experiencing Houselessness.** Is the City enabling housing options for residents experiencing houselessness and promoting services that are needed to create permanent supportive housing and other options?
- **Affordable Homeownership and Affordable Rental Housing.** Is the City supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership?

- **Gentrification, Displacement, and Housing Stability.** Is the City increasing housing stability and mitigating the impacts of gentrification, as well as the economic and physical displacement of residents resulting from investment or redevelopment?

**Figure 11. The Future: A Dream Rezoned**



Source: A Dream Rezoned: Navigating Possibilities within Portland's Long History of Racist Planning<sup>6</sup>

<sup>6</sup> <https://www.portland.gov/civic/dream-rezoned>

## Location of Housing in Compact, Mixed-Use Neighborhoods

These actions and strategies illustrate how the City is striving to meet statewide greenhouse gas emission reduction goals by creating compact, mixed-use neighborhoods available to people who are members of protected classes. Within Metro, cities subject to this rule shall describe actions taken by the City to promote housing within Region 2040 centers and climate-friendly areas, the production of regulated affordable and accessible dwelling units; to mitigate or avoid the displacement of; and to remove barriers and increase housing choice for members of protected classes.<sup>7</sup>

### Existing Actions

The City has adopted actions that aim to allow for higher density housing in residential and mixed-use areas that are located near transit and that are within walking/rolling distance of a variety of services and amenities. This is a particular benefit to low-income households, older adults and people with disabilities, who may rely on transit and other modes to get around. These actions are further detailed in Housing Policy in Portland.

- **Mixed Use Zoning.** Developed new mixed-use planning and zoning designations to implement the “Centers and Corridors” concepts.
- **Central City 2035.** Increased capacity for high-density, mixed-use and multi-dwelling housing, streamlined bonus and transfer system, increased FAR/density and height and minimum density.
- **Better Housing by Design (BHD).** Re-wrote the Multi-Dwelling Residential Zones Chapter (33.120) to better implement policies for increased opportunities around centers and corridors.
- **Residential Infill Project (RIP).** Added flexibility to the R2.5, R5, R7, R10 and R20 zones to allow for middle housing types, which will increase the number of units and allowable configurations; and removal of minimum off-street parking requirement.
- **Historic Resource Code Project (HRCPP).** Allowed small detached ADUs in historic districts without a land use review, removed minimum off-street parking for historic landmarks and districts, some density limits, and enabled two ADUs to be built with a house, duplex to fourplex or multi-dwelling.
- **Parking Compliance Amendments Project (PCAP).** Removed minimum parking requirements and other adjustments to standards to align with CFEC rulemaking.
- **West Portland Town Center Plan.** included incentives and regulations to prioritize housing affordability and community benefits and proposed Zoning Map changes.

<sup>7</sup> Executive Order No. 20-04, ORS 456.586(1)(b); OAR 660-012-0310(2)

- **Lower SE Rising Area Plan.** addresses land use and transportation challenges faced in the Brentwood-Darlington neighborhood and nearby areas.
- **EV Ready Requirement.** requires 50% of parking in new buildings with five+ units, to include EV-ready infrastructure, when more than six spaces are provided; or 100% when six or fewer provided.
- **Inclusionary Housing (IH) Program.** requires new medium and large (20 or more units) market-rate multi-dwelling development to provide affordable housing.
- **Tax Increment Financing (TIF).** An updated Affordable Housing Set-Aside Policy requires that forty five percent of TIF funding across urban renewal areas to go to affordable housing.
- **Portland Clean Energy Community Benefits Fund (PCEF).** Invest in energy efficiency and renewable energy upgrades in housing for low-income households.
- **Affordable Housing Green Building Policy.** Ensures construction funded by PHB advances environmental, social, and economic goals.
- **Portland Housing Bureau Investment Framework.** Guides how PHB identifies, purchases, builds and renovates homes. Priority areas with little or no affordable housing, at high risk of gentrification, with concentrations of communities of color, are in consideration of infrastructure projects and have access to education, transportation, services, economic opportunities and green spaces.
- **PBOT Transportation Wallet.** Three programs are available for new movers into some new multi-dwelling buildings, those living or working in Northwest and Central Eastside Parking Districts, and people living on low incomes; provides discounts on transportation services.

## New Strategies

In addition to existing actions, several strategies within the HPS encourage housing in compact, mixed-use neighborhoods, thereby encouraging reduced greenhouse gas emissions and creating more opportunities to live within climate-friendly areas:

- Review and Update Inclusionary Housing (IH) Program
- Create New Tax Increment Financing Districts
- Rezone Sites For Affordable Housing
- Incorporate Affirmatively Furthering Fair Housing Into City Code
- Establish a Comprehensive Citywide Land Banking Strategy
- Update Land Division Code
- Improve Middle Housing Permit Process
- Increase Housing Capacity in Inner Centers & Corridors

- Kickstart Housing Demand in Central City
- Increase Housing Capacity in the Central City
- Identify Housing Opportunity Along 82nd Avenue
- Promote Increased Transit Service
- Preserve Existing Affordable Housing
- Implement Accessible Housing Production Strategies
- Educate on Opportunities for Aging in Place & Community
- Develop Low Carbon Building Policies
- Promote Commercial to Residential Conversion / Adaptive Reuse
- Advocate for Funding for Production and Preservation
- Advocate for Regulatory and Code Changes to Meet Housing Need
- Advocate for Policy that Supports the Building of Resilient Homes

## Fair Housing

Fair housing is embedded in the Comprehensive Plan with Goal 5.B: Equitable access to housing. Stating that Portland ensures equitable access to housing, making a special effort to remove disparities in housing access for people with disabilities, people of color, low-income households, diverse household types, and older adults. This goal is directly implemented through the following policies:

- Policy 5.10 Coordinate with fair housing programs. Foster inclusive communities, overcome disparities in access to community assets, and enhance housing choice for people in protected classes throughout the city by coordinating plans and investments to affirmatively further fair housing.
- Policy 5.11 Remove barriers. Remove potential regulatory barriers to housing choice for people in protected classes to ensure freedom of choice in housing type, tenure, and location.
- Policy 5.12 Impact analysis. Evaluate plans and investments, significant new infrastructure, and significant new development to identify potential disparate impacts on housing choice, access, and affordability for protected classes and low-income households. Identify and implement strategies to mitigate the anticipated impacts.

In addition to these policies, the following actions and strategies illustrate how the how the City is affirmatively furthering fair housing for all protected classes.

## Existing Actions

These actions are further detailed in Appendix B. Housing Policy in Portland.

- **Fair Housing Policy Audits.** Through the [Consolidated Plan/Action Plan](#), [Consolidated Annual Performance and Evaluation Report \(CAPER\)](#) and [Analysis Of Impediments To Fair Housing Choice](#), the City conducts audits and analysis of existing policies to identify potentially discriminatory effects and opportunities to affirmatively further fair housing.
- **Fair Housing Testing.** City conducts fair housing testing to determine whether discriminatory patterns and practices pertaining to renting a place to live likely exist, the form that they take, and which protected class groups are most likely to experience them.
- **Affirmative Marketing For City Incentives.** As a requirement of City funding, via PHB, for affordable housing projects, the developer/owner must complete and submit an affirmative marketing plan before PHB will submit financial close.
- **Landlord-Tenant Mediation Pilot Program.** In partnership with Resolutions Northwest, provides free mediation services to landlords and tenants with rental housing disputes.
- **Rental Services Office (RSO).** A helpline for technical assistance and information on landlord-tenant laws and policy as well as provides trainings for landlords. RSO staff can provide referrals and information, they cannot offer legal advice.
- **Fair Access in Renting (FAIR).** City adopted policy that regulates security deposits, move in fees, and screening criteria that may be used to select tenants.
- **Eviction Legal Support.** Tenants can seek these free legal services as soon as they receive a Notice of Termination and do not need to wait until an eviction case is filed.
- **Oregon Worker Relief. Household Relief and Legal Defense.** Oregon Worker Relief and its partners support immigrant and refugee Portlanders with help to keep small businesses open, stay stably housed, and navigate the immigration legal system.

## New Strategies

Several of the strategies further fair housing goals by addressing disparities in housing needs and increasing housing opportunity in areas of high opportunity, and by creating housing opportunities in racially and ethnically concentrated areas of poverty. Strategies that further fair housing goals include:

- Review and Update Inclusionary Housing (IH) Program
- Rezone Sites for Affordable Housing
- Incorporate Affirmatively Furthering Fair Housing into City Code
- Develop A Comprehensive Citywide Land Banking Practice



- Preserve Existing Affordable Housing
- Launch Affordable Housing Listing Service
- Implement Accessible Housing Production Strategies
- Educate on Opportunities for Aging in Place & Community
- Advocate for Funding for Production and Preservation
- Advocate for Regulatory and Code Changes to Meet Housing Need
- Advocate for Policy that Supports the Building of Resilient Homes

## Housing Choice for Protected Classes

These actions and strategies illustrate how the City is facilitating access to housing choice for communities of color, low- income communities, people with disabilities, and other protected classes.

### Existing actions

These actions are further detailed in Housing Policy in Portland. Actions described in the above categories are kept by name here for brevity.

- **Land Banking for Affordable Housing.**
- **Action Plan for An Age-Friendly Portland.** The action steps comprising the 2013 plan intend to move Portland toward future development and activities that foster not only physical environments but also social and service environments that meet these criteria, making Portland a community for all ages. Several actions in the plan relate directly to housing.
- **Age- and Disability-Inclusive Neighborhood Project (ADIN).** Members of a working group focused on advancing neighborhood “centers” by building on policies in Portland’s 2035 Comprehensive Plan and the Action Plan for an Age-friendly Portland.
- **North/Northeast Preference Policy and Housing Strategy.** The N/NE Preference Policy waitlist for rental/homeownership housing is open on a rolling basis. Priority status is given to applicants, and/or their descendants, who previously owned property that was taken by the Portland City government through eminent domain.
- **Visitable Unit Bonus.** zoning code changes to create a floor area bonus for visitable units. It provides bonus FAR allowed up to the maximum with visitable units’ bonus when at least 25 percent of all the dwelling units on the site meet the visitability standards.

### New strategies

The following strategies are intended to facilitate access to housing choice for communities of color, low-income communities, people with disabilities, and other state and federal protected classes:

- Review and Update Inclusionary Housing (IH) Program
- Rezone Sites For Affordable Housing
- Incorporate Affirmatively Furthering Fair Housing Into City Code
- Establish a Comprehensive Citywide Land Banking Strategy
- Expand Homeownership Programs
- Increase Housing Capacity in Inner Centers & Corridors
- Revise Zoning Bonuses and Incentives
- Preserve Existing Affordable Housing
- Implement Accessible Housing Production Strategies
- Educate on Opportunities for Aging in Place & Community
- Advocate for Funding for Production and Preservation
- Advocate for Regulatory and Code Changes to Meet Housing Need
- Advocate for Policy that Supports the Building of Resilient Homes

## Housing Options for People Experiencing Houselessness

These actions and strategies illustrate how the City is advocating for and enabling the provision of housing options for residents experiencing houselessness and how the City is partnering with other organizations to promote services that are needed to create permanent supportive housing and other options for residents experiencing houselessness.

### Existing actions

These actions are further detailed in Housing Policy in Portland. Actions described in the above categories are kept by name here for brevity.

- **Joint Office of Houseless Services (JOHS).** Services funded include rapid rehousing, permanent supportive housing, outreach/navigation, shelter/survival support, hygiene, and employment. The [Houselessness Response Action Plan](#) outlines actions and outcomes that the City and County are aiming to produce.
- **Safe Rest Villages.** The City's Safe Rest Village team is adding to the mix of alternative shelters throughout Portland. The project team manages the largest portion of the City grant funds from ARPA, which includes the seven designated Safe Rest Villages, as well as two alternative shelters.



- **Shelter 2 Housing Continuum (S2HC).** Adopted code to expand housing and shelter options; made it easier to site shelters, increased range of group living, including single room occupancy (SRO); and allows a recreational vehicle or tiny house on wheels on a residential property.
- **Short-Term Rental Lodging Tax and Fee.** A nightly fee on short-term rentals is due from short-term rental hosts. This fee is in addition to the Transient Lodgings Tax. The funds generated from this fee are used to fund affordable housing and houselessness.
- **Metro Supportive Housing Services (SHS) Fund.** These fund supportive services required for PSH under the Portland and Metro Housing Bonds as well as housing that becomes supportive housing. Funds have been used to provide Regional Long-term Rent Assistance (RLRA) to support houseless households or those at risk of becoming houseless.

## New strategies

The City can also prioritize extremely low-income households who may be at risk of becoming houseless by targeting its affordable housing strategies to those populations. Supporting housing with deep affordability and wraparound services requires additional resources and partnerships with organizations that specialize in that form of housing. The City can make that a priority for HPS implementation.

These strategies are about increasing resources for prevention of houselessness. Part of decreasing houselessness will be preservation of existing housing, rehabilitation of housing, development of more affordable ownership and rental housing, and increasing housing stability to prevent houselessness.

- Rezone Sites For Affordable Housing
- Incorporate Affirmatively Furthering Fair Housing Into City Code
- Establish a Comprehensive Citywide Land Banking Strategy
- Update Short Term Rental Nightly Fee
- Launch Affordable Housing Listing Service
- Preserve Existing Affordable Housing
- Explore Accessible Housing Production Strategies
- Educate on Opportunities for Aging in Place & Community
- Advocate for Funding for Production and Preservation
- Advocate for Regulatory and Code Changes to Meet Housing Need

# Affordable Homeownership and Affordable Rental Housing

These actions and strategies illustrate how the City is supporting and creating opportunities to encourage the production of affordable rental housing and the opportunity for wealth creation via homeownership, primarily for state and federal protected classes that have been disproportionately impacted by past housing policies.

## Existing actions

These actions are further detailed in Housing Policy in Portland. Actions described in above categories are kept by name here for brevity.

- **N/NE Housing Strategy and Preference Policy.**
- **Fair Access in Renting (FAIR).**
- **Metro Supportive Housing Services (SHS) Fund.**
- **Regulated Affordable Rental Housing.** Regulated rental housing is provided for households earning 80 percent AMI and below, largely funded multi-dwelling, regulated rental housing through the Tax Increment Financing Set Aside resources.
- **Acquisition and Rehabilitation of Existing Properties.** Tax Increment Financing (TIF) supports programs that purchase existing market-rate housing and/or sites, to convert into regulated, multi-dwelling affordable housing. PHB has used this to acquire properties for future redevelopment, to protect residents from displacement and/or secure affordable homes.
- **0% Home Repair Loans.** offers no-interest loan up to \$40,000 to fund repairs to residents earning up to 120 percent of AMI in the Interstate Corridor Urban Renewal Area (ICURA).
- **Down Payment Assistance Loan Program.** A second mortgage loan funded by PHB, and it is used in conjunction with a first mortgage loan from a participating lender. DPAL is designed with favorable terms to help first-time homebuyers purchase a home within the city limits of Portland.
- **Expanding Opportunities for Affordable Housing.** Changes to zoning code that streamlined affordable housing in residential zones review process for community and faith-based organizations. Allowed them to develop affordable housing on their land without a conditional use (CU) review if at least 50 percent are affordable, Repurpose up to 50 percent of parking for affordable project and Add up to 2,000 sq ft of nonresidential use without CU review.
- **Multiple-Unit Limited Tax Exemption (MULTE).** A ten-year property tax exemption supports the creation of affordable housing units through the Inclusionary Housing Program; leverages market activities to advance prosperity goals by aligning activities with Portland Plan and PHB's Strategic Plan; and provide transparent and accountable stewardship of public investments.

- **MULTE Extension Down Payment Assistance Loan Program.** Updates rules to allow projects with expiring MULTE units an opportunity to extend tax exemption for a limited amount of time in order to extend the affordability of the MULTE units.
- **Homebuyer Opportunity Limited Tax Exemption (HOLTE).** single-unit homes receive a ten-year property tax exemption on structural improvements to the home as long as the property and owner remain eligible per program requirements. The property is reassessed when the exemption is terminated or expires after the ten years, and owners begin paying full taxes.
- **Manufactured Dwelling Parks (MDP) Zoning.** established a new residential multi-dwelling base zone specifically for manufactured dwelling parks with a density of up to 29 units per acre. It has an affordable housing bonus option in which the maximum density can be increased up to 43 units per acre when at 50 percent of all the dwelling units on the site are affordable to those earning up to 60 percent area median family income.
- **Construction Excise Tax.** For residential improvements, 15 percent of net revenue remitted to OHCS; 50 percent transferred to Inclusionary Housing Fund to fund finance-based incentives for programs that require affordable housing; and 35 percent to the Inclusionary Housing Fund for production and preservation of affordable housing units below 60 percent median family income.
- **Portland Housing Bond.** To implement this Measure, PHB wove in rental support in the form of Project Based Section 8 vouchers from the housing authority of Multnomah County, Home Forward, and supportive services funding from JOHS. The Bond has exceeded all goals and committed all funds to 15 projects throughout the City in high opportunity location, representing 1,859 affordable units, a 43 percent increase over the goal, to provide homes to over 4,000 low-income Portlanders.
- **Metro Housing Bond.** Using funds from this bond, PHB has committed approximately \$160 million to fund over 1700 units throughout the City in high opportunity area in over 20 projects, that are open or in development, to house another 4,000+ low-income Portlanders.

## New Strategies

Several of the strategies included in the HPS support production of affordable rental housing and the opportunity for wealth creation via homeownership. By benefitting low-income households more broadly, these strategies are anticipated to benefit populations with lower median household incomes than Portland as a whole—including certain racial and ethnic groups. Strategies that address these needs (in addition to the City's existing measures) include:

- Review and Update Inclusionary Housing (IH) Program
- Create New Tax Increment Financing Districts
- Explore Replacing Housing Bonds Revenue Source
- Rezone Sites For Affordable Housing

- Update Short Term Rental Nightly Fee
- Incorporate Affirmatively Furthering Fair Housing Into City Code
- Establish a Comprehensive Citywide Land Banking Strategy
- Create New Middle-Income Financial Incentives
- Update Land Division Code
- Expand Homeownership Programs
- Increase Housing Capacity in Inner Centers & Corridors
- Revise Zoning Bonuses and Incentives
- Kickstart Housing Demand in Central City
- Increase Housing Capacity in the Central City
- Identify Housing Opportunity Along 82nd Avenue
- Revise System Development Charges (SDC)
- Preserve Existing Affordable Housing
- Implement Accessible Housing Production Strategies
- Promote Commercial to Residential Conversion / Adaptive Reuse
- Advocate for Funding for Production and Preservation
- Advocate for Regulatory and Code Changes to Meet Housing Need
- Advocate for Policy that Supports the Building of Resilient Homes

## Gentrification, Displacement, and Housing Stability

In addition to many of the actions in prior sections, these actions and strategies illustrate how the City is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.

### Existing Actions

These actions are further detailed in Housing Policy in Portland. Some actions are described in above categories and are kept by name here for brevity.

- **Rental Services Office (RSO)**
- **Fair Access in Renting (FAIR)**

- **North/Northeast Preference Policy**
- **Landlord-Tenant Mediation Pilot Program**
- **N/NE Neighborhood Housing Strategy**
- **Eviction Legal Support**
- **Mandatory Relocation Assistance**
- **0% Home Repair Loans**
- **Rehabilitation and Preservation of Existing Regulated Housing**
- **Acquisition and Rehabilitation of Existing Market-Rate Housing**
- **RV Pollution Prevention Program.** Portland residents living in recreational vehicles (RVs) parked on the street are eligible for the pump out program.
- **Regulated Affordable Multifamily Assistance Program (RAMP).** provides a discount to Nonprofit Low-Income Housing Limited Tax Exemption (NPLTE) properties, will reach 12 percent of units, or 15,000 households annually, an estimated average benefit of \$325 per unit.
- **Homeowner Foreclosure Prevention.** works through partner organizations to provide foreclosure prevention counseling and, where needed, financial assistance to homeowners facing foreclosure.
- **Utility Assistance Programs.** Bureau of Environmental Services and Water Bureau Financial Assistance programs including, Safety Net Low Income Loans, Bill discount, Crisis voucher and Water Leak Repair Assistance.
- **Empowered Neighborhood Program.** assists vulnerable residents from communities of color and/or those with disabilities, who have code enforcement issues.
- **Lead Hazard Control Grant Program.** provides lead-based paint hazards evaluation and financial assistance to reduce hazards in pre-1978 housing occupied by qualified households.
- **N/NE Community Development Initiative Action Plan.** guides the \$32 million TIF investment and is focused on 5 goals: property ownership, business ownership, home ownership, community livability and cultural hubs.
- **American Rescue Plan Act Funds.** Funding has or had supported the following projects, some of which have contributed to the stabilization of households, while others have directly worked to house households, in temporary shelter such as safe rest villages, or in permanent housing:
  - Safe Rest Villages
  - COVID-19 Houseless Services
  - Flexible household assistance
  - Rapid Workforce Training & Employment
  - JOHS Motel Shelter Strategy
  - Affordable Housing Preservation

- Afloat: Utility Debt Relief
- Eviction Legal Defense
- Homeowner Foreclosure Prevention
- Housing Stabilization Contingency
- Household Relief and Legal Defense
- RV Pollution Prevention Program
- Match2: Utility Debt Relief
- 82nd Avenue Anti-Displacement Housing Stabilization

## New Strategies

Several strategies included in the HPS aim to increase housing stability for residents and mitigate the impacts of gentrification. Strategies that address these needs (in addition to the City's existing measures) include:

- Review and Update Inclusionary Housing (IH) Program
- Create New Tax Increment Financing Districts
- Update Short Term Rental Nightly Fee
- Leverage Other State and Federal Funding Sources
- Promote Commercial to Residential Conversion / Adaptive Reuse
- Preserve Existing Affordable Housing
- Educate on Opportunities for Aging in Place & Community
- Advocate for Funding for Production and Preservation

## Assessment of Benefits and Burdens

The City is required to consider the anticipated benefit and burden from each action for the following groups of people who have been historically marginalized: low-income communities, communities of color, people with disabilities, and other state and federal protected classes.

**Figure 12. Assessment of Benefits and Burdens by Strategy**

Strategy	Benefit	Burden
A1. Replace Housing Bonds Revenue Source	<ul style="list-style-type: none"> <li>• Will benefit extremely low, very low, low, and middle-income households, depending on how the City prioritizes funding</li> <li>• The groups more likely to benefit from this action are disproportionately marginalized communities, including communities of color, people with disabilities, and older adults</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
A2. Create New Tax Increment Financing (TIF) Districts	<ul style="list-style-type: none"> <li>• Will benefit extremely low, very low, low, and middle-income households, depending on how the City prioritizes funding</li> <li>• The groups more likely to benefit from this action are disproportionately marginalized communities, including communities of color, people with disabilities, and older adults</li> </ul>	<ul style="list-style-type: none"> <li>• As property values increase, there is a potential for displacing existing residents. The City sets aside at least 45 percent of new TIF revenue for affordable housing to mitigate this risk</li> <li>• Could have less positive impact for communities of color, people with disabilities, or older adults if these communities are not recruited for participation in the planning and resulting development</li> </ul>
A3. Leverage Other State and Federal Funding Sources	<ul style="list-style-type: none"> <li>• Depending on the funding priorities, will benefit extremely-low, very-low, low-, middle- and high-income residents and communities of color, and all local, state and federal protected classes</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
A4. Establish a Comprehensive Citywide Land Banking Strategy	<ul style="list-style-type: none"> <li>• Planning for areas of public investment with land banking can support affordable housing development. In already developed, exclusive areas, using public land may be the only cost-effective strategy for building new affordable units</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>

Strategy	Benefit	Burden
	<ul style="list-style-type: none"> <li>• Will benefit households at extremely low income, very low-income, low-income, and limited moderate-income households</li> <li>• The groups more likely to benefit from this action are disproportionately marginalized communities, including communities of color, people with disabilities, and older adults</li> <li>• To increase benefits to people in local, state and federal protected classes, the City may want to consider focus on working with organizations that prioritize working with these groups of people.</li> </ul>	
A5. Rezone Sites For Affordable Housing	<ul style="list-style-type: none"> <li>• Depending on the structure, will benefit extremely-low, very-low, low-, middle- and high-income residents and communities of color, and all protected classes</li> <li>• To increase benefits to people in local, state and federal protected classes, the City may want to consider focus on working with organizations that prioritize working with these groups of people.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
A6. Review and Update Inclusionary Housing (IH) Program	<ul style="list-style-type: none"> <li>• Will benefit extremely low, very low-, and low-income households.</li> <li>• The groups more likely to benefit from this action are disproportionately marginalized communities, including communities of color, people with disabilities, and older adults</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
A7. Update Short Term Rental Nightly Fee	<ul style="list-style-type: none"> <li>• Depending on the funding priorities, will benefit extremely-low, very-low, low-, middle- and high-income residents and communities of</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>



Strategy	Benefit	Burden
color, and all local, state and federal protected classes		
B1. Create New Middle-Income Financial Incentives	<ul style="list-style-type: none"> <li>• Will benefit middle-income households.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
B2. Update Land Division Code	<ul style="list-style-type: none"> <li>• Will benefit middle-income households.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
B3. Expand Homeownership Programs	<ul style="list-style-type: none"> <li>• Will benefit middle-income households.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens unless funding is diverted from other affordable housing programs to support homeownership for higher-income households.</li> </ul>
B4. Improve Middle Housing Permit Process	<ul style="list-style-type: none"> <li>• Will benefit households at all income levels.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
C1. Implement and Support Catalytic Investments	<ul style="list-style-type: none"> <li>• Will benefit households at all income levels. Could benefit lower income households by increasing housing opportunities in high opportunity neighborhoods</li> <li>• Could benefit lower income households, communities of color, people with disabilities, and older adults by incentivizing specific types of housing that meet their needs</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
C2. Increase Housing Capacity in Inner Centers & Corridors	<ul style="list-style-type: none"> <li>• Will benefit households at all income levels. Could benefit lower income households by increasing housing opportunities in high opportunity neighborhoods</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens on communities of color, people with disabilities, and older adults</li> </ul>
C3. Revise Zoning Bonuses and Incentives	<ul style="list-style-type: none"> <li>• Will benefit households at all income levels. Could benefit lower income households, communities of color, people with disabilities, and older adults by incentivizing specific types of housing that meet their needs</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
C4. Kickstart Housing Demand in Central City	<ul style="list-style-type: none"> <li>• Will benefit households at all income levels.</li> </ul>	<ul style="list-style-type: none"> <li>• If property values increase as a result of investment, there is a potential for displacing existing residents. The City could incorporate anti-displacement strategies into the investment framework.</li> </ul>

Strategy	Benefit	Burden
C5. Increase Housing Capacity in the Central City	<ul style="list-style-type: none"> <li>Will benefit households at all income levels</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens</li> </ul>
C6. Identify Housing Opportunity Along 82nd Avenue	<ul style="list-style-type: none"> <li>The groups more likely to be impacted by this action are disproportionately marginalized communities, including communities of color, people with disabilities, and older adults</li> </ul>	<ul style="list-style-type: none"> <li>If property values increase as a result of investment, there is a potential for displacing existing residents. The City could incorporate anti-displacement strategies into the investment framework or plan to mitigate this risk</li> </ul>
C7. Promote Increased Transit Service	<ul style="list-style-type: none"> <li>Will benefit these households. The City may want to incorporate specific criteria into its policies to ensure that the policies benefit these groups</li> </ul>	<ul style="list-style-type: none"> <li>If property values increase as a result of investment, there is a potential for displacing existing residents. The City could incorporate anti-displacement strategies into the investment framework or plan to mitigate this risk</li> </ul>
C8. Incorporate Affirmatively Furthering Fair Housing	<ul style="list-style-type: none"> <li>Will benefit extremely low, very-low, low-, middle- and high-income residents and communities of color, and all local, state and federal protected classes</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens</li> </ul>
D1. Implement Regulatory Reform Project	<ul style="list-style-type: none"> <li>Will benefit all households by reducing development costs due to increased process efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens</li> </ul>
D2. Improve User Experience within Permitting Systems	<ul style="list-style-type: none"> <li>Will benefit all households by reducing development costs due to increased process efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens</li> </ul>
D3. Reform Development Services Funding Model	<ul style="list-style-type: none"> <li>No direct impact on these communities</li> </ul>	<ul style="list-style-type: none"> <li>Unlikely to increase burdens</li> </ul>
D4. Explore Infrastructure Investments and Strategies	<ul style="list-style-type: none"> <li>Will benefit all households by reducing development costs due to increased process efficiencies</li> </ul>	<ul style="list-style-type: none"> <li>If property values increase as a result of investment, there is a potential for displacing existing residents. The City could incorporate anti-displacement strategies into the investment framework or plan to mitigate this risk.</li> <li>Could have less positive impact for communities of color, people with disabilities, or older adults if these communities do not directly benefit from the infrastructure development</li> </ul>

Strategy	Benefit	Burden
D5. Revise System Development Charges (SDC)	<ul style="list-style-type: none"> <li>• Will benefit all households by reducing development costs</li> <li>• Could benefit lower income households, with continued waivers.</li> <li>• The City may want to incorporate specific criteria into its policies about reducing SDCs or planning fees to ensure that the policies benefit these groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
E1. Preserve Existing Affordable Housing	<ul style="list-style-type: none"> <li>• These actions will protect affordable housing, especially for communities of color and other protected class communities. They have strong impacts for anti-displacement that can be seen in the short-term.</li> <li>• Will benefit lower income households</li> <li>• The groups more likely to have incomes impacted by this action are disproportionately communities of color, people with disabilities, and older adults</li> <li>• The City may want to incorporate specific criteria into its policies to ensure that the policies benefit these groups</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
E2. Launch Affordable Housing Listing Service	<ul style="list-style-type: none"> <li>• Will benefit people with disabilities, older adults, lower income households and communities of color</li> <li>• To maximize benefit, these communities should be consulted in the development and implementation of the listing service</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
F1. Implement Accessible Housing Production Strategies	<ul style="list-style-type: none"> <li>• Will support older adults and lower income households aging in place</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
F2. Educate on Opportunities for Aging in Place & Community	<ul style="list-style-type: none"> <li>• Will support older adults and lower income households aging in place</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>

Strategy	Benefit	Burden
G1. Support Mass Timber and Modular Innovations	<ul style="list-style-type: none"> <li>• Could benefit all households by reducing development costs</li> <li>• The City may want to incorporate specific criteria into its policies to ensure that the policies benefit these groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
G2. Develop Low Carbon Building Policies	<ul style="list-style-type: none"> <li>• The City may want to incorporate specific criteria into its policies to ensure that the policies benefit these groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
G3. Promote Commercial to Residential Conversion / Adaptive Reuse	<ul style="list-style-type: none"> <li>• The City may want to incorporate specific criteria into its policies to ensure that the policies benefit these groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
G4. Implement Heat Adaptation Recommendations	<ul style="list-style-type: none"> <li>• The City may want to incorporate specific criteria into its policies to ensure that the policies benefit these groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
H1. Advocate for Funding for Production and Preservation	<ul style="list-style-type: none"> <li>• Will benefit extremely low, very low-, and low-income households.</li> <li>• The groups more likely to benefit from this action are disproportionately marginalized communities, including communities of color, people with disabilities, and older adults</li> <li>• Depending on the funding priorities, will benefit extremely-low, very-low, low-, middle- income residents and communities of color, and all local, state and federal protected classes</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
H2. Advocate for Regulatory and Code Changes to Meet Housing Need	<ul style="list-style-type: none"> <li>• Could benefit all households by reducing development barriers for needed housing</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>
H3. Advocate for Policy that Supports the Building of Resilient Homes	<ul style="list-style-type: none"> <li>• Could benefit all households</li> </ul>	<ul style="list-style-type: none"> <li>• Unlikely to increase burdens</li> </ul>

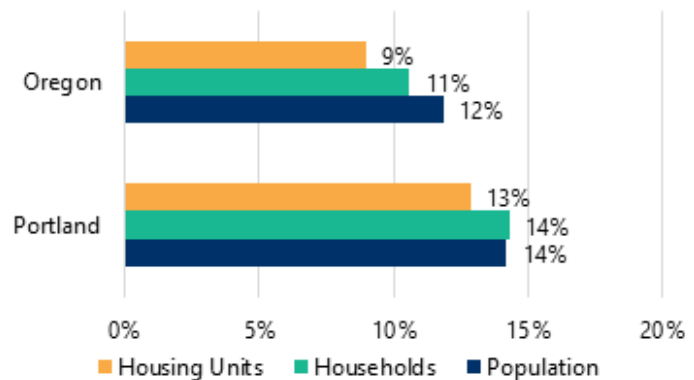
# Appendix A. Additional Housing Need Context

## Population and Household Characteristics

### Population Change

The number of people in the city has been steadily increasing since 2000, making Portland the 24th largest city in the nation. However, over the last decade, there has been an expected slowing down in population and household growth across the Metro.<sup>8</sup> Estimates, including from the PSU Population Forecast Center, have estimated a slower year-over-year growth, or decline since the beginning of the COVID-19 pandemic (-0.7 percent decline in estimates from 2020 to 2022).<sup>9</sup> The Metro 2045 forecast still maintains that the city will see growth, albeit slower than it has been historically.<sup>10</sup>

**Figure 13. Change in Population, Households and Housing units, Portland and Oregon, 2010 to 2021**

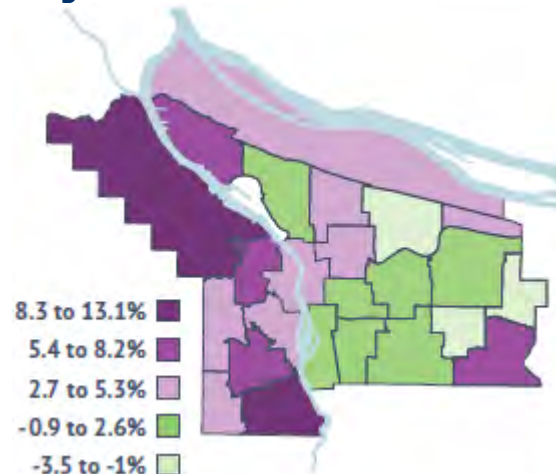


Source: ACS 2010 and 2021 5-year estimates, DP03, DP02

### Racial and Ethnic Diversity

The largest racial group in Portland is white, non-Latine or Hispanic, accounting for 69 percent of total residents.<sup>11</sup> Overall, the proportion of Black, Indigenous, and People of Color (BIPOC) residents in the city continues to increase over time. The population identifying as Latine and Hispanic (of any race) makes up the next largest group at 11 percent, eight percent of residents identify as Asian, and six percent identify as Black or African American.

**Figure 14. Increase In Racial Diversity By Neighborhood, 2017 To 2022, Portland**



Source: Draft PHB Analysis of 2017 and 2022 ACS 5 year

<sup>8</sup> [2060 growth forecast | Metro \(oregonmetro.gov\)](https://www.oregonmetro.gov/2060-growth-forecast), <https://www.oregonmetro.gov/2060-growth-forecast>

<sup>9</sup> [Population Estimate Reports | Portland State University \(pdx.edu\)](https://www.pdx.edu/population-research/population-estimate-reports), <https://www.pdx.edu/population-research/population-estimate-reports>

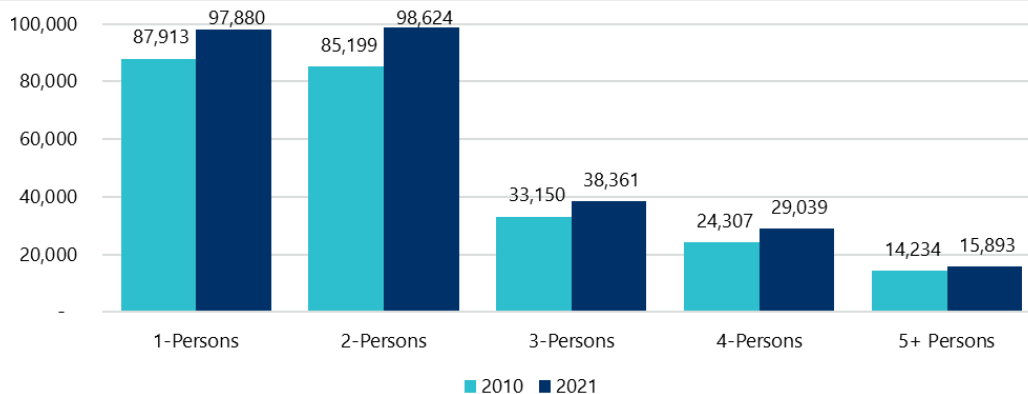
<sup>10</sup> [2040 Distributed Forecast | Metro \(oregonmetro.gov\)](https://www.oregonmetro.gov/2040-distributed-forecast), <https://www.oregonmetro.gov/2040-distributed-forecast>

<sup>11</sup> Latine is the gender-neutral noun or adjective for a person who is from or whose family origins are from a Latin American country.

## Household Composition

One- and two-person households represent 70 percent of the city's households. Households with three or more persons represent 30 percent of all households. (ACS 2010 and 2021, Table S1101, B11016). The average household size in Portland is 2.26 persons in 2021, comparable to the household size in 2010 (2.25). The city has seen a greater increase in the number of one and two person households than households with three or more persons between that time period. Still, the number of larger households has continued to increase as well.

**Figure 15. Households by Household Size, 2010 and 2021**



Source: ACS 2010 and 2021, Table B11016

The proportion of households with children declined slightly from 2010 to 2021. In 2021, 77 percent of households did not have children, a slight increase from 2010 when 75 percent of households did not have children (ACS 2010 and 2021, Table B11005). About seven percent of all households were single parent households in 2021, or about 31 percent of all households with children – a decrease from 2010.

Family households make up half of all households, a slightly decreasing share of all total households from 2010 in the 2021 survey period. The share of nonfamily households not living alone (living with roommates) increased by 11,340 households.

**Figure 16. Household Composition, Family and Non-Family, 2010 to 2021**

	2010		2021		Change	
	#	Share	#	Share	#	Share
<b>Family Households:</b>	125,703	51%	139,390	50%	13,687	11%
Married-Couple Family	90,660	37%	105,455	38%	14,795	16%
Other Family, No Spouse Present	35,043	14%	33,935	12%	-1,108	-3%
<b>Nonfamily Households:</b>	119,100	49%	140,407	50%	21,307	18%
Householder Living Alone	87,913	36%	97,880	35%	9,967	11%
Householder Not Living Alone	31,187	13%	42,527	15%	11,340	36%
<b>Total:</b>	244,803	100%	279,797	100%	34,994	14%

Source: ACS 2010 and 2021, Table B11001

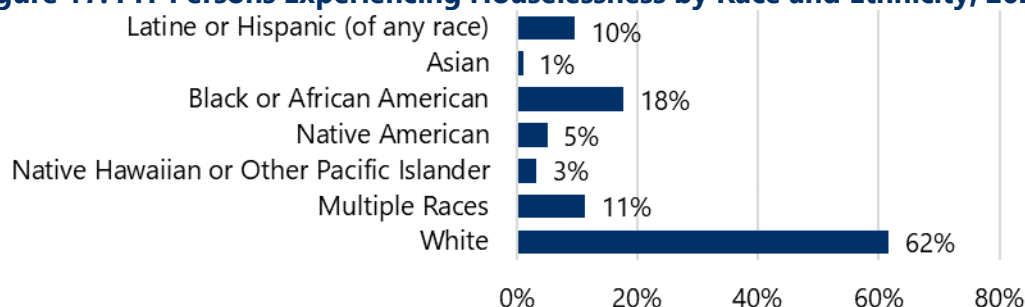
## Historically Underserved Communities

### People Experiencing Houselessness

Beyond immediate needs for safe shelter options, people who are unhoused or precariously housed need access to transitional housing, supportive services, and deeply affordable housing in the long term. In 2023, 6,297 people were counted as experiencing both sheltered and unsheltered houselessness—a 27 percent increase since 2022, with unsheltered houselessness seeing the highest increase. In 2023, several racial groups were disproportionately experiencing houselessness in Portland.

Black or African American residents were over-represented in the houseless population compared to the overall population (18 percent compared to seven percent), American Indian or Alaska Native (five percent compared to three percent), Native Hawaiian or Other Pacific Islander (three percent compared to one percent), and Multiple Races (11 percent compared to less than three percent).

**Figure 17. PIT Persons Experiencing Houselessness by Race and Ethnicity, 2023, Multnomah**



Source: Multnomah County PIT, 2023

The facilities available to houseless persons and households in Multnomah County range from seasonal emergency housing to permanent supportive housing. In 2023, the number of year-round beds increased to 11,863, an increase of 1,732 permanent and 544 emergency beds from 2022.

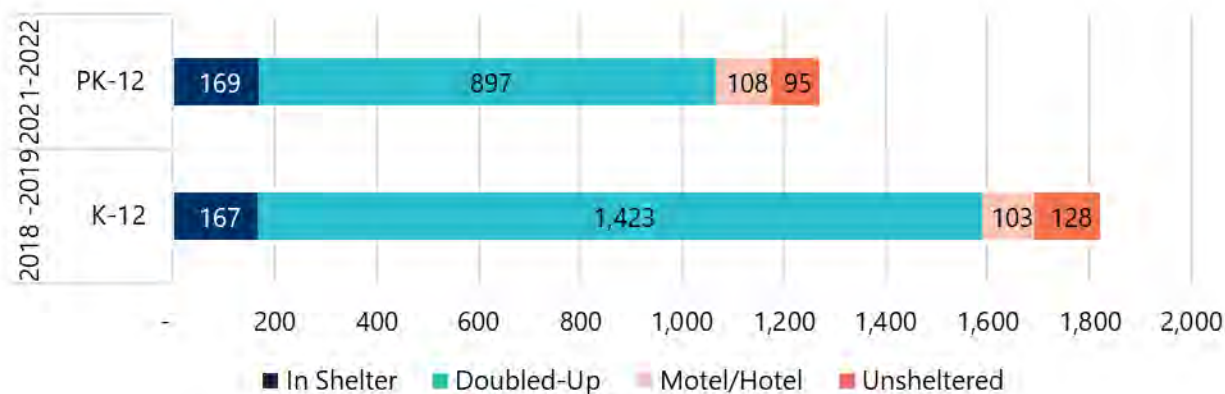
**Figure 18. Facilities and Housing for Households Experiencing Houselessness, Multnomah County**

Housing Type	Family Units	Beds				Bed Subset		
		Family	Adult Only	Child Only	Year-Round	Chronic	Veteran	Youth
Emergency, Safe Haven & Transitional	138	411	2,228	9	2,648	-	255	54
Permanent	1,300	4,234	4,981	-	3,655	1,342	1,120	300
<b>Grand Total</b>	<b>1,438</b>	<b>4,645</b>	<b>7,209</b>	<b>9</b>	<b>6,303</b>	<b>1,342</b>	<b>1,375</b>	<b>354</b>

Source: HUD 2023 Continuum of Care Houseless Assistance Programs Housing Inventory Count Report

From the 2021-2022 school year to the 2022-2023 school year, the number of students who were in shelters, doubled up, in motels/hotels, and unsheltered increased by 43 percent (550 students) to 1,819 students, and 286 were unaccompanied in Parkrose, Portland and David Douglas Districts.

**Figure 19. PK – 12 Students Experiencing Houselessness by Living Situation, 2018 and 2021**



Source: McKinney Vento, Student Data, \*Parkrose, Portland and David Douglas Districts

## Older Adults

Since 2000, the share of Portland residents who are older adults (65+) has increased from around 12 percent to 13 percent of the population. In the greater Portland region, this population has increased to almost 15 percent. Metro population forecasts estimate that this trend will continue to increase, in keeping with state and national trends. In 2021, the highest share of the population over the age of 65 lived in Gateway (10 percent of all Portlanders aged 65+), Central City (seven percent), and Hollywood, Interstate Corridor, Lents-Foster and Montavilla (each six percent respectively) (ACS 2021, B101001).

## People Living with Disabilities

It is estimated that 12 percent of Portland's noninstitutionalized population has a disability (ACS 2021, Table S1810). Fourteen percent of the over 18 population is estimated to have a disability, using local estimates from 2014-2016, the estimate increases to nearly 24 percent.<sup>12</sup> Overall, 22 percent of all households in Portland have at least one household member with disabilities (CHAS 2019), though less detail is provided in the ACS, the estimate increases to nearly 27 percent.

- Of those who reported a disability, three percent live with a hearing difficulty, two percent with a vision difficulty, six percent with cognitive difficulty, five percent with an ambulatory difficulty, two percent with a self-care difficulty, and five percent with an independent living difficulty.
- People over 65 years old are more likely to report a disability, and in Portland, 33 percent of people over 65 reports having at least one disability.
- Households earning less than 50 percent AML are more likely to have members with disabilities.
- Adults with disabilities are more likely to rely on supplemental security income (SSI) as a source of income, which would be insufficient to meet most basic needs, including housing costs.<sup>13</sup>

<sup>12</sup>[https://www.oregon.gov/oha/PH/BIRTHDEATHCERTIFICATES/SURVEYS/ADULTBEHAVIORRISK/COUNTY/Documents/1417/DisabilityLact\\_1417.pdf](https://www.oregon.gov/oha/PH/BIRTHDEATHCERTIFICATES/SURVEYS/ADULTBEHAVIORRISK/COUNTY/Documents/1417/DisabilityLact_1417.pdf)

<sup>13</sup> The Technical Assistance Collaborative's 2022 Priced Out



- Nationally, disability continues to be the top basis of alleged discrimination under the Fair Housing Act, with 4,791 complaints filed in FY 2021, 57 percent of all complaints.<sup>14</sup>

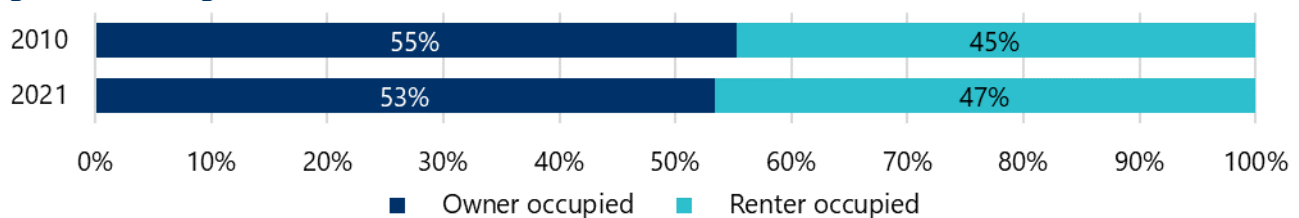
## Students

Portland has over a dozen public and private colleges and universities, including two public institutions, Portland Community College (PCC) and Portland State University (PSU). Enrollment for both peaked in the '17-18 academic year and has since declined by 24 percent and 28 percent respectively. Presently, there are an estimated 6,218 student units in the City of Portland. For 2021, PSU reported that 50 percent of first year students and just nine percent of undergraduates live in college-owned, operated, or affiliated housing. According to the Urban Land Institute's (ULI) 2023 Emerging Trends report, new student housing production has significantly decreased since the start of the COVID-19 pandemic.

## Housing Tenure

Although the share of owner-occupied units declined (Figure 20), the number of owner-occupied units increased by 14,165 from 2010 to 2021 and the number of renter-occupied housing units increased by 20,829. Since 2010, homeownership rates have decreased overall, which is largely due to most new housing development in multi-dwelling buildings, which are mostly rental units. Despite those trends, Native Hawaiian, Native American, and Black or African American householders have experienced an increase in ownership rates across the city. Only householders who identified as some other race (or another race) saw a decrease in both the rate and number of owner-occupied households.

**Figure 20. Change in Tenure from 2010 to 2021, Portland**



Source: ACS 2010 and 2021 5 Year Table B25003

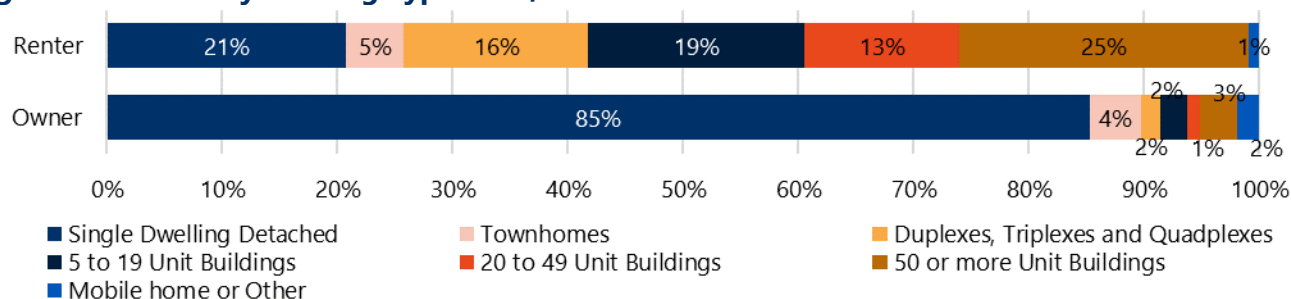
Most of Portland's homeowners (85 percent) lived in single-dwelling detached housing (Figure 21). In comparison, only 21 percent of Portland's households that rent lived in single-dwelling detached housing. Twenty-one percent of renters lived in a middle housing unit (townhome, duplex, triplex, or quadplex housing), and about a quarter of renters lived in large multi-dwelling buildings (50+ units).

Seventy percent of householders over 65 own their home, compared to just fifty-three percent of all Portland householders. Most homeowners over 65 own a single-dwelling unit home, detached, or

<sup>14</sup> [https://www.hud.gov/sites/dfiles/FHEO/documents/FHEO Annual Report FY 2021.pdf](https://www.hud.gov/sites/dfiles/FHEO/documents/FHEO%20Annual%20Report%20FY%202021.pdf)

attached. Just 14 percent live in other types of housing structures. Elder householders who rent, are more likely to live in multi-unit structures with 50 or more units (over 43 percent).

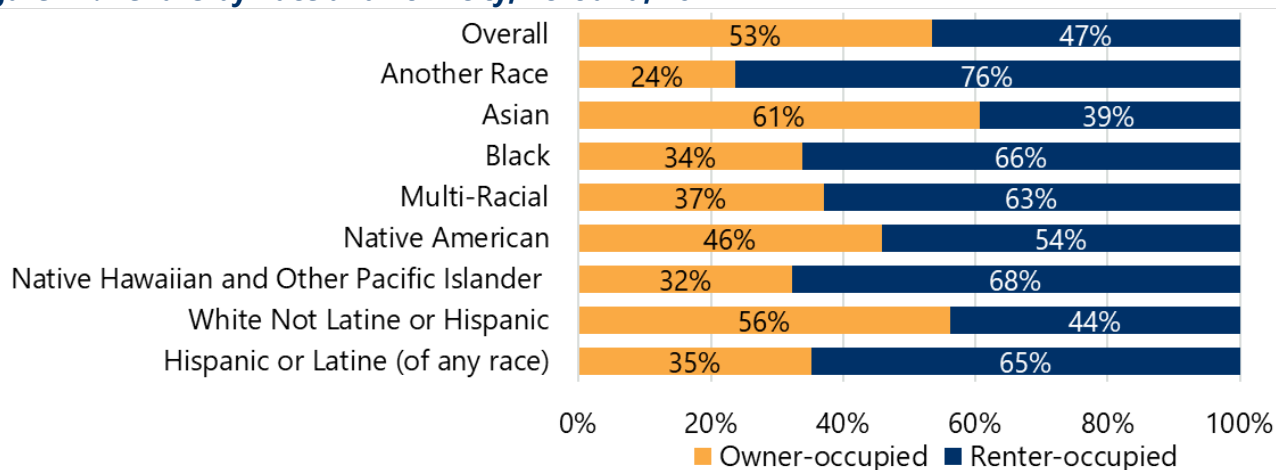
**Figure 21. Tenure By Housing Type 2021, Portland**



Source: ACS 2010 and 2021 5 Year Table B25032

White and Asian households have the highest rate of homeownership (56 and 61 percent, respectively). Native Hawaiian and Other Pacific Islander (32 percent) and Black or African American (34 percent) households, and households identifying as another race (24 percent), have the lowest ownership rates (Figure 22).

**Figure 22. Tenure by Race and Ethnicity, Portland, 2021**



Source: 2021 ACS 5-year Table B25003

## Income and Affordability

Housing preference is usually shaped by the size and needs of a household. However, the actual choice and eventual place of residence for a household are significantly influenced by household income. While data shows that Portland is becoming a wealthier city overall, with 39 percent of households making \$100,000 or more annually in 2021 (ACS), about 13 percent of the city's residents are experiencing poverty, compared to 12 percent statewide (ACS). Families who own the homes they live in only account for three percent of households below the federal poverty level, and 16 percent of all renter families are under the poverty level (ACS 2021, S1702). About 10 percent of householders making less than 50 percent of the poverty level identify as having a disability (ACS 2021, S1703).

The area median income (AMI) determines the amount of rent that can be charged to households making below a certain income level living in deed-restricted affordable units. Households making below 80 percent AMI also may be eligible to live in regulated affordable units or apply for specific programs such as down payment assistance loans or rental assistance programs.

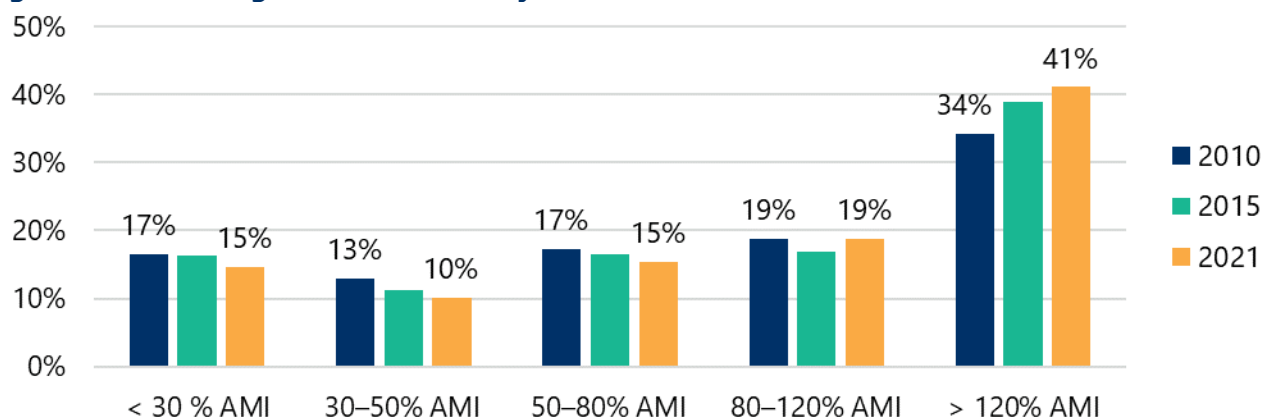
**Figure 23. 2023 Area Median Income (AMI) by Household Size, and Affordable Monthly Cost at 30% of Monthly Income, Portland Metro Region**

AMI %		Household Size				
		1-Person	2-People	4-People	6-People	8-People
30%	Income	\$23,700	\$27,100	\$33,850	\$40,280	\$50,560
	Affordable Monthly Housing Cost	\$658	\$753	\$940	\$1,119	\$1,404
60%	Income	\$48,048	\$54,912	\$68,640	\$79,622	\$90,605
	Affordable Monthly Housing Cost	\$1,335	\$1,525	\$1,907	\$2,212	\$2,517
80%	Income	\$63,150	\$72,200	\$90,200	\$104,650	\$119,100
	Affordable Monthly Housing Cost	\$1,754	\$2,006	\$2,506	\$2,907	\$3,308
100%	Income	\$80,080	\$91,520	<b>\$114,400</b>	\$132,704	\$151,008
	Affordable Monthly Housing Cost	\$2,224	\$2,542	<b>\$3,178</b>	\$3,686	\$4,195

Source: HUD, 2023

The proportion of households making less than 80 percent of the area median income (AMI) has been decreasing since 2010, from 47 percent of households to 40 percent in 2021. Similarly, the total number of households decreased slightly from 93,000 in 2010 to 91,000 in 2021. The 2023 AMI for a household of four in the Portland metropolitan area is \$114,400.

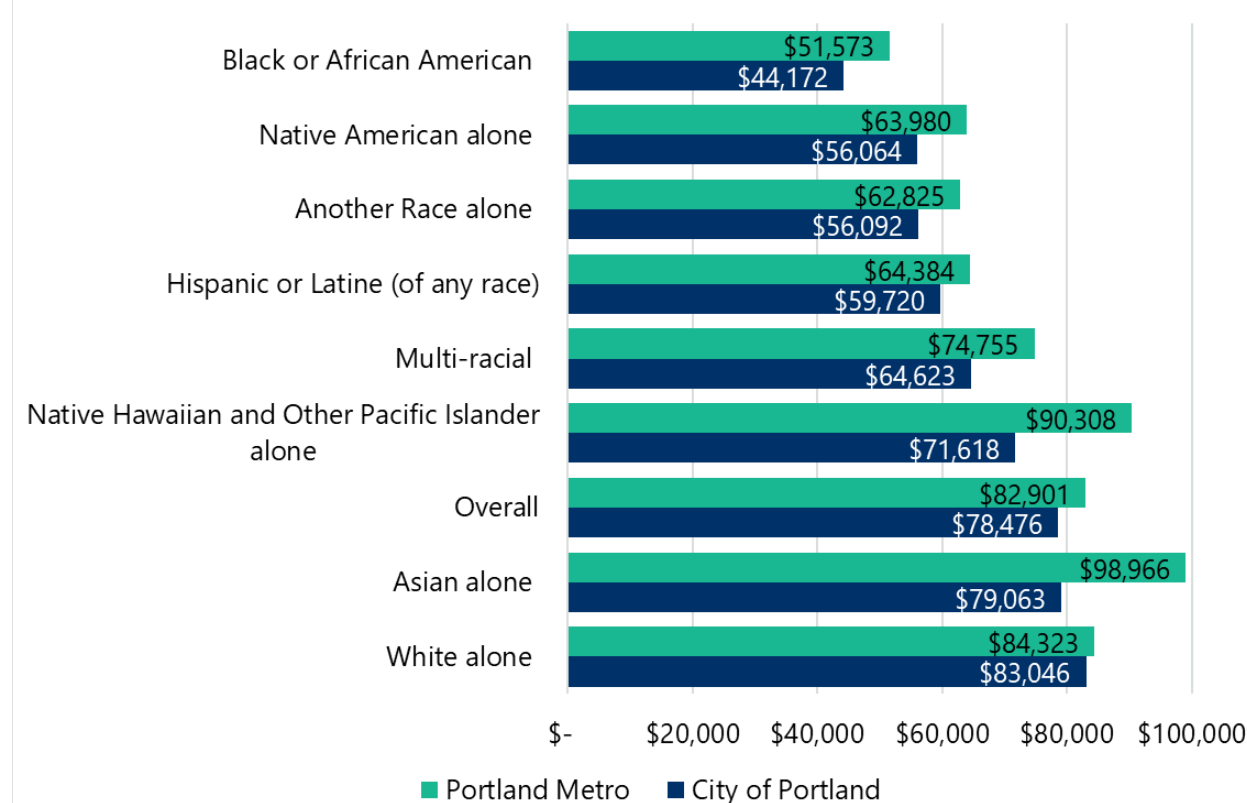
**Figure 24. Percentage of Households by Area Median Income Levels, 2010-2021**



Source: PUMS, 5-year, 2010, 2015 and 2021

Despite Portland becoming a wealthier city overall, there are large disparities in income among racial groups (Figure 25). Median household income for Black or African American households in Portland was the lowest out of all the race/ethnicity categories in Portland and the region (\$44,172 and \$51,573, respectively). Native American households had the second lowest median income in Portland (\$56,064). White households had the highest median income in Portland (\$83,046), and Asian households had the highest median income for the region (\$98,966).

**Figure 25. Median Household Income by Race and Ethnicity, 2021**

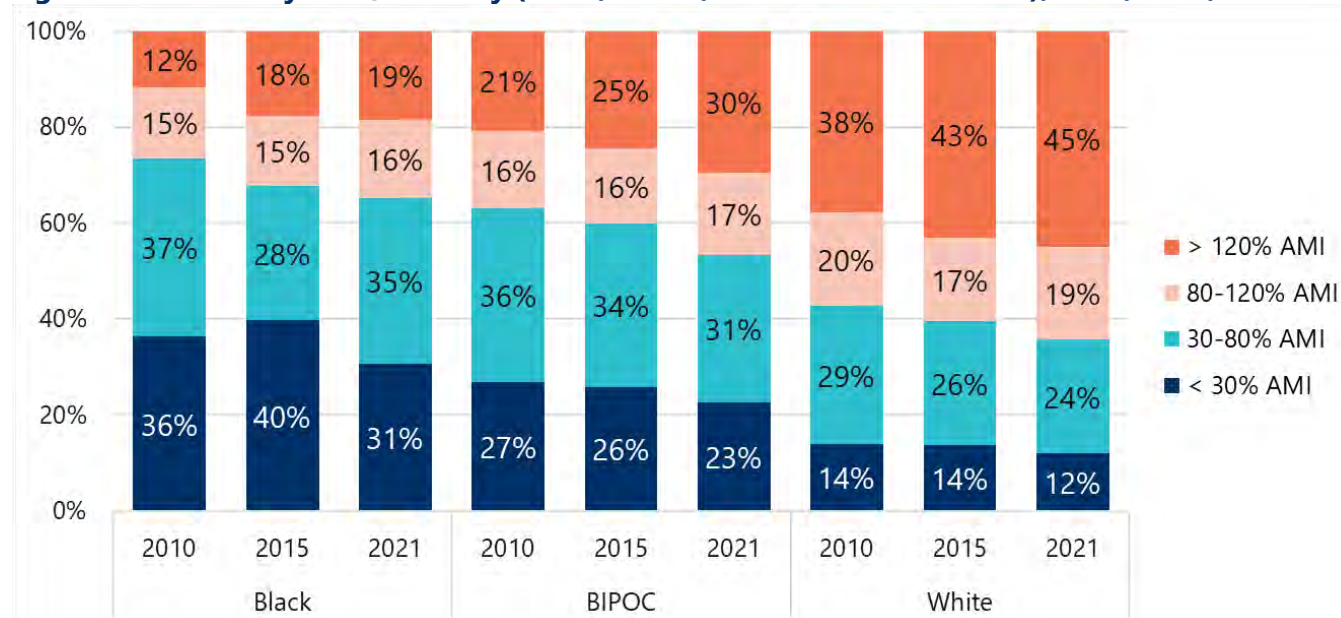


Source: ACS 5-year, 2021, Table B19013A-I

As a share of the overall median income, just Asian alone households and White alone households are earning higher than the median, at 101 percent and 106 percent respectively. In general, incomes increased for all racial and ethnic groups from 2010 to 2021, with household income levels rising most significantly for BIPOC households (Figure 26). The percentage of head of households identifying as Black, Indigenous, or people of color and making more than 120 percent AMI increased by nine percent since 2010 but totaled only 30 percent of BIPOC households combined. When disaggregated by race, the proportion of Black heads of households making more than 120 percent AMI increased by seven percent, totaling 19 percent of Black households.

In a challenging housing market, income disparities further impede the opportunity for households to enter the market, build wealth through ownership, and further burdens renters. Because of this, the impacts of a constrained supply are more starkly felt by BIPOC households. In 2021, 19 percent of all Black householders earned greater than 120 percent AMI, compared to 45 percent of white householders and 30 percent of BIPOC households overall.

**Figure 26. Income by Race/Ethnicity (Black, BIPOC, and White Households), 2010, 2015, and 2021**

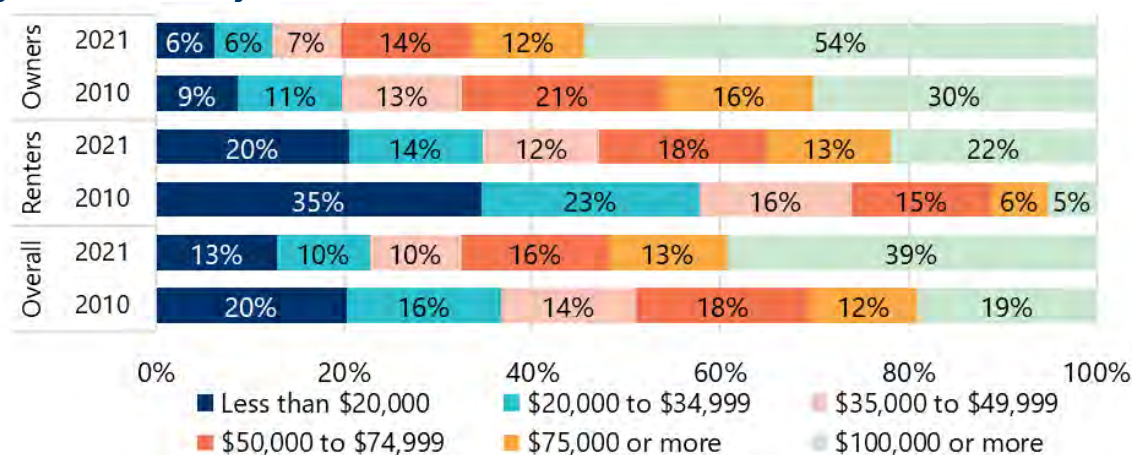


Source: PUMS, 5-year, 2010, 2015 and 2021

In 2021, 13 percent of the overall population was below the poverty level. This includes 28 percent of the city's Black or African American population, 22 percent of the Native American population, 19 percent of the population identifying as "some other race," and 18 percent of Latine or Hispanic populations of any race (ACS 2021 S1701).

Over time, renters and owners in Portland have become wealthier, however, a higher proportion of owners (greater than 54 percent) earn over \$100,000.

**Figure 27. Tenure by Income, 2010 and 2021**



Source: 2010 and 2021 5-year ACS Table B25118

## Cost Burden

Overall, more than a third of Portland households spend more than 30 percent of their income on housing costs, which means that they are cost burdened. About 50 percent of renters in the city are cost burdened. As housing costs continue to increase at a rate that is hard for incomes to keep up with, more and more households become cost-burdened and may have to potentially move to more affordable areas or even out of state.

Rental costs have increased at roughly the same rate as renter income but have remained above 30 percent of renter-occupied household income for more than a decade. Meanwhile, ownership costs have remained below 30 percent of the average owner-occupied household income and continued to decline through 2021. Average costs for renters have increased at a faster rate than owners with a mortgage, largely because renters are more likely to be subject to annual rent increases whereas mortgages tend to be fixed. However, the attainability of homes – particularly for prospective first-time homebuyers – is at an all-time low.

While households at all income levels may experience cost burden, higher-income households have more income left over after paying for housing costs while lower-income households have fewer funds left over to pay for the cost of living or have disposable income. In 2021, 19 percent of all households were cost-burdened, and 17 percent were severely cost-burdened. Portland's cost burden rate (36 percent) is higher than the state overall (33 percent) and higher than two comparable cities, Denver and Seattle (34 percent), and below Sacramento's cost burden rate (Figure 28).



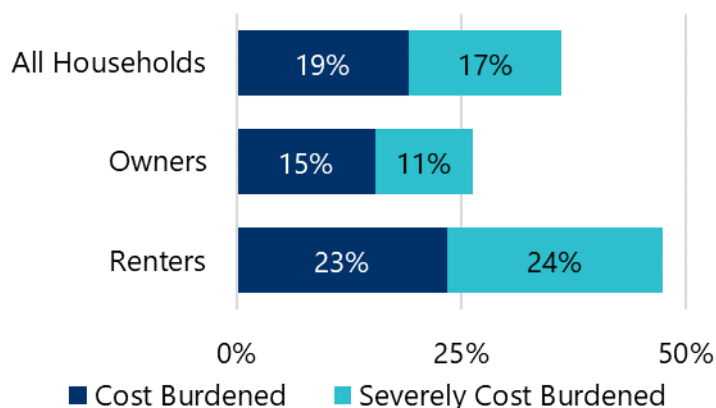
**Figure 28. Cost Burden in Oregon, Portland, and Comparative Cities, 2021**

Level of Cost Burden	Oregon	Portland	Seattle	Sacramento	Denver
<b>Not Cost Burdened</b>	67%	64%	66%	61%	66%
<b>Total Cost Burdened (30+%)</b>	33%	36%	34%	39%	34%
<b>Cost Burdened (30-50%)</b>	18%	19%	19%	21%	19%
<b>Severely Cost Burdened (50%+)</b>	15%	17%	15%	19%	15%
<b>Total</b>	100%	100%	100%	100%	100%

Source: ACS 2021, B25091 and B25070

Renters were more likely to be cost-burdened and severely cost-burdened than owners, compared to just 26 percent of homeowners, nearly 50 percent of renters were cost-burdened.

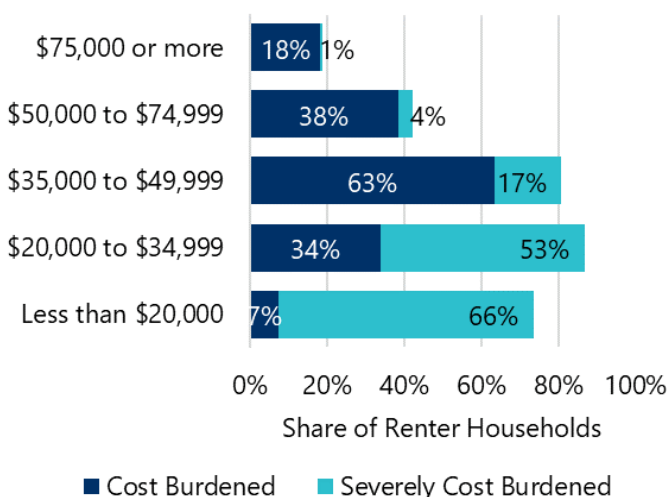
**Figure 29. Cost Burden by Tenure, 2021**



Source: ACS 2021, B25091 and B25070

While nearly 50 percent of all renters in Portland are cost-burdened, the variance among renters based on income is significant. Renters with household incomes below \$35,000 are more severely cost-burdened than cost-burdened, with 66 percent of renters with household incomes below \$20,000 being severely cost-burdened. Severe cost burden declines as incomes increase above the \$35,000 to \$49,999 household income level.

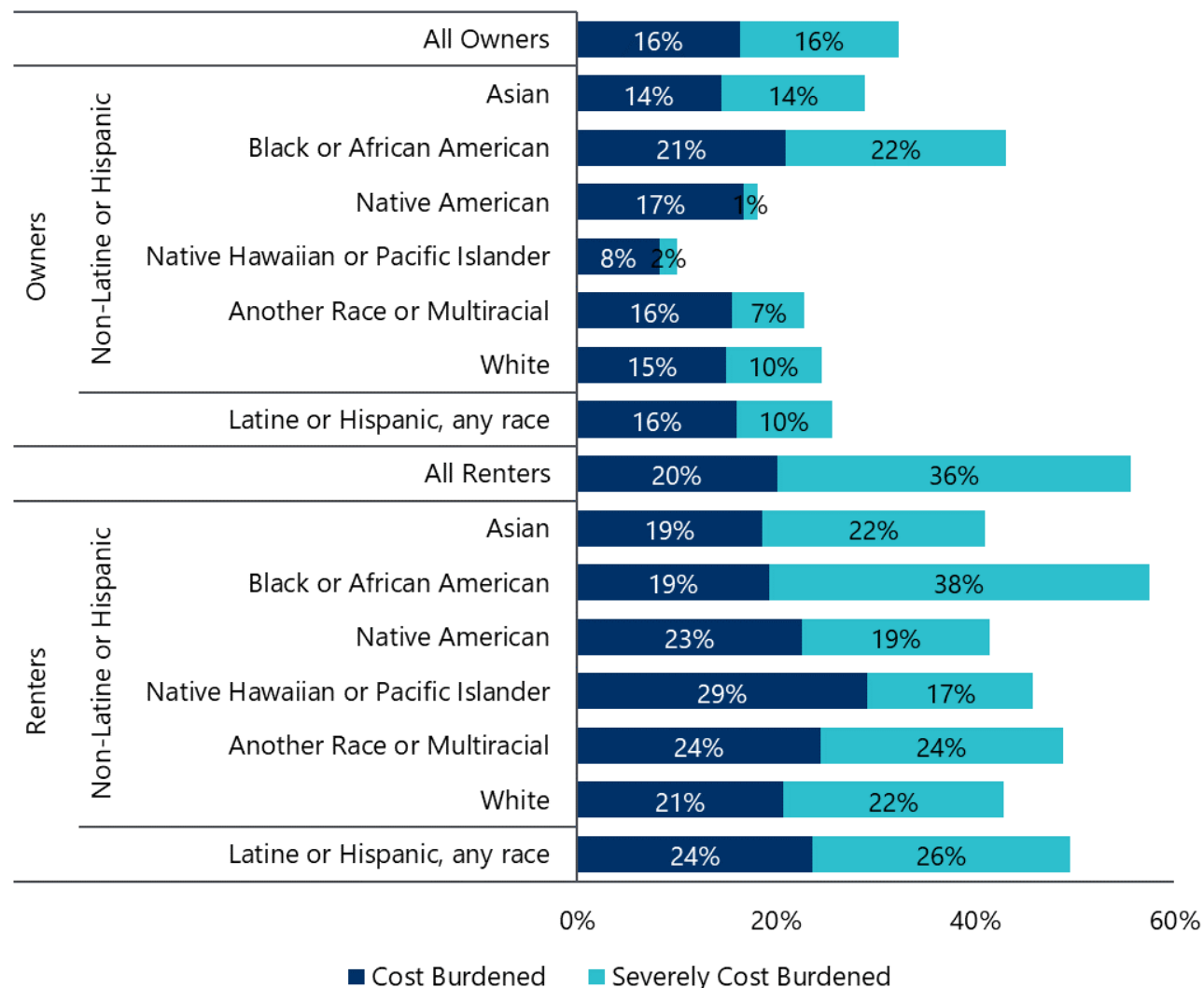
**Figure 30. Renter Cost Burden by Income, 2021, Portland**



Source: ACS 2021, B25074

Disaggregating by race and ethnicity shows disparities among racial groups. Black or African American residents are the most cost-burdened as renters and as owners, having the largest proportions of the cost-burden total. They also have the highest percentage of severely cost-burdened residents by tenure, 22 percent of Black homeowners and 38 percent of Black renters (Figure 31).

**Figure 31. Cost Burden by Tenure and Race and Ethnicity, 2019**



Source: 2015-2019 CHAS Table 9



## Housing Location Analysis

The Housing Needs Analysis and Buildable Lands Inventory demonstrate that, overall, there is sufficient development capacity for the expected housing demand of the next twenty years. This additional location analysis can understand where that capacity and expected development is located and help identify priority areas for focusing where development could better meet the City's policy goals.

This location analysis helps develop an understanding of the current housing distribution, including regulated affordable housing, alongside the 2045 expected demand for new units and the current residential development capacity. The analysis is based on different geographies that correlate to key policy goals. The following analyses include a look at:

- **Racially Concentrated Areas of Affluence (RCAA) and Poverty (RECAP).** Areas of racialized affluence or poverty to determine whether the distribution of housing opportunity is equitable.
- **Areas of Economic Vulnerability.** Areas where residents are more vulnerable to changing economic conditions, making resisting displacement more difficult.
- **Complete Neighborhoods.** Areas where residents have safe and convenient access to goods and services they need on a daily or regular basis.
- **Centers and Corridors.** Areas of mixed-use and multi-dwelling housing within a quarter mile of Portland's centers and along transit streets and neighborhood business districts.
- **Areas of Opportunity.** High opportunity areas offering a mix of desirable services, opportunities, and amenities that promote healthy, active living.
- **Low Carbon Areas/Areas of Low Residential VMT**– Areas with the lowest average of vehicle miles traveled for home-based trips, defined as trips that originate or end at a residence, that represent lower carbon neighborhoods.
- **Hazard Risk Areas.** Areas where households are more at risk of different environmental hazards, some of which will continue to worsen due to climate change.

The housing location analysis reveals promising opportunities and critical challenges to Portland's growth pattern. Over the past decade, new development has primarily clustered in key growth areas outlined in the Comprehensive Plan. These include complete neighborhoods, areas near centers and corridors, and high-opportunity areas. This trend is expected to continue, with 60 to 80 percent of Portland's anticipated housing demand targeted in these key growth areas. This approach is essential for achieving Comprehensive Plan goals that aim to increase Portland's share of the population within complete neighborhoods from today's 47 to 80 percent and increase Portland's total housing units near centers and corridors from 72 to 80 percent. While results show that there is sufficient development capacity to accommodate future demand in these areas, the City must remain committed to

implementing proactive measures to unlock additional capacity and ensure anticipated growth in these areas is not hindered.

However, merely accommodating demand in key growth areas falls short of addressing broader issues around fair and equitable housing practices and climate resilience preparedness. The RECAP/RCAA analysis reveals that many of Portland's racially concentrated areas of affluence are located in complete neighborhoods and high-opportunity zones but have effectively excluded low-income households, many of which are members from the protected classes, from accessing these areas, thereby perpetuating historical patterns of racial and income segregation. RCAAs account for eight percent of existing households, but only accounted for three percent of all permitted units between 2003 – 2022 and are expected to capture only three percent of the new housing demand in the next 20 years. Notably, RCAAs hold less than one percent of Portland's total regulated affordable housing units. Addressing the exclusionary zoning policies that uphold this fundamental barrier to fair housing is essential to increasing equitable access and opportunity for all residents.

Redressing exclusionary zoning policies also plays a role in alleviating market pressures in other neighborhoods expected to absorb a significant portion of new housing demand. This can be especially impactful in neighborhoods with above-average rates of cost-burdened households known as areas of economic vulnerability. A third of Portland's new demand is projected for these areas. By enabling greater capacity and growth in exclusionary neighborhoods that are also high-opportunity, housing demand pressures can be more evenly distributed, easing mounting pressures in economically vulnerable neighborhoods that could be subject to rising housing costs. These efforts should be complemented by policies aimed at allowing residents to stay in place to effectively mitigate displacement impacts on the city's most economically vulnerable residents.

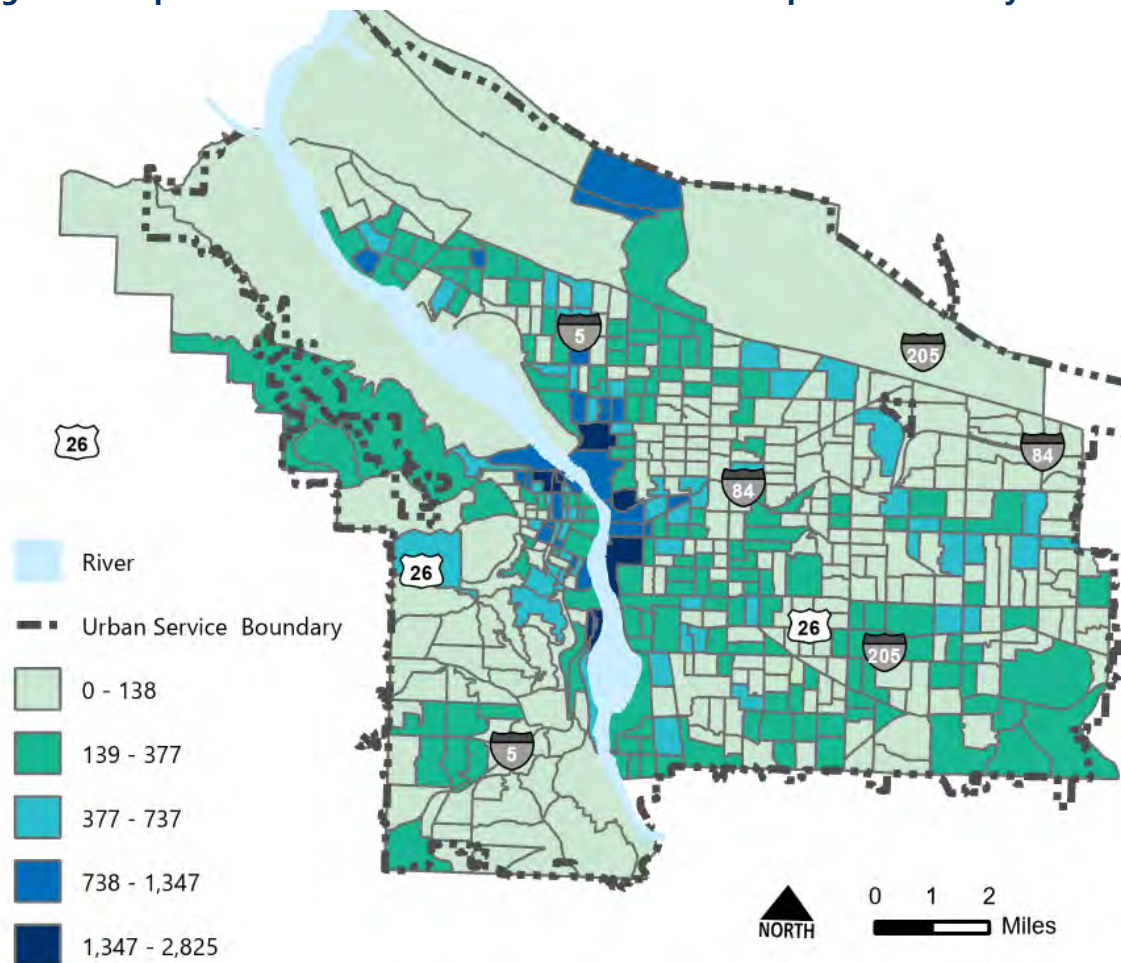
In addition, understanding the intersection between hazard risk areas, low residential VMT areas and key growth areas is essential for guiding the city towards resilient and sustainable growth. The Low residential VMT areas analysis shows that low VMT areas generally align with key growth areas, indicating that Portland's housing growth pattern is in line with the city's goals to reduce VMT and associated carbon emissions. The hazard risk analysis reveals that urban heat islands and high probability liquefaction zones are hazard areas most significantly affecting future growth. More than a third of the new demand is concentrated in urban heat islands and close to 20 percent in high-risk liquefaction areas. This analysis underscores the urgency of identifying and implementing policies to mitigate climate risk impacts on Portland residents. These policies can also enhance the resilience of Portland's most vulnerable residents residing in existing regulated affordable housing units, given that 44 percent of regulated affordable units are situated within urban heat islands and 20 percent within liquefaction-prone areas.

## Housing Demand

Based on the 2045 HNA, the City should expect the demand of new housing units to be between 97,471 and 120,560. The 2045 HNA forecasted the potential demand of units based on the development trends from 2003-2022. If future housing growth follows the same pattern over the next twenty years as it did the last twenty years, then:

- Twenty six percent or 31,288 new units are expected to be in Central City Portland.
- Eleven percent or 12,731 new units are expected to be in East Portland.
- Sixteen percent or 19,844 new units are expected to be in North Portland.
- Twelve percent or 14,949 new units are expected to be in Northeast Portland.
- Nineteen percent or 23,141 new units are expected to be in Southeast Portland.
- Fifteen percent or 18,607 new units are expected to be in West Portland.

**Figure 32. Expected Unit Demand Based on 20 Year Development Trends by Census Block Group**



Source: BPS Analysis, 2045 Housing Needs Analysis

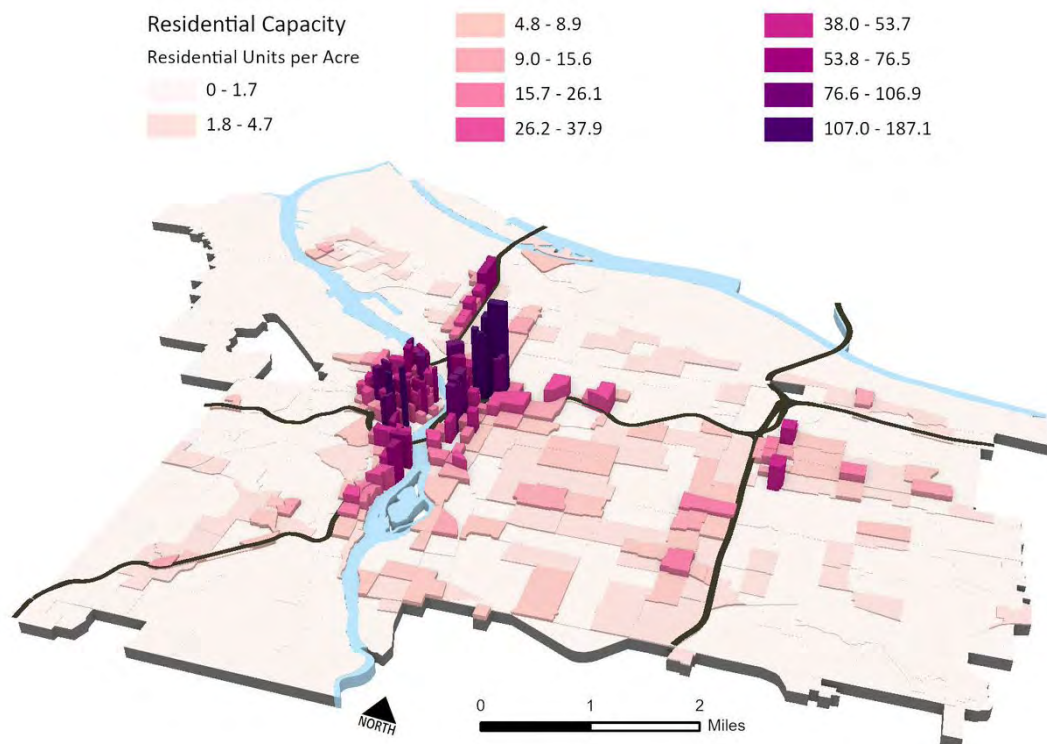
## Housing Capacity

The Residential Capacity Map demonstrates the results of the Buildable Lands Inventory (BLI) and the residential capacity by Traffic Analysis Zone (TAZ), shown as housing units per acre (density). The BLI model applies a market-feasible development capacity lens that calculates the likelihood of development and at what scales. This methodology identifies capacity where development is financially feasible.

Areas of high-density residential capacity tend to be in Portland's centers (Central City, Hollywood, Gateway, etc.) and corridors (Interstate, 82<sup>nd</sup> Avenue) where most of the city's mixed-use and multi-dwelling zoning currently exists.

- Central City accounts for 29 percent of new housing capacity citywide, but five percent of Portland's vacant and underutilized lots, reflecting a high-density development capacity concentration.
- West Portland accounts for seven percent of new housing capacity, but 26 percent of the vacant and underutilized lots, reflecting the presence of both development constraints and lower-density zoning concentration.
- In the Outer market area (which is mostly East Portland), there are 16 percent of the city's vacant and underutilized lots and 16 percent of the total housing unit capacity.

**Figure 33. Residential Capacity Map**



Source: BPS Analysis, 2023, 2045 Housing Needs Analysis



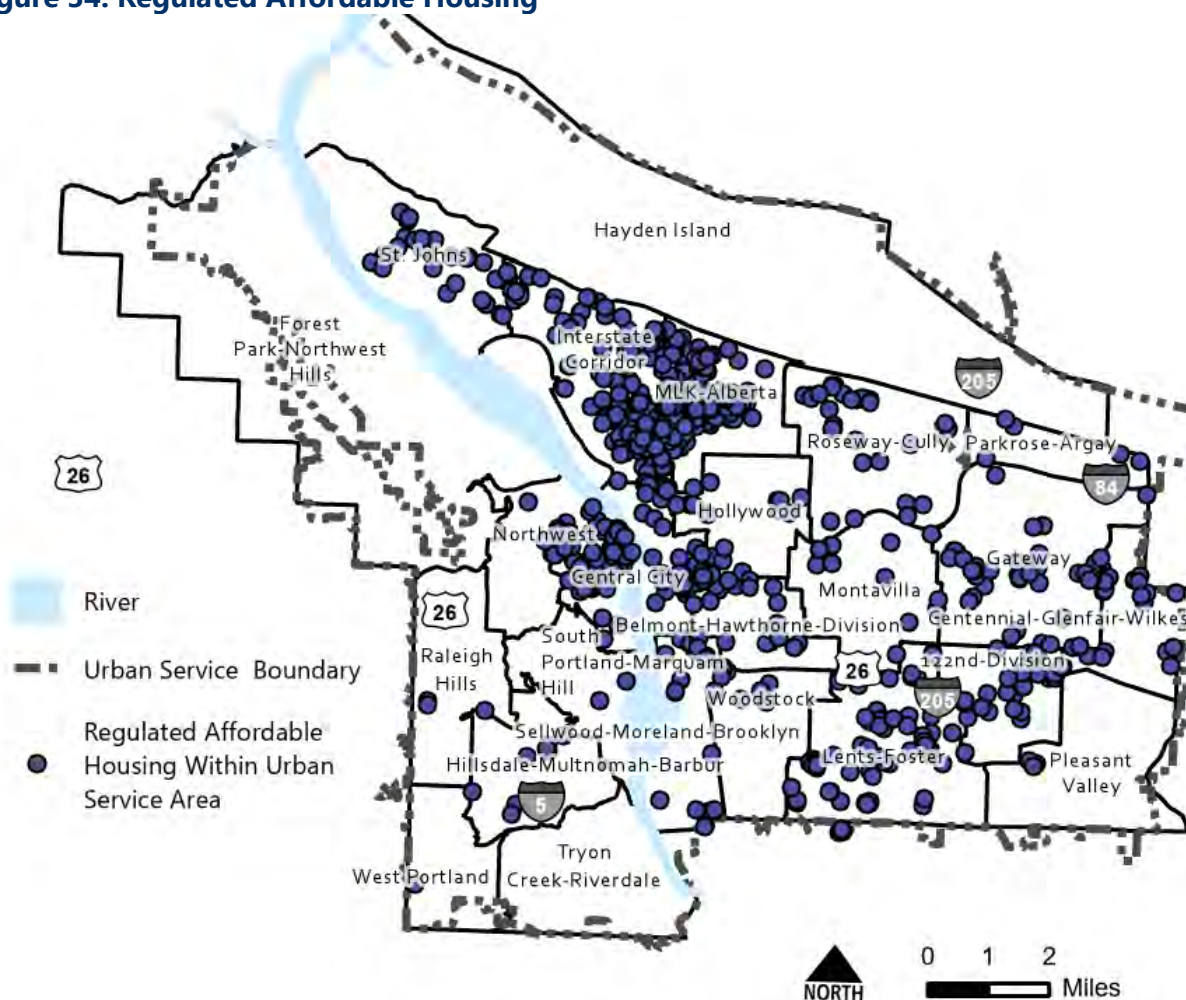
## Distribution of Affordable Housing

Affordable housing that is located in a walkable neighborhood near active transportation, employment centers, open spaces, high-quality schools, and various services and amenities enhances the general quality of life for its residents. The City of Portland currently has 24,231 units of regulated affordable housing, making up roughly eight percent of the city's total housing stock.

Most of Portland's regulated affordable units are concentrated in Central City, North/Northeast, outer Southeast and East Portland. The loss of affordability of these units will result in a decrease in affordability in these areas. About 40 percent of Portland's affordable housing units were built between 2001 and 2021, however, analysis of OHCS data reports the number of projects and the associated number of units that have affordability restrictions expiring before 2032.

Nearly 15% of Portland's regulated affordable housing inventory is at risk of converting to market rate housing because of expiring affordability restrictions over the next 10 years.

**Figure 34. Regulated Affordable Housing**



Source: BPS Analysis, Metro Regulated Affordable Housing Inventory 2024

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

The segregation of households who are low-income and/or are members of protected classes can result in unequal access to opportunities such as education and employment. Just as problematic is the resulting exclusionary enclaves - areas of concentrated white households continue to be the most segregated of all racial groups, especially affluent white households. Recent studies show that while Portland Metro Area has a low prevalence of concentrated areas of poverty by federal standards, the Portland Metro Area has a high prevalence of concentrated areas of affluence.<sup>15</sup>

Racially Concentrated Areas of Affluence in this analysis, are census tracts that, utilizing ACS 2018-2022 five-year data have;<sup>16</sup>

- A higher than the regional average population of white residents<sup>17</sup> and
- A median income 1.5 times higher than the metro regional median household income.

Racially and Ethnically Concentrated Areas of Poverty (RECAP), in this analysis, are census tracts that, utilizing ACS 2018-2022 five-year date have;

- More than 40 percent of residents with incomes less than 200 percent of Federal poverty level and
- A higher than the regional average population of Black, Indigenous and Other Persons of Color (BIPOC) residents.<sup>18</sup>

Census tracts that have racially concentrated affluence are in Raleigh Hills, Northwest, West Portland, Tyron Creek-Riverdale, Belmont Hawthorne-Division, Hollywood, Woodstock and MLK-Alberta. Typically, these areas represent lower population density and highlight the continued impact of historic discriminatory land use and development practices. When comparing to redlining maps of the early twentieth century, two of these areas were green, three were yellow, one was redlined, and one unrated.

Census tracts that have racially concentrated poverty are located in Central City, St. Johns, Hayden Island, Gateway, Roseway-Cully, Lents-Foster, 122<sup>nd</sup>-Division, Centennial-Glenfair-Wilkes. Only two of the areas were once historically redlined. The other areas were largely rural or undeveloped in the 1930s when the redlined maps were created.

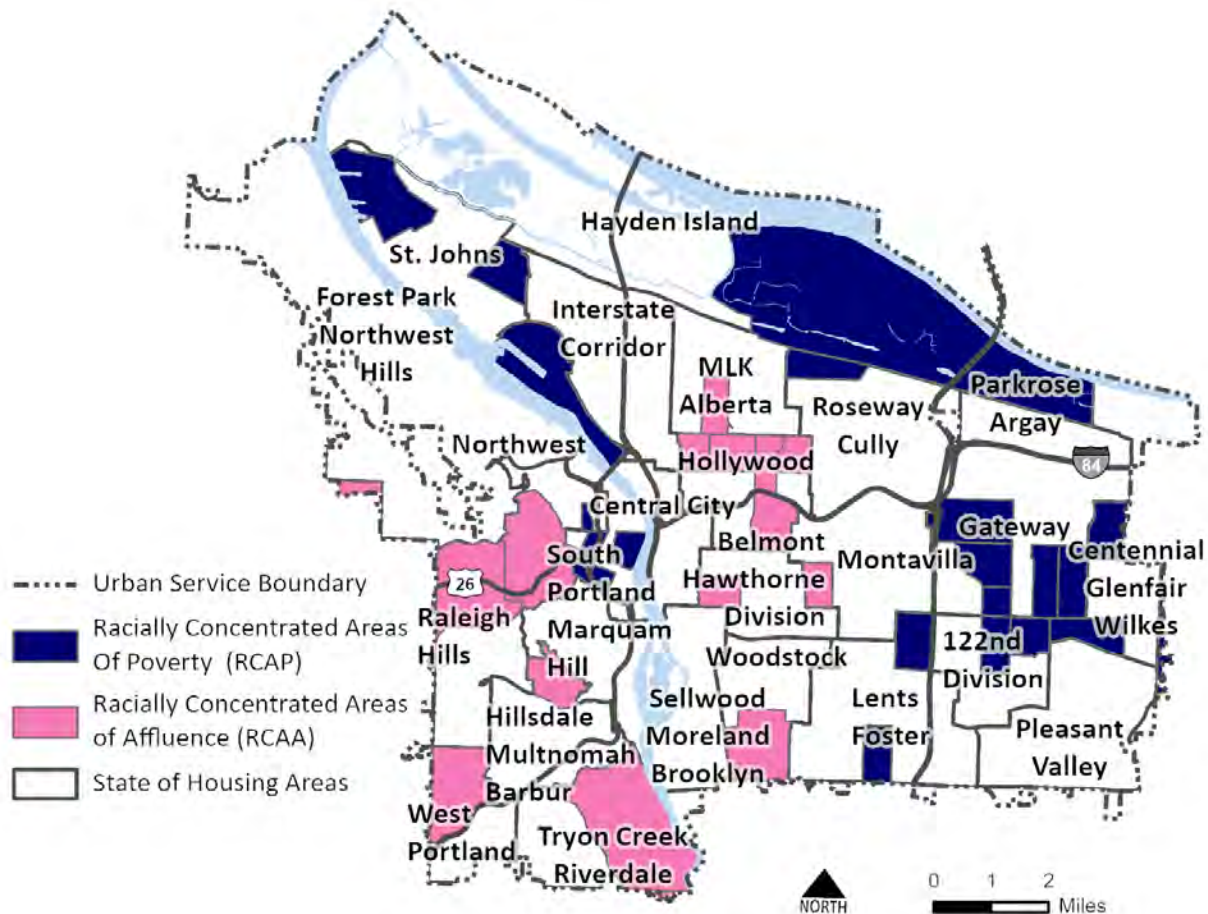
<sup>15</sup> <https://www.huduser.gov/portal/periodicals/cityscape/vol21num1/ch4.pdf>

<sup>16</sup> <https://cahcd.maps.arcgis.com/home/item.html?id=4100330678564ad699d139b1c193ef14>

<sup>17</sup> This Location Quotient (LQ) represents the percentage of total white population (White Alone, Not Hispanic or Latine) for each census tract compared to the total white population for the region. For example, a census tract with a LQ of 1.5 has a share of total white population that is 1.5 times higher than in the region.

<sup>18</sup> This LQ represents the percentage of total POC population (Excluding all White Alone, Not Hispanic or Latine) for each census tract compared to the percentage of total POC population for the region. For example, a census tract with a LQ of 1.5 has a share of total POC population that is 1.5 times higher than the average in the region.

**Figure 35. Racially Concentrated Areas of Affluence (RCAA) and Poverty (RECAP)**



Source: BPS Analysis utilizing 2018-2022 ACS 5-year

## Results

The RCAA account for eight percent of current Portland households, but only three percent of all permitted units between 2003-2022. The RCAA areas only have three percent of the residential development capacity with an expected future housing demand of three percent – well below the current share of households.

The RECAP make-up 12 percent of current Portland households and 12 percent of all permitted units between 2003-2022. Based on current zoning and market factors, the estimated residential development capacity is a similar proportion (12 percent) of the total citywide capacity.

The RECAP have 6,695 regulated affordable units (28 percent of all regulated units) compared to just 91 units (less than one percent) in the RCAA tracts. These results may not be surprising given the economic segregation prevalent in these tracts, however they indicate that income integration, especially in high-opportunity RCAA areas is an opportunity to further Portland's fair housing goals.



**Figure 36. Racially Concentrated Areas of Affluence (RCAA) and Poverty (RECAP)**

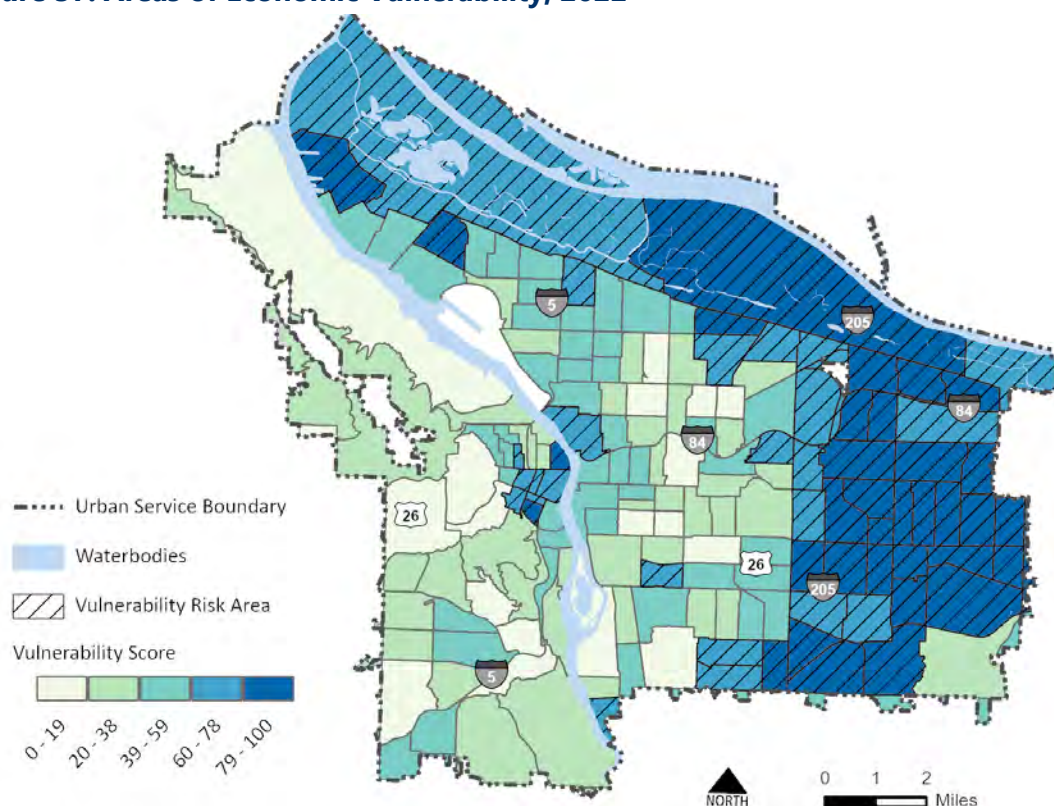
Share of...	Racially Concentrated Areas of Affluence (RCAA)	Racially Concentrated Areas of Poverty (RECAP)
Population	9%	13%
Households	8%	12%
Regulated Affordable Housing	<1%	28%
New Demand	3%	12%
Capacity	3%	12%

Source: BPS Analysis utilizing 2018-2022 ACS 5-year, 2023 Residential BLI and Metro Affordable Housing Inventory

## Areas of Economic Vulnerability

The Economic Vulnerability Assessment conducted by BPS identifies census tracts in Portland where residents are more vulnerable to changing economic conditions and displacement. This analysis is based on previous [vulnerability risk analysis](#) work by Dr. Lisa Bates. These areas have residents who are more likely to be "housing cost-burdened," pay 30 percent or more of their income on housing costs, belong to communities of color, particularly black and indigenous communities, lack 4-year college degrees, and have lower incomes. Areas of economic vulnerability are primarily concentrated in East Portland beyond I-205, Roseway-Cully, St. Johns, Old Town and Downtown, and Brentwood-Darlington.

**Figure 37. Areas of Economic Vulnerability, 2022**



Source: BPS Areas of Economic Vulnerability, utilizing 2018-2022 ACS 5-year



## Results

About 35 percent of Portland’s households reside in areas of economic vulnerability. These areas also have over 50 percent of regulated affordable housing units. These areas have a roughly proportional share of the development capacity – 36 percent. Based on recent development trends, these areas are expected to see about 30 percent of new housing demand – slightly less than a proportional share. While not expected to experience heavy development pressures, it is essential to implement measures that stabilize housing and help mitigate the involuntary displacement of vulnerable households.

**Figure 38. Areas of Economic Vulnerability**

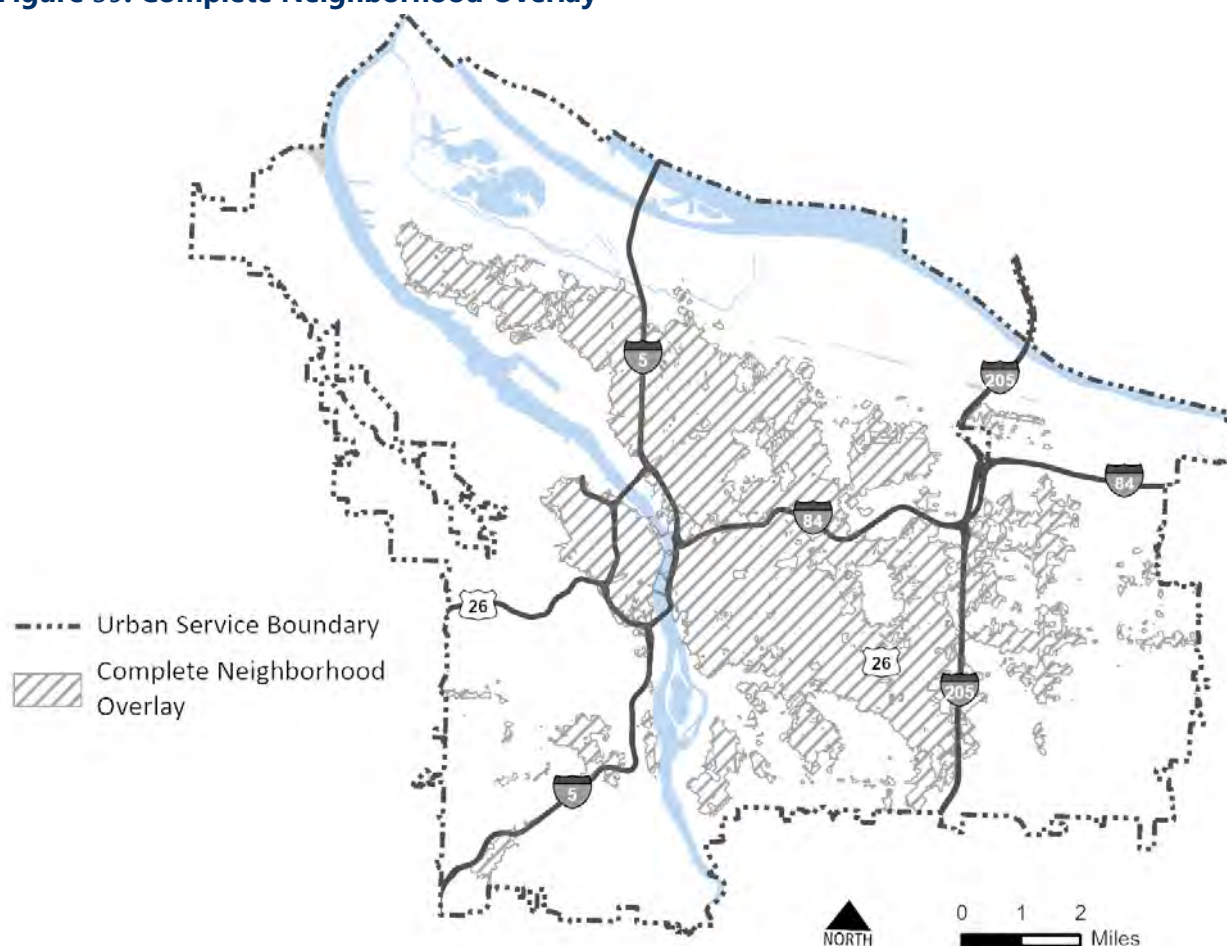
Share of...	Vulnerability Risk Areas
Population	38%
Households	35%
Regulated Affordable Housing	56%
New Demand	30%
Capacity	36%

Source: BPS Analysis utilizing 2018-2022 ACS 5-year, 2023 Residential BLI and Metro Affordable Housing Inventory

## Complete Neighborhoods

A “complete neighborhood” is an area where residents have safe and convenient access to goods and services they need on a daily or regular basis. This includes access to healthy food, like grocery stores; Other neighborhood-serving commercial services; quality public schools; public open spaces and recreational facilities; and access to frequent transit. In a complete neighborhood, the network of streets and sidewalks is interconnected, which makes walking and bicycling to these places safe and relatively easy for people of all ages and abilities. A Portland Plan Goal is that by 2035, 80 percent of Portlanders live in a healthy complete neighborhood with safe and convenient access to the goods and services needed in daily life. Complete Neighborhoods are found primarily on the eastside of the Willamette River and in the Central City. Complete Neighborhoods are lacking in East and Southwest Portland.

**Figure 39. Complete Neighborhood Overlay**



Source: BPS Analysis

## Results

About half of Portland's residents currently live in a Complete Neighborhood. However, about two-thirds of Portland's regulated affordable housing units are located in a Complete Neighborhood. Housing demand in Complete Neighborhoods is higher than the current proportion of residents, but there is ample capacity to accommodate it – with about 63 percent of the new housing demand and 61 percent of the future development capacity. Producing more units in Complete Neighborhoods will be important to meeting the Portland Plan Goal.

**Figure 40. Complete Neighborhoods**

Share of...	Complete Neighborhoods
Population	47%
Households	51%
Regulated Affordable Housing	66%
New Demand	63%
Capacity	61%

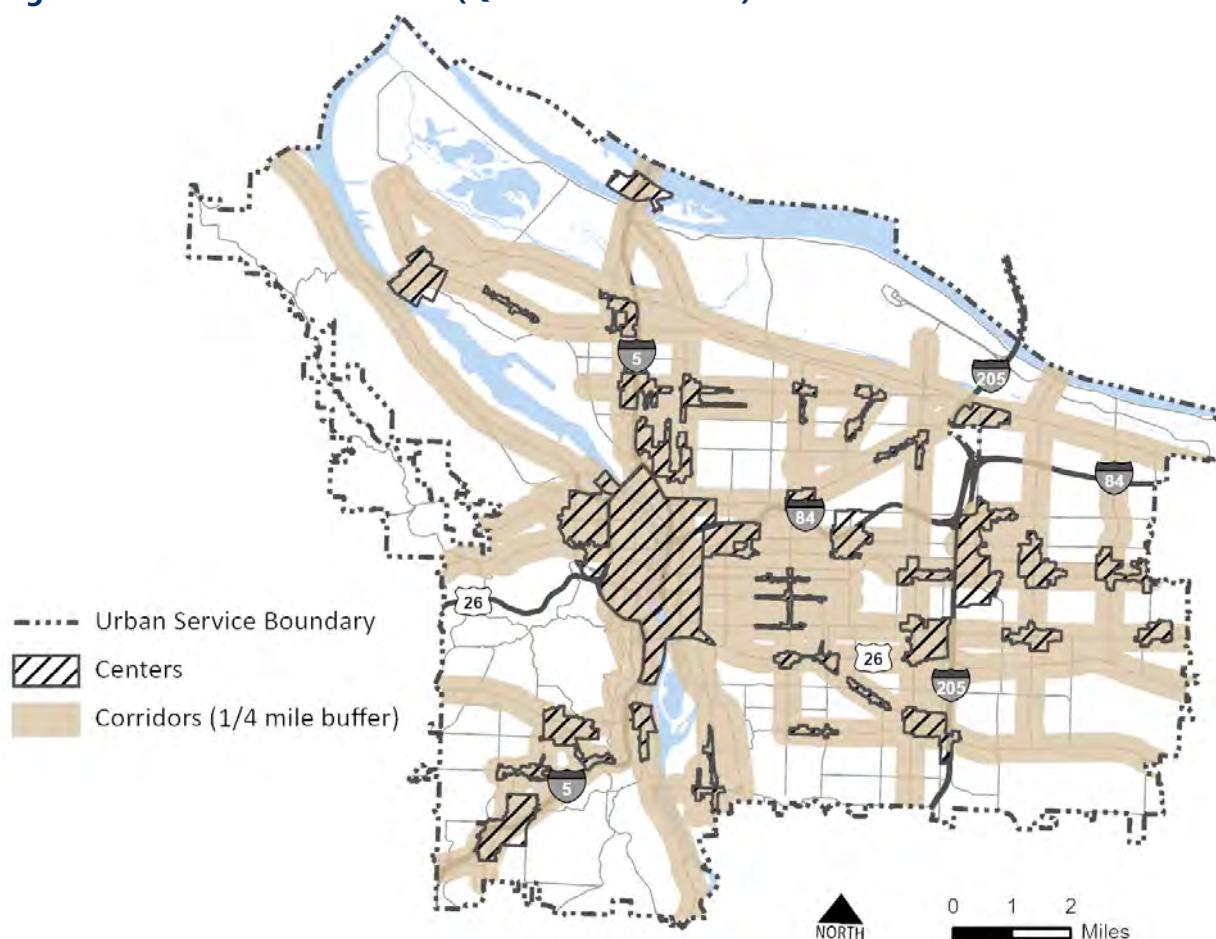
Source: BPS Analysis, 2018-2022 ACS 5-year, 2023 Residential BLI and Metro Aff. Housing Inventory

## Centers and Corridors

As outlined in the 2035 Comprehensive Plan Urban Design Framework, the City's preferred growth scenario creates complete neighborhoods by locating new households and jobs in centers and corridors, maximizing investments in infrastructure, reducing redevelopment pressures on open spaces, employment districts and lower density residential areas and adding new people, businesses, and activities to the community.

Centers are expected to provide the primary areas for growth and change in Portland over the next 25 years. They are compact urban places that anchor complete neighborhoods, featuring retail stores and businesses, civic amenities, housing options, health clinics, employment centers and parks or other public gathering places. Focusing new growth in centers and the inner ring districts helps achieve goals of having more Portlanders live in complete neighborhoods, use more transit and active transportation, reduce their energy use and mitigate climate change.

**Figure 41. Centers and Corridors (Quarter Mile Radius)**



Source: BPS Analysis

## Results

While 69 percent of Portland’s residents currently live in Centers and Corridors, they are home to the vast majority (90 percent) of the city’s regulated affordable housing units. Demand for units in Centers and Corridors is higher than the current proportion, but there is ample capacity to accommodate it. Centers and Corridors provide about 86 percent of the future development capacity in Portland.

**Figure 42. Within A Quarter Mile Of Centers And Corridors**

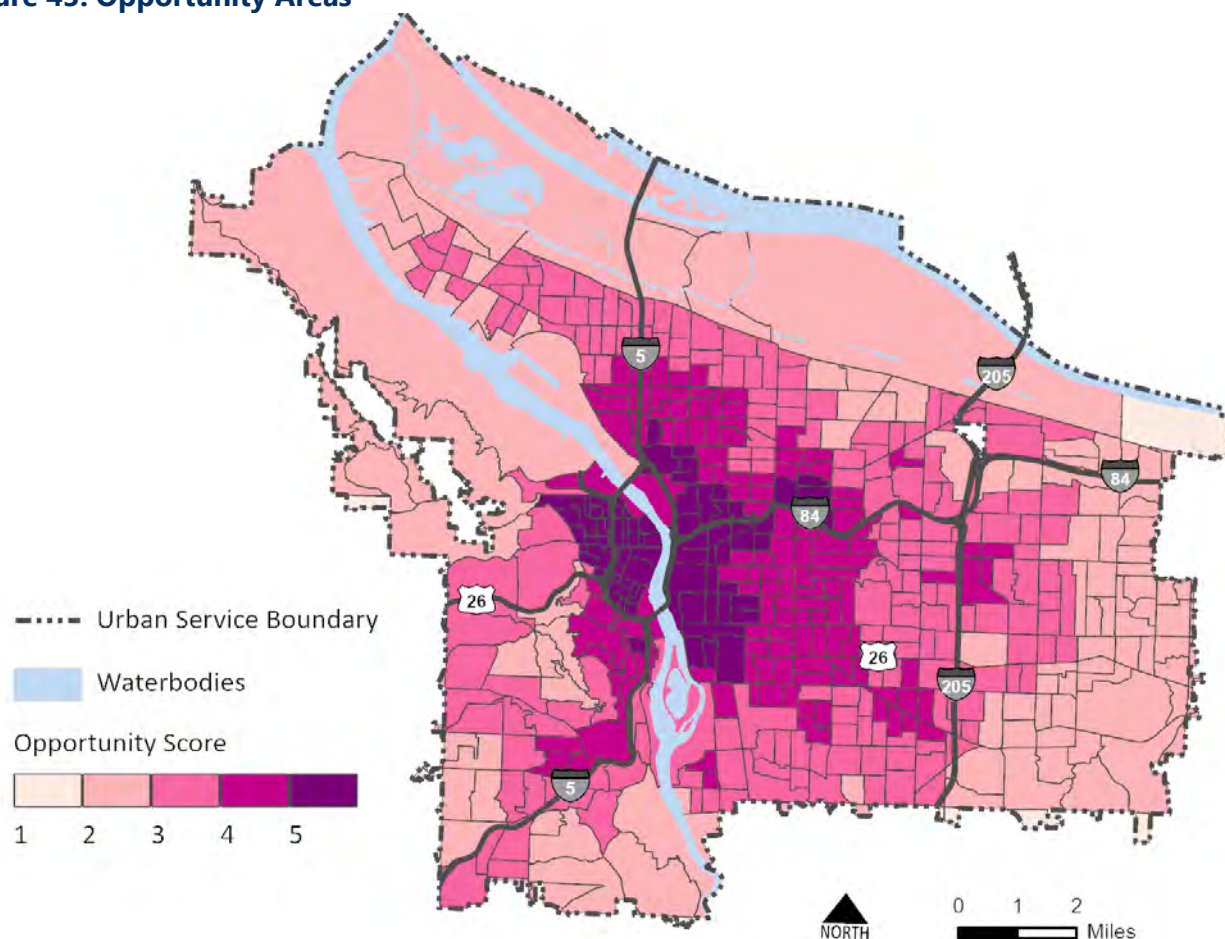
Share of...	Within a Quarter Mile of Centers and Corridors
Population	69%
Households	72%
Regulated Affordable Housing	90%
New Demand	84%
Capacity	86%

Source: BPS Analysis utilizing 2018-2022 ACS, 2023 Residential BLI and Metro Aff. Housing Inventory

## Areas of Opportunity

The Portland Housing Bureau (PHB) Opportunity Map identifies levels of opportunity in Portland neighborhoods. Using a 5-point scale, the map is based on variables that include access to childhood education, employment, transportation, living/family wage jobs, and community amenities that promote healthy, active living. The 2035 Comprehensive Plan and the Portland Plan’s Healthy Connected City provide guidance to expand opportunities for Portlanders to live in complete communities or areas of high opportunity by offering a mix of desirable services and opportunities.

**Figure 43. Opportunity Areas**



Source: BPS Analysis utilizing 2018-2022 ACS 5-year, PHB Areas of Opportunity<sup>19</sup>

## Results

About 42 percent of Portland's current households are within a "high opportunity" area (rated as a score of 4 or 5 on PHB's Opportunity Map). Comparatively, 61 percent of all regulated affordable housing units are within a "high opportunity" area. About 21 percent of households are within an area considered low opportunity (rated as a score of 1 or 2) and only 12 percent of regulated affordable housing units are within a low opportunity area, showing a greater propensity for affordable housing providers to locate units in areas of high opportunity. Development of new housing units over the past 20 years have mostly concentrated in areas of high opportunity. About 60 percent for future housing demand is expected in high opportunity areas and there is the capacity to accommodate this demand.

<sup>19</sup>For the purposes of this analysis, block groups are assigned an opportunity score where the source layer overlaps 50% or more with a block group area



**Figure 44. Opportunity Score**

Share of...	Opportunity Score		
	1 – 2	3	4 - 5
Population	24%	40%	36%
Households	21%	37%	42%
Regulated Affordable Housing	12%	27%	61%
New Demand	13%	27%	60%
Capacity	10%	31%	58%

Source: BPS Analysis utilizing 2018-2022 ACS 5-year, 2023 Residential BLI and Metro Affordable Housing Inventory, PHB Areas of Opportunity

## Low Carbon Neighborhoods

As Portland boosts housing production, the City can leverage that production to help meet other goals and priorities, including reducing carbon emissions. The City of Portland has an adopted target to reach a 50 percent reduction in carbon emissions from 1990 levels by 2030 and net zero emissions by 2050. Any time new buildings are added to the city, carbon emissions increase, both in terms of the embodied carbon in the building materials, emissions from the construction process, and the operational carbon emissions from use of appliances, (HVAC, lighting, etc.) in those new units. Portland recognizes the tension between the urgent need to build more housing and the urgent need to halt and reverse carbon emissions. With this in mind, Portland seeks to explore ways to reduce the climate impact of new housing units.

To quantify the emissions impact of forecasted new housing units, more information would be required about the type of construction, the materials used, the size, and energy performance of those new units. Lacking this information, BPS assessed the carbon impacts of new housing units, by focusing on Vehicle Miles Traveled (VMT) as a proxy for building carbon emissions. According to a US EPA study<sup>20</sup>, “the location of a home relative to transportation choices had a large impact on energy consumption. Choosing to live in an area with transportation options not only reduces energy consumption, it also can result in significant savings on home energy and transportation costs.” All things being equal, the study found a 38 percent reduction in energy use between a suburban development single-dwelling detached home and a single-dwelling transit-oriented development, due to location efficiency. As is noted above, the type of housing was also a significant factor for energy consumption. Energy use between single-dwelling detached homes and multi-dwelling units in low VMT areas achieved a 60 percent reduction in energy use. More compact housing units also have lower embodied carbon due to fewer materials than a larger unit. Adding to the benefits of building typology and location efficiency, high performance energy codes reduce carbon emissions even further.

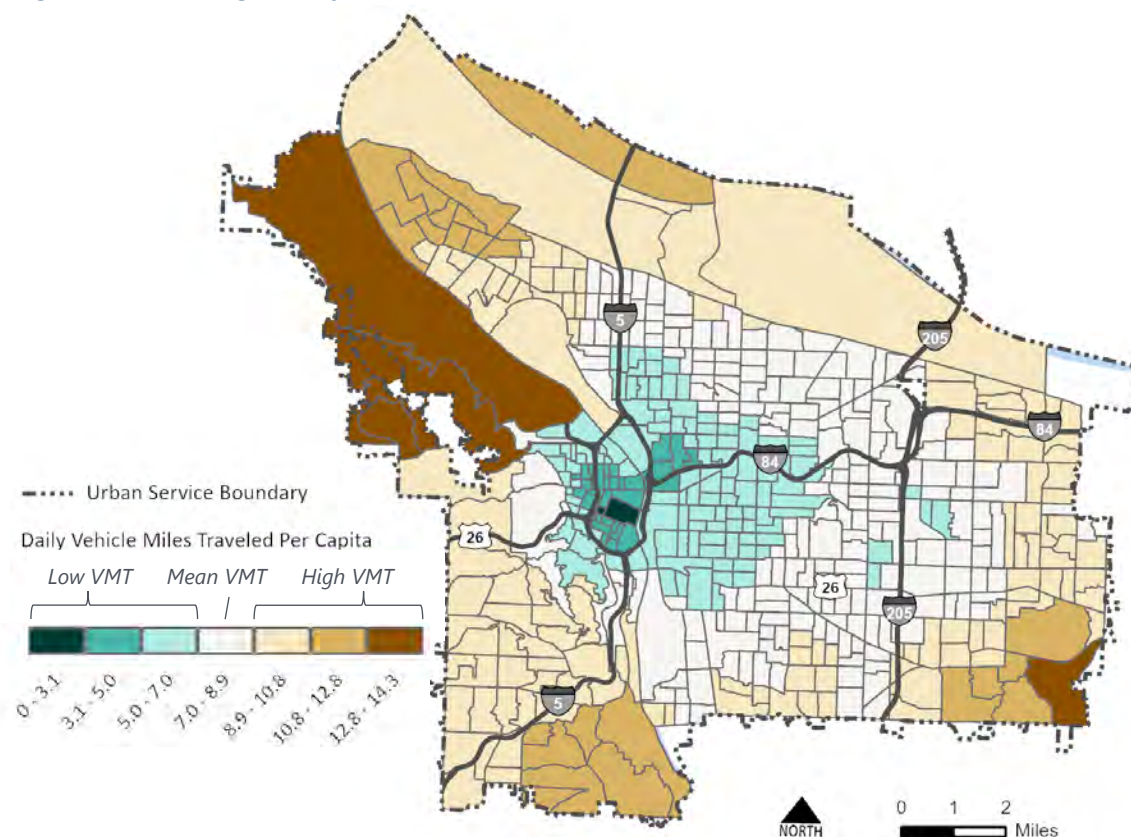
<sup>20</sup> [https://www.epa.gov/sites/default/files/2014-03/documents/location\\_efficiency\\_btu.pdf](https://www.epa.gov/sites/default/files/2014-03/documents/location_efficiency_btu.pdf)

## Areas of Low Residential Vehicle Miles Traveled (VMT)

Average vehicle miles traveled (VMT) of residents in various Portland neighborhoods offers important insights into reducing Portland's carbon emissions. Focusing growth in areas where residents, on average, rely less on cars to get around plays a vital role in mitigating the adverse effects of cars on climate change and public health. Portland's Comprehensive Plan and Climate Emergency Workplan emphasize the significance of growing in 'low VMT areas' to meet its transportation and climate goals. The climate benefits of focusing new housing units in low VMT areas are further supported by the fact that the zoning for inner-city centers and corridors are generally multi-dwelling/mixed use development. As the EPA study shows, the most efficient and lowest carbon housing units are compact multi-dwelling buildings in low VMT areas that have safe and reliable access to public transportation and generally shorter commute distances for residents. Given that Oregon adopted Clean Energy Targets (ORS 469A.410) requiring 100 percent renewable electricity by 2040, electrically heated multi-dwelling housing units in low VMT areas are the ideal development type to both meet our housing production needs and climate goals. Prioritizing growth in these areas underscores the city's commitment to building sustainable, healthier communities.

Figure 44 shows travel demand model estimates of average daily VMT per capita for home-based trips only by Census block group. Isolating for home-based trips is meant to specifically highlight how the location of housing has a significant influence on a household's driving habits. Classifications were created using standard deviation, which compares each block group's average daily VMT to the citywide average. Block groups with average daily VMT levels notably below what is typical in this VMT dataset were designated 'Low VMT areas'. Block groups with average daily VMT levels notably above the mean VMT areas are designated as 'High VMT Areas'.

**Figure 45. Average Daily Residential Vehicle Miles Traveled (VMT) per Capita**



Source: BPS Analysis utilizing 2018-2022 ACS 5-year and 2015 Metro Regional Travel Demand Model

## Results

Low VMT areas, highlighted in the three different shades of green in Figure 44, are primarily located around the Central City and extends into the inner northeast and southeast neighborhoods such as MLK, Hollywood, Belmont, Hawthorne and Division.

Despite only a quarter of Portland's population and less than a third of its total households residing in Low VMT areas, nearly half of the future housing demand is expected in these areas, compared to 20 percent for High VMT areas (Figure 45). This suggests a notable shift towards promoting new residential development in low VMT areas. This trend not only increases the opportunity for more people to live in low VMT neighborhoods and access associated health and safety benefits but also has the potential to significantly reduce the city's overall average daily VMT, aligning with Portland's climate goals aimed at curbing transportation carbon emissions. In addition, over half of Portland's regulated affordable housing units are located in low VMT areas.



**Figure 46. Levels of Average Daily Residential VMT**

Share of...	Low VMT Areas (0 – 7 VMT)	Mean VMT Areas (7 – 8.9 VMT)	High VMT Areas (9 – 14.3 VMT)
Population	26%	40%	34%
Households	31%	38%	31%
Regulated Affordable Housing	55%	30%	15%
New Demand	49%	31%	20%
Capacity	50%	33%	17%

Source: BPS Analysis utilizing 2018-2022 ACS 5-year, 2023 Residential BLI and Metro Affordable Housing Inventory, 2015 Metro Regional Travel Demand Model

## Hazard Risk Areas

Resilience is one of the guiding principles in Portland’s 2035 Comprehensive Plan, guiding policies to mitigate risks from natural hazards, human-made disasters and climate change. The location of future housing plays a critical role in determining the ability for individuals and communities to withstand, recover from, and adapt to changes. Therefore, it’s important to identify where future housing is anticipated to grow in relation to known environmental hazard areas in Portland. This analysis comprises five maps identifying block groups and census tracts that are at higher risk for landslides, wildfires, liquefaction during earthquakes, extreme heat, and flooding.

## Results

Landslide and wildfire hazard areas are predominantly located in the West Hills of Portland, marked by steep slopes and denser urban forests (Figure 47, Figure 48). Additional wildfire hazard areas extend to East Portland, notably around Mt. Scott and Rocky Butte. Flood hazard areas primarily align with Portland’s main waterways and sections of Johnson’s Creek (Figure 50). Due to the inherently challenging terrain that these three areas pose to housing production, only a small fraction of Portland's expected demand for new units, estimated between 5 and 8 percent in these areas.

Conversely, the expected share of demand for new units in areas at high risk of liquefaction (Figure 49) and in areas designated as urban heat islands is relatively high given each area’s existing share of population and households (Figure 51). This trend is particularly pronounced in areas prone to liquefaction that include neighborhoods likely to undergo continued growth such as Northwest Portland and Inner Southeast Portland. The expected demand for new units could double the number of households living in liquefaction areas by 2045. In addition, both hazard areas have a disproportionately high concentration of regulated affordable housing units compared to their shares of households. Notably, close to half of all regulated affordable units are situated in Portland’s hottest block groups.

**Figure 47. Hazard Risk Areas**

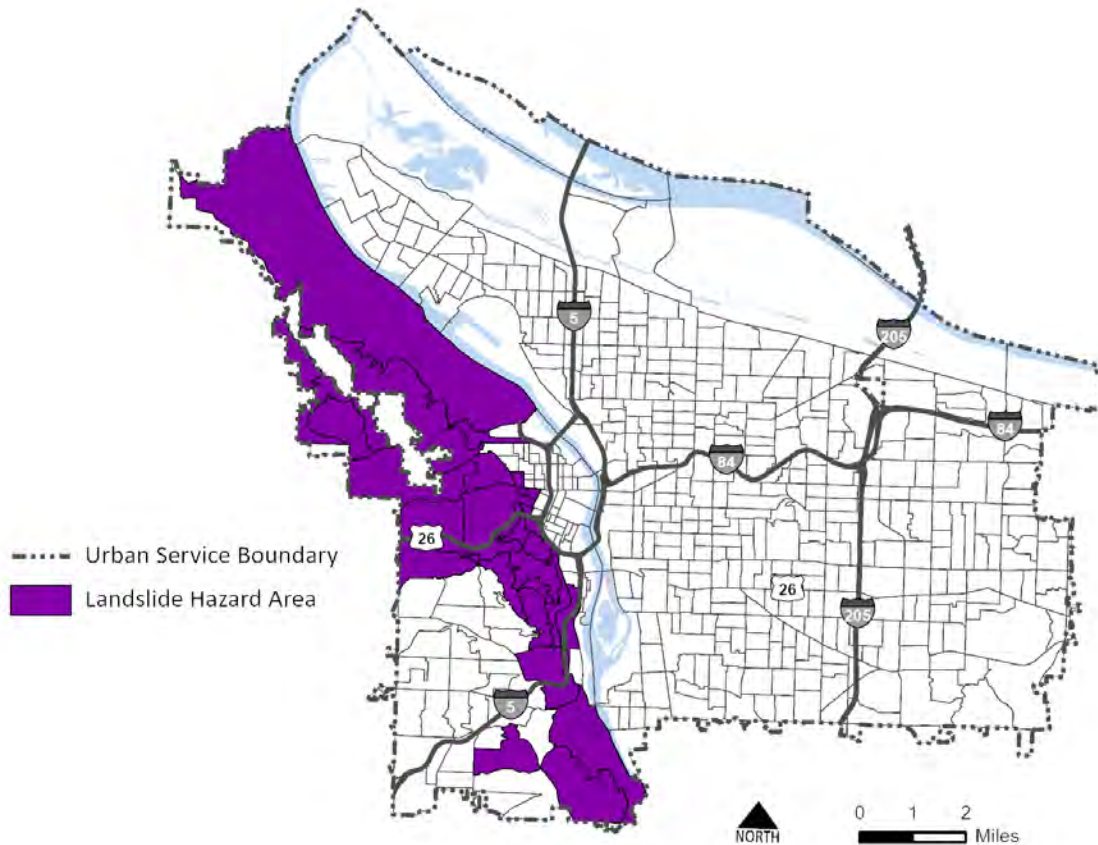
Share of...	Landslide Hazard Areas	Wildfire Hazard Areas	High Probability of Liquefaction Areas	Urban Heat Islands	Flood Risk Areas
Population	7%	6%	5%	21%	3%
Households	7%	6%	7%	24%	4%
Regulated Affordable Housing	2%	2%	20%	44%	5%
New Demand	5%	4%	17%	39%	8%
Capacity	6%	3%	16%	38%	8%

Source: BPS Analysis utilizing 2018-2022 ACS 5-year, 2023 Residential BLI and Metro Affordable Housing Inventory

Landslide hazard areas are census block groups characterized by geological or environmental conditions that increase the likelihood of landslides, including steep slopes, loose soil, heavy rainfall, or seismic activity.<sup>21</sup> Landslide hazard areas are only located in West Portland, along the steeper slopes in the West Hills and around OHSU.

<sup>21</sup> For the purposes of this analysis, block groups are flagged as landslide hazard areas if the landslide hazard source layer overlaps 50% or more with a block group area.

**Figure 48. Landslide Hazard Areas**

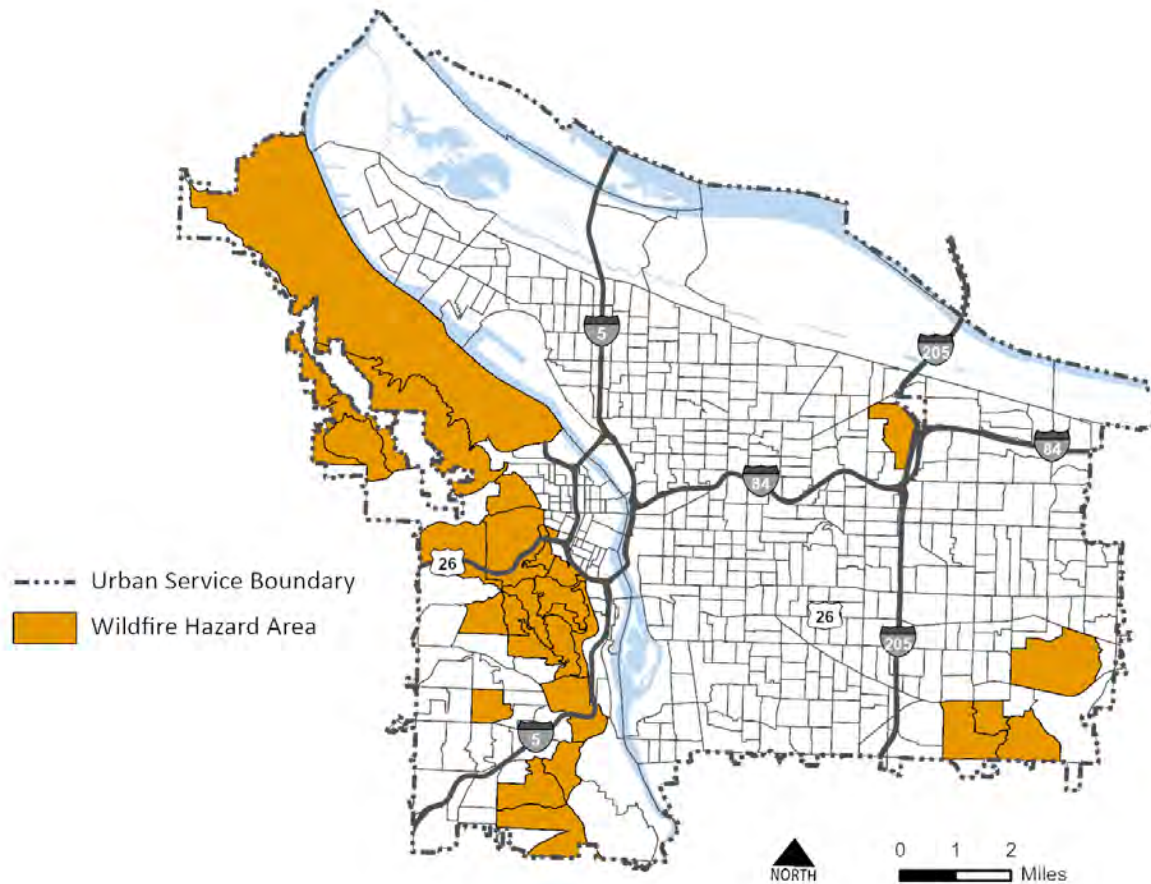


Source: BPS Analysis utilizing landslide inventory from IMS-57 for central and western Multnomah County, Oregon, DOGAMI.

Wildfire hazard areas are census block groups of elevated risk for wild land fires.<sup>22</sup> Vegetation, slope, and the ODF Fire Weather Hazard rating were the main factors used to determine wildfire hazard areas. Wildfire hazard areas in Portland are located in areas of the city that are less densely populated and include denser forests, such as the hills in Northwest and Southwest Portland as well as Mt Scott and Rocky Butte in East Portland.

<sup>22</sup> For the purposes of this analysis, block groups are flagged as wildfire hazard areas if the wildfire hazard source layer overlaps 50% or more with a block group area.

**Figure 49. Wildfire Hazard Areas**

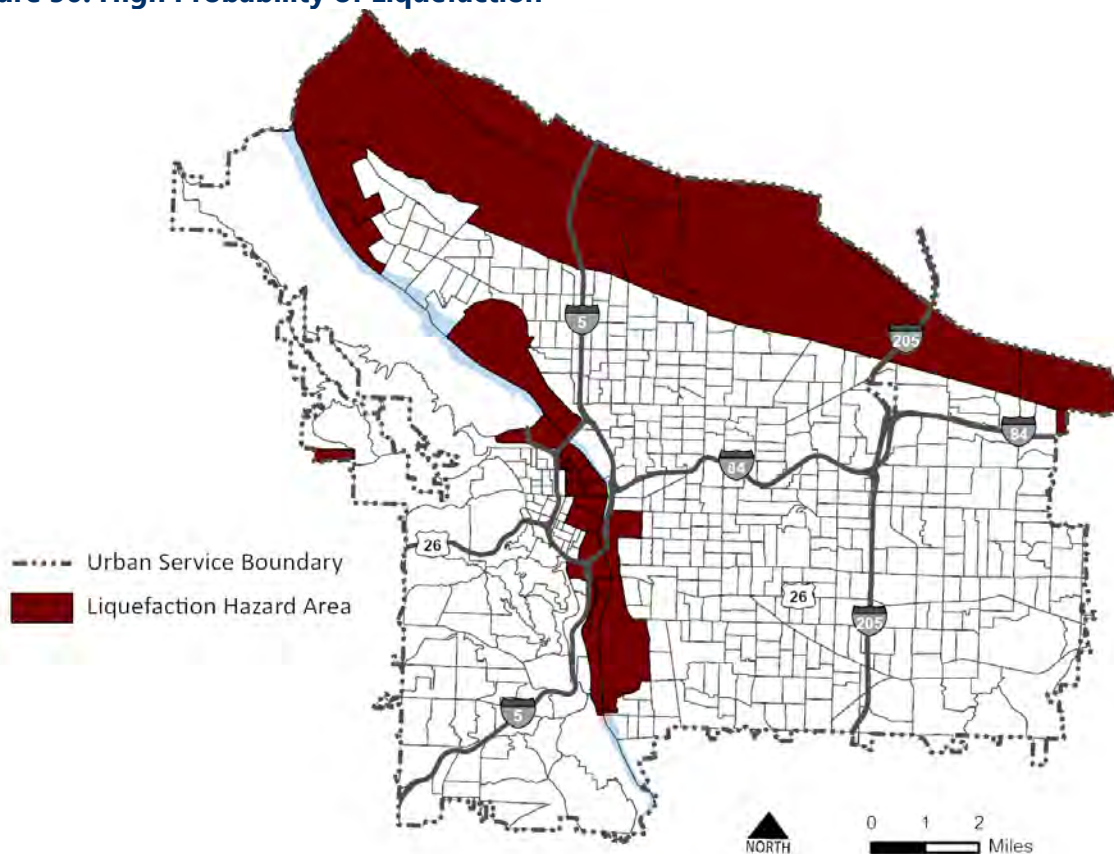


Source: BPS Analysis utilizing Metro's Wildfire Hazard Zones within the City of Portland from 2002.

Areas prone to liquefaction during earthquakes are census block groups where loosely packed, water-logged sediments at or near the ground surface lose their strength in response to strong seismic activity.<sup>23</sup> Liquefaction occurring beneath buildings and other structures can cause major damage during earthquakes. Areas with high probability of liquefaction in the event of a 9.0 earthquake are primarily located along Portland's waterways, notably in Downtown Portland and Portland's industrial districts in the Central City, North Portland and along the Columbia River.

<sup>23</sup> For the purposes of this analysis, block groups are flagged as high probability of liquefaction areas if the high probability liquefaction source layer overlaps 50% or more with a block group area.

**Figure 50. High Probability of Liquefaction**



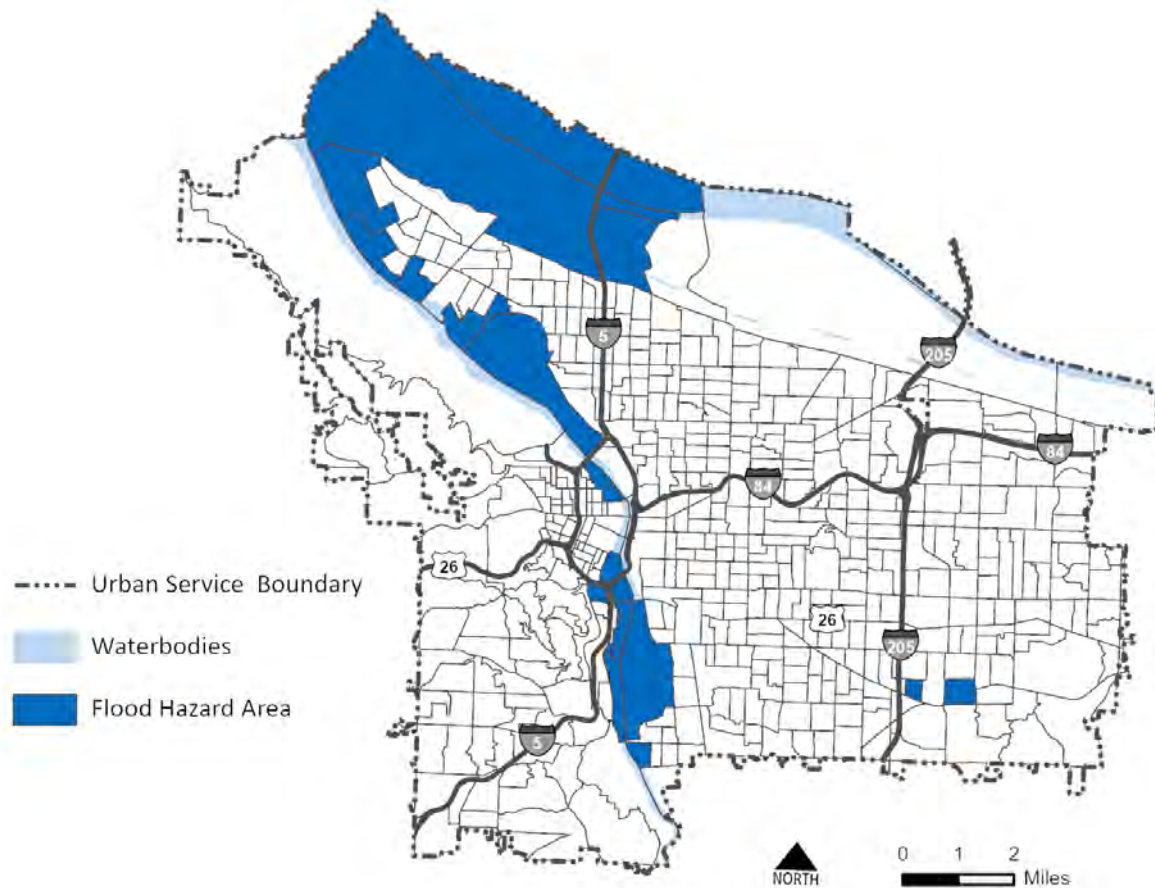
Source: BPS analysis utilizing the Cascadia Subduction Zone M 9.0 earthquake layer, DOGAMI O-18-02

Flood hazard areas are census block groups at an increased risk of experiencing flooding during periods of heavy rainfall, snowmelt, storm surges, or other hydrological events.<sup>24</sup> The flood hazard area highlighted in Figure 49 is comprised of the farthest landward extent of the FEMA 100-year Floodplain, the new Modeled Willamette River 1996 Flood Extent, and the 1996 Flood Inundation Area. Flood hazard areas are located along Portland's major waterways as well as Johnson Creek in Southeast Portland.

<sup>24</sup> For the purposes of this analysis, block groups are flagged as flood hazard areas if the flood hazard source layer overlaps 33% or more with a block group area.



**Figure 51. Flood Hazard**

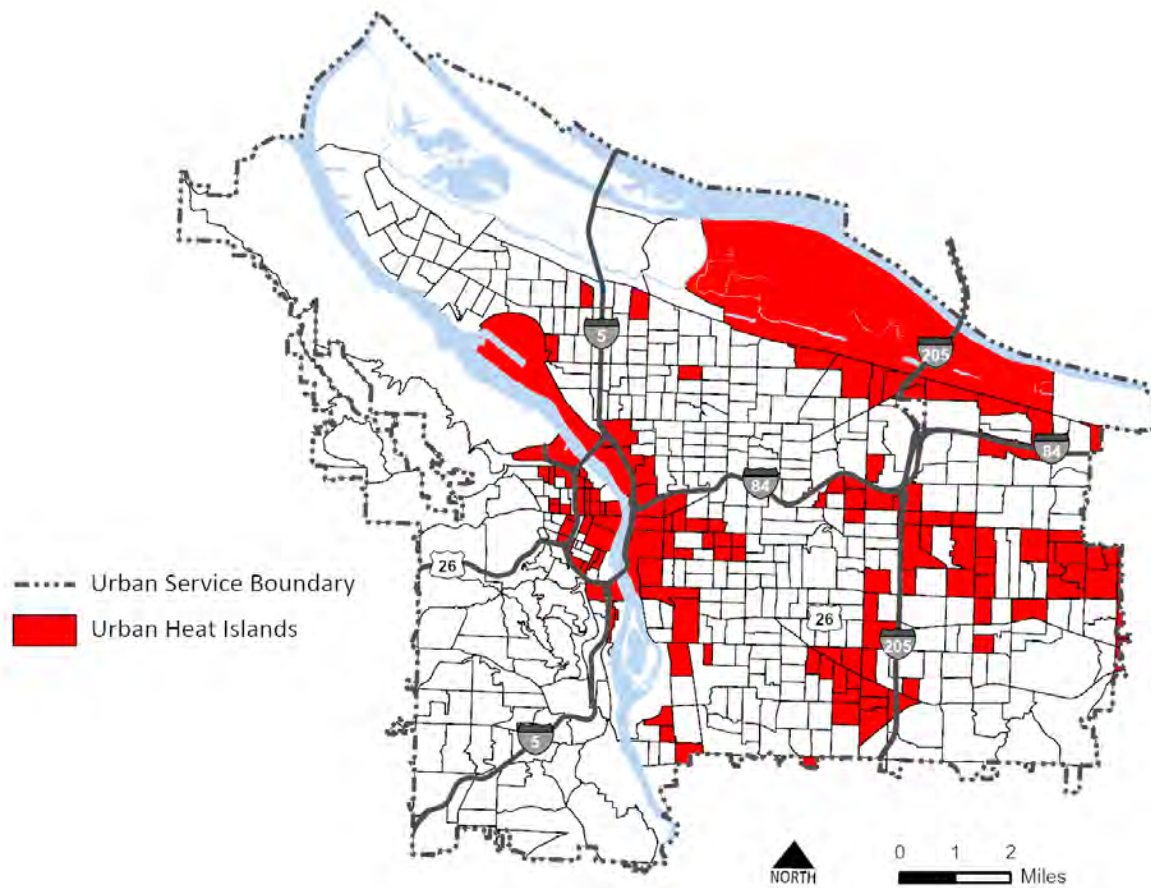


Source: BPS analysis utilizing the Title 33 Combined Flood Hazard Area

Block groups identified as 'Urban Heat Islands'<sup>25</sup> typically have high shares of impervious surfaces and fewer instances of green space/parks and street trees, all of which are factors known to contribute to higher surface temperatures. These characteristics are typical of very dense urban neighborhoods (such as Downtowns), industrial areas, auto-oriented commercial corridors or neighborhoods that have historically experienced disinvestment in green infrastructure. Block groups designated as urban heat islands are primarily clustered around Central City, industrial areas in inner southeast and Columbia Boulevard, Lents-Foster, Gateway, along 82<sup>nd</sup>, 102<sup>nd</sup>, and 122<sup>nd</sup> avenues and in Centennial.

<sup>25</sup> For the purposes of this analysis, block groups that recorded evening temperatures in the top quartile (82.6 degrees and over) are flagged as urban heat island block groups.

**Figure 52. Urban Heat Islands, Multnomah County (CAPA Heat Watch)**



Source: BPS analysis utilizing the evening temperatures reported in Multnomah County's 2023 Heat Watch Report, provided by the CAPA Heat Watch Program.

# Market Conditions and Barriers Affecting Needed Housing

## Existing Housing Stock

The 2021 estimate for housing units in the city shows that over half of the units are detached single-unit homes. Buildings with 20 or more units saw the largest increase and now account for 21 percent of all housing units (Figure 39).

**Figure 53. Units by Structure Type, 2010 and 2021**

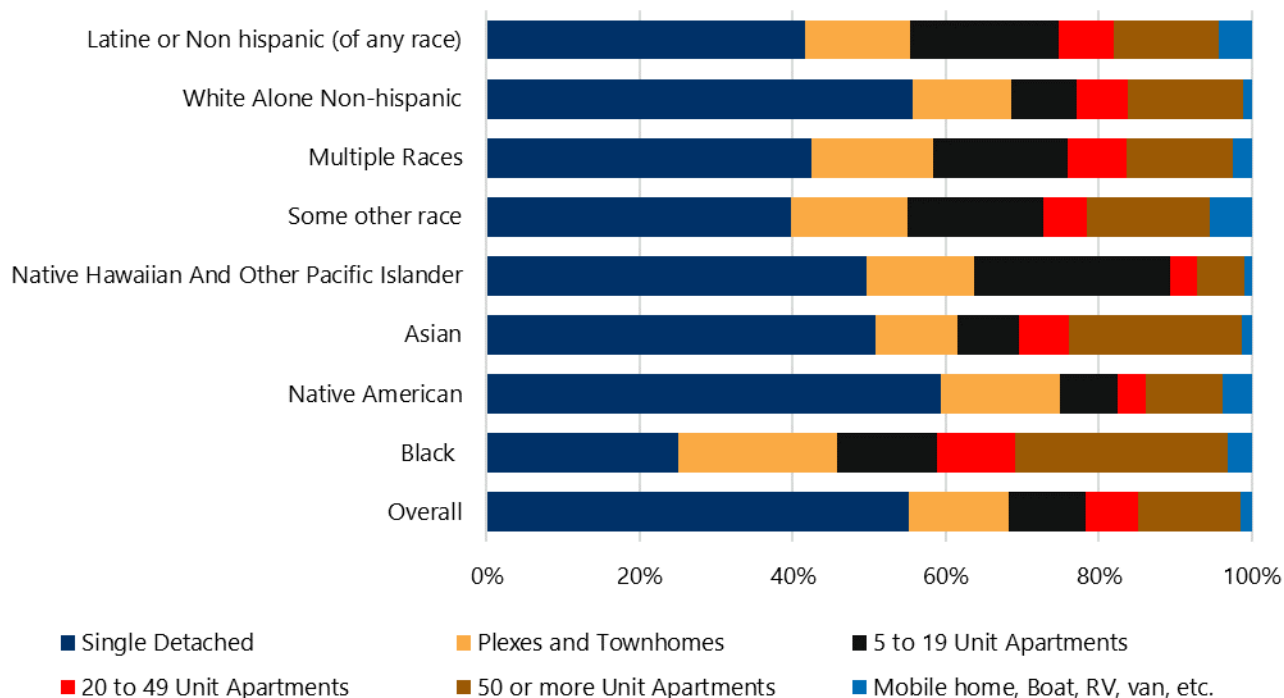
Structure Type	2021 Units		2010-2021
	Estimate	Share	Change (units) %
<i>Single Detached</i>	160,520	54%	6%
<i>Townhouse/Rowhouse</i>	13,578	5%	46%
<i>Duplex</i>	10,681	4%	-5%
<i>Triplex or Quadplex</i>	15,189	5%	3%
<i>5-to-9-unit apartments</i>	13,250	4%	-5%
<i>10-to-19-unit apartments</i>	15,946	5%	5%
<i>20-to-49-unit apartments</i>	20,567	7%	27%
<i>50 or more-unit apartments</i>	42,562	14%	60%
<i>Mobile home, Boat, RV, van, etc.</i>	4,186	1%	5%
<i>Total:</i>	296,479		13%

Source: ACS 2010 and 2021 5 Year Table B25024

Households living in existing occupied units, overall tend to live in single detached housing, given that it makes up 54 percent of the existing stock, though this varies by race and ethnicity of households. The majority of Black households live in large apartment buildings (50 or more units), plexes and townhomes or in small apartment buildings (5 to 19 units).



**Figure 54. Existing Units by Structure Type and Race/Ethnicity of Householder, 2021**



Source: ACS 2021 5 Year Table B25032 A-I

Between 2010 and 2021, the greatest increase of units by bedroom was studios, with an estimated increase of 11,711, or an increase of 86 percent. The smallest increase was in 2-bedroom units, increasing by just one percent. Overall, units that have three or more bedrooms, or would be considered family-sized units, account for about 45 percent of all units in the survey period.

**Figure 55. Units by Number of Bedrooms, 2010 and 2021**

Number of Bedrooms	2021 Units		Change %
	Estimate	Share	
<i>Studio</i>	25,376	9%	86%
<i>1</i>	52,479	18%	16%
<i>2</i>	84,316	28%	1%
<i>3</i>	85,525	29%	5%
<i>4</i>	38,512	13%	23%
<i>5 or more</i>	10,271	3%	28%
<i>Total:</i>	296,479		13%

Source: ACS 2010 and 2021 5 Year Table B25024

## Vacancy Rates

Approximately 17,000 housing units are counted as vacant, leading to a vacancy rate of 5.6 percent and down 1.2 percent from 2010. This vacancy rate is lower than that of the state of Oregon, which had a 7.5 percent vacancy rate in 2021 (ACS 5 year, 2010 and 2021 Table B25001). Fourteen percent of all vacant units were vacant for seasonal or recreational use (just 0.77 percent of all units), like the rate in 2010.

**Figure 56. Vacancy Rate by Structure Type, Portland, 2021**

Structure Type	Vacancy Rate	% Of Vacant Units
Single Dwelling Detached	4%	36%
Townhomes	3%	3%
Duplex	12%	8%
Triplex and Quadplex	7%	6%
5 To 9 Unit Apartment	4%	3%
10 To 19 Unit Apartment	5%	5%
20 To 49 Unit Apartment	7%	8%
50 Or More Unit Apartment	11%	29%
Mobile Home, Boat, RV, Van, etc.	5%	1%
Total	5.6%	100%

Source: ACS 2021 5 Year Table B25024, B25032

With strong demand from lower-income households (as shown in the 2045 HNA) but most new units affordable only to higher-income households, vacancy rates are highest (9.8 percent) for more expensive higher-quality buildings (rated four and five-star by Costar), 7.2 percent for three-star buildings, and 5.4 percent for less expensive one and two-star buildings. Market-rate rental units in buildings rated one, two, or three-stars tend to reflect unregulated affordable housing. Vacancy rates below or near 6.0 percent show continuing demand for new housing units.

Vacancy rates are slightly lower than Portland's averages at the regional level, with an overall vacancy rate of 6.7 percent, high vacancies in higher-quality buildings, moderate vacancies in three-star buildings, and a tighter supply of one and two-star buildings. The suburban inventory is more dispersed than similar products in Portland; Portland accounts for about 62 percent of the region's four- and five-star buildings and about half of its units.

**Figure 57. Apartment Vacancy Rates, 2023 Q4**

Rating	Portland	MSA
4-5 star	9.8%	8.5%
3 star	7.2%	6.4%
1-2 star	5.4%	5.0%
Overall	7.2%	6.7%

Source: Costar

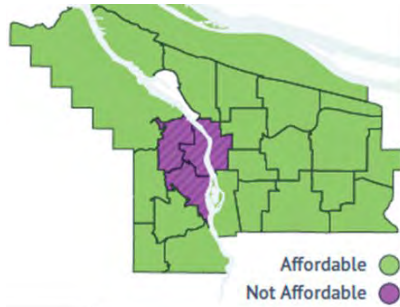
## Market Conditions

### Rental Market Conditions

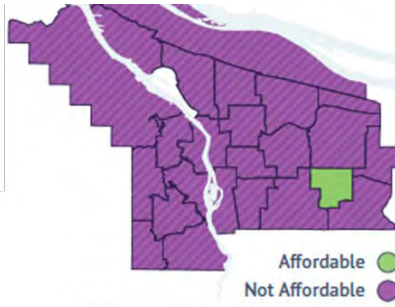
**Rental Unit Affordability.** The maps below show how rental affordability varies among different populations in Portland. On average, a household could afford a rental unit in green without becoming cost burdened and spending more than 30 percent of their monthly income on rent, not including utilities. Those in purple would be considered not affordable. Portland's neighborhoods are most affordable to white, Asian, and Pacific Islander households, and least affordable to Black, Latine, and Native American households.

**Figure 58. 2-Bedroom Rental Affordability by Race and Ethnicity**

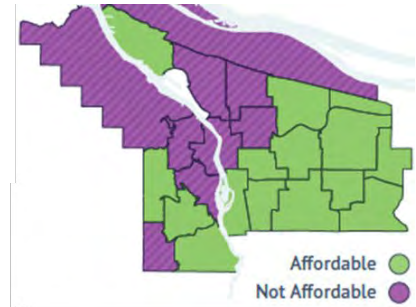
**White Household**



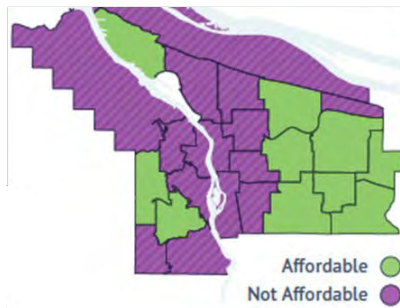
**Black Household**



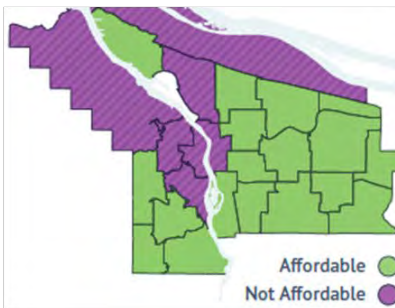
**Latine Household**



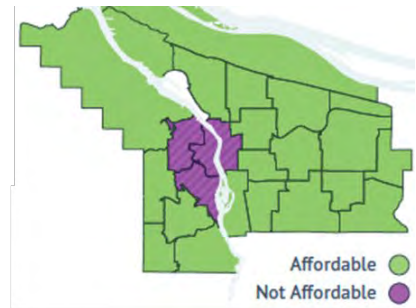
**Native American Household**



**Pacific Islander Household**



**Asian Household**



Source: Draft PHB State of Housing Report 2023 (using ACS 2022 5-Year Estimates)

**Rental Housing Production.** Portland has over one-third of the region's apartments, which primarily serve the local rental housing market. Over the past decade—a period of record-breaking apartment construction activity—Portland captured over half of the region's newly constructed apartments. These newly constructed buildings became increasingly larger, with most buildings built after 2014 averaging between 60 and 90 units, compared to under 50 units per project in the early 2000s. The average apartment building in Portland is now 28 units in size, up from 20 units in 2000.

**Rent Growth.** Portland's apartment construction activity in the 2010s was the result of prolonged pent-up demand for rental housing due to population growth over the past few decades (especially from upper-income households able to afford higher housing costs). With production trailing demand in the years prior to 2010, the tighter housing market combined with strong income growth to rapidly increase rents, especially for newly constructed buildings. While rent growth created a less affordable

rental market, it also increased the feasibility of higher-density projects, paving the way for the wave of new construction in the 2010s.

Since 2020, demand for rental housing decreased due to significantly lower levels of in-migration and the growing competitiveness of suburban submarkets, resulting in slightly elevated vacancy rates (relative to historical averages) and lower annual rent growth. However, underproduction has continued to contribute to a constrained housing market in which development activity has never 'caught up' to overall demand, especially not at the lower- and middle-income thresholds. With new market-rate construction generally targeting higher-income households, the average apartment rent in buildings constructed in the last five years is \$1,700 per unit, versus an average rent across the entire multifamily inventory of \$1,465 per unit.

## **Ownership Market Conditions**

Portland's ownership housing market has been competitive for the past decade, with low vacancies and rapid home price growth the result of demand exceeding the supply of both new listings and new housing units. Higher interest rates in the latter half of 2022 and into 2024 have reduced average home values but exacerbated affordability concerns for prospective homebuyers pursuing traditional mortgages.

Historically, the ownership market has been dominated by single-dwelling homes and accounted for more than 80 percent of home sales between 2012 and 2020. Since the adoption of the Residential Infill Project (RIP) in 2020, and subsequently amended in 2021, attached units (housing such as middle housing, townhomes, and multiplexes) have accounted for 23 percent of sales. Attached units have also accounted for about half of all sales of newly constructed units since 2020, compared to 29 percent from 2012 to 2019. The Homebuyer Opportunity Limited Tax Exemption (HOLTE) Program has further supported the sale of new middle housing units, especially at lower prices.

According to American Community Survey 5-year estimates, Portland ended 2022 with an estimated sales vacancy rate of just 0.8 percent (down from 2.6 percent in 2010, but up from a historical low of 0.2 percent in the first quarter of 2021). A vacancy rate of less than 3.0 percent is typically considered an indicator of strong demand for ownership housing.

The Regional Multiple Listing Service (RMLS) provides details about housing unit transactions. An analysis of RMLS transaction data shows that for-sale home listings over the past six years have largely been unaffordable to the general population. About 60 percent of homes sold from 2018 to 2023 would be considered affordable to a household earning the median income the year the unit sold.

**Figure 59. Homes Affordable by Median Household Income (MHI) and Year of Listing**

	2018	2019	2020	2021	2022	2023
<b>Homes Affordable at Median Income</b>	39%	46%	42%	38%	41%	46%
<b>Homes Not Affordable at Median Income</b>	61%	54%	58%	62%	59%	54%

Source: RMLS, Homes Sold (Close Price), 2018-2023

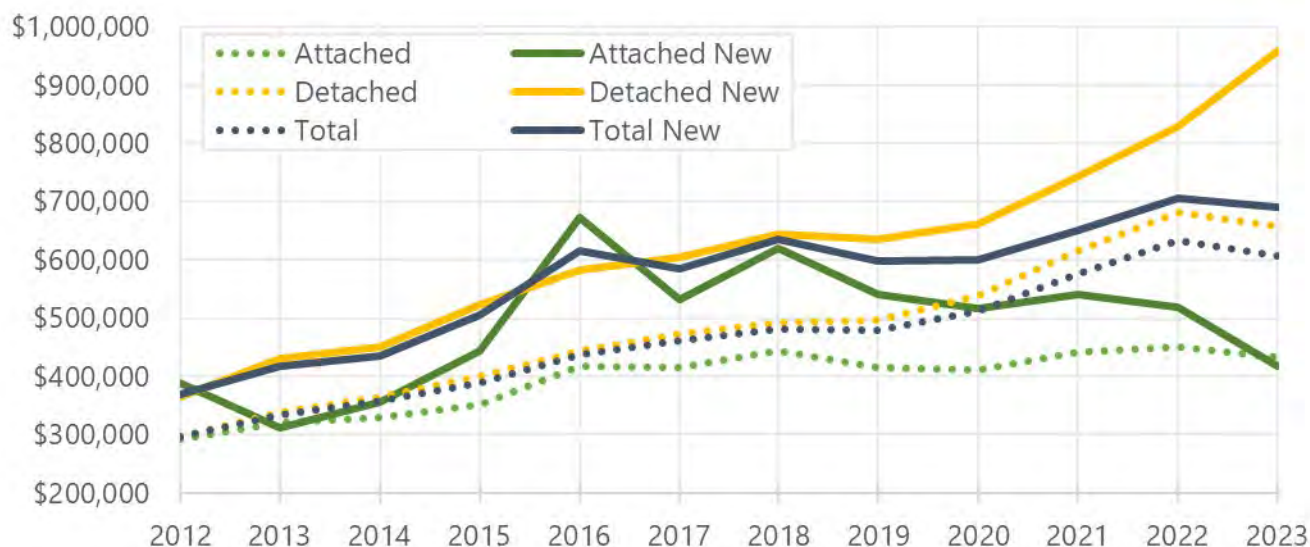
The two main property types in the RMLS database are attached and detached housing (attached housing units include duplexes, triplexes, fourplexes, and townhouses). Citywide, the average home price for detached and attached homes increased by 31 percent from \$500,000 in 2018 to a peak of nearly \$650,000 in the second quarter of 2022. Average prices in 2023 were \$606,000, an increase of \$270,000 over 10 years.<sup>26</sup> Over this same period, detached housing sales closely followed the citywide average, while attached housing has stayed closer to \$400,000. The average home sales price exceeded \$400,000 in all 24 Portland Plan areas and was below \$500,000 in only four areas—122<sup>nd</sup>, Centennial, Lents-Foster, and Gateway.

There continues to be a price difference between new attached and new detached housing units. The price of newly constructed detached housing has escalated in the last several years, increasing from \$660,000 in 2020 to \$960,000 in 2023. Meanwhile, the average price of newly constructed attached housing units has been decreasing since 2018 and in 2023, fell below the average price for all attached housing units, demonstrating the continuing potential of attached and middle housing units for meeting the City’s affordability and homeownership goals.

<sup>26</sup> The decrease from 2022 to 2023 was due in part to lower attached housing sales prices. Note the median price for all housing types in 2023 was \$505,000, highlighting the significant range at the upper end of the market.



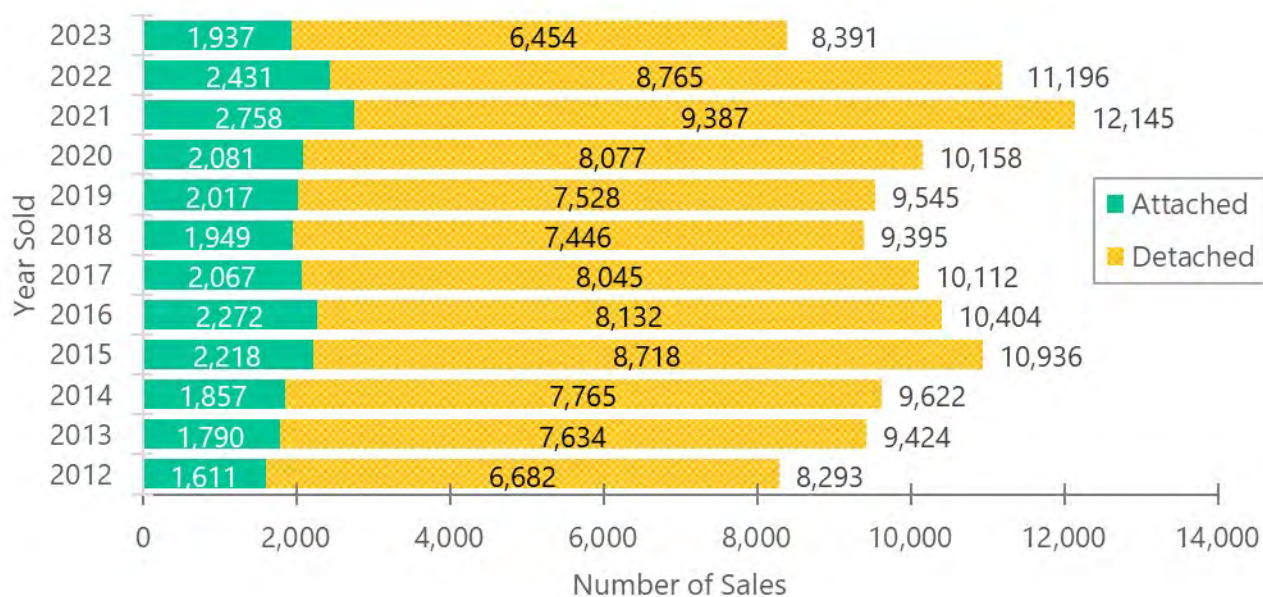
**Figure 60. Average Housing Unit Sale Prices by Year**



Source: RMLS

Over the past decade, there was an average of about 10,000 real estate transactions for attached and detached units. Attached housing units have accounted for an increasing share of all transactions, going from about 19 percent in 2012 to 23 percent in 2023.

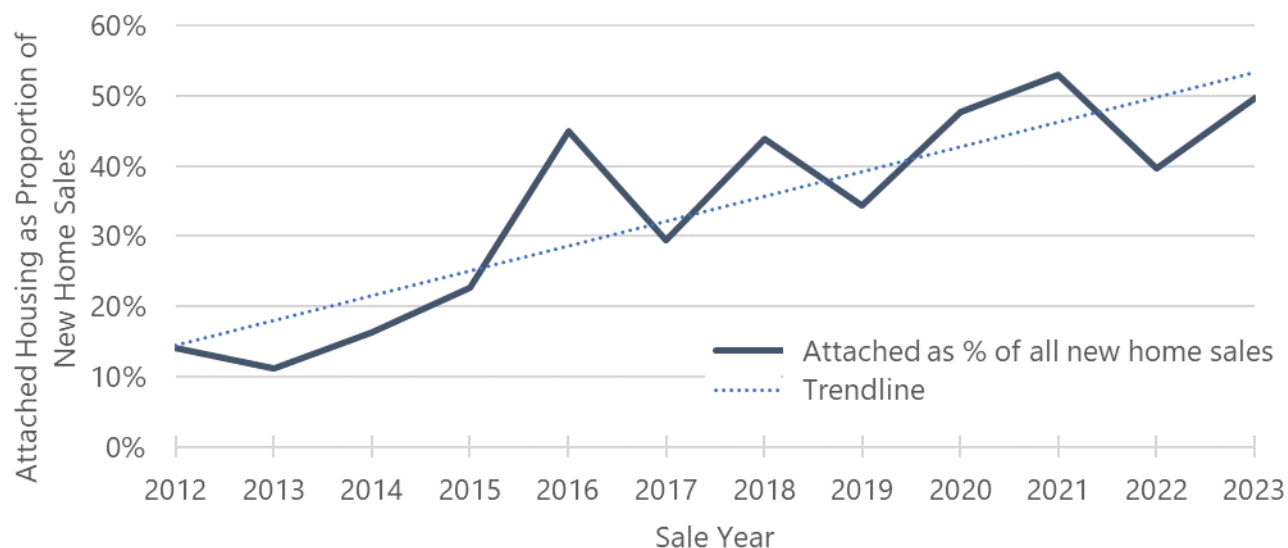
**Figure 61. Number of Property Sales by Housing Type**



Source: RMLS

When accounting only for newly constructed units, the market has seen a much greater proportion of attached housing units transacting. Newly constructed attached units have gone from capturing less than 20 percent of sales for new units in the early-to-mid-2010s to about half since 2020.

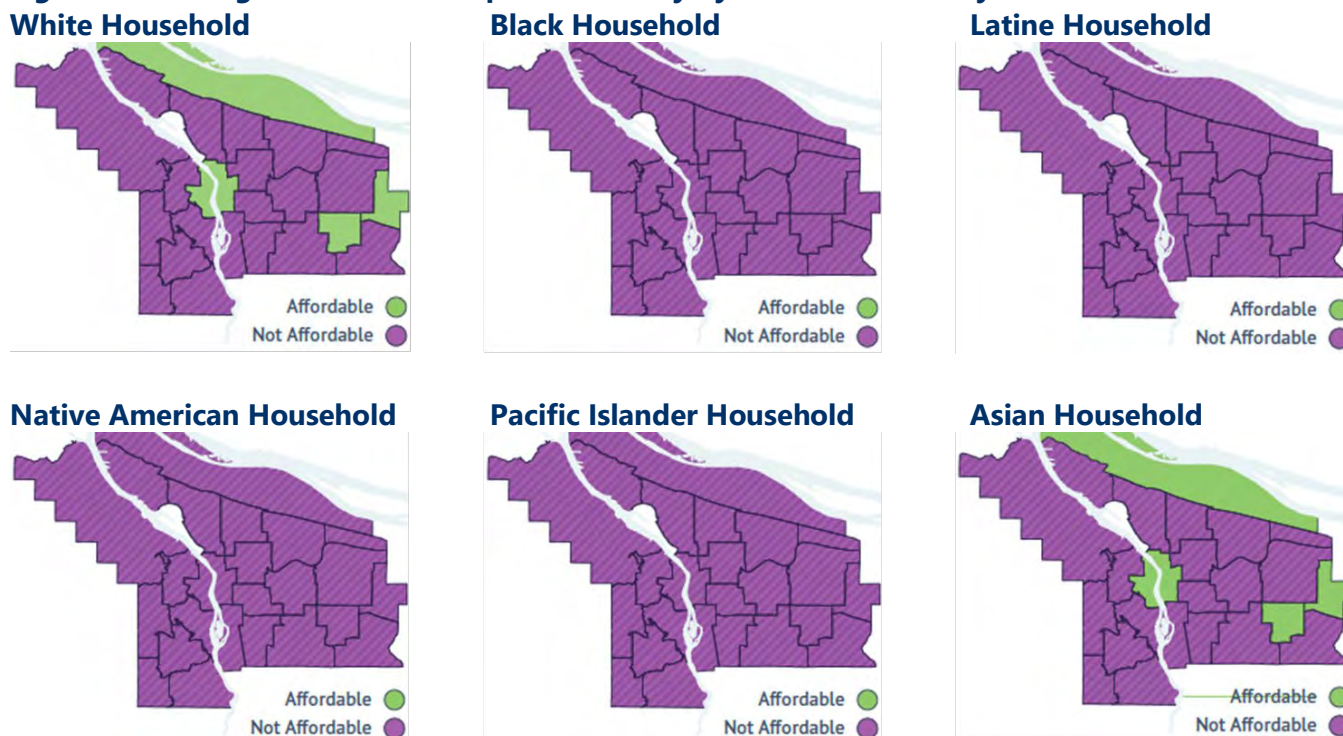
**Figure 62. Attached Housing as a Proportion of New Home Sales**



Source: RMLS

The maps below show how homeownership affordability varies among different populations in Portland. Areas in purple would be considered not affordable. Portland's neighborhoods are most affordable to white households, and least affordable to Black, Latine, Native American, Asian, and Pacific Islander households.

**Figure 63. Average Homeownership Affordability by Race and Ethnicity**



Source: Draft PHB State of Housing Report 2023 (using ACS 2022 5-Year Estimates)

## Existing And Expected Barriers To The Development Of Needed Housing

### Development and Construction costs

Nationally, development costs have significantly increased over the past few years, especially early in the pandemic. Since 2020, several key construction materials have experienced rapid inflation. From 2020 to 2023, concrete costs increased by 15 percent, lumber by 16 percent and steel by 22 percent.<sup>27</sup> At the same time, rental rates and sale prices slowed, resulting in feasibility gaps for many residential projects. The escalation in pricing of construction materials has tested developers, and in certain instances forced them to utilize cost-effective alternatives that help projects stay within budget without compromising the quality of construction.

Since the Federal Reserve started raising interest rates in 2022, capital has become scarce and expensive, reducing sales transactions and undermining development feasibility.<sup>28</sup> Capital availability is critical for developers—most development costs, including acquisition, predevelopment, construction, and operations, are funded by debt. Interest rates are one of the most significant contributors to higher borrowing costs. Between 2019 and 2023, interest rates for residential development loans increased from five percent or lower to over eight and a half percent.<sup>29</sup>

Locally, System Development Charges (SDCs) are one-time impact fees charged on new development to help pay for infrastructure that serves or provides capacity for growth. Portland's SDCs are typically between \$15,000 and \$30,000 per unit. SDCs increase the cost of building new housing in ways that can skew housing development towards higher-cost homes and can impact buyers and renters.<sup>30</sup> Smaller and lower-cost housing units tend to be more affected by SDCs than larger and more expensive homes. SDCs typically account for a larger share of total costs for smaller homes, middle housing, and moderately priced apartments. These housing types are often targeted at moderate-income households who may not be able to absorb higher prices or rents, making them sensitive to small increases in development costs. As noted in the City's commissioned study, SDC waivers represent the largest potential cost savings for developers but may represent challenges associated with planned City capital improvements.<sup>31</sup>

### Workforce Availability

The limited availability of labor, particularly in the construction workforce, is an acute pain point for developers that has also contributed to setbacks and challenges in construction. Projects are commonly delayed because of supply challenges and labor shortages. These delays sometimes increase costs to such an extent that developers cancel, postpone, or scale back projects. The general costs of trades

<sup>27</sup> <https://blog.naiop.org/2023/12/how-rising-construction-costs-are-impacting-real-estate-development/>

<sup>28</sup> <https://knowledge.uli.org/-/media/files/emerging-trends/2024/2024-et-re-us.pdf>

<sup>29</sup> <https://turnercenter.berkeley.edu/wp-content/uploads/2023/12/Development-Math-2023.pdf>

<sup>30</sup> [https://www.oregon.gov/ohcs/development/Documents/Oregon%20SDC%20Study\\_FinalReport\\_121422.pdf](https://www.oregon.gov/ohcs/development/Documents/Oregon%20SDC%20Study_FinalReport_121422.pdf)

<sup>31</sup> <https://www.portland.gov/phb/documents/portland-development-cost-study-summary/download>



have also increased, contributing to higher construction costs; as demand for these workers soars, there is little incentive for businesses to reduce costs. According to Associated Builders and Contractors, nationally, the construction industry needed to attract approximately 546,000 workers to meet the demand for labor in 2023.<sup>32</sup>

## Financing and Investment Funding and Resources

Developers are currently facing funding availability challenges. Banks are willing to cover less of the overall project cost as lenders further hedge against risk. In 2019, a 65 to 70 percent Loan to Cost (LTC) metric was common, which refers to the amount a bank will finance of the total project cost. In 2023, that ratio dropped to roughly 55 percent.<sup>33</sup>

With banks and other lenders now less willing to lend as much, developers must seek other sources of funding. For some, that means putting in a greater proportion of their own equity, reducing their capacity for other projects; for others, that means taking on loans with less favorable conditions (higher interest rates, for example), reducing their ability to provide affordable units. For affordable housing developers, the pool of possible funders is small, and compliance can be challenging. Further, the Portland and Metro housing bonds passed by voters, which were effective funding sources, have largely been tapped.

Anecdotally, these national trends have been exacerbated by an extended wave of negative national media coverage of Portland since 2020, resulting in a diminished reputation amongst the development community—especially non-local developers who might otherwise invest in Portland.<sup>34</sup> Attracting those investment interests is critical to meeting future demand for housing units.

Competition for other funding and resources also reduces the ability of developers to meet the demand for non-market-rate and specialty housing units, e.g., units targeting the production of affordable or accessible units. Funding and resources tend to be tied up in complicated processes and distributed to providers with the expertise in navigating those processes. Further, compliance is criteria-based and promotes a 'bare minimum' development type to gain access to funding and tends not to reward developers that go above the basic requirements.

At the city level, funding is needed for staff time to implement the HPS but also to build units, preserve housing, support infrastructure development, and support redevelopment. Identifying funding sources will be necessary to achieve the outcomes of the HPS and increasing access to housing. Other funding sources may include the State of Oregon's Housing and Community Services Department and other

<sup>32</sup> <https://www.abc.org/News-Media/News-Releases/construction-workforce-shortage-tops-half-a-million-in-2023-says-abc>

<sup>33</sup> <https://ternercenter.berkeley.edu/wp-content/uploads/2023/12/Making-It-Pencil-December-2023.pdf>

<sup>34</sup> <https://www.opb.org/article/2023/12/12/portland-oregon-mayor-ted-wheeler-condemns-ads-criticizing-city/>

State agencies that fund infrastructure and other programs necessary to support housing development; and other private and nonprofit organizations.

## Regulatory Burdens

In 2023, the City surveyed development professionals to better understand constraints affecting the building of needed housing in Portland, and to identify changes that may address these constraints and achieve development more quickly. The City asked for the top five requirements (out of 22 items) that the City should consider modifying to support production. The [survey](#) received 611 total respondents and identified the following 10 items: bicycle parking requirements, system development charges (timing of payment), floor area ratio limits, first-floor active use requirements, reduced public infrastructure requirements, demolition delay requirements, non-conforming upgrade requirements, parking impacts analysis, maximum height limits, and bird safe glazing requirements.<sup>35</sup>

Research conducted by the University of Oregon Institute for Policy Research and Engagement (IPRE) for the Department of Land Conservation & Development (DLCD) summarized the perceived barriers to housing production in Oregon.<sup>36</sup> They identified several barriers rated as 'extreme' that range from labor, buildable land supply and demand, construction costs, industry structure, and process:

- High construction costs (materials)
- Limited ability for low and moderate-income to compete in the market
- High cost of land
- High cost/limited supply of skilled labor
- Insufficient workers in skilled trades (e.g., licensed tradesperson)
- High construction costs (labor)
- Lack of available vacant buildable lots (e.g., for sale or owned by builders)
- High costs/limited supply of construction workers, generally
- Development not keeping pace with population growth
- Lack of larger (5+acre) development-ready tracts
- Developers not building enough needed housing that is affordable
- Not enough workers for other jobs

## Mortgage And Loan Interest Rates

Mortgage interest rates dropped below five percent for the first time in history following the 2008-2009 Great Recession and remained there until 2022, while also reaching a record low of 2.65 percent in January 2021. Mortgage rates quickly rose to a peak of 7.08 percent in 2022 as inflationary pressures caused the Federal Reserve to significantly raise rates. With the Federal Reserve maintaining higher

<sup>35</sup> [www.portland.gov/bds/news/2023/3/15/rubio-development-services-release-results-housing-production-survey](https://www.portland.gov/bds/news/2023/3/15/rubio-development-services-release-results-housing-production-survey)

<sup>36</sup> [https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/3/17202/files/2022/11/UO-IPRE-Barriers-to-Housing-Production-Summary-Report\\_Oct-2022.pdf](https://bpb-us-e1.wpmucdn.com/blogs.uoregon.edu/dist/3/17202/files/2022/11/UO-IPRE-Barriers-to-Housing-Production-Summary-Report_Oct-2022.pdf)

rates, mortgage interest rates have remained above 6.0 percent, reaching a peak of 7.79 percent in October 2023. Rates have hovered between 6.6 and 6.9 percent in the first quarter of 2024.<sup>37</sup>

These interest rate increases have been most consequential to housing affordability; the monthly payment on a median-priced house has increased by more than 50 percent due to higher rates. A jump in interest rates from 2.75 percent to 7.5 percent results in a 71 percent increase in a monthly mortgage payment. A \$300,000 mortgage would be around \$873 higher per month with a 7.5 percent interest rate compared to a 2.75 percent rate, nearly \$10,500 more per year for the same size mortgage. Over the past year, housing has become less affordable due to modest gains in home prices, slower wage gains, and the continued rise in interest rates.

Additionally, homeowners may now be reluctant to sell their homes in the current interest rate climate, especially those locked in historically low-interest rates from 2020 to 2021 (91 percent of Oregonians have a mortgage interest rate “far below” six percent (Redfin 2022). This could further exacerbate affordability concerns by limiting the homes for sale, increasing competition amongst a tight supply, and putting upward pressure on home prices.

### **Resident Ability to Pay or Compete for Housing as A Commodity**

Further complicating the issue of production and affordability, demand-side barriers present as mismatches in the housing market or an undersupply of new units at needed affordability levels. As a result, new housing units rarely match the incomes or needs of current households—both for renters and owners.

As demonstrated in the 2045 Housing Needs Analysis, 47 percent of Portland residents earn less than 80 percent AMI and nearly 50 percent of all renters in Portland are cost burdened. Additionally, in the Inclusionary Housing Recalibration study conducted by Portland Housing Bureau and BAE Economics, Portland renter incomes are lowest across peer comparison cities and lower than in the Metro Area.<sup>38</sup>

The rising cost of construction paired with lower incomes creates a challenging production environment where low- and moderate-income households have difficulties attaining affordable units, but achievable rental rates may not be high enough to support the cost of new development for private developers. The affordability of units can be improved by lower interest rates, lower home prices, or higher wages.

<sup>37</sup> <https://fred.stlouisfed.org/series/MORTGAGE30US>

<sup>38</sup> <https://www.portland.gov/phb/documents/portland-development-cost-study-summary/download>

# Appendix B. Housing Policy in Portland

Over the last 9 years, since the City passed the 2015 [Emergency Ordinance Declaring a State of Emergency for Housing and Houselessness](#), the City has implemented or continued the following actions to promote the development of needed housing (Figure 63).

**Figure 64. Existing Housing Production Strategies**

<b>Zoning and Code Changes</b>	
<a href="#">Inclusionary Zoning</a>	<a href="#">Design Overlay Zone Assessment (DOZA)</a>
<a href="#">Mixed Use Zoning</a>	<a href="#">Residential Infill Project (RIP)</a>
<a href="#">Manufactured Dwelling Parks (MDP) Zoning &amp; Bonus</a>	<a href="#">Historic Resources Code Project</a>
<a href="#">Central City 2035</a>	<a href="#">Parking Compliance Amendments Project</a>
<a href="#">Better Housing by Design (BHD)</a>	<a href="#">West Portland Town Center</a>
<a href="#">Deeper Housing Affordability (DHA) bonus</a>	<a href="#">Lower Southeast Rising</a>
<a href="#">Visitable Unit bonus</a>	<a href="#">Montgomery Park to Hollywood</a>
<a href="#">Three-Bedroom Unit Bonus</a>	<a href="#">Housing Regulatory Relief Project</a>
<a href="#">Expanding Opportunities for Affordable Housing</a>	<a href="#">2023 RICAP 10</a>
<a href="#">Shelter 2 Housing Continuum (S2HC)</a>	<a href="#">EV Ready Requirement</a>
<b>Tax Exemption and Abatement</b>	
<a href="#">Non-Profit Low Income Housing Limited Tax Exemption</a>	<a href="#">Homebuyer Opportunity Limited Tax Exemption (HOLTE)</a>
<a href="#">Multiple-Unit Limited Tax Exemption (MULTE) &amp; Extension</a>	<a href="#">Affordable Housing Construction Excise Tax Exemption</a>
<a href="#">Inclusionary Housing (IH) Program</a>	
<b>Financial Resources and Incentives</b>	
<a href="#">Tax Increment Financing (TIF)</a>	<a href="#">Portland Clean Energy Fund (PCEF)</a>
<a href="#">Neighborhood Prosperity Initiatives</a>	<a href="#">American Rescue Plan Act Funds</a>
<a href="#">Short Term Rental Lodging Tax</a>	<a href="#">System Development Charges: Exemption, Freeze, Deferral, Stormwater Rate Changes</a>
<a href="#">Construction Excise Tax</a>	<a href="#">Local Transportation Infrastructure Charge Exemption</a>
<a href="#">Portland Housing Bond</a>	<a href="#">State Funding</a>
<a href="#">Metro Housing Bond</a>	<a href="#">Federal Funding</a>
<a href="#">Metro Supportive Housing Services Fund</a>	
<b>Reducing Regulatory Burden and Improving Processes</b>	
<a href="#">Permit Improvement Task Force</a>	<a href="#">Early Assistance Options for Middle Housing Projects</a>
<a href="#">Regulatory Reform Project</a>	<a href="#">Single Permitting Office</a>
<a href="#">Residential Permitting Single Point of Contact</a>	<a href="#">Customer Intake Success</a>
<a href="#">Public Infrastructure Prescreen</a>	<a href="#">Website Design and Alignment</a>
<a href="#">Multi-Dwelling Housing Pilot</a>	<a href="#">Team Business Process Analysis Review</a>
<a href="#">Public Works Pilot</a>	<a href="#">Housing Development GATR</a>
<a href="#">Temporary Early Assistance Fee Reduction</a>	<a href="#">Pre-approved Detached ADU Plans</a>
<b>Land</b>	
<a href="#">Public Land Inventory</a>	<a href="#">Land Acquisition ARPA Funds</a>
<a href="#">Land Banking</a>	

Additional policies have been adopted to stabilize households, prevent displacement or promote access to affordable homeownership, more detail on these policies and programs can be found in the section Other Policies and Programs; Stabilization, Anti-Displacement and More (Figure 64).

**Figure 65. Existing Policies Addressing Stabilization, Anti-Displacement and More**

<b>Other Policies and Programs; Stabilization, Anti-Displacement and More</b>	
Joint Office of Houseless Services	<a href="#">Sewer, Stormwater And Water Financial Assistance</a>
• <a href="#">Houselessness Response Action Plan</a>	• <a href="#">RAMP</a>
Tax increment Financing (TIF)	• <a href="#">Bill discount</a>
• Single Dwelling Home Repair	• <a href="#">Crisis voucher</a>
• Homeownership	• <a href="#">Water Efficiency Rebates</a>
• Rehabilitation & Preservation of Regulated	• <a href="#">Lead-In-Water Testing</a>
• Acquisition & Rehabilitation of Market-Rate	• <a href="#">Water Leak Repair Assistance</a>
<a href="#">Advance Portland</a>	• <a href="#">Financial Assistance for Multi-family Sewer and Water Bills</a>
<a href="#">Anti-Displacement Action Plan</a>	• <a href="#">Clean River Rewards</a>
<a href="#">Action Plan for An Age-Friendly Portland</a>	• <a href="#">Treebate Program</a>
<a href="#">Age- &amp; Disability-Inclusive Neighborhood Project (ADIN)</a>	• <a href="#">Native Plant Certificate</a>
<a href="#">N/NE Preference Policy</a>	• <a href="#">Financial Assistance for Tree Permit Fees</a>
N/NE Community Development Initiative Action Plan	• <a href="#">Drainage Technical Assistance</a>
Fair Housing Policy Audits	<a href="#">Free Extra Capacity Waste Container</a>
Fair Housing Testing	<a href="#">Free Home Energy Assessment (Home Energy Score)</a>
<a href="#">Affirmative marketing for City Incentives</a>	<a href="#">PBOT New Mover Transportation Wallet</a>
Workforce Development	<a href="#">RV Pollution Prevention Program</a>
<a href="#">Affordable Housing Green Building Policy</a>	<a href="#">American Rescue Plan Act Funds</a>
<a href="#">Affordable Housing Air Conditioning Requirements</a>	• Affordable Housing Land Banking
<a href="#">Down Payment Assistance Loan Program</a>	• Affordable Housing Preservation
<a href="#">Landlord-Tenant Mediation Pilot Program</a>	• 82nd Avenue Housing Anti-Displacement
<a href="#">Short Term Rental Ordinance</a>	• JOHS Motel Shelter Strategy
<a href="#">Rental Services Office (RSO)</a>	• PSR Expansion 24/7
<a href="#">Fair Access in Renting (FAIR)</a>	• Utility Debt Relief
<a href="#">Eviction Legal Support</a>	• Eviction Legal Defense
<a href="#">Mandatory Relocation Assistance</a>	• Housing Stabilization Contingency
<a href="#">Empowered Neighborhood Program</a>	• Household & Legal Relief
<a href="#">Homeowner Foreclosure Prevention</a>	• Rent Assistance; Safe Rest Villages
<a href="#">0% Home Repair Loans</a>	• COVID-19 Houseless Services
<a href="#">Lead Hazard Control Grant Program</a>	• Flexible household assistance
<a href="#">Safety Net Low Income Loans</a>	• Rapid Workforce Training & Employment

# Existing and Ongoing Housing Production Policy

## Zoning and Code Changes

Strategies that proactively encourage needed housing production through zoning, code and map modifications.

- **Inclusionary Zoning.** Adopted 2016 and effective 2017 by Ordinance No. 188162 and 188163<sup>39</sup>, the policy requires new medium and large (20 or more units) market-rate multi-dwelling development to provide affordable housing. It is a mandatory program with units affordable at 80 percent Area Median Income (AMI). There are financial incentives for units affordable below 60 percent AMI. There is a priority for units on-site over fee-in-lieu revenue or units off-site. Units must be comparable in quality, size, bedroom composition, and distribution and must maintain affordability for 99 years.
  - **Inclusionary Housing (IH) Calibration and Construction Cost Driver Studies.** Adopted in 2024 by Ordinance No. 191610, City council amended the property tax exemption for multiple-unit housing development code and inclusionary housing code to make technical corrections and adjust the property tax exemption for multiple-unit housing developments based on the work commissioned in 2023. The City worked with a consultant team to better understand the impact of various local code regulations on the cost of building housing in Portland. Those included inclusionary housing requirements, bike parking, ground floor active use, right of way improvements, design review, and associated fees/charges. This also included a cost comparison to build multi-dwelling housing in peer cities: Seattle, Denver, and Sacramento.<sup>40</sup>
- **Mixed Use Zoning.** Adopted in 2016 and effective 2018 by Ordinance No. 188177.<sup>41</sup> The Mixed-Use Zoning Project was adopted as part of the Portland 2035 Comprehensive Plan Early Implementation Package and developed new mixed-use planning and zoning designations to implement the “Centers and Corridors” concepts that emerged from The Portland Plan and the 2035 Comprehensive Plan Update planning processes. Subsequent amendments included floor area and height bonuses for inclusionary housing.
- **Manufactured Dwelling Parks (MDP) Zoning.** Adopted and effective in 2018 by Ordinance No. 189137.<sup>42</sup> The Manufactured Dwelling Parks (MDP) zoning project established a new residential multi-dwelling base zone specifically for manufactured dwelling parks. This project created the RMP zone, which exclusively allows for manufactured home parks, with a density of up to 29 units per

<sup>39</sup> <https://www.portland.gov/bps/documents/inclusionary-housing-zoning-project/download>

<sup>40</sup> <https://www.portland.gov/phb/inclusionary-housing/calibration-study>

<sup>41</sup> [www.portland.gov/bps/documents/2035-comprehensive-plan-early-implementation-zoning-code-changes/download](https://www.portland.gov/bps/documents/2035-comprehensive-plan-early-implementation-zoning-code-changes/download)

<sup>42</sup> <https://efiles.portlandoregon.gov/Record/12185077/>

acre. The RMP zone also has an affordable housing bonus option in which the maximum density can be increased up to 43 units per acre when at least 50 percent of all the dwelling units on the site are affordable to those earning no more than 60 percent of the area median family income.

- **Manufactured Dwelling Park Affordable Housing Density Bonus.** Adopted in 2020 and effective 2021 by Ordinance No. 189783 and 190523.<sup>43</sup> The MDP Affordable Housing Density Bonus was adopted to support the preservation of lower-cost market rate housing in manufactured dwelling parks; and ensure there are a variety of housing types available to low income and otherwise vulnerable people.
- **Central City 2035.** Adopted and effective in 2018 by Ordinance 189000 and in 2020 by Ordinance 190023.<sup>44</sup> These ordinances amended the Central City Plan District (33.510) to increase capacity for high-density, mixed-use and multi-dwelling housing where the most services and amenities are, streamlined bonus and transfer system, focused on inclusionary housing bonus, increased FAR/density and height in areas and applied minimum density requirements across Central City.
- **Better Housing by Design (BHD).** Adopted 2019 and Effective 2020 by Ordinance No. 189805.<sup>45</sup> This project re-wrote the Multi-Dwelling Residential Zones Chapter (33.120). The objective was to revise City regulations to better implement Comprehensive Plan policies that call for: increased housing opportunities in and around centers and corridors; housing diversity, including affordable and accessible housing; design that supports residents' health and active living; pedestrian-oriented street environments; safe and convenient street and pedestrian connections; design that respects neighborhood context and the distinct characteristics of different parts of Portland; nature and green infrastructure that are integrated into the urban environment; low-impact development that helps limit climate change and urban heat island effects. This project removed density maximums that were previously based on units per site area, and instead applied floor area ratio (FAR) limits to regulate density. It also added FAR and height bonus options for inclusionary housing, three-bedroom units, more accessible (visitable) units, and voluntary affordable housing units.
  - **Deeper Housing Affordability (DHA).**<sup>46</sup> Deeper Housing Affordability FAR Density Program. Adopted 2019 and Effective 2020 by Ordinance No. 189805; Amended and effective in 2021 by Ordinance Nos. 190093 and 190523. In addition to bonuses for mandatory inclusionary housing, and additional voluntary affordable units, the City offers an affordable unit floor area and height bonus for projects where at least 50 percent of the units are affordable at 60 percent AMI.

<sup>43</sup> <https://www.portland.gov/code/30/01/130>

<sup>44</sup> <https://www.portland.gov/bps/cc2035/documents/ordinance-190023-amended/download>

<sup>45</sup> [www.portland.gov/bps/better-housing/documents/volume-1-adopted-better-housing-design-staff-report/download](https://www.portland.gov/bps/better-housing/documents/volume-1-adopted-better-housing-design-staff-report/download)

<sup>46</sup> <https://www.portland.gov/code/30/01#toc--30-01-140-deeper-housing-affordability-far-density-program->



- **Visitable Unit Bonus.** In 2020, the City adopted zoning code changes to create a floor area bonus for visitable units (33.120.211.C.4). The Visitable units bonus option provides bonus FAR allowed up to the maximum with visitable units' bonus when at least 25 percent of all the dwelling units on the site meet the visitability standards, including standards for Visitable entrance, bathroom, living area and doors. this bonus is not available for projects with buildings that are required by the Oregon Structural Specialty Code to include Type A or Type B accessible units.
- **Three-Bedroom Unit FAR Density Bonus Option Program.**<sup>47</sup> Adopted and effective 2021 by Ordinance No. 190037; amended by Ordinance No. 190523 It aims to increase the number of family-sized dwelling units available for sale or for rent to moderate-income households. Developments approved for the Three-Bedroom Bonus Program must maintain dwelling units that shall remain affordable for a period of at least 10 years and be available to households' earning 100 percent or less of area median income.
- **Expanding Opportunities for Affordable Housing.** With support from a Metro funded grant, the City adopted and made effective in 2020 by Ordinance No. 190000,<sup>48</sup> changes to the zoning code that streamlined the review process for community and faith-based organizations that plan to develop affordable housing on their land. The zoning code changes allow organizations that are in residential zones to 1) develop affordable housing on their land without a conditional use (CU) review if at least 50 percent of the units are affordable; 2) repurpose up to 50 percent of their parking area for an affordable housing project; and 3) add up to 2,000 sq ft of nonresidential use without a conditional use review.
  - **Expanding Opportunities for Affordable Housing Zoning Map Changes.** In addition to zoning code changes, zoning map changes were made on 19 faith-based or community-owned sites, which provide flexibility and options for future development.
- **Shelter 2 Housing Continuum (S2HC).** Adopted and effective in 2021 by Ordinance No. 190380, additional amendments adopted and effective in 2023 by Ordinance No. 191171.<sup>49</sup> The City adopted code amendments to address the growing crisis of houseless Portlanders. The City adopted zoning code changes to expand the housing and shelter options for individuals and households with extremely low incomes. These changes make it easier to site shelters, including outdoor shelters; increased the range of group living situations, including single room occupancy (SRO) units; and allows a recreational vehicle or tiny house on wheels on a residential property. In 2023, City Council adopted additional amendments to address unintended technical issues, and further streamline shelter site reviews. The code changes remove barriers that presented a burden

<sup>47</sup> <https://www.portland.gov/code/30/01/160>

<sup>48</sup> <https://efiles.portlandoregon.gov/Record/13780746/>

<sup>49</sup> <https://www.portland.gov/bps/s2hc/documents/adopted-zoning-ordinance-no-190380/download>

to City-County efforts to open more shelters. The SH2C package also included changes that expanded housing choice and facilitated the production of affordable housing projects.

- **Design Overlay Zone Amendments (DOZA).** DOZA Adopted and effective 2021 by Ordinance No. 190477.<sup>50 51</sup> DOZA made several changes to update the tools and processes used to review applications within the Design overlay zone. Changes include updating the thresholds that trigger Design overlay zones requirements, including exemptions for affordable housing, and the assignment of land use reviews; allowing a greater number of projects to use the objective design standards, including some projects within the Gateway plan district; creating a new set of objective standards that employs a flexible menu approach. It also created a new set of nine Citywide Design Guidelines to replace the Community Design Guidelines; creating a new Type I lower level of review for smaller façade, sign and rooftop alterations; formalizing the process for Design Advice Requests and removing the Design overlay from most single dwelling overlay zones.
- **Residential Infill Project (RIP).** Adopted 2020 and effective 2022 by Ordinance No. 190093,<sup>52</sup> RIP2, adopted and effective 2022 by Ordinance No. 190851.<sup>53</sup> The City adopted rules that allow more middle housing options in neighborhoods. This includes accessory dwelling units (ADUs), duplexes, triplexes and fourplexes, and cottage clusters. RIP also adopted limits on the size and scale of residential development. In the R2.5, R5, R7, R10 and R20 zones, RIP adds flexibility to build housing through an increase in the number of units can be built on each lot; an increase in the number of allowable configurations of units and structures on lots; and removal of the off-street parking requirement in single-dwelling zones. For new construction with three or more units on the site, including ADUs, one of the units must be visitable. Visitability standards include: a no-step, barrier-free main entrance; a bathroom and small living area accessible to the main entrance; and 32-inch-wide internal doors between entrance, bathroom and living area for wheelchair accessibility.<sup>54</sup>
- **Historic Resource Code Project (HRCP).** Adopted and effective 2022 by Ordinance No. 190687,<sup>55</sup> this project streamlined reviews and created exemptions for some alterations to historic resources. It also allowed for small new detached accessory dwelling units to be created in historic districts without a land use review, removed off-street parking requirements for historic landmarks and districts, removed unit density limits from R.25, R5, R7 and CR zoned landmarks and historic districts, and enabled two ADUs to be built in conjunction with a house, duplex, triplex, fourplex or multi-dwelling structure.

<sup>50</sup> <https://www.portland.gov/bps/planning/doza/documents-and-resources#toc-council-approved-ordinance-documents-and-exhibits>

<sup>51</sup> <https://www.portland.gov/phb/certification-program>

<sup>52</sup> <https://www.portland.gov/bps/planning/rip/project-documents>

<sup>53</sup> <https://efiles.portlandoregon.gov/Record/15213935/>

<sup>54</sup> <https://www.portland.gov/bds/zoning-land-use/residential-infill-project/visitability>

<sup>55</sup> [https://www.portland.gov/council/documents/This project ordinance/passed/190687](https://www.portland.gov/council/documents/This%20project%20ordinance/passed/190687)

- **Parking Compliance Amendments Project (PCAP).**<sup>56</sup> Adopted and effective in 2023 by Ordinance No. 191310, the Parking Compliance Amendments Project removed minimum parking requirements citywide and makes other adjustments to parking maximums and parking standards to align with the 2022 Climate Friendly and Equitable Communities (CFEC) rulemaking process. These changes remove mandatory costs associated with providing required off-street parking, as well as enabling more of the development site to be used to create housing for people, rather than storage for cars.
- **West Portland Town Center Plan.**<sup>57</sup> Adopted 2022 by Ordinance No. 191079, the Zoning Code amendments include additional Zoning Code incentives and regulations to prioritize housing affordability and community benefits and proposed Zoning Map changes. Housing related provisions include changes to preserve existing multi-dwelling housing by adjusting FAR limits to be similar in scale to existing multi-dwelling development; allowing the deeper affordability bonus to prioritize affordability; incentives for sites preserving existing affordable housing through FAR transfer; FAR linked increases in multi-dwelling zones to housing affordability; and requiring inclusionary housing in order for other bonuses to be used (exempt purely commercial or employment projects).
- **EV Ready Requirement.**<sup>58</sup> Effective 2023, by Ordinance No. 191164, this augments state rules and provides more people the option to drive electric vehicles (EV) by making it easier to install chargers at multi-dwelling and mixed-use buildings. This update requires 50% of parking spaces, in new buildings with five or more units, to include EV-ready infrastructure, when more than six spaces are provided; or 100% of spaces, when six or fewer are provided. This is important to support the current and future of renters and low-income Portlanders living in multi-dwelling buildings.
- **Housing Regulatory Relief Project.**<sup>59</sup> Adopted 2024 by Ordinance No. 191609, the project amends the Zoning Code, providing both temporary suspensions of some regulations and permanent clarifications to the rules. The amendments are mostly based on the development issues identified through the Housing Production Survey from early 2023, conducted by the Bureau of Development Services on behalf of Commissioner Rubio. The temporary suspensions generally apply to projects that include housing and are in effect until January 1, 2029.
  - Development and design standards that are reduced or suspended include rules for bicycle parking, ground floor use and design standards, façade articulation, nonconforming upgrades, security gates, and Central City ecoroof standards. Process improvement changes include neighborhood contact processes, design review procedure types for market rate and affordable housing, approval criteria related to on-

<sup>56</sup> <https://www.portland.gov/bps/planning/pcap>

<sup>57</sup> <https://www.portland.gov/bps/planning/wpdx-town-center>

<sup>58</sup> <https://www.portland.gov/bps/planning/ev-ready/about>

<sup>59</sup> <https://www.portland.gov/bps/planning/housing-regulatory-relief>

street parking impacts, and land use review expirations. In addition, through a Council amendment, the regulations for inclusionary housing were simplified as well as aligned with state requirements.

- **Lower SE Rising Area Plan.**<sup>60</sup> Adopted in Spring 2024, this plan addresses the land use and transportation challenges in the Brentwood-Darlington neighborhood and nearby areas, including parts of the Woodstock, Mt. Scott-Arleta, and Lents neighborhoods. It focuses on recommendations for three primary types of implementation tools: 1) land use changes to provide more commercial and housing opportunities; 2) projects/programs to enable people to safely and conveniently walk or roll; and 3) community stabilization approaches to support housing and economic stability so that the community can benefit from improvements, such as growth allowed by zone changes and transportation projects.
- **Montgomery Park Area Plan.**<sup>61</sup> MPAP is exploring opportunities to create an equitable development plan for transit-oriented districts in NW Portland (Montgomery Park), as well as NE Portland (Hollywood District). The MP2H study considers land use and urban design options, affordable housing and economic development opportunities, as well as possible public benefits with a transit-oriented development scenario and the extension of the Portland Streetcar into the area. The project will also consider how such opportunities could support the City's racial equity, climate justice, employment and housing goals. A proposed draft will head to planning commission in May 2024.
- **Regulatory Improvement Code Amendment Package (RICAP 10).**<sup>62</sup> RICAP is designed as a regular omnibus package of code amendments that generally address technical issues, provide greater clarity, or simplify burdensome rules in the zoning code. These amendments typically have minor policy implications but are intended to overall improve the functionality and efficiency of the code. In 2023, Council re-established funding of the RICAP program, managed by BPS. RICAP 10 considers more than 80 items for possible regulatory improvement, with an emphasis on three themes: housing production, economic development, and regulatory reduction. The dozens of items are bundled to align with those three themes:
  - Housing production related proposed changes include amendments to regulations for: ground floor and ground floor façades, the design overlay zone, and historic resources. Economic development related proposals update the rules for the Central City Plan District, home occupations, and temporary activities. Regulatory reduction proposed changes include updates to bring the City into compliance with state and local laws, land use review processes, and miscellaneous regulatory cleanup

<sup>60</sup> <https://www.portland.gov/bps/planning/lower-se-rising>

<sup>61</sup> <https://www.portland.gov/bps/planning/mp2h/about>

<sup>62</sup> <https://www.portland.gov/bps/planning/ricap10>

## Tax Exemption and Abatement

Tax exemption and abatement programs intended to encourage developers to produce housing.

- **Non-Profit Low Income Housing Limited Tax Exemption (NPLTE).**<sup>63</sup> Authorized in 1985 by the Oregon legislature, the NPLTE is a property tax exemption for low-income housing owned and operated by charitable, non-profit organizations. The property must be located within the City of Portland and restrict the rents of the exempted units to be affordable to households earning no more than 60 percent of the area Median Family Income (MFI).
- **Multiple-Unit Limited Tax Exemption (MULTE).** Adopted and effective 2012 by Ordinance No. 185477, subsequently amended in 2018 by Ordinance No. 188869 and 189247.<sup>64</sup> With MULTE, multi-dwelling projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. The program supports the creation of affordable housing units through the Inclusionary Housing Program; leverages market activities to advance housing and economic prosperity goals by aligning those activities with the goals of the Portland Plan and the PHB's Strategic Plan; and provide transparent and accountable stewardship of public investments.
  - **MULTE Extension.** Adopted and effective 2023 by Ordinance No. 191270.<sup>65</sup> Updates the City's Multiple-Unit Limited Tax Exemption (MULTE) rules to allow projects with expiring MULTE units a voluntary opportunity to extend their tax exemption for a limited amount of time in order to extend the affordability of the MULTE units. This change does not create new housing units but will help preserve the affordability of up to 279 units of existing affordable housing.
- **Homebuyer Opportunity Limited Tax Exemption (HOLTE).** First adopted and effective in 2012. Under the HOLTE Program, single-unit homes receive a ten-year property tax exemption on structural improvements to the home as long as the property and owner remain eligible per program requirements. Property owners are responsible for taxes on the assessed value of the land during the exemption. The property is reassessed when the exemption is terminated or expires after the ten years, and owners begin paying full property taxes.
  - **HOLTE Expansion.**<sup>66</sup> Adopted 2023 by Ordinance No. 191361, Portland City Council approved an increase to the annual HOLTE cap from 100 per year to 500. The program incentivizes private developers to build affordable homes by offering a property tax exemption if they are sold to an income-qualifying family.

<sup>63</sup> <https://www.portland.gov/phb/nplte>

<sup>64</sup> <https://www.portland.gov/phb/multe>

<sup>65</sup> <https://www.portland.gov/council/documents/ordinance/passed/191270>

<sup>66</sup> <https://efiles.portlandoregon.gov/Record/16302674/>

- PHB took a temporary relief ordinance to Council on January 10, 2023, to increase the income threshold to 120%.
- **Affordable Housing Construction Excise Tax (AHCET) Exemption.** Effective 2016 by Ordinance No. 187855, construction permits for affordable housing for people at or below 80 percent AMI are exempt from the tax.
- **Inclusionary Housing (IH) Program.** To offset costs of compliance with the Inclusionary Housing (IH) program requirements and related zoning and code changes, the city offers financial and development incentives such as a property tax abatement, development bonus, and exemptions from other local taxes. As of 2023, over 1,000 units of affordable housing have been produced or are in development due to the Inclusionary Housing program (see above on Inclusionary Zoning for more details of program).

## Financial Resources and Incentives

Financial incentives the City offers to encourage developers to produce needed housing. The City utilizes resources /programs at the local, state and federal level to provide funds for housing projects.

- **Tax Increment Financing (TIF).** Tax Increment Financing (TIF) supports regulated affordable housing and mixed-income, mixed-use projects within the City's Tax Increment Finance areas. A Tax Increment Financing (TIF) Set-Aside Policy was created in 2006 as a permanent resource to invest in meeting the City's housing needs by creating and preserving homes for the City's most vulnerable people and families. An updated Affordable Housing Set-Aside Policy was adopted in 2017 by Ordinance No. 180889, based on previous ordinances in 2011 and 2015 (Ordinance No. 185007, 187242 and Emergency Ordinance No. 187415). This policy now requires that 45 percent across urban renewal areas TIF funding to go to affordable housing. Existing TIF districts include Downtown Waterfront and River District (Old Town/ Broadway Corridor), Central Eastside, Gateway, Interstate, N Macadam, Lents Town Center and Cully. Past URA and TIF districts included Airport Way, Oregon Convention Center, South Park Blocks and the Willamette Industrial. A recent study regarding outcomes shows that while TIF districts make up a 11 percent of the City's land area, they contain 55 percent of the city's regulated affordable housing.
  - **Regulated Affordable Rental Housing.** Portland Housing Bureau has largely funded multi-dwelling, regulated rental housing through the Tax Increment Financing Set Aside resources. Regulated rental housing is provided for households earning 80 percent AMI and below. A 2019 TIF study indicated that between FY2015-18, a total of 1,886 units were created throughout the URAs, mostly for low (earning 60 percent AMI and below) and extremely low-income (earning 30 percent AMI and below) households.
  - **Acquisition and Rehabilitation of Existing Properties.** Tax Increment Financing (TIF) supports programs that purchase existing market-rate housing and/or sites, to convert into regulated, multi-dwelling affordable housing. PHB has used this mostly to acquire



properties for future redevelopment, to protect current residents from displacement and/or secure permanently affordable homes.

- **Gap Financing For Middle Income Housing.** Prosper Portland offers a Commercial Property Loan Program (CPRL) to assist with redevelopment, new development and **tenant** improvements that encourage business development and job growth within TIF districts and via a Strategic Investment Fund available citywide. Prosper Portland's commercial real estate TIF investments are largely guided by 5-year action plans outlining community priorities. Action Plans guide Prosper Portland's investments in Old Town, Gateway, Lents and Interstate via the N/NE Community Development Initiative Action Plan. CPRL investments have been instrumental to supporting middle income projects like The Nick Fish mixed-income, mixed-use project in Gateway and development of Oliver Station (complete), Lents Commons (complete), and 92<sup>nd</sup> and Harold (in permitting) in the Lents Town Center.
- **TIF Exploration.** After the adoption of [Advance Portland strategy](#), Prosper Portland and PHB are working in partnership with community organizations to create new TIF districts in East Portland and Central City. If the exploration process created, these will capture increases in property taxes and redirect it to support local priorities related to housing and economic development. The TIF Exploration continues through 2024 with anticipated funding for housing development and production, for both affordable and middle income, coming in a number of years thereafter.
- **Neighborhood Prosperity Initiatives (NPI).**<sup>67</sup> The Neighborhood Prosperity Network are micro-Tax Increment Finance (TIF) districts designed to support social equity-based community economic development at the neighborhood level. Through grants, training, and support from Prosper Portland together with limited amounts of TIF, each Network organization is responsible for planning and implementing projects to improve the local commercial district, and depending on community priorities, has and can include the development of housing. Existing districts include Cully Boulevard Alliance, Division Midway Alliance, Historic Parkrose, Jade District, Our 42<sup>nd</sup> Avenue, Rosewood Initiative and St. Johns Center for Opportunity.
- **Short-Term Rental Lodging Tax.** Portland hotels, motels, Bed and Breakfasts, vacation rentals, and short-term rental operators who provide lodging on a non-permanent basis for eight or more days in a calendar year are subject to County and City Transient Lodgings Taxes. Portland's tax is 6 percent (5 percent to City general fund; 1 percent to Travel Portland).
  - A \$4 nightly fee on short-term rentals, is due from Booking Agents and short-term rental hosts for each night a guest rents a room. This fee is in addition to the Transient

<sup>67</sup> <https://prosperportland.us/neighborhood-prosperity-initiative/>



Lodgings Tax being collected. The funds generated from this fee are used to fund affordable housing and houselessness initiatives in the Portland area.

- **Construction Excise Tax (CET).** Effective 2016 by Ordinance No. 187855.<sup>68</sup> The tax, in the amount of 1 percent of the value of commercial and residential improvements, is imposed on new construction with a value greater than \$100,000. For residential improvements, revenues are distributed as follows: 15 percent of net revenue remitted to the Oregon Department of Housing and Community Services to fund home ownership programs; 50 percent transferred to the PHB Inclusionary Housing Fund to fund finance-based incentives for programs that require affordable housing; and thirty-five percent transferred to the PHB Inclusionary Housing Fund for production and preservation of affordable housing units below 60 percent median family income.
  - For the tax imposed on commercial improvements, 100 percent of net revenue goes toward to the PHB Inclusionary Housing Fund for the production and preservation of affordable housing units at and below 60 percent median family income.
  - In addition, the CET funds have been used to support predevelopment loans to projects that are awarded Portland Housing Bonds and Metro Housing Bonds.
- **Portland Housing Bond.** In November 2016, Portland voters passed the city's first housing bond, dedicating \$258.4 million under Measure 26-179 as proposed in Ordinance No. 187855.<sup>69</sup> Measure 26-179 was the first housing bond passed in the City of Portland with 62 percent of the vote with the stated aim to produce 1,300 permanently affordable homes for households earning under 60 percent AMI with a focus on families (goal of 650 family-sized units), very low income households (600 units at 30 percent AMI) and houseless (goal of 300 Permanent Supportive Housing or PSH units). To implement this measure, PHB included rental support in the form of Project Based Section 8 vouchers from Home Forward, the housing authority of Multnomah County, and supportive services funding from Joint Office of Houseless Services (JOHS). The Portland Housing Bond has exceeded all goals and committed all funds to 15 projects throughout the City in high opportunity location, representing 1,859 affordable units, a 43 percent increase over the original goal, to provide homes to over 4,000 low-income Portlanders.
  - Similar to all funding through PHB, the Portland Housing Bond had targets related to its Equity in Contracting policy with a targeted DMWESB-SDV of 30 percent contracting for hard costs and 20 percent for soft costs and targets under its Green Building Policy focused on sustainability.<sup>70 71</sup>

<sup>68</sup> <https://www.portland.gov/code/6/08>

<sup>69</sup> <https://portlandhousingbond.com/>

<sup>70</sup> <https://www.portland.gov/phb/about/equity-contracting>

<sup>71</sup> <https://www.portland.gov/phb/phb-affordable-housing-green-building-policy>

- The priorities and goals established by the bond's Policy Framework guide how PHB identifies, purchases, builds and renovates homes.<sup>72</sup>
- **Metro Housing Bond.** In November 2018, the Metro region voters passed Measure 26-199 dedicating \$652.8 million for affordable housing. Portland's share is \$211 million of the Metro Housing Bond by way of Ordinance No. 190095.<sup>73</sup> Similar to the Portland Housing Bonds, the Metro Housing Bond also has targets for production for a minimum of 1,475 new permanently affordable housing, 737 family sized units, 605 very low income, 30 percent AMI units and 300 PSH units.<sup>74</sup> Similar to the Portland Housing Bond, PHB is working with Home Forward for rental support and JOHS to provide supportive services to residents in these homes. As of 2024, PHB has committed approximately \$160 million to fund over 1,700 units throughout Portland in high opportunity area in over 20 projects, that are open or in development, to house another 4,000+ low-income Portlanders. With the remaining Metro funds, PHB anticipates funding Phase 1 of the [Broadway Corridor](#).
- **Metro Supportive Housing Services (SHS) Fund.** In 2020 voters in Multnomah, Washington, and Clackamas Counties took an unprecedented step toward meeting the rent assistance and supportive service's needs, with a particular focus on addressing the housing and support service needs of those extremely low-income individuals with disabilities who are experiencing long periods of street and shelter houselessness. By way of Ordinance 20-1442, Metro imposed an income tax on high-earning households and a regional business profit tax on businesses grossing over \$5 million. SHS funds for Multnomah County are under the direction of the Joint Office of Houseless Services.<sup>75</sup>
  - These funds have been partially used to fund the supportive services required for PSH under the Portland Housing Bonds and the Metro Housing Bonds as well as any regulated affordable housing that becomes supportive housing. In addition, SHS funds have been used to provide Regional Long-term Rent Assistance (RLRA) which have been used to fund rental support to thousands of houseless households or those at risk of being houseless.<sup>76</sup>
- **Portland Clean Energy Community Benefits Fund (PCEF).**<sup>77</sup> Passed by ballot initiative in 2018, PCEF was charged with developing a Climate Investment Plan, which was approved in 2023. The plan outlines several strategic programs (SP) that will invest in energy efficiency and renewable energy upgrades in housing for low-income households over the next five years. These programs

<sup>72</sup><https://static1.squarespace.com/static/59d4128b80bd5e9928374e77/t/59de776090badeb45b424dd4/1507751778832/PHB+Bond+Policy+One+Pager+-+FINAL.pdf>

<sup>73</sup> <https://www.portland.gov/phb/metro-housing-bond>

<sup>74</sup> <https://www.portland.gov/phb/metro-housing-bond>

<sup>75</sup> <https://www.oregonmetro.gov/sites/default/files/2020/02/24/metro-council-ordinance-20-1442-exhibit-a-20200223.pdf>

<sup>76</sup> <https://www.johs.us/regional-long-term-rent-assistance/>

<sup>77</sup> <https://www.portland.gov/bps/cleanenergy/climate-investment/documents/regulated-multi-family-affordable-housing-clean-energy/download>

will result in single dwelling homes and multi-dwelling housing that are highly efficient, have lower and more stable utility bills, improved air quality, and are more comfortable for residents. Improvements that would not take place without PCEF investment may include but are not limited to deep whole home energy retrofits, solar panels, higher value insulation, high efficiency hot water heating systems, variable frequency drives, and air source heat pumps that keep residents healthy and comfortable. Improvements that would not take place without PCEF investment may include, but are not limited to:

- PCEF SP1: Clean energy in regulated multi-dwelling affordable housing \$60,000,000. This initiative is already underway in collaboration with PHB supporting clean energy in over 1,000 newly, regulated affordable homes in nine PHB funded projects.
  - PCEF SP2: Clean energy in unregulated multi-dwelling housing \$50,000,000
  - PCEF SP3: Clean energy improvements in single-dwelling homes \$140,000,000.
- **American Rescue Plan Act Funds.**<sup>78</sup> In 2021, as a large city, Portland received an award of \$208 million of Local Fiscal Recovery Funds (Multnomah County received \$157 million). Funds have supported numerous housing projects, some of which have contributed to the stabilization of households, and helped to acquire land, others have directly worked to house households, in temporary shelter such as:
    - **Safe Rest Villages.**<sup>79</sup> The City's Safe Rest Village team is adding to the mix of alternative shelters throughout Portland. The project team manages the largest portion of the City grant funds from ARPA, which includes the seven designated Safe Rest Villages, as well as two alternative shelters. Additionally, the State of Oregon has provided funding for the Sunderland RV Safe Park. As of July 2023, 49 percent of those who have exited from Safe Rest Villages have moved onto permanent or other housing.<sup>80</sup>
  - **System Development Charges.** These charges help to fund critical infrastructure improvements; however, the City has provided strategic relief from these charges to help aid in the development of affordable units. Parks SDC are currently scaled by unit size and the Parks SDC Program has two sub-areas (Central City and Non-Central City). SDCs can be waived as affordable housing units by meeting the criteria in the waiver program administered by PHB.
    - **Exemptions and Waivers.**<sup>81</sup> Starting in 2018, the City provided SDC waivers for ADUs with the requirement that they not be used as short-term rental units. The City also provides waivers for affordable housing developments and houseless (mass) shelters. Inclusionary housing units are also exempt from SDCs- exempted units must be rented to households earning no more than 60 percent AMI.

<sup>78</sup> <https://www.portland.gov/united/documents/2023-annual-arpa-report/download>

<sup>79</sup> <https://www.portland.gov/safe-rest-villages/safe-rest-villages-program-overview>

<sup>80</sup> <https://www.portland.gov/safe-rest-villages/documents/addressing-chronic-houselessness/download> and <https://arpa-data-reporting-pdx.hub.arcgis.com/pages/safe-rest-villages>

<sup>81</sup> <https://www.portland.gov/code/17/14/070>

- **Freeze.**<sup>82</sup> In 2023, with the adoption of the City budget for FY 2023-24, the City has, for one fiscal year, froze SDCs for all development projects. Over the past several years, the City Council has chosen to charge lower SDCs than the legally allowable amount. In FY 2023-24, the City froze SDC rates and in FY 2024-25, Water and BES held their increases to 5 percent. Parks is increasing 6 percent and PBOT is increasing 8 percent.
- **Deferral.**<sup>83</sup> Adopted and effective in 2023, through Ordinance No. 191243, the City created a voluntary 24-month payment deferral program, without interest. This change means that housing developers do not have to carry the full financial burden of SDCs up front as they move through the construction process.
- **Office-to-Housing Conversion Fee Deferral.**<sup>84</sup> Adopted and effective in 2023, through Ordinance no 191202 and 191203, the City has waived SDCs to help offset the cost of required seismic improvements to facilitate the conversion of existing office space to residential.
- **Sanitary and Stormwater Rate Changes.**<sup>85 86</sup> Code changes to PCC Chapter 17.36 were adopted and effective in 2023 by Ordinance No. 191537; the code changes along with updates to administrative rules will go into effect July 1, 2024. SDCs will now scale charges with size of development, including residential, and will simplify stormwater charges to be based only on impervious area. Other sanitary and stormwater changes include shifts to the rate structure; tiered stormwater charges for single dwelling accounts; Clean River Rewards program; retiring line and branch, and conversion charges; stopping active enforcement of the mandatory sewer connection program; and connections for non-conforming sewers will be less expensive going forward.
- Water SDC rate is also known as an impact fee, it provides revenue to utilities from new user hook ups to recover costs for building existing system capacity. It is based on the "cost per equivalent meter unit" times the size of the meter (in equivalent units) added to the water system. In FY 23-24, at the request of Council, the rate increase was 0% when it would have otherwise been 20.8%, in FY 24-25, a 5 percent increase was approved when it would have otherwise been 9.9%.
- **Local Transportation Infrastructure Charge (LTIC) Exemption.**<sup>87</sup> Adopted and effective in 2016 by Ordinance No. 187681, the city adopted a charge on new infill development occurring on specific streets in single-dwelling residential zones to fund improvements to the City's network of

<sup>82</sup> <https://www.portland.gov/cbo/2023-2024-budget/adopted-budget>

<sup>83</sup> <https://www.portland.gov/council/documents/ordinance/passed/191243>

<sup>84</sup> <https://www.portland.gov/council/documents/ordinance/passed/191202> ,  
<https://www.portland.gov/council/documents/ordinance/passed/191203>

<sup>85</sup> <https://www.portland.gov/bes/news/2024/3/25/environmental-services-requests-public-comment-proposed-changes-administrative>

<sup>86</sup> <https://www.portland.gov/charter-code-policies/changes/2024/7/ordinance-191537>

<sup>87</sup> <https://www.portland.gov/transportation/permitting/ltic>

unimproved local streets and adjacent or related transportation facilities. Accessory dwelling units, affordable housing, and low-income (less than 80 percent AMI) owner occupied units are exempt.

- **State Funding.** The Oregon Housing and Community Services (OHCS) provides competitive sources of funding including [9 percent Low-Income Housing Tax Credit \(9% LIHTC\)](#), [4 percent Low-Income Housing Tax Credit \(4% LIHTC\)](#), [Local Innovation and Fast Track \(LIFT\) Program for Affordable Rental Housing Development](#), [Local Innovation and Fast Track \(LIFT\) Homeownership](#), [Preservation of Manufactured Dwelling Parks](#) and [Permanent Supportive Housing](#). Non-competitive sources of funding include [the Affordable Housing Land Acquisition Revolving Loan Program](#), and [Oregon Multifamily Energy Program](#).
  - **PHB** works with OHCS to align the State and City's strategic priorities, especially related to work with our communities of color and development of very low income, 30 percent AMI units and Permanent Supportive Housing (PSH) units. An example of collaboration occurred in 2022 when OHCS carved out of LIFT and Housing Trust Funds (HTF) totaling \$35.28 million to local jurisdictions in the Metro region from which PHB was allocated over \$20 million plus associated 9% and 4% LIHTC to advance PHB directed Metro Bond funded projects. Continued collaboration and alignment of State and local resources are critical to meeting the City and Governor Kotek's housing production strategy.
- **Federal Funding.** The Portland Consortium, consisting of the City of Gresham, City of Portland and Multnomah County, is required to produce a plan called the Consolidated Plan every five years. The Consolidated Plan is a five-year strategic plan that sets out a collaborative vision for community development in the Portland area. The Consolidated Plan also serves as the federal application for four federal programs run by the U.S. Department of Housing and Urban Development (HUD) , see below.<sup>88</sup> The Plan places an emphasis on how federal funds will be used to meet the local demand from low- and moderate-income households and emphasizes the formula block grant programs:
  - **Community Development Block Grant (CDBG).** CDBG funds aim to provide decent housing; create suitable living environments and expand economic opportunity. Funds are being used for rental housing development, administration, fair housing, workforce development, single dwelling assistance, and microenterprise and homeowner services.
  - **HOME Investment Partnerships (HOME).** HOME funds aim to expand decent, safe, sanitary, and affordable housing supply. Funds are used for acquisition, homebuyer assistance, homeowner rehabilitation, multi-dwelling rental new construction, multi-dwelling rental rehabilitation and new ownership construction.
  - **Emergency Solutions Grants (ESG).** ESG funds are utilized for programs that aim to reduce and prevent homelessness. Funds are used for conversion and rehabilitation of

<sup>88</sup> <https://www.portland.gov/phb/consolidated-plan-and-action-plan>

transitional housing, financial assistance, overnight shelter, rapid re-housing, rental assistance, services, and transitional housing.

- **Housing Opportunities for Persons with AIDS (HOPWA).** HOPWA funds are utilized to provide housing for persons with HIV/AIDS. Funds are used for permanent housing in facilities, permanent housing placement, short term or transitional housing facilities, short-term rent, mortgage, and utility (STRMU), supportive service and tenant-based rental assistance (TBRA).
- **Other Federal and Local Funding.** Other Federal funding opportunities are being explored and expanded in conjunction with the Office of Government Relations (OGR). Portland successfully accessed its first Congressional Directed Spending (CDS or earmarks) for housing production through a \$2 million grant in The Fairfield, a 75-unit project, being developed by Home Forward and Urban League focused on the houseless with drug addiction and/or mental illness who need permanent supportive housing. CDS will continue to be a source of funding for other pipelined projects including one in N/NE Portland at the William + Russell site and one in SW Portland focused on the immigrant community. In addition, the City is working with Multnomah County in advancing projects in the predevelopment pipeline through its recent Last Gap solicitation and working with developers to explore strategies and options to expand affordable housing stock.<sup>89</sup>

## Reducing Regulatory Burden and Improving Processes

These existing strategies, programs and projects address known impediments to providing needed housing. These include but are not limited to permitting and infrastructure impediments.

- **Permit Improvement Task Force and Permit Improvement Transition Team (PITT).**<sup>90 91</sup> In 2021, Commissioner Ryan appointed a task force to develop recommendations to improve the City's permitting process. The Task Force consists of leaders from permitting bureaus and the development community. A number of [improvement projects](https://www.portland.gov/permitimprovement/task-force) are being evaluated and undertaken by the task force. The [Permit Metric Dashboard](https://www.portland.gov/permitimprovement/current-projects) provides transparency for customers about the work to improve quality, timeliness, and efficiency of the permitting process.
  - **Regulatory Development Workgroup.** Comprised of staff from various bureaus participating in the Permit Improvement Task Force, the workgroup is developing further recommendations for changes necessary for a cohesive regulatory development and maintenance system. The recommended solution(s) provide direction to a) address problems with urgency; b) streamline the regulatory environment; c) monitor the effectiveness of adopted regulations; d) maintain feedback loop with code implementers and customers; e) evaluate proposed regulations holistically.

<sup>89</sup> <https://www.portland.gov/phb/events/2023/8/25/metro-bond-solicitation-m-bos-last-gap-summer-2023>

<sup>90</sup> <https://www.portland.gov/permitimprovement/task-force>

<sup>91</sup> <https://www.portland.gov/permitimprovement/current-projects>



- **Code and Policy Coordination Team.**<sup>92</sup> This group is comprised of staff with policy development expertise. Their primary function is to evaluate proposed regulations in a holistic way, considering how they fit with other existing or proposed regulations. They are the stewards and keepers of the cumulative network of development-related codes and policies to which development needs to conform. A pilot of this process and group kicked off in September 2023.
- **Regulatory Reform Project.** First identified by the Permit Improvement Task Force in its first round of recommended process improvements building on the work of the Strategies for Accelerating Housing Development Report (2017) and in response to the Building Permit Review Audit (2021) it has been further reinforced by customers and staff via surveys as a leading cause for frustration and a barrier to moving permits through the process.
  - This project aims to streamline when code and fee changes are brought to Council and establish a new code and policy process that will: include the bureaus responsible for development regulations (BES, PBOT, Water, BDS, Parks/Urban Forestry, BES); ensure cross-code regulatory alignment; have frequent touch-points with Council to reduce code conflicts, identify development impacts, create a customer and staff feedback loop to codes writers; and collect and catalog barriers identified by review teams and customer-facing staff to be considered for review.
  - Development of a new right-of-way administrative rule utilized the new process prior to its adoption in early 2024. It defines thresholds for right-of-way dedications and frontage improvements, creating much needed predictability for both commercial and residential projects.
- **Residential Permitting Single Point of Contact.** Bureau of Development Services created a single point of contact for all housing projects, including New Single Dwelling Residential, Middle Housing Land Divisions, and Multi-Dwelling New Construction projects moving through the permitting process. In addition, there is now a manager in charge of overseeing assigned permit staff when building owners express an interest in office to housing conversion. Each project is assigned one person to work with as evaluation occurs.
- **Public Infrastructure Prescreen.**<sup>93</sup> Providing a public infrastructure prescreen is a process improvement in business process analyses led by the Permit Improvement Transition Team. PBOT is actively piloting a manual PBOT prescreen (for identifying primary PBOT permit approval requirements). Formalizing this prescreen step by adding technology, procedures and other infrastructure teams to the process will expand and solidify this solution and the benefits it will provide. Currently when a public works review is required as part of the permit review process, it

<sup>92</sup> <https://www.portland.gov/permitimprovement/documents/regulatory-workgroup-recommendations-june-2023/download>

<sup>93</sup> <https://portlandoregon.gov/sharepoint.com/w:/s/GT-Transportation-PWDDevelopmentTeam/FcOFM5HiCL1NrqqYcO2G0rlB8TppjJPuWzCyJqtOIBlxZg?e=jZy1TH>



does not happen until post-intake and an applicant has paid fees. If significant improvements are required in the public right of way, applicants may be surprised, and in some cases abandon the project. This can also lead to alternative request for variances, appeals, additional review processes, and increase the length of the overall permit review cycles and time. Providing a public works prescreen during the intake process will benefit both the customer and the public infrastructure reviewers, reducing conflict and time-consuming review lags.

- **Multi-Dwelling Housing Pilot.** Bureau of Development Services launched a Multi-dwelling Housing Pilot to proactively monitor and intervene to keep these projects moving through the permit process. The goal of this effort is to learn why projects are sitting in “approved to issue” status and projects that seem stuck in “under review” status.
- **Public Works Pilot.** A recommendation from the City’s Permit Improvement Taskforce, the permitting teams in the City’s four infrastructure bureaus are now being overseen by a shared manager. The new Infrastructure Team Manager launched a public works pilot project to make it easier to resolve conflicts that arise between various City codes as part of a permit review.
- **Temporary Early Assistance Fee Reduction.** From January to April 2023, through a resolution passed by Council, BDS made across the board cuts to early assistance fees for projects with 20 or more units.
- **Early Assistance Options for Middle Housing Projects.** With the range of housing options now available on single dwelling lots, it can be difficult to provide enough information during the 15-minute appointments, but other early assistance (EA) options are geared toward discussing specific proposals. BDS is launching a new EA option (with a fee) that would allow a planner and an interested party to discuss residential infill options on a site without specific site plans prior to any more formal analysis. The sessions would be 30 minutes, with a fee intended to be less than current zoning EAs. This new early assistance meeting option launched October 2023.
- **Single Permitting Authority Project.** <sup>94</sup> Adopted by Resolution No. 37628, City Council has directed the Chief Administrative Officer, with the cooperation of City bureaus, to prepare for consolidation of development review and permitting staff into one entity by July 2024. The intent is to develop a cohesive, effective permitting system essential in addressing housing crisis and economic recovery. Authority will be granted to the director to resolve conflicts, make decisions regarding development review and permitting services Effective, July 1, the permitting teams from the Environmental Services, Transportation and Water bureaus and the Urban Forestry Division of Portland Parks & Recreation, along with all Bureau of Development Services divisions, are now unified in a single bureau known as Portland Permitting & Development.

<sup>94</sup> <https://www.portland.gov/council/documents/resolution/adopted/37628>

- **Customer Intake Success.** This project will focus on the New Single Family Residential (NSFR) and new construction of detached ADU permit application submittal process, from application request to intake folder closed. In the 2022 customer survey, we learned that 93 percent of the surveyed permitting customers used the minimum submittal requirements documents provided online before submitting their permits. From July - September 2022, the average time from the Application Submittal to Under Review was 13 days and the goal is to reduce that timeline to 10 days.
- **Website Design and Alignment.** This endeavor is a collaborative effort to transition from uncertainty to clarity, prioritizing the end-user experience above all else. It necessitates deep collaboration and shared commitment. The Digital Service team and the bureau Product Managers will work together to update/create portions of the Portland.gov website. These updates will be made to solve the problems listed in this document and to achieve the objectives and key results. The scope focuses on helping users with wayfinding in four ways: Determining whether their project requires a permit or permits, defining all the different permits required, getting information on what they need to provide for a complete permit application specific to their project and location and who to contact for help.
- **Team Business Process Analysis Review.** The Permit Improvement Team provides Business Process Analysis (BPA) to plan review teams aimed at improving internal coordination and customer outcomes. These business operations projects work with staff to identify and implement improvements with the overarching goal of improving customer service and decreasing processing time. This is an ongoing activity. BPA work to date has been done with Life Safety, Water, Urban Forestry and Permitting Services.
- **Housing Development GATR (Government Accountability, Transparency, Results).**<sup>95</sup> In 2017 and 2018, a series of Housing Development GATR sessions were held to accelerate the development process and reduce costs to meet City goals for housing supply. A series of actions were assigned to development services bureaus. In 2018 this included, 1. Propose goals and clarify ownership roles for development; clearly identify accountability and responsibility within the development process. (Development Directors Group, OMF) 2. Provide a follow-up report on building permit review turnaround times. (BDS) 3. Develop a proposal to institute minimum sufficiency requirements for permit applications, to establish expectations and increase clarity. (BDS, infrastructure bureaus) 4. Utilize targeted recruitment strategies to close remaining vacancies for plans examiners. (BHR, BDS) 5. Provide a progress report on the Mayor's Fast Track Pilot. (BDS, IA bureaus) 6. Provide a progress report on technology improvements. (BDS, IA bureaus, BTS).
- **Pre-approved Detached ADU Plans.**<sup>96</sup> This is the first of many efforts that the Bureau of Development Services (BDS) will undertake to provide pre-approved plan sets to help homeowners

<sup>95</sup> <https://www.portlandoregon.gov/cbo/72474>

<sup>96</sup> <https://www.portland.gov/bds/residential-permitting/news/2024/4/29/new-pre-approved-adu-plans-now-available>

receive permits more efficiently. BDS and Portland Permitting and Development (PP&D) worked with the City of Eugene to provide pre-approved plans that can reduce the resources and time needed to receive a permit. There are four options to choose from that vary in roof and foundation type: An ADU with a gable roof and concrete slab on grade floor and foundations; An ADU with a shed roof and concrete slab on grade floor and foundations; An ADU with a gable roof and wood-framed floor and crawl space; and An ADU with a shed roof and wood-framed floor and crawl space.

## Land

These strategies, programs and projects secure land for needed housing, unlock the value of land for housing, and/or catalyze housing developments.

- **Public Land Inventory.** In 2023, the City worked with a consultant team to identify City-owned and other publicly owned land in Portland that can be used for affordable housing development.
- **Land Banking.** PHB and Prosper Portland have previously independently acquired land and sites as funds are available for housing development throughout the City.
- **Land Banking for Affordable Housing.** PHB released nearly \$5 million in ARPA Funds for grants to affordable housing developers to purchase land for future homeownership development. The project goal is to increase affordable housing developments in areas of Portland where Portlanders with lower incomes work and live and have access to transit, parks, and other community assets. This project will expend these funds by the end of calendar year 2024.

## Other Policies and Programs; Stabilization, Anti-Displacement and More

Existing actions or programs the City has implemented related to stabilization, tenant or homeowner support, etcetera.

- **Joint Office of Houseless Services (JOHS).** Established in 2016, the office represents a shared commitment between the County and the City of Portland to address houselessness. JOHS works with community-based organizations and governments partners to provide services focused on people experiencing or at risk of houselessness. JOHS contracts with direct service organizations and monitors funds issued by the U.S. Department of Housing and Urban Development's Continuum of Care program.
  - **Services** funded through JOHS include rapid rehousing, permanent supportive housing, outreach/navigation, shelter/survival support, hygiene and employment.
  - **Funding** sources for the FY23 budget of \$255.5 million include City of Portland: \$45.4 million, Supportive Housing Services: \$107.1 million, County General Fund: \$59.8 million, American Rescue Plan: \$27 million and Other federal/state/local funds: \$13.3 million.
  - **Program** categories funding include; Behavioral health: \$25 million, Shelter: \$130 million (includes \$53 million in capital), Housing: \$106 million and Outreach: \$12 million.
  - **Houselessness Response Action Plan.**<sup>97</sup> The draft plan lays out timelines and a concrete series of short-, medium- and long-term steps. Among the top objectives are: Sheltering or house an additional 2,699 people by Dec. 31, 2025, Adding 1,000 shelter beds in two years, and provide the housing and health resources , Adding hundreds more behavioral health beds and funding a drop-off sobering center, Increasing the

<sup>97</sup> <https://www.multco.us/multnomah-county/houselessness-response-action-plan>

number of adults leaving shelter for permanent housing by 15% by Dec. 31, 2025, and ensuring 75% of people housed in permanent supportive housing retain their housing 24 months after placement. Reducing houselessness among specific priority populations (including people of color and people identifying as LGBTQIA2S+). Ending discharges to the street from all behavioral health, health systems or hospitals by the end of 2025, and ending discharges to the street from corrections settings by the end of 2026. Ending houselessness for youth aging out of foster care in Multnomah County by 2027, Increasing the supply of affordable housing through regulatory changes, building conversions and new construction funding sources, among other strategies.

- **Tax increment Financing (TIF).** In addition to supporting the development of new housing, TIF has been utilized to support a number of stabilization, tenant and homeowner programs, including:
  - **Single Dwelling Home Repair.** TIF funds are used to support programs supporting low-income community members who own their homes through home repairs relating to life safety, code compliance, energy efficiency upgrades, and accessibility upgrades.
  - **Homeownership.** TIF funds are used to support programs that through the provision of down payment assistance and other types of financial assistance.
  - **Rehabilitation and Preservation of Existing Regulated Housing.** TIF funds are used to support programs that provide funding to rehabilitate and preserve the affordability of existing regulated affordable housing.
  - **Acquisition and Rehabilitation of Existing Market-Rate Housing.** TIF funds are used to support programs that purchase market-rate housing, including foreclosed and unoccupied properties, make needed repairs and renovations, and convert to regulated affordable housing (for individual ownership, cooperative ownership, and rental), in order to protect residents from displacement and secure permanently affordable homes.
- **Advance Portland.**<sup>98</sup> City Council adopted in 2023, by Resolution 37617, a new economic development strategic framework. The plan, Advance Portland: A Call to Action for Inclusive Economic Growth, acknowledges the need for expanded housing production in the central city and other areas. It includes actions such as increasing mixed income housing in subdistricts with a lack of residential uses and an imbalanced mix of uses, catalyzing public-private partnerships to unlock infill development of large scale mixed-use, mixed-income sites with high transit accessibility, addressing housing production across a continuum of affordability in vibrant commercial districts, and improving connections between residential and employment centers.
- **Anti-Displacement Action Plan.**<sup>99</sup> In 2021, BPS partnered with Anti-Displacement PDX (ADPDX) Coalition, to design community workshops to identify community priorities to reduce displacement

<sup>98</sup> <https://www.advanceportland.com/>

<sup>99</sup> <https://www.portland.gov/bps/planning/adap>

and achieve more equitable outcomes. BPS prepared a foundation report that provides an understanding of City's existing anti-displacement policies and programs. During the second phase of the project, City staff are working to create a shared framework to evaluate displacement risk related to City policy and investment decisions.

- **Action Plan for An Age-Friendly Portland.**<sup>100 101</sup> Adopted in 2013 by Resolution No. 37039, the Age-Friendly Portland Advisory Council developed and provided City Council with an action plan to enhance Portland's, age friendliness and to be a city that has structures and services that are accessible and inclusive of older people with varying needs and capacities, emphasizes enablement rather than disablement, and is friendly for people of all ages and abilities. The action steps comprising the plan intend to move Portland toward future development and activities that foster not only physical environments but also social and service environments that meet these criteria, making Portland a community for all ages. Several actions in the plan relate directly to housing:
  - Action Item 1.1. Provide Education to Consumers, Planners and Developers
  - Action Item 1.2. Improve Accessibility: Policy efforts that lead to inclusive and accessible housing are critical for our city as we all continue to age.
  - Action Item 1.3. Encourage Innovative Approaches to Housing Older Adults: Advance planning and development of sustainable housing / communities for all ages.
  - Action Item 1.4. Advance Opportunities for Aging in Community.
- **Age- and Disability-Inclusive Neighborhood Project (ADIN).**<sup>102</sup> In 2019, City Council created the city's first age-friendly staff position at BPS. The position has coordinated an Age-friendly Executive Committee, collaborated with Age-friendly Multnomah County, and is part of the global and national networks of age-friendly cities and communities. In 2021, BPS formed a working group and explored strategies for creating age-friendly and disability-inclusive urban neighborhoods. Members of the group focused on advancing neighborhood "centers" by building on centers policies in Portland's 2035 Comprehensive Plan and the Action Plan for an Age-friendly Portland. In 2023, a draft Age- and Disability-Inclusive Neighborhood action plan was released.
- **North/Northeast Preference Policy.**<sup>103</sup> The North/Northeast (N/NE) Preference Policy aims to address harmful urban renewal impacts of by giving waitlist preference to applicants for affordable housing projects in the Interstate Corridor Urban Renewal Area with generational ties to North and/or Northeast Portland. The Housings Bureau's N/NE Preference Policy waitlist for rental housing is open on a rolling basis. Priority status is given to applicants, and/or their descendants, who previously owned property that was taken by Portland City government through eminent domain.

<sup>100</sup> <https://efiles.portlandoregon.gov/Record/6070950/>

<sup>101</sup> [https://agefriendlyportland.org/sites/agefriendlyportland.org/files/docs/AFP\\_ActionPlan\\_2013.pdf](https://agefriendlyportland.org/sites/agefriendlyportland.org/files/docs/AFP_ActionPlan_2013.pdf)

<sup>102</sup> <https://www.portland.gov/bps/planning/adin>

<sup>103</sup> <https://www.portland.gov/phb/nnehousing/preference-policy>

- **N/NE Community Development Initiative Action Plan**<sup>104</sup>. The Action Plan was developed in 2017 to guide the \$32 million TIF investment and is focused on 5 goals: property ownership, business ownership, home ownership, community livability and cultural hubs.
- **Fair Housing Policy Audits.** Through, the [Consolidated Plan/Action Plan](#), the [Consolidated Annual Performance and Evaluation Report \(CAPER\)](#) and [the Analysis Of Impediments To Fair Housing Choice And The Strategies To Address Them](#), the City regularly conducts fair housing audits and analysis of existing policies to identify both potentially discriminatory effects and opportunities to affirmatively further fair housing through regulations that directly affect what housing can be built and where.
- **Fair Housing Testing.**<sup>105</sup> The City regularly conducts fair housing testing to determine whether discriminatory patterns and practices pertaining to renting a place to live likely exist, the form that they take, and which protected class groups are most likely to experience them.
- **Affirmative Marketing For City Incentives.** As a requirement of City funding, via PHB, for affordable housing projects, the developer/owner must complete and submit an affirmative marketing plan: <https://www.hud.gov/sites/dfiles/OCHCO/documents/935-2A.pdf>
- **Workforce Development.** Each year, PHB submits a federal budget request for Community Development Block Grant (CDBG) funds. The CDBG allocation is the largest and most flexible source of federal funding used for affordable housing by the City of Portland. The fund's flexibility allows for broad use to address Portland's increasing need for affordable rental housing and for the repair of single-dwelling homes of low-income homeowners. Additionally, CDBG dollars assist with business and job training assistance, and assist nonprofit organizations providing workforce development programs to Portland. The City of Portland uses CDBG to invest in workforce development services through the Economic Opportunity Initiative (EOI), which encompasses the Economic Opportunity Program (Adult), NextGen (Youth) and the Community Workforce Navigator Program. These programs improve connections between target industry employers and people in historically underserved communities to quality job opportunities. As of June 30, 2020, 2,325 individuals had received services through workforce development programs funded in fiscal year 2019-20; of these, 70 percent were very low income and 19 percent were houseless at entry.
- **Affordable Housing Green Building Policy.**<sup>106</sup> The objective of the PHB Green Building Policy is to ensure that construction funded by the Portland Housing Bureau (PHB) advances environmental, social, and economic goals to: improve tenant health; reduce operations and maintenance costs; provide equitable access to high performance buildings; maximize public investment benefits;

<sup>104</sup> <https://prosperportland.us/what-we-do/projects/nne-action-plan-update/>

<sup>105</sup> <https://www.portland.gov/phb/documents/city-portland-2022-2023-audit-testing-report/download>

<sup>106</sup> <https://www.portland.gov/phb/documents/appendix-e-phb-affordable-housing-green-building-policy-1/download>



protect air, water, and other natural resources; and implement the Climate Action Plan of the City of Portland and Multnomah County.

- **Affordable Housing Air Conditioning Requirements.**<sup>107</sup> PHB is asking affordable housing developers to propose an in-unit air conditioning cooling strategy that best balances the needs of their project and populations while ensuring the project's efficient use of public resources. Acceptable cooling approaches may include central air conditioning, packaged terminal air conditioners (PTACs), ducted or ductless condenser or heat pump units, window A/C units, portable A/C units, hybrid, geothermal, or other emerging technologies.
- **Down Payment Assistance Loan Program.**<sup>108</sup> The Down Payment Assistance Loan (DPAL) is a second mortgage loan funded by the Portland Housing Bureau (PHB), and it is used in conjunction with a first mortgage loan from a participating lender. DPAL is designed with favorable terms to help first-time homebuyers purchase a home within the city limits of Portland. The funding source of the awarded DPAL will determine where in the city the home must be located.
- **Landlord-Tenant Mediation Pilot Program.**<sup>109</sup> In partnership with Resolutions Northwest, the Portland Housing Bureau has launched the Landlord-Tenant Mediation Pilot Program to provide free mediation services to landlords and tenants with rental housing disputes. The goal of the Landlord-Tenant Mediation Pilot Program is to increase housing stability for tenants, avoid court filings, and improve relationships between landlords and tenants.
- **Short Term Rental Ordinance.**<sup>110</sup> Short term rentals were legalized in the City of Portland in 2014, the City requires inspection and fee to obtain a short-term rental (STR) permit. In 2019, the City passed a new ordinance to get information from STR platforms. A property owner can get a permit for a short-term rental when the dwelling is mainly used for long-term occupancy. Only part of the dwelling unit can be used for short-term rental purposes. Bedrooms in legal detached accessory structures like guest houses can also be rented to overnight guests. The number of units in a multi-dwelling structure, triplex, fourplex or cottage cluster than can have an accessory short-term rental is limited to one unit, or 25 percent of the total number of units in the structure or on the site, whichever is greater, this is in an effort to preserve long term rentals.
- **Rental Services Office (RSO).**<sup>111</sup> The office hosts a helpline for technical assistance and information on landlord-tenant laws and policy as well as provides trainings for landlords. RSO staff can provide referrals and information, however, they cannot offer legal advice.

<sup>107</sup> <https://www.portland.gov/phb/documents/appendix-f-phb-air-conditioning-requirements-0/download>

<sup>108</sup> <https://www.portland.gov/phb/down-payment-assistance-loan>

<sup>109</sup> <https://www.portland.gov/phb/rental-services/eviction-help-renters/landlord-tenant-mediation>

<sup>110</sup> <https://www.portland.gov/bds/astr-permits>

<sup>111</sup> <https://www.portland.gov/phb/rental-services>

- **Fair Access in Renting (FAIR).**<sup>112</sup> Effective in 2020, the City adopted policy that regulates security deposits, move in fees, and screening criteria that may be used to select tenants.
- **Eviction Legal Support.**<sup>113</sup> In partnership with the Oregon Law Center, Portland Community College's Clear Clinic, Metropolitan Public Defenders, and United Way of the Columbia-Willamette Portland Housing Bureau launched the Eviction Legal Defense Program to provide free legal support to tenants facing eviction. Tenants can seek these free legal services as soon as they receive a Notice of Termination and do not need to wait until an eviction case is filed.
- **Mandatory Relocation Assistance.**<sup>114</sup> Effective in 2018, the City requires landlords to pay relocation assistance to renters under certain conditions.
- **Empowered Neighborhood Program.**<sup>115</sup> This program assists vulnerable residents from communities of color and/or those with disabilities, who have code enforcement issues that require attention and aims to create pathways to compliance and recourse.
- **Homeowner Foreclosure Prevention.**<sup>116</sup> The Homeowner Foreclosure Prevention program works through partner organizations to provide foreclosure prevention counseling and, where needed, financial assistance to homeowners facing foreclosure.
- **0% Home Repair Loans.**<sup>117</sup> PHB program offers a no-interest loan of up to \$40,000 to fund repairs, like plumbing issues or a leaking roof. Funding is available to residents earning up to 120 percent of Portland AMI and additional funding available in certain TIF districts. This program additionally serves lower income homeowners who live in the Interstate Corridor Urban Renewal Area (ICURA).
  - **Home Repair Grants.** Portland Housing Bureau provides funding to community organizations to make home repair grants to low-income homeowners.
- **Lead Hazard Control Grant Program.**<sup>118</sup> The Lead Hazard Control Program provides an evaluation of lead-based paint hazards and financial assistance to reduce lead-based paint hazards in pre-1978 housing occupied by qualified low- and moderate-income households.
- **Bureau of Environmental Services Safety Net Low Income Loans.**<sup>119</sup> Property owners who qualify may use this low-interest loan to pay for the cost of putting in a sewer line when the City has required it. In some cases, loans are also available for repair or replacement of a sewer line that has

<sup>112</sup> <https://www.portland.gov/phb/rental-services/application-and-screening>

<sup>113</sup> <https://www.portland.gov/phb/rental-services/eviction-help-renters/eviction-legal-support-tenants>

<sup>114</sup> <https://www.portland.gov/phb/rental-services/renter-relocation-assistance#toc-ordinance-code-and-administrative-rules>

<sup>115</sup> <https://www.portland.gov/bds/empowered-communities-programs/>

<sup>116</sup> <https://www.portland.gov/united/foreclosureprevention>.

<sup>117</sup> <https://www.portland.gov/phb/home-repair-loan>

<sup>118</sup> <https://www.portland.gov/phb/lead-grant>

<sup>119</sup> <https://www.portland.gov/bes/documents/safety-net-loan-application/download>

broken and needs to be replaced. Borrowers aged 62 and older may defer making payments until the property is sold or transferred. Loans are due in full upon sale or transfer of property.

- **Bureau of Environmental Services and Water Bureau Financial Assistance.**<sup>120</sup> The bureaus provide several types of financial assistance.
  - **Regulated Affordable Multifamily Assistance Program (RAMP).**<sup>121</sup> The RAMP three-year pilot will provide a bill discount to multi-dwelling properties that are approved for the City's Nonprofit Low-Income Housing Limited Tax Exemption (NPLTE) program. Starting in July 2023, RAMP will reach 12 percent of multi-dwelling housing units in the City, or 15,000 households annually, an estimated average benefit of \$325 per unit.
  - **Bill discount.** Bill discounts are eligible to certain income qualifying homeowners.
  - **Crisis voucher.** If Homeowners have a personal crisis and are enrolled in the bill discount program, they may be able to receive a voucher (a credit) of up to \$500.
  - **Water Efficiency Rebates,**<sup>122</sup> Rebates for new water-efficient toilets, outdoor irrigation devices, and commercial ice machines.
  - **Lead-In-Water Testing.**<sup>123</sup> Free lead-in-water test kit for Portland residents and some surrounding water providers.
  - **Water Leak Repair Assistance.** Homeowners enrolled in the bill discount program, may be eligible to have the leak fixed for free.
  - **Clean River Rewards**<sup>124</sup> Discount on stormwater bill for safely managing stormwater (rain that runs off roof) on property, i.e., soaks into the ground.
  - **Treebate Program.**<sup>125</sup> One-time credit on your sewer/stormwater/water bill for planting a tree in your yard. City of Portland sewer, stormwater, water customer.
  - **Native Plant Certificate.**<sup>126</sup> Provides funding for native plants. Maximum \$50 for individuals, \$500 for community groups.
  - **Financial Assistance for Tree Permit Application Fees.**<sup>127</sup> Get a waiver for certain permit application fees. Enrollment in PWB Bill Discount program.
  - **Drainage Technical Assistance.**<sup>128</sup> Free technical assistance for residential drainage concerns and clean river rewards.
- **Free Extra Capacity Waste Container.**<sup>129</sup> Increase trash disposal capacity at no cost. Low-income (PWB bill discount, SNAP etc.) or health condition.

<sup>120</sup> <https://www.portland.gov/water/water-financial-assistance/apply-financial-assistance>

<sup>121</sup> <https://www.portland.gov/water/water-financial-assistance/ramp-0>

<sup>122</sup> <https://www.portland.gov/water/water-efficiency-programs/toilet-rebate>

<sup>123</sup> <https://www.portland.gov/water/water-quality/test-your-water-lead>

<sup>124</sup> <https://www.portland.gov/bes/register-clean-river-rewards>

<sup>125</sup> <https://www.portlandoregon.gov/bes/51399>

<sup>126</sup> <https://www.portland.gov/bes/native-plant-certificates>

<sup>127</sup> <https://www.portland.gov/trees/treepermits/financial-assistance-tree-permit-application-fees>

<sup>128</sup> <https://www.portland.gov/bes/stormwater/drainage-issues>

<sup>129</sup> [www.portland.gov/bps/garbage-recycling/request-extra-capacity-waste-container](https://www.portland.gov/bps/garbage-recycling/request-extra-capacity-waste-container)

- **Free Home Energy Assessment (Home Energy Score).**<sup>130</sup> Exemption, waiver, and free assessments for new construction. Low-income (PWB bill discount, SNAP etc.) homeowners.
- **PBOT Transportation Wallet for New Movers.**<sup>131</sup> Program created for residents of certain new multi-unit buildings constructed in Portland. The program is funded by a fee developers pay when they get their building permit. Residents of these buildings will get funds on TriMet Hop card and BIKETOWN bike-share credit.
- **RV Pollution Prevention Program.**<sup>132</sup> Portland residents living in recreational vehicles (RVs) parked on the street are eligible for the pump out program.
- **American Rescue Plan Act Funds.**<sup>133</sup> In 2021, Portland received an award of \$208 million of Local Fiscal Recovery Funds (Multnomah County received \$157 million). The first half of the award was delivered in the spring of 2021, and the second half delivered in spring 2022. The City used these funds to invest in water, sewer, or broadband infrastructure; replace lost revenue; provide premium pay to eligible workers; and respond to negative public health or economic impacts of the pandemic. Funding has supported the following projects, some of which have contributed to the stabilization of households, while others have directly worked to house households, in temporary shelter such as safe rest villages, or in permanent housing:
  - Rent Assistance Streets to Stability; Safe Rest Villages
  - COVID-19 Houseless Services
  - Flexible household assistance
  - Rapid Workforce Training & Employment for Vulnerable Portlanders
  - JOHS Motel Shelter Strategy
  - Affordable Housing Preservation
  - PSR Expansion 24/7
  - Afloat: Utility Debt Relief
  - Eviction Legal Defense
  - Homeowner Foreclosure Prevention
  - Housing Stabilization Contingency
  - Household Relief and Legal Defense
  - RV Pollution Prevention Program
  - Match2: Utility Debt Relief
  - 82nd Avenue Anti-Displacement Housing Stabilization

<sup>130</sup> <https://www.portland.gov/pdxhes/apply-home-energy-score-exception-or-free-assessment>

<sup>131</sup> <https://www.portland.gov/transportation/wallet>

<sup>132</sup> <https://www.portland.gov/united/rvpollutionprevention>

<sup>133</sup> <https://www.portland.gov/united/american-rescue-plan>

## Figure 66. Initiatives Timeline – Effective Dates

### Pre-2015

- Homebuyer Opportunity Limited Tax Exemption (HOLTE)
- Non-Profit Low Income Housing Limited Tax Exemption (NPLTE)
- Multiple-Unit Limited Tax Exemption
- Tax Increment Financing (TIF)
- Use of State and Other Funding

### 2015

- N/NE Preference Policy

### 2016

- Portland Housing Bond
- Construction Excise Tax
- Local Transportation Infrastructure Charge (LTIC) Exemption

### 2017

- Inclusionary Zoning and Inclusionary Housing Program
- Housing Development GATR (Government Accountability, Transparency, Results)

### 2018

- Manufactured Dwelling Parks Zoning
- ADU, Shelters and short-term SDC Waiver
- Mixed Use Zoning
- Central City 2035
- Metro Housing Bond
- Affordable Housing Construction Excise Tax (AHCET) Exemption
- Portland Clean Energy Community Benefits Fund (PCEF)

### 2020

- Better Housing by Design
- Residential Infill
- Expanding Opportunities for Affordable Housing Zoning Code Changes
- Visitable Unit Bonus
- Deeper Housing Affordability (DHA)
- Metro Supportive Housing Services Fund

### 2021

- Manufactured Park Affordability Bonus
- Shelter to Housing Continuum
- Design Overlay Zone Assessment (DOZA)
- American Rescue Plan Act (ARPA)
- Permit Improvement Task Force and Permit Improvement Transition Team (PITT)
- 3-bedroom FAR Density Bonus

### 2022

- Historic Resource Code Project
- Residential Infill Pt 2
- West Portland Town Center Plan (WPTC)

### 2023

- Parking Compliance Amendments Project
- Shelter to Housing 2
- HOLTE Expansion
- Housing Regulatory Relief Project
- IH Calibration Study
- TIF Exploration
- Regulatory Improvement Code Amendment Package (RICAP) 10
- MULTE /HOLTE Extension
- SDC Freeze, SDC Deferral
- Office to Housing Conversion Fee Deferral
- Residential Permitting Single Contact Point
- Public Infrastructure Prescreen
- Multi-Dwelling Housing Pilot
- Temporary Early Assistance Fee Reduction
- Public Land Inventory
- Land Acquisition ARPA Funds
- Regulatory Reform Project
- Single Permitting Authority
- Team Business Process Analysis Review
- Website Design and Alignment
- Customer Intake Success
- Early Assistance Options for Middle Housing

### 2024

- Pre-approved ADU Plans
- Lower South East Rising
- Montgomery Park Area Plan

## Appendix C. Engagement Plan and Activities

As the City of Portland developed the Housing Needs Analysis (HNA) and Housing Production Strategy (HPS), the City engaged with local government stakeholders, developers, residents and the broader community. The project team hosted several engagement opportunities throughout the course of the project to share information and gather feedback on the work conducted and the proposed housing production strategies. Outreach activities assisted the city in connecting with developers and residents of housing and in the development and adoption of the housing needs analysis and the housing production strategy in accordance with ORS 197.290 and OAR chapter 660, division 8.

Project information was shared and updated through the City's website and the website was used to gather feedback through a survey and online comment submittals (the [MapApp](#)) at key points during the project. Targeted outreach was also conducted with specific underrepresented communities to gather information on housing needs. The public had an opportunity to provide ideas and feedback at every stage of the project. Public engagement was split into three phases, each with a different engagement goal:

- **Phase 1 (January – October 2023):** Introduce the project and seek feedback on housing needs; used to ground-truth the findings of the housing needs analysis (collaborate/involve).
- **Phase 2 (October 2023 – April 2024):** Share draft housing strategies with stakeholders and get feedback on the draft strategies; used to inform prioritization (involve/consult).
- **Adoption and Post-Adoption (April – August 2024):** Make modifications as needed, share, and adopted housing strategies. Communicate results with stakeholders (inform).

## Community Outreach

Staff prepared multiple outlets for in-person and online engagement activities to share and gather feedback on housing needs in Portland, potential housing policy options, and draft housing policies.

## What We Have Already Heard from the Community

The Housing Needs Analysis and Housing Production Strategy is guided by existing community and city policy direction and builds on previous city engagement efforts. The community has long identified the need for housing, as described in the following community-led and Council-adopted documents. Some recent project engagement summaries are provided in the Summary of Engagement from Recent Projects section. Other recent projects that heard substantial comments regarding housing include:

- [Housing Regulatory Relief Project](#)
- [Portland Insights Survey.](#)
- [Age- And Disability-Inclusive Neighborhoods \(ADIN\) Plan And Working Group](#)
- [Housing Regulatory Survey Response Code Change](#)
- [Lower SE Rising](#)
- [West Portland Town Center](#)
- [South West Corridor](#)
- [Equitable Housing Strategy](#)
- [Broadway Corridor](#)

- [N/NE Housing Strategy](#)
- [Cully TIF District](#)
- [Inclusionary Housing Calibration Study](#)
- [Building A Better 82<sup>nd</sup> Ave](#)
- [Residential Infill project](#)
- [Central City 2035](#)
- [Better Housing by Design \(BHD\)](#)
- [Permit Improvement Task Force](#)
- [Climate Emergency Workplan](#)
- [Portland Clean Energy Community Benefits Fund \(PCEF\)](#)
- [Homelessness Response Action Plan](#)

## Broad Community Outreach

Building on the community's longtime support for housing, staff tailored engagement to ask the community what housing needs exist and what other priorities should be considered. Community outreach involved presenting information and seeking feedback at in-person and online meetings and surveys with the broader Portland community. The comments and feedback helped staff prioritize draft housing production strategies and will help staff further revise the strategies for adoption.

## Online Open House

An [online open house](#) was hosted in April 2024 presenting the results of the housing needs analysis, the draft housing production strategy, what are the policy choices and expected outcomes, what are the highest priorities and what are the next steps in the HPS legislative process. Outreach was done through BPS news and social media outlets, as well as organizations engaged throughout the HNA and HPS process were invited to share with their community and memberships.

## SUMMARY

Attendees specifically expressed interest in family sized units, increasing transit service to high density development areas, advocating for the use funds to convert hotels into housing, greater emphasis on strategies that can provide opportunity specifically to the 0-30% AMI affordability range, identifying ways to increase access to opportunity for BIPOC homeowners and middle housing BIPOC contractors and developers and finally, support was expressed for the climate friendly nature of conversion and adaptive reuse goals.

## Survey

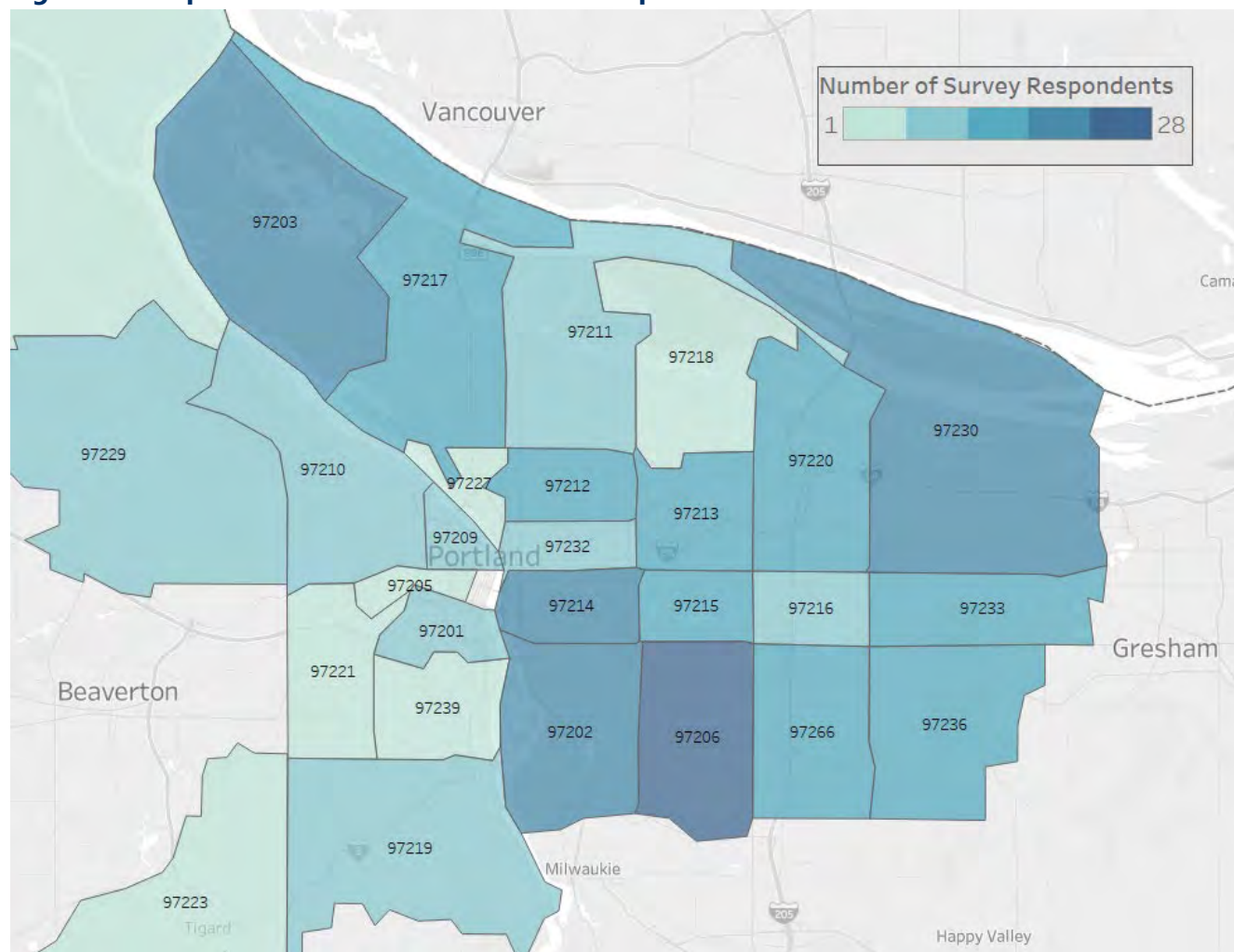
The survey was made available from March 8, 2024, to April 14, 2024. The survey was available in English, Spanish, Vietnamese, Simplified Chinese and Russian. The survey was reviewed by the internal working group, Technical Advisory Committee, the Community Involvement Committee, and the BPS Equity and Engagement team as well as by project staff and management. Outreach was done through BPS news and social media outlets, as well as organizations engaged throughout the HNA and HPS process were invited to share with their community and memberships.

A total of 350 survey responses were received over the six-week open period, about 30 of these respondents indicated they did not live in Portland. Survey responses were received from Portlanders in all but two ZIP codes in the city (Figure 66). The survey asked questions about experiences and needs



across several topics: Current needs, challenges in finding or keeping housing, accessibility needs, future needs, strategy priorities and closing thoughts.

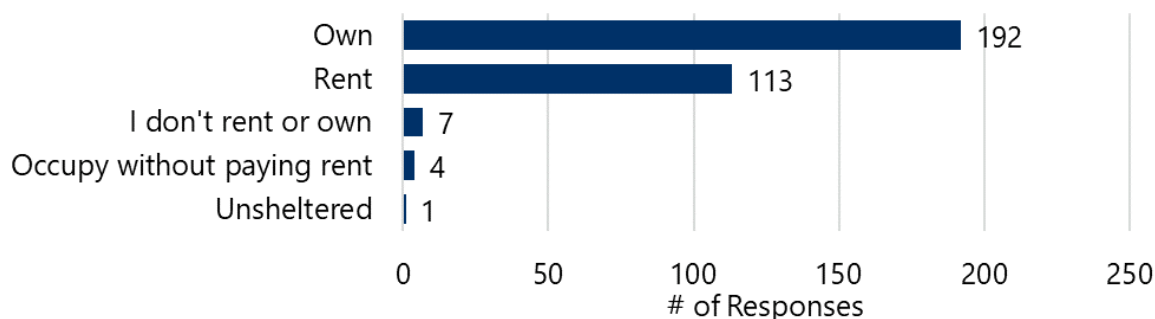
**Figure 67. Map Of ZIP Codes Where Portland Respondents Lived**



Source: BPS Analysis of HPS Survey

The only required questions in the survey were in the Introductory “About you” section; however, the majority of respondents answered all questions in the survey. The majority of respondents identified as owners (61 percent) while 36 percent identified as renters and three percent identified as either unsheltered, not renting or owning or occupying without renting (Figure 67). Currently, an estimated 47 percent of Portlanders are renters.

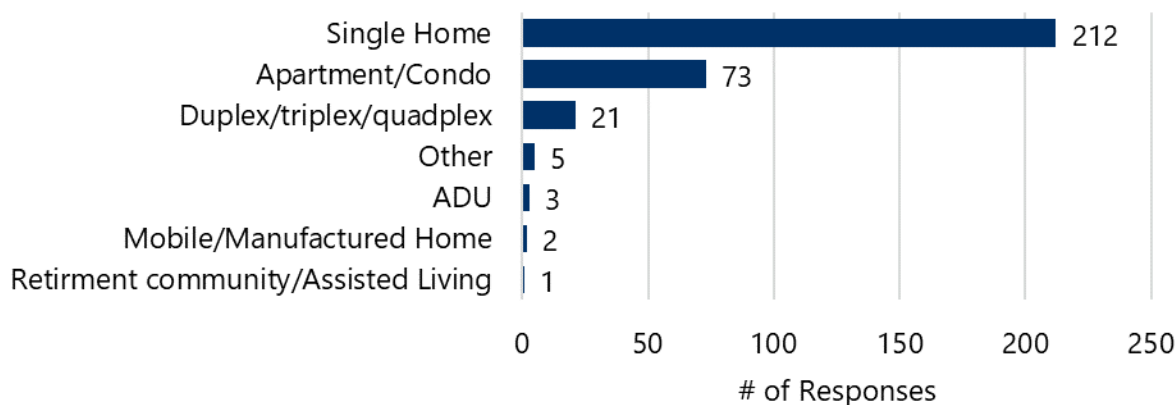
**Figure 68. “Do you own or rent the housing you live in?”**



Source: BPS Analysis of HPS Survey

The majority of renter respondents lived in apartment buildings with five or more units (53 percent) and most owners indicated they owned a singled detached unit (89 percent) (Figure 68).

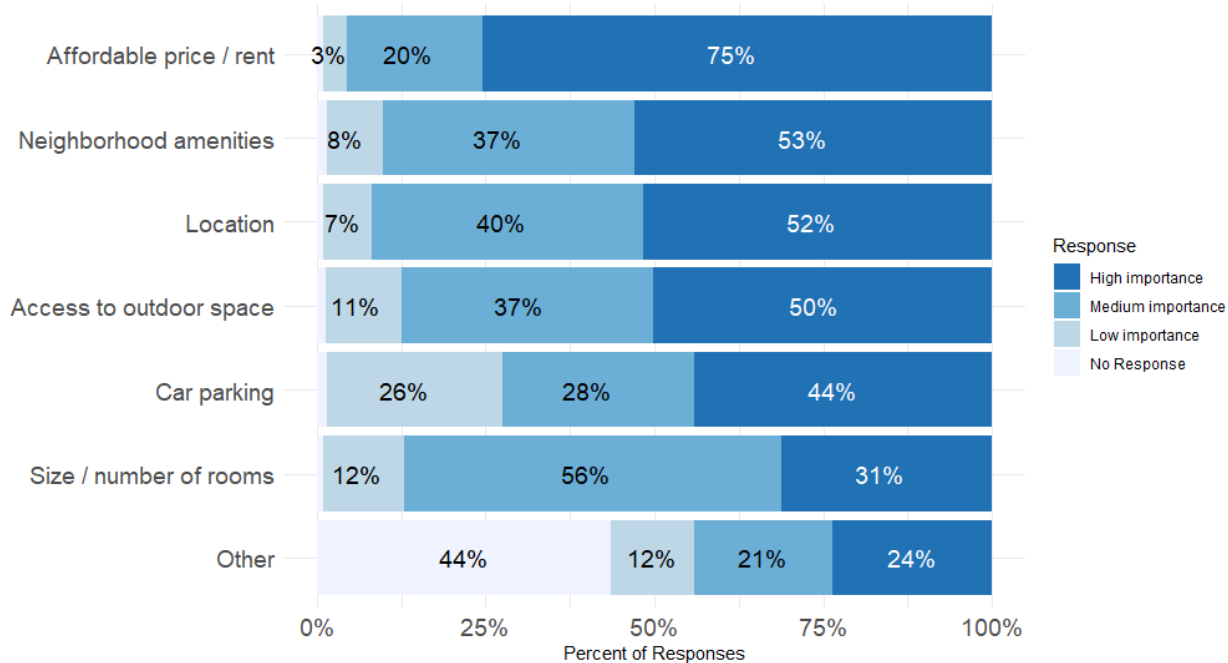
**Figure 69. “What type of housing do you live in?” Renters and Owners**



Source: BPS Analysis of HPS Survey

Key themes emerged in each section for respondents. In current needs, the most important aspect about a home to Portlanders was an affordable unit (76 percent indicated it as highest importance). Location, neighborhood amenities, and access to outdoor space were also indicated as high or medium importance for a majority of respondents (Figure 69).

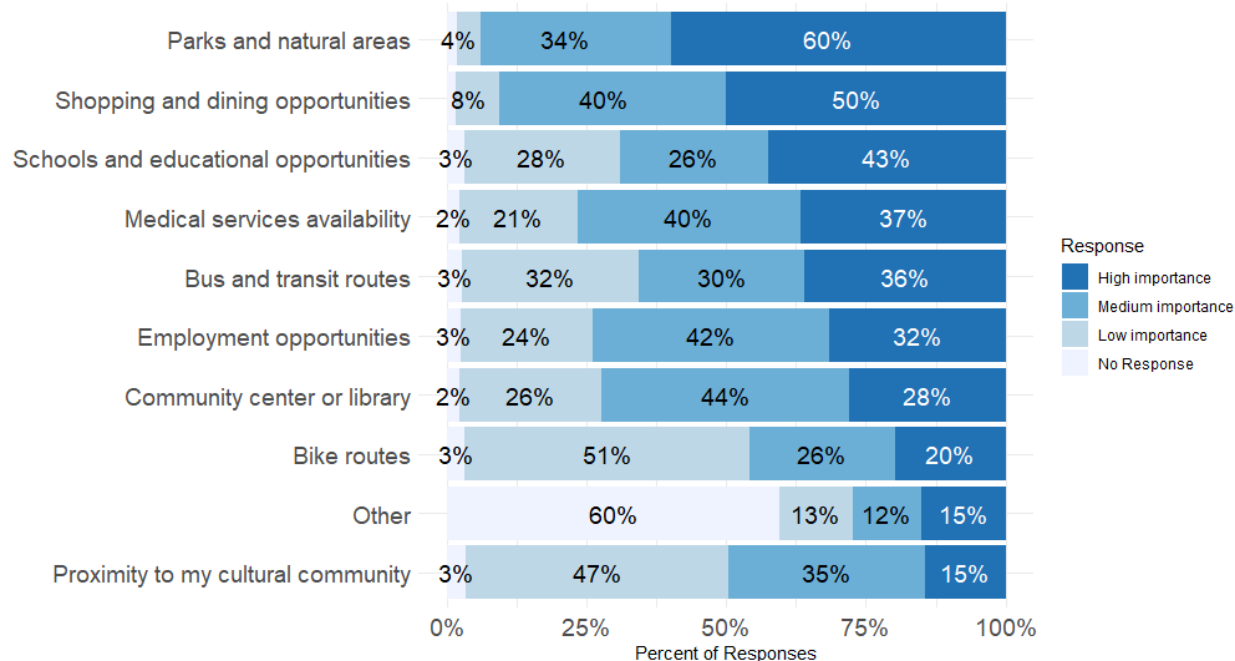
**Figure 70. “What is most important to you about a home?”**



Source: BPS Analysis of HPS Survey

For the qualities of an ideal neighborhood, most respondents indicated access to parks and natural areas as high importance (60 percent). Other qualities that were indicated as high or medium importance to the majority of respondents were shopping and dining, schools and educational opportunities, medical services availability, bus and transit options, employment opportunities and community center or library access (Figure 70).

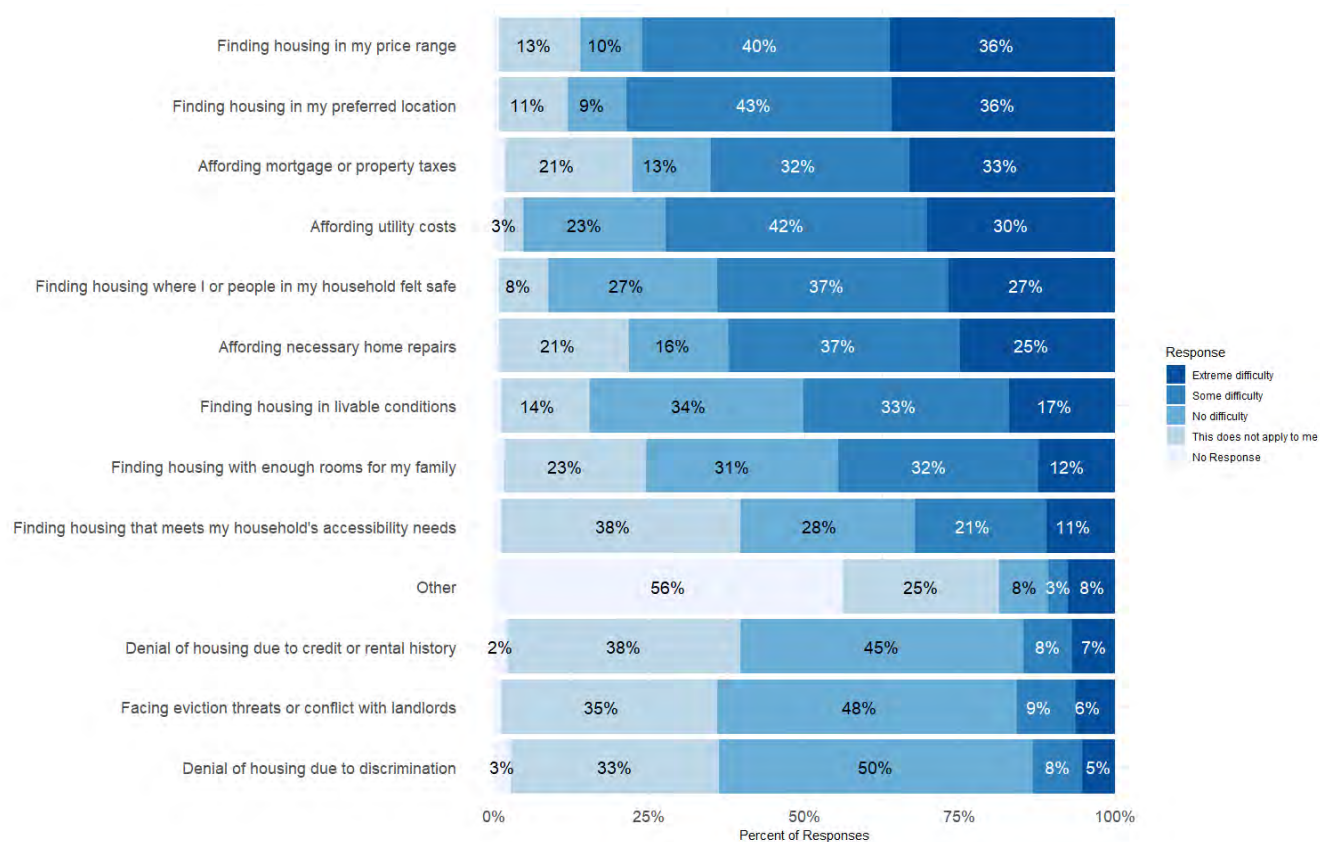
**Figure 71. “What are the most important qualities of your ideal neighborhood?”**



Source: BPS Analysis of HPS Survey

When Portlanders answered questions regarding finding housing that meets their needs, the greatest share indicated that they faced the greatest difficulty finding housing in their price range (36 percent indicated extreme difficulty, 40 percent indicated some difficulty). Other areas of extreme difficulty were finding housing in their preferred location, affording utility costs, affording their mortgage or property taxes and affording housing where they or their household felt safe (Figure 71). This shows that respondents are experiencing challenges among various areas of affordability and housing costs.

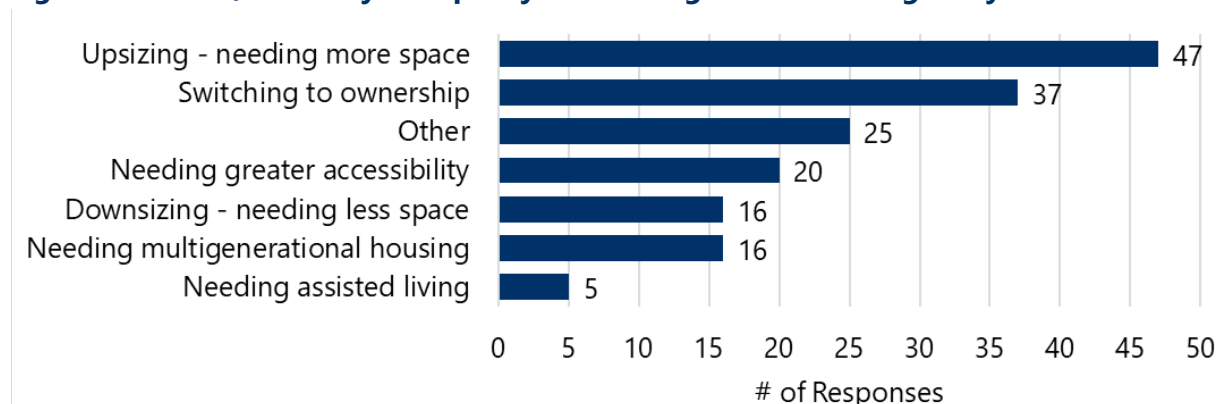
**Figure 72. “What difficulty, if any, have you had finding housing that meets your needs in Portland?”**



Source: BPS Analysis of HPS Survey

When asked if their current living situation would meet their housing needs 10 years from now, 58 percent of respondents (168) indicated that it would not, 46 percent said yes, and the remaining did not answer. Those who answered no were prompted to answer why not (Figure 72). Respondents were able to select from multiple prompts or to write in their own response. The greatest number of respondents (47) indicated that they would need more space ten years from now, 37 indicated a desire to move into ownership and another 25 indicated that some other aspect of their housing needs will change, including moving to more affordable housing, moving out of Portland and the area, and being unable to maintain their home as they age.

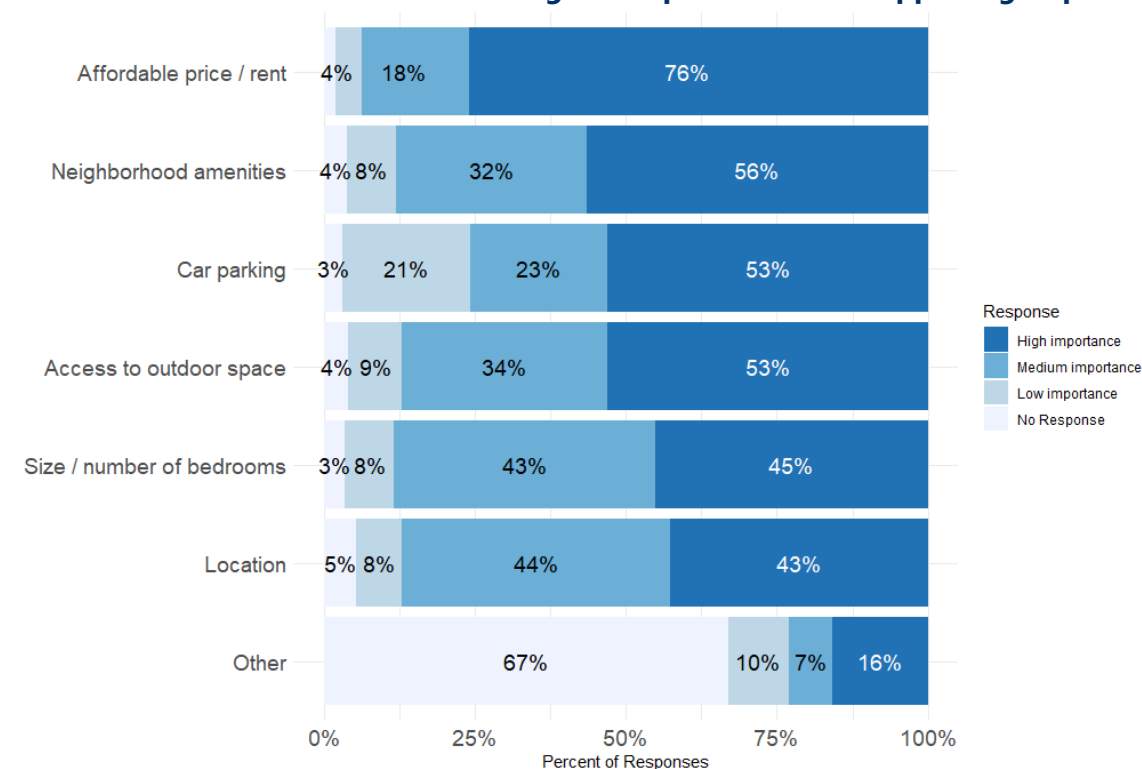
**Figure 73. “If no, how do you expect your housing needs to change 10 years from now?”**



Source: BPS Analysis of HPS Survey

Based on the 2045 Housing Needs Analysis, the City expects much of the development from now to 2045 to be multi-dwelling unit developments. When asked , what features or amenities would make living in an apartment more appealing or possible for them? The majority of respondents indicated factors of high or medium importance to be affordable price/rent (94 percent) neighborhood amenities (88 percent) size/number of bedrooms (88 percent) Access to outdoor space (87 percent) and location (87 percent) (Figure 73).

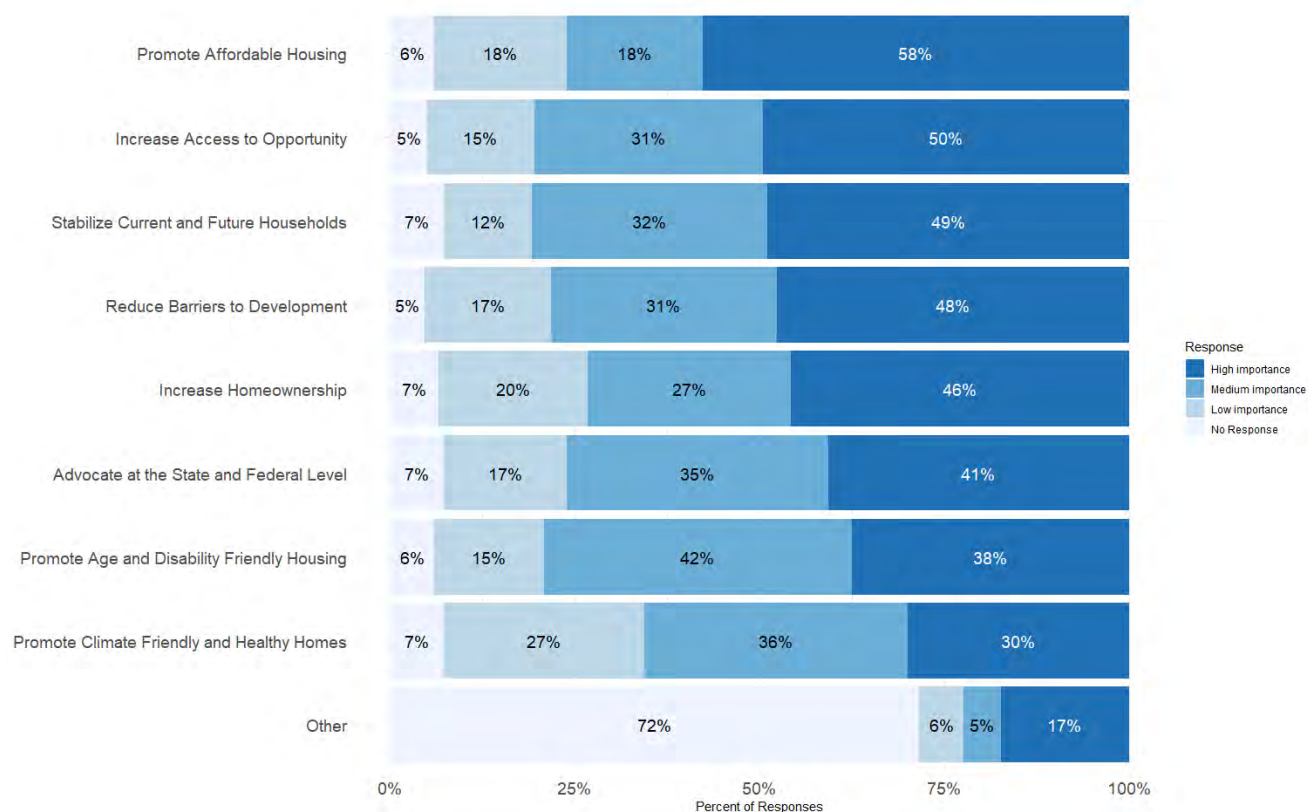
**Figure 74. “Considering most of Portland’s new housing will be in apartment buildings, what features or amenities would make living in an apartment more appealing or possible for you?”**



Source: BPS Analysis of HPS Survey

When the survey was released, a discussion draft of the Housing Production Strategy was made available for public comment. Respondents were invited to view the draft and/or rank categories of strategies based on their view of what was most important. Respondents indicated that promoting affordable housing was of highest importance (58 percent) and 18 percent indicated as medium importance. Other categories that were indicated as high or medium importance include stabilize current and future households (81 percent), promote age and disability friendly housing (80 percent), increase access to opportunity (81 percent), reduce barriers to development (79 percent), and advocate at state and federal level (76 percent).

**Figure 75. “Which housing strategies are the most important / highest priority in Portland?”**



Source: BPS Analysis of HPS Survey

Open response questions were available throughout the survey by choosing “Other” in each section. In these open responses, safety was frequently mentioned and described in various ways in each section, especially in sections that did not have a question specifically about safety. For example, in Current Needs, 44 percent of respondents chose to describe something else important to them, and of those respondents, nearly half of them mentioned safety of some kind, from earthquake safety to safety from crime. Then, in open responses in the Challenges section, where a question regarding safety was asked, more respondents mentioned affordability and challenges with loans, taxes, and other economic issues. Survey responses indicated a clear need for housing that are in locations that are safe and are affordable to more Portlanders.



## Map App

As part of BPS' standard public engagement procedures, the *2024 Housing Production Strategy, Proposed Strategies Discussion Draft* was released for comment on the Bureau's Map App.<sup>134</sup> The comment period was open from February 21, 2024, to April 7, 2024. The draft received 50 pieces of public comment. The Map App comment period was re-opened from May 14 to June 11 as part of the Planning Commission discussions and received an additional 57 comments. It will reopen again in Summer 2024 as part of the Council adoption process.

## SUMMARY

Commenters specifically expressed interest in the following;

- Increase Accessibility - The most critically needed special needs housing types were identified as: housing for persons experiencing houselessness, mental health support, ageing individuals and households and persons with disabilities.
- Commit to action – Advocates expressed a desire for bureaus to articulate a higher level of commitment to action within the strategies (i.e., "study" vs "do").
- Address the diversity of needed housing types - Create equitable access for everyone by addressing housing cost, location, housing type, size, universal visitability, and culturally specific housing.
- Include advocacy around property tax reform to the state legislature.
- Increase rental assistance.
- Invest in Low Income Housing Tax Credits for affordable housing, community land trusts, and land banking, while exploring other non-market social housing models that have demonstrated success globally and do not further commodify housing.
- Affirmatively further fair housing by undoing historic racial discrimination and race-based housing segregation.
- Address homeownership inequities among households below 80% AMI. New resources to be directed to rental and homeownership opportunities for households below 80% AMI.
- A significant amount of comments expressed support around the further development of strategies that result in upzoning and area planning in the Inner East.
- Simultaneously, staff received comments from residents concerned about the impact of upzoning the inner east, citing concerns around adequate future engagement in an area planning process, the

<sup>134</sup> <https://www.portlandmaps.com/bps/mapapp/>

exclusion of other more constrained and less "Complete" neighborhoods from being considered in the upzoning project, namely southwest Portland.

- Engagement - Concern around engagement process for the HPS as well as future projects needing to be equitable and include impacted residents.
- Land banking - Identify publicly owned land that can be used for affordable housing.
- Adaptive reuse - Emphasis on reusing existing buildings, creating housing through the conversion of existing commercial or industrial structures.
- Support for state and federal advocacy priorities and for the City to add support for increased downpayment assistance targeted for communities historically excluded from homeownership and flexible state funds for affordable homeownership development.

## Strategic Stakeholder Outreach

BPS staff also discussed the draft strategies with the community members through strategic outreach at various phases throughout the project.

### HNA: July through October 2023

Staff attended group meetings, held via Zoom video conference, to introduce the project and collect feedback on the project engagement strategy, equity considerations, and housing needs. the following stakeholder and interested party groups: Portland State University Homelessness Research Center, Anti Displacement PDX, Sightline, Cully Neighborhood Association, Portland Neighbors Welcome, Development Review Advisory Committee, 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.

### HPS: October 2023 through July 2024

Staff continued strategic conversations with community organizations, developers, builders and other interested parties. Staff wanted to develop awareness of draft strategies, engage around what the City can improve, what has been working well and what new ideas the City needs to consider implementing to have the greatest impact on creating housing opportunity, choice and support a housing abundant environment across Portland.

## Community Organizations And Stakeholders Engaged Directly

Over 250 community members, developers and service providers were engaged through direct meetings and presentations to the following organizations and coalitions:

- N/NE Oversight Committee
- Central Northeast Neighbors LUTOP
- Northeast Neighborhood Coalition
- North Portland Land Use Group
- Northwest District Association planning committee
- Southeast UPLIFT
- East Portland Action Plan Housing Committee
- Southwest Land Use & Transportation Forum
- Southwest Corridor Equity Coalition
- Housing Land Advocates
- Housing Oregon; Portland Metro Policy Council
- Housing Alliance
- Neighborhood Partnerships
- Living Cully
- Welcome Home Coalition
- Fair Housing Council of Oregon
- 1000 Friends of Oregon
- Portland: Neighbors Welcome
- Portland Homebuilders' Association
- Oregon Smart Growth
- League of Women Voters
- Home Forward

## SUMMARY

Key issues that attendees noted included the following;

- **Affordability** – Even with restricted rent, some housing is still out of reach and multiple types of services need to be combined to make it affordable. There was a greater desire to better understand how to get on lists for access to affordable housing that becomes available. Advocates suggested more focus on lower affordability levels for both rent and ownership strategies (<50% AMI) and at the 0-30% level there is a need for permanent supportive housing and rental assistance in addition to an affordable unit.
  - Targeting lower income levels for ownership programs is more likely to benefit BIPOC households given the current disparities in wealth and income distribution in Portland.
- **Access** – Infrastructure and the expansion of transit opportunities were identified as key investments needed to support the construction of housing and to provide mobility and access to key services, such as grocery stores in neighborhoods.
- **Access to programs to gain or maintain homeownership** – Greater access to homeownership is desired (esp. for lower income households). Greater access to stabilization or repair programs for middle income households.
- **Accessibility** - The most critically needed special needs housing types were identified as: housing for persons experiencing houselessness, mental health support, ageing individuals and people with disabilities.
- **Fair Housing** – There was a desire expressed, particularly by coalitions, to better understand how the City aims to address issues of fair housing with the HPS.

### **Black, Indigenous and Persons Of Color (BIPOC) Communities Outreach**

One of the key issues identified in the 2045 Housing Needs Analysis (2045 HNA) is economic prosperity and housing opportunity for BIPOC Portlanders. The project team received a Department of Land Conservation and Development grant to conduct engagement specifically with BIPOC community members.

While there has been robust engagement around housing issues in the City, Black, Latine and Native American communities are still most impacted and priced out of housing market and wealth building opportunities. Staff wanted to provide an opportunity for BIPOC communities to give their input on housing issues and identify strategies that would be most impactful to create better living conditions and stable housing.

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## FOCUS GROUPS

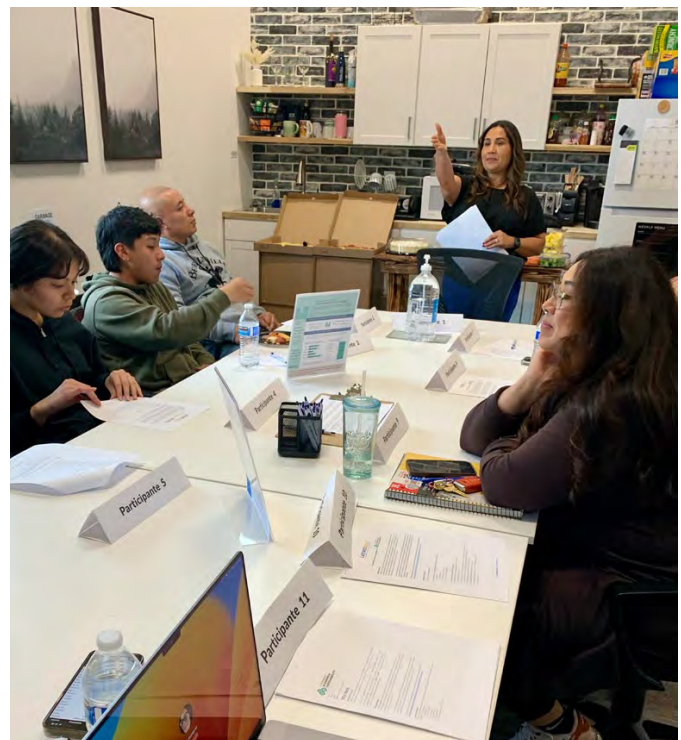
Staff and two consultants hosted 6 focus groups between March and April 2024 with Black, Native, Vietnamese, Chinese, Slavic and Latine communities. The Black (10 participants), Native (10 participants), Vietnamese (12 participants), Chinese (11 participants) and Slavic (11 participants) focus groups were planned, recruited for and hosted by the Community Engagement Liaisons. The Latine focus group (7 participants) was planned, recruited for and hosted by LatinoBuilt.

The focus groups included information on Portland's housing conditions and forecast and explain the role and purpose of the HPS. The discussion explored key elements of need and desired housing opportunities that will help inform the HPS policy choices and evaluation.

### Focus Group Discussion Questions

1. What is most important to you about a home?
2. What types of housing best meets your current needs?
3. Considering that most of Portland's new housing will be in apartment buildings, what features or amenities would make living in an apartment more appealing or possible for you?
4. What are the most important qualities for your ideal neighborhood?
5. What difficulty, if any, have you had finding/staying housing that meets your needs in the city?
6. What programs might be helpful to you or your household?
7. Which housing strategies are the most important/highest priority in Portland?

**Figure 76. Latine Focus Group Led by Latinobuilt's Rosa Martinez**



## COMMUNITY MEETING

Building off of the results of the focus groups, staff worked with PKS International; Community Engagement Liaisons to host and facilitate an in-person East Portland BIPOC Community Meeting. This community meeting for Pacific Islander, Burmese, Cambodian and African immigrants was held in April

2024 in-person at a local restaurant on 82<sup>nd</sup> Avenue. The meeting included facilitators/translators to engage participants in their native languages. Participants included six CELS liaisons and staff, eleven Burmese, eleven Cambodian, five Pacific Islander and eight African community members.

## SUMMARY OF BIPOC ENGAGEMENT ON HOUSING NEEDS AND PRIORITIES

### Affordable Housing

The biggest housing issue identified is that over the years living in Portland has become a lot more expensive, so families are being pushed out of the city center. This has created economic segregation. Housing prices have significantly skyrocketed over the years, which identified another common theme among all the communities, affordable housing. Participants expressed desire to find ways to improve the way that current supportive housing is used and to consider how new rules or rule changes are impacting smaller landlords. Participants in the Black community brought up that there's a need for not just homes for the houseless or low income but people that are in between the middle class and 'poor'. There's not a lot of options in the housing stock and participants would like to see more develop.

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*"One of the challenges of affordable housing is new construction is very expensive, whether you want to purchase or want to rent, whereas older construction has already been depreciated. Those of the units that you're talking about leveling for the new construction, where those units are the ones that are the most affordable. So, I understand you want to bring in more density, but at the cost of taking out properties that people are living more affordably now."*

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In the Latine focus group, it was a consensus that affordability was the most important for everyone when it comes to a home, with size/number of bedrooms coming in second and outdoor space for grills and gatherings tied with location for third. However, if we're looking into the future, having apartments with elevators and wider doorways was mentioned as something that would be desirable. Along with making sure the transportation system accommodates the increase in housing units.

The Russian community felt there is a perception that when affordable housing complexes are built, segregated areas with reputation for higher crime may be created. People and businesses avoid these areas. Units are built in areas that are not safe and often have homeless camps near them and don't have all the necessary things nearby (school, parks, playgrounds, hospitals etc.).

The Native community addressed buying their own home is out of reach, especially for single people with an average income. Many people will not be able to purchase their own home any longer because of not only the cost of the home, but also the interest rates, property tax, utilities, insurance, and all other expenses. Some participants shared that there's a lot of people in their community that work and

don't qualify for a lot of the programs but need those programs. So, changing the guidelines and qualification standards would be helpful for a lot of people to afford housing.

The Chinese and Vietnamese community shared there's housing demand for senior living communities, many are on the waiting list and the wait is too long. Another issue is the language barrier, many seniors don't understand English, and the application is only in English.

## Safety

One common theme during the focus groups was the need for safety and security of the area where their home is located and the neighborhood itself. One community shared it doesn't matter the size of the home, big or small. They want to feel safe when they go to sleep at night. Participants in each community noted that to feel safe they want to see lower crime rates (theft, drugs, car racing, break-ins) and less homelessness in their neighborhood (homeless camps and abandoned vehicles).

Many of the communities mentioned having a clean, safe street would mean their families and children can walk around their neighborhood with less fear and would allow them to have a healthier lifestyle. Because of safety concerns of their neighborhood, several participants in the Native and Vietnamese communities expressed they've moved or see themselves wanting to relocate.

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*Participants in the Russian community shared, "Downtown already has a reputation of being unsafe, public transport unsafe and dirty, homeless camps and garbage in uptown and downtown. Adding more affordable housing units in Downtown poses the question of whether we will lose it as a desired landmark and place to visit in the future."*

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## Location

Another common theme shared between all the communities is location. Many of the community groups discussed location being one of the main priorities on their list for an ideal neighborhood. There is a need to be close to public transportation. The Vietnamese community participants felt that if a lot of housing units are developed, and we don't think about transportation, it will be very difficult to get from East to West or North to South. So, if transportation is not addressed, and more houses are built, the road will become more challenging for traveling to work or to school and will create another challenge for both the residents and the city. Participants with families expressed the need to be close to schools, parks, community centers (for all ages), and an overall safe environment for children to play outside.

The Chinese and Native community also discussed that having close access to medical offices is critical for many people, especially for seniors, retirees, and families with young children. The communities



agree that having access to amenities near their neighborhood is important like shopping, grocery stores and being close to work.

The Black focus group participants discussed issues of safety as it relates to location. One participant shared that they are seeing developments along certain corridors with a disparity between the development that is targeted towards communities of color and lower income people and the development that is at market rate. So, a lot along MLK, along Lombard, Broadway and these areas are high crash zones. They're dangerous to walk around and they have lower air quality because of the traffic. They're more unbearable during heat and during rain, they flood and they generally have a lower quality of life versus locations like Williams. The participant lives close to Broadway and is right next to the freeway. Further up Broadway are these luxury units that have walkable grocery stores, trees, and the quality of life is clearly, and the infrastructure is clearly built better than a few blocks to MLK, where a lot more people of color are housed, and the quality is visibly worse.

Many of the communities discussed how locations in Portland differ between a good and adverse quality of life. For example, rich neighborhoods have clean air quality and walkable amenities while poor neighborhoods have more underserved communities and quality is visibly worse.

## **Expanding Programs**

Discussion with focus group participants revealed a lack of awareness about certain programs that may already exist. More outreach in various venues about the City's housing assistance programs would be helpful. Below is a list of topics that were mentioned as programs to be implemented or expanded.

- **Down Payment Assistance:** Participants mentioned that rents are the same as monthly mortgages. They would love to own a home but are unable to produce a down payment or do not qualify for existing programs for various reasons, bad credit being one of them. However, they are able to pay their rent, and assistance with down payments would allow them to build wealth through home ownership.
- **Home Buying Qualifications:** The programs offered for homeownership require lots of documentation and qualifications, and sometimes, because of the in-depth need, they don't qualify. Can documentation be simplified?
- **Loan Programs:** Develop a loan program for mid-level professionals (e.g., teachers, firefighters, contractors, etc.) to buy homes by deducting a portion of their monthly check.
- **Rental Incentives:** Bad Credit limits rental ability. Create programs to help clean up credit issues.
- **Coaching/Education Programs** for first time home buyers. Oftentimes, ownership is a larger responsibility than is realized. Understanding how to save for repairs, etc. would be helpful.

- Home Repair Costs: Home repairs are costly, and energy efficiencies are not affordable, even with the incentives that are in place. Programs that assist with home repairs were encouraged.
- Foreclosure Prevention: Programs to prevent losing your home or going into foreclosure

## What's Missing From The Draft Strategies

- PUBLIC TRANSIT SAFETY - Participants were very concerned about safety. Recognizing that much of the new construction would happen in the central core of Portland along bus lines with a push to use public transit, they felt conversations need to take place to ensure riders safety.
- ACCESSIBLE UNITS - Participants discussed this issue in depth and wondered why homes aren't being built with accessibility features as a standard. Can this be incorporated at the onset of building planning? If they have a sick family member and need modifications in their home, retrofitting is expensive.

At the East Portland BIPOC Community Meeting, the most common concern between the 5 groups was the need for affordable housing and financial stability. Participants mentioned a need for jobs for seniors and residents within the area. Safety came in as another high-ranking concern, especially with the combination of location and zoning when discussing the location of schooling and where affordable housing was located. Cultural needs and quality of living goes hand-in-hand, as many participants noted that they needed larger housing units to fit the number of family members living in one house. Similarly, the participants expressed wanting more space for recreational activities, such as nature areas, parks, or spaces within the household for families to hold celebrations or spend time together.

The most important factor that participants mentioned was the safety of the area where the home is located and the neighborhood itself. The participants do not feel comfortable with their homes being in areas with high rates of homelessness. Most groups expressed the need to have good schools and their work within a close proximity to their home. For seniors within the community, the participants noted that it is not easy for them to walk further distances. Grocery stores need to be within a walkable distance or have public transportation within the route. Participants also noted that they would prefer denser populated areas if it meant that they were near essential services, such as grocery stores, nearby. Easy access to public transportation was another factor that was considered. This includes having adequate parking infrastructure at the homes. Participants also addressed that their ideal home would have 3+ bedrooms to accommodate their family sizes. Finally, participants want to see newer high-quality homes that are fit for the weather year-round and have plenty of outdoor recreation areas for children to play on playgrounds or for community members to gather. They mentioned that the current houses are old, smelly, and moldy.

The most valued quality of an ideal neighborhood for all community groups was safety. There were multiple repeat comments about safety throughout the groups, with one group noting that safety is a priority and more important than anything else. Participants specifically noted that to feel safe they want to see lower levels of homelessness within their neighborhood (and lower levels in general),

decreased crime rates (break-ins, car theft, violent crime, etc.), higher levels of security, and also more street lights and sidewalks to promote road safety. Another participant noted that they want to be safe at night when they are working a night shift, both being outside and taking transportation.

The participants also expressed the want for more green spaces (private and public) around the neighborhood. They would like playgrounds for the children, community centers or communal space that gives them access to parks or green space. Similarly, participants also want community centers or shopping centers within their neighborhood as well (or within walking distance). Finally, some participants expressed that they would like to have close access to transit.

Financial issues emerged as the top challenge that participants had in finding or staying in their housing. Some examples are that multiple concerns were raised regarding the issue of finding affordable housing, as participants cannot afford housing with their current incomes. Many participants mentioned that the rising housing costs exceed the current income rates by far. Similarly, seniors, or those with fixed incomes, face limited options for finding supplemental earnings. Participants cannot afford housing that fits their needs, this includes seniors trying to downsize and families needing larger housing units. At the same time, multiple groups noted that there are not enough units to support their needs or units that are at a preferable location (participants discussed having to commute to work in order to afford housing). Households feel shameful asking for assistance or may not know where to go to seek assistance, which causes them to quietly go into homelessness. The overarching theme present is that the vast majority of the participants are struggling to find housing or maintain their housing due to the rising housing costs and limited means to achieve housing assistance, at the same time, if they are able to afford housing, there are not enough units that support their needs.

Another issue that was raised when discussing the challenges of finding/staying in housing, was credit. Participants noted that building credit is hard and expensive. Some mentioned that non-existent or bad credit impacts their eligibility for rental and homeowner services, and limits access to high quality and affordable rental housing. Other participants talked about needing more education about the process, credit scores, and saving, and ultimately more down payment assistance.

The most repeated program that participants mentioned was rental assistance. One participant specifically noted that there should be rent assistance support available for those who just arrived in the US and have not secured a job yet. In terms of renting or owning a house, multiple participants also noted that they would like mortgage or down payment assistance. A common theme seemed to be that participants were seeking assistance or pathways to homeownership. Another program mentioned between the groups was the need for energy and utility assistance, as bills have been increasing. Other highly mentioned programs were legal support for renter rights, fair housing, discrimination, and eviction support. Multiple participants noted that faster relief is needed after applying for the programs, and ultimately, households need more education about what programs there are and what they do. For some, they would also need language and interpretation services. One comment to note was that a participant suggested having loan programs that are specifically designed for immigrants.

Some other programs that were mentioned but not as frequently were, internet or digital access assistance, weatherization, any programs to support single adults with children (specifically moms), gym amenities, home repair assistance, debt relief, foreclosure assistance and finally, food assistance.

Most participants expressed wanting to own a house in 10 years. A number of participants noted that they would like to own a larger sized house so that they can support their family and friends. Some participants expressed wanting to own multiple houses and some even mentioned being a landowner so that they can rent to other immigrants or refugees in the community. They expressed desire to do so in order to help build the economy, support the immigrant and refugee community, as well as reducing houselessness. A few participants mentioned that while they would like to own a house, the inflation and gentrification will make it nearly impossible to buy a home. Even renting may be expensive to them. Another participant agreed buying a house would be ideal, but they would probably continue renting.

Seniors within the Cambodian community expressed the desire to downsize. Finally, a participant said that moving away might be their only option because they can't afford to live here, and their social security is not enough to make ends meet. They noted that they may have to move back to Cambodia, but they don't have enough savings to do so.

For most groups, the communities mentioned larger houses that fit all the family members. Some expressed wanting 3 or more bedrooms, some wanted 4–5-bedroom houses, others wanted 6-bedroom houses that fit the entire family with bigger rooms, balconies, spaces for kids to play, and other factors. A participant specifically mentioned that they wanted a bigger or more spacious house in order to conduct business or to assist others. One participant specifically mentioned that ideally a house would have more than 3 bedrooms, a yard or grounds to play in, barbeque area, and a garden. A different participant mentioned that if they were to own a house, they do not want to be restricted by how they choose to decorate their house or what the conditions of their plants were. Within these groups, a large number of participants mentioned having space for multigenerational or multifamily living.

On the other hand, other participants were wanting smaller houses. Some participants mentioned that apartments and townhouses would fit their current needs. It was expressed that apartments and mobile homes are really good and important for what they need. Others want small single houses or single dwelling/houses. Something to note is that this was a common theme from the senior attendees, who had previously expressed wanting to downsize. These differences highlight that even among cultural communities, there are still a range of needs and desires as it relates to housing type.

**Figure 77. East PDX BIPOC Community Meeting**



## Housing Developers

In addition [to the housing barriers survey conducted by Commissioner Rubio's office](#), and presentations to Oregon Smart Growth and Portland members of the Home Building Association of Greater Portland, BPS conducted interviews with sixteen developers to discuss their experiences in developing housing in Portland, barriers to development, and strategies to increase housing production. BPS met with representatives from the following organizations:

- Edlen & Co
- Sabr Development
- Oregon Homeworks
- Fish Construction
- Project PDX
- Urban Roost Development
- Owen Gabbert LLC
- HomeWork Development
- SkipStone Development
- ROSE Community Development Corporation (CDC)
- Community Partners for Affordable Housing (CPAH)

Barriers to housing production identified through these conversations ranged from regulatory code barriers, financial and market factors, and building code/process issues. Strategies identified to respond to these barriers cover regulatory code, permitting and development process improvements, financing opportunities and housing innovation considerations.

## SUMMARY OF COMMENTS ON BARRIERS TO RESIDENTIAL DEVELOPMENT

### Regulatory Code Barriers

- **Form.** There is a disconnect over the allowable FAR and building coverage. Lot coverage ratios are constraining, with 10-20 percent more coverage usually needed to maximize the FAR (especially with middle housing). Height limits could be enough to prevent out of scale development. The lack



of allowances for single staircase buildings means apartment buildings must be built with double-loaded corridors on larger sites; single staircase buildings could better utilize small sites.

- **Zoning Code.** There is a perception that there are large sections of outdated/irrelevant/complicated code, especially for multi-dwelling buildings.
- **Inclusionary housing.** The long-term covenant on affordable units is less attractive to investors. Perception among developers is that ongoing compliance is difficult, and there is a fear the City will charge an excessive fee-in-lieu if projects fall out of compliance.
- **Ground floor requirements. Active ground floor use requirements** are difficult to make financially feasible and are 'subsidized' by the housing units. Eliminating these requirements would reduce housing cost. Commercial space is a "loss leader" and is an especially big barrier to affordable housing developers – building commercial space pushes developers into a higher prevailing wage bracket.
- **Cottage cluster common area.** The code dictates 20 percent common area/courtyard, even when each unit has individual yards.
- **Middle housing/cottage cluster utilities.** There is a perception of a misalignment in the way the City requires developers to provide infrastructure on middle housing and cottage cluster lots. Developers would prefer more control over the infrastructure that can be shared and the infrastructure that must be separated for each individual unit on the lot. For example, stormwater infrastructure can currently be shared for middle housing and cottage clusters, but sewer must be individually provided.

## Financial and Market Factors

- **Homebuyer Opportunity Limited Tax Exemption (HOLTE) Program.** There is a disconnect between the income cap of buyers and the price cap of units. There are many unsold units in the HOLTE program due to high interest rates decreasing buyers' disposable income, as well as general demand and growing pains associated with a new building form (i.e., attached fourplexes/townhomes with no parking).
- **Development costs.** Material costs remain high, albeit they are better than one year ago. Labor costs are high and finding contractors can be challenging (labor shortage). High interest rates are the major barrier and can add major costs to projects, reducing the ability of developers to provide affordable units.
- **System Development Charges (SDCs).** SDCs, especially for parks, are one of the biggest line items in construction budgets (e.g., \$25,000 per unit for 800 sq. ft. cottage). The recent change for deferred payments is not effective because the City is in "first position" which interferes with the bank financing.
- **Tree preservation.** The tree code can be cost-prohibitive for new development.
- **Feasibility issues.** It is hard to finance debt. 15-35-unit projects are particularly challenging. Rent is too low for market-rate projects in East Portland. It is difficult to add detached units to land with existing homes – the value of the house typically exceeds the value of land.
- **Affordable housing financing challenges.** Projects typically have more than 10 funders and providers have difficulty navigating compliance (e.g., ongoing annual income recertification) with each one. Prevailing wage requirements around affordable housing is an ongoing tension.

- **Land supply issues.** It is difficult to find sites appropriately zoned, especially for higher density development. Affordable housing providers are unable to compete with market-rate developers because of the longer timelines associated with financing and development.
- **Low rent growth.** Rent growth has slowed down but costs (and capital) have continued to increase, especially with interest rates. Developers expect the lack of new housing development (diminishing supply) to result in higher rent growth by 2025, which will improve development feasibility but exacerbate affordability issues.

## Building Code and Process Issues

- **Permitting delays.** While permitting review timeframes have been improving as a result of the Permit Improvement Task Force work, there is a perception amongst some developers that delays in permitting still occur across bureaus and departments to varying extents (and that the Water Bureau, Urban Forestry, and PBOT are potentially responsible). Developers also suspect time-consuming inefficiencies that result from the City's desire for everything to be perfect throughout the permitting process (rather than simply "good enough"). Getting HOLTE waivers is considered a slow process by developers. Some delays are due to the inspection process; the building inspector once had more flexibility and discretion in the field (e.g., inspectors were once able to use an orange colored in-the-field check-sheet for small adjustments and requests, but that is no longer used). Work is ongoing to improve the permitting and inspection process, yet uncertainty leads to developer hesitation to embark on new projects, especially if a developer perceives the code is applied differently for multiple similar projects with a code applied differently for each, adding unnecessary costs.
- **Inspections.** Uncertainty and subjectivity add risk to development projects. Barrier to a FIR-like program is finding inspector who understands all areas.
- **Adjustments.** The adjustment process is a good tool, but it is very subjective (builders/developers are hesitant to use the process) and there is little guidance about what developers must do. It is also a 3-4-month process and requires neighborhood notification.

## SUMMARY OF FEEDBACK ON STRATEGIES TO INCREASE HOUSING PRODUCTION

### Regulatory Code

- **Simplify the Zoning Code.** Implement a 'lean code' such as Tigard's vertical housing development code. Identify cumbersome/vague/contradictory language to eliminate.
- **Simplify middle housing building code.** Implement a middle housing code for 1-4 units (detached and attached), cottage cluster for 5+ units. Add flexibility to support building either attached or detached units regardless of the existing property usage. Provide more flexible standards if the existing structure is preserved, e.g., additional floor area ratio (FAR).
- **Increase allowable density.** Upzone for 3-8 stories near public transportation, increase FARs and let height prevent out-of-scale development, strategically increase CM2, CM3, RM3, and RM4/RX zoning throughout city, and identify opportunities to eliminate commercial ground floor requirements. Explore opportunities to more liberally apply zoning that allows three-story walkups (RM2/RM3)—the most feasible multi-dwelling development type.



- **Create specific East Portland production strategy.** Increase housing density in areas where there is existing or future planning and investments, e.g., corridor improvements on Powell, 82<sup>nd</sup>, and 122<sup>nd</sup>, and TIF districts.
- **Identify commonly accepted adjustments and revise code.** For example, the East Portland Pattern Area rear setback of 25% depth of lot, but typically 5ft elsewhere.
- **Reduce off-street parking depth.** For example, if there is a garage, 18ft driveway, if no garage, it's 28ft driveway.
- **Advocate for State legislative changes.** Allow single-staircase buildings, expand use of single-dwelling code to middle housing, etc.

### Permitting and Development Process Improvements

- **Simplify the permitting process.** Provide more criteria-based processes, offer streamlined permitting tracks for needed housing types and affordability, improve transparency and certainty in all areas, identify and eliminate unnecessary steps in the process, improve inter-bureau coordination, etc.
- **Streamline permitting for previously approved plans.** Projects previously approved in other locations could be replicated with minimal additional work and cost.
- **Reduce neighborhood notification and demo permits wait times.** Applications often take multiple rounds; improve the ability of permit reviewers to accept submissions. Revise the demolition permitting process (e.g., it could be criteria-based).
- **Simplify the inspection process.** Look at the Field Issuance Remodel (FIR) program as a model to middle housing. Improve the ability of inspectors to make in-the-field decisions without the need to resubmit plans.
- **Allow applicants to choose a code if code changes apply mid-permit process.** Code changes while projects are in the permitting process are challenging but can also be beneficial. All code changes should be available to projects in permitting process, i.e., developers could be allowed to 'pick' which code they use (original code versus new).
- **Explore revisions to the energy code.** Realign the code to reflect the sustainability benefits of multi-dwelling development, feedback was that it is inequitable having a more stringent code for multi-dwelling than single dwelling.
- **Explore opportunities for development partnerships** on institutional campuses near transit.

### Financing Opportunities

- **Include fair housing elements as part of the bonus and incentive structure** so developers can maximize density/height.
- **Provide a middle housing revolving loan fund** to cover acquisition and entitlement fees to bridge the initial fees to get a construction loan.
- **Expand the affordable definition** to 100-120% to open up bonuses and incentives for middle income housing units.
- **Reduce fees** if needed housing types involved, e.g., lower tree removal fees for middle housing

- **Revise SDCs.** E.g., consider SDC waivers to increase production of certain housing types. Defer payment until building completion. Developers would like SDCs to be scaled to the size of unit and/or density on the lot, and consider location, proximity to amenities like parks, transit, etc.
- **Explore opportunities to support private development with public finance.** E.g., the City could provide tax abatement, credit enhancement for bonds, and/or below-market capital. City can also buy bonds at 2-3% and offer to developers (employers can also do this for employee housing ).
- **Explore funding sources for off-site infrastructure improvements.**

### **Housing Innovation/Other**

- Support recruitment, training and education for code officials working with mass timber.
- Align maximum building heights with mass timber (eight stories).
- Allow single staircase buildings for under 4-5 stories (state legislative changes needed).
- Promote state modular code for use at city level.
- Review existing codes and zoning policies and revise to encourage reusing existing buildings. For example, policies could include allowing single point of access, building flexibility into the energy code for historic structures, and realigning City policies with state and federal.
- Consider an expansion of historic resource incentives, which allow a variety of uses not otherwise allowed.

## **Internal Outreach**

The City has many capable and knowledgeable experts among the staff and the many community members serving in advisory capacities. The project team extended the opportunity to collaborate, participate and advise on both the HNA and HPS with an internal working group, to several advisory committees or groups, Planning and Sustainability (BPS) Staff and decision makers within the City.

### **HPS Internal Working Group**

This engagement serves to inform, update and collaborate with bureau partners involved in regulation and development of housing. Bureaus meet bi-monthly for a total of 19 times in order to collaborate on updates and revisions until council adoption of HPS in Summer 2024. Participation has included staff from the following bureaus; Housing, Planning and Sustainability, Development Services, Prosper Portland, Management and Finance, and Transportation.

## **City Advisory Committees and Groups**

### **Development Review Advisory Council**

The Development Review Advisory Committee (DRAC) is a community advisory body, representing those with interests in the outcome of policies, budgets, regulations, and procedures that affect development review processes.

- **HNA Meeting: August 17, 2023.** Presented HNA basics and received feedback.
- **HPS Meeting: February 15, 2024.** Presented HPS basics and received feedback.

## SUMMARY OF COMMENTS

DRAC members engaged in discussions on some of these issues as well as suggestions. Areas of discussion included the difficulty in tackling income inequality and unaffordability, finding other opportunities for tax abatement or relief to help make projects feasible, addressing the difficulty in making smaller projects pencil when they trigger infrastructure improvements. Other suggestions included further incentivizing the adaptive reuse of buildings, and determining the amount of funding needs to be able to meet housing targets. One member suggested that the target numbers were aggressive considering past production and the capacity of the construction industry. Many jurisdictions and agencies are having similar conversations and there was a concern about focusing too much on only one aspect (affordability) and losing sight of the holistic housing need.

## Historic Landmarks Commission

The Landmarks Commission is a community advisory body, that provides leadership and expertise on maintaining and enhancing Portland's historic and architectural heritage.

- **HPS Meeting: April 21, 2024.** Presented HPS basics and received feedback.

## SUMMARY OF COMMENTS

- Initiatives E - G are necessary and preventative. Household retention will be very important to solve this problem which can reduce the need to create new housing. It will be important to include a strategy to preserve existing housing. A home ownership repair program would help such strategy as these are often expensive.
- Initiatives F & G are important to scope beyond the housing itself. There is a need to consider the surrounding environment to ensure it supports the community, including the aging and disabled populations where the housing is built. This includes locations near transit hubs, the importance of placemaking and contact with nature, and keeping people involved in the community.
- Look for opportunities to double up efforts so the focus goes beyond housing. Consider multiple funding sources, rather than siloing funds. Consider not just the units themselves but also how the density increases within the community, to create a healthier environment for all. Examples might include focusing on adding housing in the Central City to help support that area and focusing on improvements to unreinforced masonry structures by finding ways to fund reinforcing existing unreinforced masonry buildings.
- The cost of housing is one part of the calculation, but there are other layers of costs that are also contributing to making it prohibitive, like property taxes, increased costs of utilities, cost of permitting, etc.
- In alignment with these strategies, the Landmarks Commission has a track record of promoting density. Support the efforts here to prioritize retrofitting existing assets, as low carbon building policies start with buildings that already exist.

- Support advocating for the historic tax credit. This, when layered with other funding mechanisms, can make a big impact on the production of housing.

## Design Commission

The Design Commission is a community advisory body that provides leadership and expertise on urban design and architecture and advances the purpose of the Design overlay zone.

- **HPS Meeting: April 18, 2024.** Presented HPS basics and received feedback.

## SUMMARY OF COMMENTS

- Public outreach is important. The extensive public outreach for this project is appreciated. The recent Housing Regularity Relief (HRR) project had much less time for public outreach during the process.
- Provide help for the current market, address barriers. Many of the changes done in the Housing Regulatory Relief program benefit housing developers, however, they are not helping get projects off the ground.
  - The recent SDC fee deferral requires the City to be in the first position in the loan repayment. As currently written, however, it is not useful as the banks won't accept this.
  - There are permits that are waiting to be picked up that are currently unfinanceable. Extensions of these building permits would allow already entitled projects to move forward in the future, which could quickly get off the ground.
  - The City might consider purchasing buildings on market, and switch to affordable units.
- Educate the public on available funding. Much of this depends on funding available. It would be helpful to show, given available funds, how much of this work can be done now, and in how many years. This process could educate the public and also illustrate where there are the gaps. Otherwise, it may appear that the City is going to go out and do all of this.
- Focus on increasing housing production for the 0-30% sector. While increasing home ownership covers a wider range of incomes, this sector has the direst need of housing so is the most critical to support. Providing stable housing for unhoused or those at risk of losing housing can increase the quality of life for all city residents. Incentives such as zoning bonuses can help make those projects more effective to build, however, many of the changes done in the Housing Regulatory Relief program benefited development of all housing sectors, rather than focusing on this sector. Support going a step further to help deeply affordable projects.
- Supporting the public realm and the quality of communal life are critical components to consider when adding more density. While there is some reference to climate friendly requirements, language related to quality of life and the quality of the street, neighborhood and public realm is missing. Would like to see language related to public stewardship included to maintain and support the quality of life in communities as they continue to grow and densify.

## Community Involvement Committee (CIC)

The Community Involvement Committee (CIC) reviews and advises the way City staff engage with the public in land use and transportation planning. This is an important part of the City's 2035 Comprehensive Plan Community Involvement Program, supporting the goals and policies of the Comprehensive Plan.

- **Meeting 1: June 2023.** Attended the CIC to present the HNA basics and receive feedback on how to communicate results and successfully gather input on needed housing.
- **Meeting 2: January 2024.** Attended the CIC to present the HPS basics and receive feedback on how to communicate draft strategies, develop survey and successfully gather input.

## Planning Commission

The Planning Commission focuses on land use planning, while continuing to advance the policies in Portland's Comprehensive Plan. By holding public meetings and discussing issues and proposals, the commission advises council on plans and policies regarding such issues as housing. For the Housing Production Strategy, the Planning Commission was engaged in an advisory capacity.

- **Meeting 1. December 12, 2024. Present HPS Outreach Plan.** Presented proposed outreach plan and DLCD BIPOC outreach grant.
- **Meeting 2. May 28, 2024. Present HPS Draft.** Presented Discussion Draft of the Housing Production Strategy and additional required elements for comment.
- **Meeting 3. June 11, 2024. HPS Planning Commission Discussion.** Concluded discussion of HPS.

## SUMMARY OF COMMENTS

- Commissioners heard about study versus embark on a project and would like to understand the ability of staff to firm up commitments.
- Some commissioners expressed support that the City declared housing emergency, this should inform the HPS and place urgency on the work.
- A commissioner expressed support for Expanding Opportunities for Affordable Housing as a terrific project and agree that we should focus on this as Habitat has done and is knowledgeable about. It's not just land; properties are also selling for much lower than what we can even build. We need to be nimble.
- A commissioner expressed support for Climate-friendly and healthy homes have to do with the building and the edge of building codes... but the real opportunity is about how we power our homes, which is the much larger items. The City is not projecting much growth in the RCAA in close-in neighborhoods given the zoning capacity. From an equity perspective, this is a glitch. If we had the benefit of the RCAA analysis, we wouldn't have a comment in the Comprehensive Plan versus the actual density we have in inner southeast neighborhoods right now.
- A commissioner expressed support for Disability-friendly housing as "everybody housing," which is a greater home for the present as well as the future.

- Some commissioners wanted to know, How do we ensure the HPS is actionable and moves us forward?
- A commissioner expressed support to Urge bureaus to look at the 80% MFI as the threshold versus lower to reach more people.
- A commissioner expressed concerns around increasing the transient lodging tax could be counterproductive for an industry that's been facing challenges since the pandemic.
- Some commissioners expressed support that this is becoming more specific, and that staff are setting a good example on this.
- A commissioner expressed concerns around strategies that would support eliminating prevailing wage requirements.
- Some commissioners wanted to know if, based on recent testimony, about converting existing buildings into housing. Are there opportunities to include that to address the climate implications of demolition and building new?
- A commissioner expressed support for including PCEF SP3 in the "Promote climate-friendly and healthy homes" category. PCEF announced the SP3 Program which provides \$140 million for over 3000 homes for home energy assessments and follow up work.

Additionally, the following letter has been submitted:

## Portland Planning Commission

Mary-Rain O'Meara, Chair

Erica Thompson, Vice Chair  
Nikesh Patel  
Steph Routh

Michael Pouncil, Vice Chair  
Michael Alexander

Wade Lange  
Eli Spevak



July 23, 2024

Dear Mayor Wheeler, Commissioner Rubio, and Commissioners Gonzalez, Mapps, and Ryan:

The Planning Commission, serving in its non-legislative, advisory role, has reviewed the draft Housing Production Strategy (HPS) for consistency with relevant 2035 Comprehensive Plan policies. We are impressed with the work of staff from Bureau of Planning and Sustainability, Portland Housing Bureau, Prosper Portland, Portland Planning and Development, and Portland Bureau of Transportation as well as other City, regional, and state partners for their ongoing efforts and coordination.

The Planning Commission finds that the HPS is consistent with the goals and policies of the Comprehensive Plan. Specifically, there are five housing goals, each of which are addressed in the HPS:

- **Housing Diversity.** Initiatives such as Promote Affordable Housing (0-80% AMI), Increase Access to Opportunity, Promote Age and Disability Friendly Housing and Increase Middle Income Housing and Homeownership aim to further this goal.
- **Equitable access to housing.** The HPS makes a special effort to remove disparities in housing access for people with disabilities, people of color, low-income households, diverse household types, and older adults. The HPS addresses this goal through initiatives such as Promote Affordable Housing, Increase Access to Opportunity, Promote Age and Disability Friendly Housing with specific strategies like Create New Tax Increment Financing (TIF) Districts, Rezone Sites for Affordable Housing, and Conduct Inclusionary Housing (IH) Program Periodic Review.
- **Healthy connected city.** Living in safe, healthy housing that provides convenient access to goods and services that meet daily needs is a key principle of the Comprehensive Plan. Initiatives such as



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Promote Affordable Housing (0-80% AMI), Increase Access To Opportunity and Promote Age, and Disability Friendly Housing aim to further this goal through strategies such as Create New Tax



Increment Financing (TIF) Districts, Rezone Sites for Affordable Housing, Increase Housing Capacity in Inner Centers & Corridors, Revise Zoning Bonuses and Incentives, Increase Housing Capacity in the Central City, and Identify Housing Opportunity Along 82nd Avenue.

- **Affordable housing.** The HPS initiatives Promote Affordable Housing (0-80% AMI), Stabilize Current and Future Households, Increase Middle Income Housing and Homeownership and Advocate at State and Federal Level promote this goal through strategies like Replace Housing Bonds Revenue Source, Establish a Comprehensive Citywide Land Banking Strategy, Expand Homeownership Programs, Rezone Sites for Affordable Housing, Preserve Existing Affordable Housing, and Advocate for preservation of expiring regulated affordable units.
- **High-performance housing.** Portlanders need access to resource-efficient and high-performance housing. The initiatives Promote Climate Friendly and Healthy Homes and Advocate at State and Federal Level further this goal through strategies such as Support Mass Timber and Modular Innovations, Develop Low Carbon Building Policies, Promote Commercial to Residential Conversion / Adaptive Reuse, Implement Heat Adaptation Recommendations, Advocate for reduced embodied carbon strategies, for all electric housing production, and for additional infrastructure resources.

To meet our housing goals, we need to increase production significantly and make living in Portland safe and affordable for everyone and all abilities. The HPS addresses Portland's housing needs in a way that achieves our housing, urban design, climate, health, and equity goals as articulated in the 2035 Comprehensive Plan.

The HPS lays out an ambitious five-year action plan with specific strategies across a wide range of issues. The Planning Commission looks forward to working with the Mayor and City Council to implement these actions to meet our long-term housing goals.

Sincerely,



Mary-Rain O'Meara Chair



## Decision Makers

The project team presented at Planning Commission and City Council meetings several times during the HNA / HPS process, corresponding to the timing of specific draft deliverables. The purpose of these meetings was to provide decision makers with information from the project and ask for feedback on key questions about assumptions and policy issues in addition to adoption of the final reports and policies as directed by the state.

### Planning Commission

The Planning Commission focuses on land use planning, while continuing to advance the policies in Portland's Comprehensive Plan. By holding public hearings and discussing issues and proposals, the commission develops recommendations to share with City Council. The Housing Needs Analysis was adopted as part of a legislative process that modified the Portland Comprehensive Plan, the Planning Commission served both an advisory and legislative role in the Housing Needs Analysis.

- **Meeting 1. April 25, 2023. Introduce the HNA.** Staff provided a brief introduction to the HNA, HPS, and BLI, providing Planning Commission with information on its purpose, the process, the regulatory requirements, desired outcomes, and potential issues.
- **Meeting 2. September 26. HNA Planning Commission Hearing.** Testimony on the proposed draft collected from 08/17 to 09/26.
- **Meeting 3. October 10. HNA Planning Commission Continued Hearing and Work Session**
- **Meeting 4. October 24. HNA Planning Commission Recommendation.**

### City Council

- **Meeting 1. July 26<sup>th</sup>, 2023. Joint Bureau Council Office Briefing/ Housing Work Session.** Alongside PHB, Prosper Portland and BDS, presented the HNA as well as ongoing and future housing work across bureaus.
- **Meeting 2. December 6<sup>th</sup>, 2023. City Council Hearing. Adopt the HNA. Present preliminary summary of housing production strategies.** City Council heard testimony on the Housing Needs Analysis and City staff presented a preliminary summary of existing and some drafted future strategies to the City Council and receive feedback.
- **Meeting 3. January 9<sup>th</sup>, 2024. City Council Resolution.** Adopt DLCD Grant for BIPOC outreach.
- **Meeting 4. August 28<sup>th</sup>, 2024. Present draft Housing Production Strategy.** BPS will attend one City Council meeting to present the draft HPS report and make revisions based on Council review.

- **Meeting 5. September 11<sup>th</sup>, 2024. Adopt final Housing Production Strategy Report.** BPS will attend one City Council meeting to respond to any final questions on the Housing Production Strategy.

## Technical Advisory Committee (TAC)

The City recruited and established a Technical Advisory Committee (TAC) made up of members of regional jurisdictional partners to review and provide feedback on the analysis and guide strategy development. The HNA/HPS TAC meetings occurred as follows:

- **Meeting 1. May 2023. Project kickoff.** Staff provided an overview of the HNA and overall process, including project schedule, regulatory requirements, and desired outcomes. Staff presented the preliminary findings of housing needs, including key findings of the draft housing needs projection. The draft HNA was made available for TAC review and comment at this meeting.
- **Meeting 2. October 2023. Identify unmet housing need and policy gaps.** The TAC discussed a list of strategies to address housing need in Portland, gaps in existing housing policies and equity issues. Staff worked with the TAC to draft new strategies.
- **Meeting 3. December 2023. Develop details of each strategy.** This meeting continued the discussion from the previous meeting. It included finalizing a list of strategies and soliciting advice on the relative priority of each strategy.
- **Meeting 4. April 2024. Finalize strategies.** The TAC discussed the final list of strategies and discuss the timing of implementation of each strategy. The draft HPS report was made available.

### Participants:

HNA Participants	Additional HPS Participants
<b>Metro</b> <ul style="list-style-type: none"> <li>• Ted Reid, Dennis Yee, Clint Chiavarini</li> </ul> <b>Portland Housing Bureau (PHB)</b> <ul style="list-style-type: none"> <li>• Jessi Conner, Antoinette Pietka, Jill Chen</li> </ul> <b>Multnomah County</b> <ul style="list-style-type: none"> <li>• Max Nonnamaker, Abe Moland</li> </ul> <b>Department of Land Conservation and Development (DLCD)</b> <ul style="list-style-type: none"> <li>• Kelly Reid, Sean Edging, Celestina Teva</li> </ul> <b>Portland State University</b> <ul style="list-style-type: none"> <li>• Alan DeLaTorre</li> </ul>	<p><i>Joining the HNA TAC members, these participants were brought into the TAC in Fall 2023.</i></p> <b>Metro</b> <ul style="list-style-type: none"> <li>• Emily Liebe</li> </ul> <b>Prosper Portland</b> <ul style="list-style-type: none"> <li>• Lisa Abuaf, Sarah Harpole, Justin Douglas</li> </ul> <b>Bureau of Planning and Sustainability (BPS)</b> <ul style="list-style-type: none"> <li>• Ludwig Salzmann, Kyle Diesner</li> </ul> <b>Joint Office of Homeless Services (JOHS)</b> <ul style="list-style-type: none"> <li>• Lori Kelley, Jenna Kivanc, Claudia Sharygin</li> </ul>

## Core Engagement Principles

At BPS, it is our responsibility to seek out the voices and interests of underserved and underrepresented communities who may be impacted by a decision and use an equity framework to:

- Identify disproportionate adverse effects this work may have on a community, particularly low-income populations and communities of color.
- Identify ways in which communities' needs inform planning, investment and implementation

We know that we must intentionally allocate resources to overcome the cumulative impacts of institutional racism on historically underserved and under-represented people. Investing resources into quality engagement can prevent costly course corrections in the long run. Because community engagement with communities of color and low-income populations is highly relational, one of the best investments is ample staff time to develop relationships with underserved and underrepresented community members. Navigating across cultures and addressing previous negative experiences with government requires both cultural competency skills and time. It is important to note this work does not begin and end with a project but is an ongoing investment connected across projects over time.

When beginning to engage communities, staff have worked with the Equity and Engagement team closely and have been encouraged to center impacted community and continually ask;

- Has the design of this initiative been analyzed for cultural relevancy or versatility?
- Have select racial/ethnic groups been inequitably impacted or denied access by this work, or similar/related types of initiatives in the past?
- Is personal wealth or income a determining factor in the ability to benefit from this initiative?
- Is participation reliant upon an individual's ability to comfortably interact with mainstream educated, middle- and upper-class persons, BPS employees AND/OR their designated consultants?

# Outreach Questions

## Community Survey Questions

This survey has eight sections, each asking questions about different needs and experiences around housing. The sections are:

1. About you
2. Current needs
3. Challenges
4. Accessibility
5. Future needs
6. Priorities and Closing thoughts

1. What zip code do you live in?
2. Do you own or rent the housing you live in? (Select one)
  - a. Rent
  - b. Own
  - c. Occupy without paying rent
  - d. I don't rent or own
3. What type of housing do you live in? (Select one)
  - a. Single home (detached from any other house)
  - b. Mobile or manufactured home
  - c. Accessory dwelling unit (ADU) (a smaller unit that shares a lot with a main dwelling, may be attached or detached)
  - d. Duplex/triplex/quadplex (building with 2-4 units)
  - e. Apartment/Condo (5+units)
  - f. Retirement community or Assisted care/living facility
  - g. Other (please specify)

Please answer these questions thinking about your and/or your household's current needs

Think about your household size, your accessibility needs, where your house is located, etc.

4. What is most important to you about a home? Please only select three as "high importance"  
(Options – high importance, medium importance, low importance)
  - a. Affordable price/rent
  - b. Size / Number of bedrooms
  - c. Car Parking
  - d. Access to outdoor space (Yard, garden, patio, etc.)
  - e. Location (Close to employment/family, etc.)
  - f. Neighborhood amenities/features
  - g. Other (please specify)
    - i. Please specify what other features are most important to you about a home.
5. What are the most important qualities for your ideal neighborhood? Please only select three as "high importance." (Options – high importance, medium importance, low importance)

- a. Bike routes
- b. Bus and transit options
- c. Employment opportunities
- d. Shopping and dining opportunities
- e. Parks, natural areas and outdoor recreational areas
- f. Schools and educational opportunities
- g. Proximity to my cultural community
- h. Community center or library
- i. Medical services availability
- j. Other (please specify)
  - i. Please specify what other qualities your ideal neighborhood has.

Please provide more information to help us understand your needs.

6. What difficulty, if any, have you had **finding or staying in** housing that meets your needs in Portland? (Options – extreme difficulty, some difficulty, no difficulty, this does not apply to me)
- a. Finding housing in my price range
  - b. Affording mortgage or property taxes
  - c. Affording utility costs
  - d. Affording necessary home repairs
  - e. Finding housing in my preferred location
  - f. Finding housing in livable conditions
  - g. Finding housing that meets my or my household's accessibility needs
  - h. Finding housing with enough rooms for my family
  - i. Finding housing where I or people in my household felt safe
  - j. Denial of housing due to credit or rental history
  - k. Denial of housing due to discrimination
  - l. Facing eviction threats or conflict with landlords
  - m. Other
    - i. Please specify what other difficulties you have had finding housing that meets your needs in Portland.
7. Which of these programs might be helpful to you or your household? (Choose all that apply)
- a. Rent assistance
  - b. Eviction legal support
  - c. Fair Housing/Anti-Discrimination
  - d. Utility assistance
  - e. Home repair assistance
  - f. Down payment assistance
  - g. Debt relief
  - h. Foreclosure assistance
  - i. Internet or digital access assistance

- j. None
  - k. Other (please specify)
8. What challenges have you and/or your household had finding accessible units? (Choose all that apply)
- a. It is difficult to find any accessible unit
  - b. It is difficult to afford an accessible unit
  - c. It is difficult to find an accessible unit that specifically accommodates my needs
  - d. Units that are accessible are not reserved for people with disabilities
  - e. It is difficult to make my existing space meet my needs
  - f. This doesn't apply
  - g. other (please specify)
9. What accessibility features are needed in your housing? (Choose all that apply)
- a. Wider doorways / space for wheelchairs to move throughout the home,
  - b. Low/adjustable cabinets and countertops,
  - c. Grab bars in bathrooms / non-slip surfaces
  - d. An accessible parking spaces
  - e. Extra space for medical equipment
  - f. Visual/audible alert systems
  - g. No-step entry/ramps
  - h. Level and complete exterior pathways and/or sidewalks
  - i. Other (please specify)
10. What programs would support you or others with disabilities in helping make housing that meets your needs?
- a. Home modification programs
  - b. Weatherization programs
  - c. Transportation and mobility
  - d. Home and community-based support services
  - e. Renter/homeownership education
  - f. Other (please specify)

Answer these questions thinking about the housing needs you and/or your household might have in the **next 10 years**. Think about your household size, your accessibility needs, etc.

11. Will your current living situation meet your housing needs 10 years from now?
- a. Yes
  - b. No
12. If no, how do you expect your housing needs to change 10 years from now?
- a. Switching to homeownership
  - b. Needing greater accessibility
  - c. Downsizing – needing less space
  - d. Upsizing – needing more space
  - e. Needing assisted living
  - f. Other



13. Considering that most of Portland's new housing will be in apartment buildings, what features or amenities would make living in an apartment more appealing or possible for you? Please only select three as "high importance." (Options – high importance, medium importance, low importance)

- a. Affordable price/rent
- b. Larger bedrooms
- c. Multiple bedrooms
- d. Access to outdoor space
- e. Sound and noise privacy
- f. Adequate heating and cooling
- g. Property security
- h. Community spaces
- i. Access to car parking
- j. Secure bike parking
- k. Neighborhood amenities/features
- l. Other (please specify)
  - i. Please specify what other features or amenities are most important to you about an apartment.

Which housing strategies are the most important/highest priority in Portland? Please only select three as "high importance." (Options – high importance, medium importance, low importance)

- a. Promote Affordable Housing (0-80% AMI)
  - i. increase the supply of regulated and unregulated affordable housing units
- b. Increase Homeownership
  - i. Improve homeownership rates, retention, and locational choice for people of color and other groups who have been historically under-served and under-represented
- c. Increase Access to Opportunity
  - i. ensure equitable access to housing and increase the number of Portlanders living in safe, healthy housing with convenient access to jobs, goods and services that meet daily needs
- d. Reduce Barriers to Development
  - i. address known regulatory impediments to building needed housing
- e. Stabilize Current and Future Households
  - i. support the stabilization of households, prevent houselessness, and reduce housing insecurity
- f. Promote Age and Disability Friendly Housing
  - i. further Portland's ability to ensure equitable access to housing, making a special effort to remove disparities in access for people with disabilities and older adults
- g. Promote Climate Friendly and Healthy Homes
  - i. promote the development of climate friendly and healthy homes so that there is access to high-performance housing for people of all abilities and income levels

h. Advocate at the State and Federal Level

- i. some changes in codes or regulations that would promote production require the City to advocate at the State and Federal level

i. Other (please specify)

- i. Please specify which other housing strategies are most important/highest priority in Portland.

14. Is there anything else you'd like to share that would help us better understand your housing needs and challenges?

## Questions for Developer Outreach

### Questions for Affordable Housing Developers/Designers:

- What types of incentives are most beneficial to your organization?
- What are other ways that local governments have supported your work?
- Does your organization include accessibility features beyond the minimum federal requirements? What are the barriers to providing accessible units?
- Do you think financial, or code incentives would be effective in delivering more accessible units? What about requirements for accessibility beyond federal standards?
- One of the needs identified in Portland is more housing for multi-generational families. Does your organization provide units that meet these types of needs? What are the barriers? Would bonuses be an effective way to encourage multiple bedrooms?
- Do you see opportunities for SRO development in Portland?

### Questions for Middle Housing Developers:

- What challenges have you faced developing middle housing in Portland?
- Are there development code or process barriers that should be addressed to make middle housing easier to build in Portland?

### Questions for Multi-Dwelling Developers/Designers:

- Are there development code or process barriers that you think should be addressed to make multi-dwelling housing easier to build in Portland?
- Do you think higher allowed densities would make housing units more affordable? What density range would you target if there were no limits (except height)?
- Does your organization include accessibility features beyond the minimum federal requirements? What are the barriers to providing accessible units? What are the costs?
- Do you think financial, or code incentives would be effective in delivering more accessible units? What about requirements for accessibility beyond federal standards?

## Summary of Engagement from Recent Projects

### Homelessness Response Action Plan

The core goals of the plan include sheltering or housing an additional 2,699 people who are sleeping outside by Dec. 31, 2025; adding 1,000 units of shelter, which would increase shelter system capacity by nearly 40%; reducing homelessness among vulnerable populations (including people of color and LGBTQIA2S+ people); adding hundreds more behavioral health beds; opening a drop-off sobering center; and increasing the supply of affordable housing. The plan builds on the initial draft shared in spring 2024 with added goals and action items based on community feedback collected from nearly 200 emails and from nearly 300 people engaged during public forums and presentations:

- Better meeting the housing needs of refugees and asylum seekers through coordination with other governments and community partners.
- Supporting and expanding the behavioral health workforce.
- Increasing outreach services at library locations.
- Funding additional day services for people experiencing homelessness.
- Better meeting the accessible housing and shelter needs of people with physical disabilities.
- Increasing access to behavioral healthcare for people who have been involved in the criminal justice system by committing ongoing funding to the Department of Community Justice's Stabilization and Readiness Program.
- Developing an integrated healthcare management platform to coordinate care across housing and healthcare providers.
- Further acknowledging the geographic diversity and different service environments of East County.
- Adding a general member of the public to the Community Advisory Subcommittee — an oversight committee for the plan and for the Joint Office — to better align with the County's requirements for Community Budget Advisory Committees.
- The plan also updates or adds timelines for work that involves partners such as the Oregon Legislature.

Feedback was solicited through several avenues, including a joint session with the Board of County Commissioners and Portland City Council on March 12, multiple town hall meetings, and multiple direct meetings with service providers, business and health system partners.

## **Regulatory Improvement Code Amendment Package (RICAP 10)**

RICAP projects are typically scoped based on items that have been entered into the Regulatory Improvement Request database that contains requests from city staff and the public for changes to the Zoning Code. Project staff sorted through the database and selected items that fell under the themes of housing production, economic development, or regulatory improvement. This formed the basis for the RICAP 10 Discussion Draft, which was released in November of 2023. The Discussion Draft was made available to the public and shared with all of the district coalitions and neighborhood associations, a broad spectrum of community groups and nonprofits that focus on land use, housing, equity and environmental concerns, as well as to the BPS email newsletter network. Comments on the draft were accepted through the MapApp, the BPS public comment and testimony database, in November and December of 2023.

The RICAP 10 Proposed Draft was released in January of 2024. Project staff met with neighborhood and community groups to present the project and discuss the proposals in more detail, including the land use groups for North Portland Neighborhood Services, Southeast Uplift, and the Southwest Land Use and Transportation Forum. Stakeholder engagement included meeting with the Development Review Advisory Committee, the Design Commission, and the Landmarks Commission. Ten pieces of written testimony were submitted via the MapApp, and one person testified at the RICAP 10 hearing before the Planning Commission on February 27, 2024. The Planning Commission made their recommendation for City Council to approve the proposal with two amendments on March 26. A public hearing on the project was held May 23.

## **Housing Regulatory Relief (HRR) Project**

The genesis of the HRR project was in the survey that was done by Bureau of Development Services and sent to over 3,000 people who engage in the development review process, including applicants, developer, housing non-profits, newsletter subscribers and employees. The survey asked for a ranking of items based on the challenges impacting development. Over 600 responses were received and released in March 2023. The results of the survey, along with additional conversations with Bureau Development Services resulted in the HRR workplan.

The Proposed Draft was released in September 2023, and notice provided to the cities legislative list. The Bureau's Map App testimony database was opened up to allow people to testify directly to the system. Information was also provided through BDS' Plans Examiner newsletter in order to reach those who had participated in the survey. BPS staff also reached out to various interest groups and stakeholders who could potentially be impacted by the proposed amendments. The Planning Commission hearing included over 200 pieces of written testimony, and 30 people testified in person. As a result of this testimony, the Planning Commission amended the staff proposal on the ecoroof suspension and removed the amendments waiving bird-safe glazing.

During the public outreach period for both the Planning Commission and City Council hearings, staff also presented the proposal at neighborhood associations and district coalition meetings as well as with various interest groups. The City Council hearing on January 10, 2024, also generated a significant amount of testimony, much of it in support of the changes that the Planning Commission had made. Approximately 50 people testified at the hearing, and over 400 pieces of testimony was submitted through the Map App. The Council considered the recommendation, the scope of the testimony and a set of amendments, before ultimately approving the package with three amendments.

### **Housing Regulatory Survey Response Code Change**

The online survey was open from Feb. 16 through March 3, 2023. Participation in the survey was promoted via email to:

- Those who applied for construction permits for housing-related projects since January 2019
- Non-profit organizations involved in the development of new housing units
- Business associations serving companies and consultants involved in housing development
- Subscribers to the Bureau of Development Services' Plans Examiner newsletter
- Employees involved in permitting functions at the City of Portland's seven development review bureaus (Development Services, Environmental Services, Fire and Rescue, Housing, Transportation, Urban Forestry, Water)

611 responses were received while the initial request for participation was sent to approximately 3,100 email addresses. Participants were provided a list of more than 20 current requirements in the development of new housing and asked to rank the top five they believe should be suspended or modified to encourage new housing development. That list represented feedback the City had already received over recent years.

**Figure 78. Top Ten Policies That Received The Highest Numbers Of Top Five Priority Rankings**

<b>Policy</b>	<b>Priorit y 1</b>	<b>Priorit y 2</b>	<b>Priorit y 3</b>	<b>Priorit y 4</b>	<b>Priorit y 5</b>	<b>Total count</b>
Bicycle parking requirements	53	54	37	34	45	223
System Development Charges (SDCs) – timing of payment	66	35	46	26	45	218
Floor area ratio (FAR) limits	44	45	27	27	20	163
First floor active use requirement	31	44	31	27	23	156
Reduced public infrastructure requirements	29	27	25	36	28	145
Demolition delay requirements	29	23	32	26	26	136
Non-conforming upgrade requirements	24	23	26	37	22	132
Parking impacts analysis	30	19	35	18	28	130

Policy	Priorit y 1	Priorit y 2	Priorit y 3	Priorit y 4	Priorit y 5	Total count
Maximum height limit	35	28	21	27	17	128
Bird-safe glazing requirements	15	23	28	20	38	124

Source: BDS Survey Results

The priorities identified were fairly consistent across these categories. Bicycle parking requirements, first floor active use, and timing of SDC payments ranked among the top four considerations across most participant categories. Only the two categories with the smallest numbers of respondents—non-profit developers and permit runners—did not mention SDC payments in their top five priorities. Non-profit developers are not subject to SDCs.

### **Portland Insights Survey**

A few items were included in the Portland Insights survey that focused on housing and houselessness. Respondents were asked to identify the solutions to houselessness they would support being built in their neighborhood and if they knew about and needed the rental and housing assistance program and the water, sewer, and stormwater bill payment assistance program.

- A variety of solutions to address houselessness were identified by respondents, with Substance Abuse and Mental Health Clinics (65.2%) and Subsidized Apartment Complexes (61.9%) constituting the most frequently selected options.
- Over half of respondents (55.5%) knew about the Rental and Housing Assistance Program and the Water, Sewer, and Stormwater Bill Payment Assistance Program (53.3%), while proportions of respondents who need each of those programs were also comparable (18.3% and 18.1%).
- The proportions of individuals who needed but didn't know about the Rental and Housing Assistance Program (7.3%) and the Water, Sewer, and Stormwater Bill Payment Assistance Program (7.5%) suggest that educating the community about the programs would be beneficial. The largest proportions of respondents who needed, but did not know about the Water, Sewer, and Stormwater Bill Payment Assistance Program were in North (53.9%), Northeast (42.1%), and East (41.9%) Portland. The areas with the largest proportion of respondents who needed but did not know about the Rental and Housing Assistance Program were East (46.9%) and Southeast (44.7%).
- Respondents identified which solutions to houselessness they would support being built in their neighborhood. Approximately two-thirds of the respondents selected Substance Abuse and Mental Health Clinics (65.2%) and Subsidized Apartment Complexes (61.9%). Slightly over half of the respondents selected Indoor Shelter Facilities (54.0%) and Tiny Houses/Pods (50.4%).
- The majority of narrative responses to the survey's open-ended questions had things to say regarding housing, houselessness, and the increased number of camps within the city. Respondents

mentioned seeing and being affected by the increased numbers of camps and those living on the streets – in tents, in cars, and in RVs. Feelings of not being safe when having to walk around encampments that are located on the sidewalks, dirty streets and accumulated trash, and open drug use and criminal activity have created sadness, frustration, and anger for many Portlanders. A variety of ideas were shared about what to do with and how to support those who are houseless.

## Aging and Disability Engagement

Extensive outreach was done in the work staff did for the Age- and Disability-Inclusive Neighborhoods (ADIN) working group and in the development of the [Age- And Disability-Inclusive Neighborhoods \(ADIN\) Plan](#) – BPS relied heavily on the extensive engagement and documentation done in this process so as to not over burden or be redundant in outreach. The ADIN coordinator worked with the project team to summarize the following efforts:

- Age- and Disability-Inclusive Neighborhoods Action Plan (ADIN) Discussion Draft<sup>135</sup>
- Age-Friendly Portland Cities Project<sup>136</sup>
  - Age-Friendly Portland Qualitative Research (With older adults, caregivers, and providers)<sup>137</sup>

## Summary of Age- and Disability-Inclusive Neighborhoods On Housing Needs and Priorities

- Increase options for housing generations together or in close proximity.
- Increase range of accessible housing options to meet residents' aging and disability needs.
- Increase incentives for developing new accessible housing and retrofitting existing housing stock near transit and key services (e.g., bonuses, SDC waivers) so that they are "visitable" (i.e., no-step entrance, accessible hallways/doorways, and amenities on single floors).
- Update incentives for zoning code 33.229: Elderly and Disabled High Density Housing.
- Ensure housing accessibility is part of needs analysis and future planning actions.
- Support the addition of physically accessible housing in required Department of Land Conservation and Development (DLCD) needs analyses and housing production strategies.

<sup>135</sup> <https://www.portland.gov/bps/planning/adin/documents/adin-action-plan-discussion-draft-october2023/download>

<sup>136</sup> <https://extranet.who.int/agefriendlyworld/wp-content/uploads/2014/05/PORTLAND-OREGON-USA-1.pdf>

<sup>137</sup> <https://extranet.who.int/agefriendlyworld/wp-content/uploads/2015/03/Age-Friendly-Cities-Project-in-Portland-Oregon-Summary-of-Findings.pdf>



- Strengthen the focus on addressing houselessness for older adults and people with disabilities and ensure their rapid re-housing when they are experiencing houselessness.
- Because the process to apply for affordable housing is too difficult, Navigation should be available to help to fill out the forms and understand the systems and requirements/criteria.
- Streamline the many venues for referrals to housing, social services, etc., so people do not have to call multiple agencies. A one-stop source of information, answers, and referrals.
- Educate building industry and companies that provide rental housing and tenants' organizations about reasonable accommodation (RA) and reasonable modifications (RM)
- Educate PHB and others to require new apartment buildings to provide adequate parking. When parking bleeds into nearby neighborhoods, seniors and the frail have difficulty parking close to their homes. Leverage the trend to eliminate the requirement for parking for new apartment construction to include space for rideshare vehicles, safe curbside pick-up, vehicles for residents with disabilities.
- Create additional affordable housing for older adults and those with disabilities who have fixed or restricted incomes; limit property tax increases; assist older adults who are experiencing "condo conversions" (e.g., provide ample time for relocation, provide relocation assistance, including help with moving expenses); ensure housing near concentrated services is affordable.
- Provide a continuum of housing and care options that allow individuals to age in place within their neighborhood; explore the development and implementation of multigenerational and co-housing/cooperative housing that cut costs, offer shared facilities, and foster a sense of community, but recognize that these options will appeal to only some older adults; promote the current zoning allowance of ADUs as a viable and affordable option for older adults or for their caregivers or family, or for renting out as a source of additional income; explore a public program to facilitate the development of quality and appropriate ADUs in Portland; educate older home buyers concerning how best to age in place (e.g., find housing with services and transit nearby).
- Locate new age-specific developments (e.g., assisted living, co-housing) near services (e.g., grocery stores, parks, public transit options); ensure developments near planned centers and corridors are accessible, available, and affordable to older adults; develop links between programs for children and older adults (e.g., safe routes to schools/community centers); locate key services in areas where there are large or growing populations of older adults; co-locate more services for older adults.
- Develop housing with green spaces, gardening areas, and balconies; allow pets in housing for older adults; for new developments, consider design possibilities to make them more accessible to an aging population (e.g., elevators in smaller buildings, town homes with accessible ground floor units); install higher toilets, higher electrical outlets, and door levers instead of handles for those with physical and cognitive disabilities; consider allowing accessibility improvements made by renters in housing to remain rather than requiring the unit to be restored to its original condition;

design apartments and other shared housing for older adults to have windows facing hallways to foster a sense of community and safety; change building codes to require better accessibility in all homes; consider designing new housing to accommodate not only residents but also visitors with disabilities; develop an adequate supply of housing that has level entries (or ramps), first-floor bathrooms, rocker light switches, and wide hallways and doorways for wheelchair entry; provide seating and waiting areas outside of housing; develop single-level housing or multi-level housing with elevators or ground floor units; develop flexible housing that can be easily converted into multiple dwellings and/or remodeled to add accessible features (e.g., grab bars); reduce glare on floors (e.g., avoid direct light shining on floor, use blinds and dimmers); eliminate dramatic changes in floor color; remodel housing so that it appears similar to prior living arrangements to aid those with cognitive impairment; install radiant heating in floors; place locks on doors and cabinets.

## Appendix D. Pre-Housing Production Strategy Survey

**Figure 79. Pre-Housing Production Strategy Survey**

Housing Portal Pre-HPS Survey Submission Page: 1 of 5 Year: 2022 City: Portland Submitted Date: 12/02/2022 6/11/2024 1:54:12 pm

Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A01 - Ensure Land Zoned for Higher Density is not Developed at Lower Densities	Yes	No	No
<b>Comments:</b>				
A - Zoning and Code Changes	A02 - Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	Yes	No	No
<b>Comments:</b>	Shelter to Housing Continuum project legalized many smaller lower cost shelter options. Residential Infill Project increased ADUs (2 per lot) and middle housing types			
A - Zoning and Code Changes	A03 - FAR, Density, or Height Bonuses for Affordable Housing	Yes	No	No
<b>Comments:</b>	Multi-dwelling and low-density residential zones include larger FAR and height bonuses for projects with more than 50% of units are regulated affordable units.			
A - Zoning and Code Changes	A05 - Code Provisions for ADUs	Yes	No	No
<b>Comments:</b>	Residential Infill Project changes allow for two ADUs on a lot.			
A - Zoning and Code Changes	A06 - Broaden the Definition of Housing Type	Yes	No	No
<b>Comments:</b>	Shelter to Housing Continuum Project			
A - Zoning and Code Changes	A08 - Promote Cottage Cluster Housing	Yes	No	No
<b>Comments:</b>	Residential Infill Project Phase 2			
A - Zoning and Code Changes	A09 - Short-Term Rentals Regulations	Yes	No	No
<b>Comments:</b>				
A - Zoning and Code Changes	A10 - Inclusionary Zoning	Yes	No	No
<b>Comments:</b>	Adopted and effective in 2017			
A - Zoning and Code Changes	A11 - Add Restrictive Covenants to Ensure Affordability	Yes	No	No
<b>Comments:</b>				
A - Zoning and Code Changes	A13 - FAR & Density Transfer Provisions	Yes	No	No

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Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
A - Zoning and Code Changes	A14 - Re-examine Requirements for Ground-floor Retail/Commercial	Yes	No	No
Comments:				
A - Zoning and Code Changes	A16 - Manufactured Housing Community Preservation Zone	Yes	No	No
Comments:				
A - Zoning and Code Changes	A17 - Small Dwelling Unit Developments	Yes	No	No
Comments:				
A - Zoning and Code Changes	A18 - Increase Density near Transit Stations and Regional Multi-use Trails	Yes	No	No
Comments:				
A - Zoning and Code Changes	A24 - Legalize Alternative Housing Types on Wheels and in Parks	Yes	No	No
Comments:				
A - Zoning and Code Changes	A25 - Legalize and Encourage Tiny Homes and Villages	Yes	No	No
Comments:				
B - Reduce Regulatory Impediments	B01 - Remove or Reduce Minimum Parking Requirements	No	Yes	No
Comments:	Current - Reduced minimums near transit. Spring 2023 - eliminate minimums per CFEC rule requirements			
B - Reduce Regulatory Impediments	B02 - Remove Development Code Impediments for Conversions	No	Yes	No
Comments:	Residential Infill Project - allowed for multi-unit conversions, eliminated parking minimums. State building code remains a barrier.			
B - Reduce Regulatory Impediments	B03 - Expedite Permitting for Needed Housing Types	No	Yes	No
Comments:	Expedited permitting for affordable housing projects			
B - Reduce Regulatory Impediments	B05 - Reduce Regulatory Barriers to Lot Division	No	Yes	No
Comments:	Residential Infill Project Phase 2. Current project to re-write land division code to include more clear and objective standards			

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Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
B - Reduce Regulatory Impediments	B06 - Streamline Permitting Process	Yes	No	No
<b>Comments:</b>	On-going process			
B - Reduce Regulatory Impediments	B07 - Flexible Regulatory Concessions for Affordable Housing	Yes	No	No
<b>Comments:</b>				
B - Reduce Regulatory Impediments	B14 - Adopt Affirmatively Furthering Fair Housing as a Housing Policy in Comprehensive Plan	Yes	No	No
<b>Comments:</b>				
B - Reduce Regulatory Impediments	B15 - Reduce the Power of NIMBYism to stop, slow, change, or reduce affordable housing	Yes	No	No
<b>Comments:</b>				
C - Financial Incentives	C01 - Reduce or Exempt SDCs for Needed Housing	Yes	No	No
<b>Comments:</b>	For affordable units only			
C - Financial Incentives	C03 - Reduce or Exempt SDCs for ADUs	Yes	No	No
<b>Comments:</b>				
C - Financial Incentives	C05 - Waive or Finance Park Impact Fees for Affordable Housing	Yes	No	No
<b>Comments:</b>				
D - Financial Resources	D01 - Community Development Block Grant (CDBG)	Yes	No	No
<b>Comments:</b>				
D - Financial Resources	D03 - Housing Trust Funds	Yes	No	No
<b>Comments:</b>				
D - Financial Resources	D06 - HOME Program	No	Yes	No
<b>Comments:</b>				
D - Financial Resources	D07 - Dedicated Revenue Sources for Affordable Housing	No	Yes	No
<b>Comments:</b>				

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Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
D - Financial Resources	D09 - Construction Excise Tax (CET)	No	Yes	No
<b>Comments:</b>	dedicated to affordable housing			
D - Financial Resources	D10 - Tax Increment Financing (TIF) Set-Aside	No	Yes	No
<b>Comments:</b>				
D - Financial Resources	D11 - Flexible Use of Housing Choice Vouchers	No	No	Yes
<b>Comments:</b>				
D - Financial Resources	D13 - Low-Interest Loans / Revolving Loan Fund	No	No	Yes
<b>Comments:</b>				
D - Financial Resources	D14 - Eviction Prevention Programs	No	No	Yes
<b>Comments:</b>				
D - Financial Resources	D15 - Bond - for Resident Support Services and Permanent Supportive Housing Services	No	Yes	No
<b>Comments:</b>				
D - Financial Resources	D16 - General Obligation Bonds – for Affordable Housing	No	Yes	No
<b>Comments:</b>				
D - Financial Resources	D18 - Weatherization Funds through Community Action Agencies	No	Yes	No
<b>Comments:</b>				
E - Tax Exemption and Abatement	E01 - Nonprofit Low-Income Rental Housing Exemption	No	Yes	No
<b>Comments:</b>				
E - Tax Exemption and Abatement	E02 - Property Tax Exemption for Affordable Housing Tied to Level of Affordability	No	Yes	No
<b>Comments:</b>				
E - Tax Exemption and Abatement	E05 - Multiple Unit Limited Tax Exemption (MULTE)	No	Yes	No
<b>Comments:</b>				

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Category	Strategy	Encourage Needed Housing	Increase Affordability	Reduce Rent Burden
E - Tax Exemption and Abatement	E06 - Homebuyer Opportunity Limited Tax Exemption Program (HOLTE)	No	Yes	No
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F01 - Land Banking	No	Yes	No
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F04 - Public/Private Partnerships (P3)	No	Yes	No
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F05 - Preserving Low-Cost Rental Housing to Mitigate Displacement	No	No	Yes
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F06 - Preserving Safe, Affordable Manufactured Homes	No	No	Yes
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F12 - Surplus Land for Affordable Housing	No	Yes	No
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F18 - Utilize Surplus Land Owned by Faith-Based Organizations for Affordable Housing	Yes	No	No
<b>Comments:</b>				
F - Land, Acquisition, Lease, and Partnerships	F20 - Fair Housing Education, Referral, and Other Services	No	No	Yes
<b>Comments:</b>				



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# Contact

Ariel Kane

Economic Planner | Bureau of Planning and Sustainability

[ariel.kane@portlandoregon.gov](mailto:ariel.kane@portlandoregon.gov)

## About City of Portland Bureau of Planning and Sustainability

The Bureau of Planning and Sustainability (BPS) develops creative and practical solutions to enhance Portland's livability, preserve distinctive places, and plan for a resilient future.



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<http://portland.gov/bps>

503-823-7700

[bps@portlandoregon.gov](mailto:bps@portlandoregon.gov)