



**City  
Budget  
Office**

# Bureau of Planning & Sustainability

*Analysis by Michelle Rubin*

## DIRECTIONS TO DEVELOP

### Code Changes to Address Housing Emergency Issues

\$220,000, 2.00 FTE

#### Direction Language

BPS was directed to develop a package to propose amendments to the City's Planning and Zoning Code (Title 33) to remove barriers to the provision of emergency and longer-term shelter and other forms of very low-income housing, including housing for extremely low-income and homeless households. The goal of the direction is to have these changes adopted prior to the expiration of the recent extension of the State of Housing Emergency (April 2021).

#### CBO Analysis

*As this work has been identified as a Council priority, this decision package requires Council and the bureau to determine which of the possible code changes are priorities, if new resource allocation is necessary to achieve these priority changes, and the desired timeline for this work.*

#### Background Summary

This request is a result of the February 2019 Council Ordinance 189387 that extended the City's State of Housing Emergency. It directed BPS, in conjunction with other partners including the Office of Management & Finance (OMF), Portland Bureau of Transportation (PBOT), Bureau of Development Services (BDS), Multnomah County, the Joint Office on Homeless Services (JOHS), and the Portland Housing Bureau (PHB) to develop legislative proposals to amend City Code related to: 1) permanent siting of day storage units; 2) Temporary housing, shelters and alternative shelter siting; and 3) Type IIx process option for certain defined affordable housing projects.

Since the declaration of the State of Housing Emergency in October 2015, BPS has prioritized removing barriers to providing emergency and longer-term shelters within its code development work. For example, the bureau worked to remove barriers to locating mass shelters and short-term housing in December 2016. The bureau notes this work is especially important due to racial disparities in access to housing and shelter, stating that code changes support the City's racial equity goals.

BPS' current projects related to Housing Emergency Code Changes:

- Working with BDS and external consultants to provide code change recommendations to produce or retain shelters, single room occupancies, short-term living, group living

arrangements, and affordable micro-apartments. This project is funded by a Department of Land Conservation and Development grant. Draft code amendments are expected by the end of June 2019; BPS will then need to execute the legislative process in line with State Land Use Laws.

- Working with the JOHS and BDS to identify code changes to remove barriers to providing shelter and/or housing for extremely low-income and homeless households. This includes exploring options to allow legal campgrounds, small house villages, and rest areas as viable housing options after the expiration of the Housing Emergency. This work is currently unfunded; however, BPS forecasts it will require resources for robust community engagement in conjunction with the legislative process prior to Council adoption.

### Summary of Request

To complete these projects prior to expiration of the Housing Emergency, BPS requests \$220,000 in one-time General Fund discretionary resources to support 2.0 FTE (Senior Planner and Planning Assistant) in FY 2019-20. These resources will be supplemented by 1.0 FTE from BPS' Urban Design and District Planning Programs. These staff will complete the legislative process to adopt recommended code changes related to the two projects outlined above. BPS notes that the full process required by the State to amend the City's Planning and Zoning Code typically takes between 12 to 18 months, and potentially up to 24 months in this case based on the amount and depth of code changes Council wants BPS to explore. Therefore, although BPS requests one-time resources, CBO notes this could result in a multi-year commitment depending on direction from Council.

### Council Considerations

- **Efficiencies with Other Bureau Requests:** There are potential efficiencies in relation to the bureau's Anti-Displacement Implementation Plan Decision Package (analyzed below). BPS states that if Council chooses to fund the Anti-Displacement package, a Planning Assistant could be shared among the two projects, reducing the combined request by 1.0 FTE. CBO recommends BPS explore other opportunities for efficiencies with this request, the Anti-Displacement Plan Request, and its Coordinated Community Planning and Development Decision Package.<sup>1</sup> Although distinct, all three projects address issues related to the State of Housing Emergency and involve robust public outreach in Portland communities.
- **Project Scale and Timeline:** If Council chooses to fund this project, BPS notes an opportunity to scale down the project; current code change recommendations are under development with BDS and external consultants (discussed above) and the bureau could prioritize which of these recommended changes to carry through the legislative process for FY 2019-20. However, it is not currently clear to CBO what of the directed code changes to explore are a Council priority, which in turn affect the potential scale of this

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<sup>1</sup> For analysis on this decision package, please see CBO's FY 2019-20 requested budget analysis at <https://www.portlandoregon.gov/cbo/article/714558>

project.

If Council does not choose to fund this request, BPS would prioritize it within its base budget by similarly scaling back the number of code changes and lengthening the project timeline into FY 2020-21. If this approach is taken, BPS would be mostly limited to Regulatory Improvement Code Amendment Package (RICAP) level changes, which are routine code changes that can more easily move through the legislative process. Examples of RICAP changes BPS could complete include those related to day-storage units and codification of the Type IIx process option (discussed above). BPS forecasts it would not be able to address code changes related to campground and rest area settlements within existing resources in FY 2019-20. CBO notes that extension of the project into FY 2020-21 does not seem to create any significant timeline issues as the Housing Emergency does not expire until April 2021 and Council can extend it if deemed necessary.

CBO acknowledges the time-sensitivity to ensure changes are in place prior to the end of the Housing Emergency and the documented success of previous zoning code changes to allow for additional shelters and short-term housing options. However, due to limited General Fund discretionary resources CBO does not recommend funding at this time. BPS requested \$80,000 in ongoing General Fund resources for this effort in its FY 2018-19 Requested Budget and it was ultimately not funded.<sup>2</sup> At that time CBO recommended that to the extent this project is a bureau or Council priority, the City should explore delaying other planning projects to ensure this work moves forward in a timely manner. CBO acknowledges the bureau's limited capacity for code development work due to the discontinuation of the Development Services Fees interagency agreement (IA) with BDS.<sup>3</sup> However, CBO continues to recommend this approach and suggests that BPS identify the tradeoffs associated with delaying an existing multi-year project in BPS to fund this request and then present these tradeoffs to Council.

## Anti-Displacement Implementation Plan

*\$270,000, 2.00 FTE*

### Direction Language

BPS was directed to develop a package for the coordination, tracking, and accountability of the City's 2035 Comprehensive Plan anti-displacement policies through an Anti-Displacement Implementation Plan. The Comprehensive Plan includes over 40 policies that address issues related to the displacement of vulnerable tenants and property owners due to City actions. Currently, there is no coordinated tracking or implementation plan for these policies among the bureaus responsible for implementation, including Prosper Portland (Prosper), PBOT, BDS, and PHB.

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<sup>2</sup> For previous analysis on BPS' request for resources to address barriers to shelter for extremely low-income households, please see CBO's FY 2018-19 requested budget analysis at <https://www.portlandoregon.gov/cbo/article/675828>

<sup>3</sup> For analysis on the discontinuation of this IA and its impact on BPS' core programs, please see CBO's FY 2019-20 requested budget analysis at <https://www.portlandoregon.gov/cbo/article/714558>

## **CBO Analysis**

*As this is the second direction to develop BPS received in the FY 2019-20 Budget Development process related to multi-bureau coordination, CBO recommends Council explore options for the formalization of ongoing multi-bureau coordination work. CBO notes that prioritization of bureau coordination on Citywide efforts within partner bureaus' base budgets will ensure this effort is ongoing.*

### **Background Summary**

This request is a result of the City's participation in the All-In Cities Anti-Displacement Network, which it joined in 2018. The network is made-up of participants from PHB, Prosper, Commissioner Eudaly's Office, BPS, and community members. The workgroup asked OMF to perform SPOT (Strengths, Problems, Opportunities, Threats) analysis to determine the best method for ongoing multi-bureau implementation of the Comprehensive Plan's anti-displacement strategies. The resulting analysis recommended BPS receive funding to coordinate these efforts.

### **Summary of Request**

In line with OMF's recommendation, this project would include: (1) monitoring and reporting on implementation of the Comprehensive Plan Policies, (2) convening relevant bureaus to coordinate and clarify roles relating to anti-displacement strategies, (3) developing and bringing to Council an action plan for coordination and implementation of the Comprehensive Plan anti-displacement strategies, and (4) creating and receiving Council approval of a formal agreement among City bureaus and community partners regarding anti-displacement work. Currently, PHB is the primary bureau working on anti-displacement efforts through rental services, low-income home repair, and new homeownership and rental opportunities throughout the city. This initiative would spur a coordinated multi-bureau approach. BPS states that success of this project would result in "a shared approach to identifying and responding to project related anti-displacement impacts; a shared toolkit of displacement mitigations; an approach and toolkit for geographically and culturally specific displacement risks; better measures of impact of these mitigations; and a long-term financial strategy for these mitigations."

BPS notes this is a multi-year project that may become an ongoing function or program. The first year of the project would focus on coordination and accountability among partner bureaus. To achieve this, BPS requests \$270,000 in General Fund discretionary resources for FY 2019-20, including \$230,000 for 2.0 FTE (Associate Planner and an Analyst II) and \$30,000 in materials and services resources for economic and financial analysis of anti-displacement efforts and translation services for outreach documents. BPS expects it will request \$410,000 in FY 2020-21, totaling a \$680,000 commitment from Council over the two project years. The second project year would focus on strategy development and adoption; the request includes personnel costs for continuation of the 2.0 FTE and \$160,000 in materials and services for community engagement efforts. The bureau states the resources would be supplemented with technical support and staffing drawn from other BPS core programs. CBO notes that there is a risk to the City involved with funding a multi-year effort with one-time resources.

## Council Considerations

- **Efficiencies with Other Bureau Requests:** As discussed above, there is significant overlap with the Coordinated Community Planning and Development and Housing Emergency Code Changes packages (analyzed above); BPS states it could combine aspects of project outreach efforts, reducing 1.0 FTE combined across the three projects.<sup>4</sup>
- **Project Scale and Timeline:** BPS notes that if Council chooses to fund this package it could scale this project to use only 1.0 FTE over a two-year period, supplemented by 1.0 FTE from BPS' core budget who works on East Portland related projects. As several existing large multi-year projects begin to finish (expected beginning in FY 2020), BPS would be able to reprogram additional staff to work on the Anti-Displacement Implementation Plan.

BPS already tracks implementation of these policies; if Council chooses not to fund this package, the bureau will prioritize within its base budget to continue this evaluation. However, it will not be to the scale requested in this package and may result in reductions to BPS' other core programs. The bureau also notes that PHB would continue its current anti-displacement functions, such as its rental services programs, and that investments in anti-displacement initiatives would continue, but would suffer from delays and involve unclear risks. Given limited available discretionary resources, CBO recommends the bureau explore this option.

In line with CBO recommendations for the Housing Emergency Code Changes Decision Package (analyzed above), CBO notes that as much as this is a Council priority in this fiscal year, Council could direct the bureau to reprioritize this effort in lieu of a different multi-year project. CBO also notes that a more detailed plan regarding this project's interaction with the existing interagency workgroup and anti-displacement work at PHB, as well as a long-term funding strategy and timeline are needed to fully evaluate this proposal among other requests for limited resources.

CBO acknowledges the benefits to a centralized approach in tracking and coordinating these efforts and agrees BPS is well-situated to play a coordinating role among bureaus. This request, in conjunction with the Coordinated Community Planning and Development Decision Package, illuminates the necessity of determining the appropriate level of multi-bureau coordination functionality that should be included in BPS' workplan.<sup>5</sup> In line with previous recommendations, CBO recommends that formalized, multi-bureau coordination continue irrespective of whether new resources are allocated in FY 2019-20, given the interconnectedness of partner bureau efforts and workplans.

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<sup>4</sup> For analysis on this decision package, please see CBO's FY 2019-20 requested budget analysis at <https://www.portlandoregon.gov/cbo/article/714558>

<sup>5</sup> For analysis on this decision package and BPS' role in multi-bureau coordination, please see CBO's FY 2019-20 requested budget analysis at <https://www.portlandoregon.gov/cbo/article/714558>