

COMMITTEE STAFF SUMMARY

Homelessness and Housing Committee

Resolution (Document 2025-101): Require the City Administrator to study alternative housing financing and ownership models and deliver a report of findings to Council

Action Date: March 25, 2025

Action: Referred to City Council for consideration

Vote: 4-0

Ayes: Morillo, Zimmerman, Dunphy, Avalos

Nays: N/A

Absent: Ryan

Impact Statements: Financial and Budget Analysis

Prepared by: Claire Adamsick, Council Operations Policy Analyst

Committee Meetings: March 25, 2025

WHAT THE RESOLUTION DOES:

Directs the City Administrator, through the Portland Housing Bureau (PHB), to submit a report to Council on alternative models of housing financing and ownership no later than May 31, 2026. The report must include analysis and evaluation of social housing models; municipal, non-profit, and cooperative ownership; and financing models that efficiently leverage public subsidy to expand housing options across income levels for Portland residents. The resolution directs PHB to evaluate domestic and international alternative housing models, identify applicability of existing models to the City's current housing landscape, and provide a set of policy recommendations, including potential funding mechanisms that may be used to implement such recommendations.

ISSUES DISCUSSED:

- Relationship between municipal ownership, housing development and long-term affordability
- Applicability of existing models in U.S. or international cities to Portland landscape
- Focus of study on local impediments to housing production and cost containment, i.e., reducing development or operations expenses while retaining quality and affordability
- Identifying funding mechanisms such as a revolving loan fund to seed mixed-income development

PUBLIC TESTIMONY IN COMMITTEE:

Six people provided verbal testimony at the committee meeting on March 25th. Twenty-six people submitted written testimony prior to committee action, and one person submitted testimony after the committee meeting and prior to the full Council agenda posting.

General themes included:

- High proportion of rent-burdened households in Portland and resulting loss in economic activity for the region
- Expanding permanent housing options for people exiting homelessness
- Current experiences of Portlanders with displacement due to market forces and limited wealth-building opportunities
- Exploring successful models in Vienna, Austria, and other cities nationally and internationally

- Ensuring any future housing developed using this model is held to rigorous health and safety standards
- Request for an expedited timeline or for more frequent updates from Portland Housing Bureau on the study's findings

BACKGROUND:

According to American Community Survey data (2023 1-year estimates), half of Portland renters are cost-burdened, spending more 30 percent of their income on housing-related costs, while 28 percent are severely cost-burdened, spending more than 50 percent of their income on housing-related costs. The City's 2045 Housing Needs Analysis (HNA) estimates that Portland must build approximately 6,000 units per year for the next 20 years to meet current needs and population projections. The HNA and the City's 5-year Housing Production Strategy (HPS), adopted in 2024, emphasize that future development must focus on increasing housing choice, access, and long-term affordability options for "priority populations" such as low-income and cost-burdened residents, people of color, and people with disabilities. In recent years, the City has relied on housing bond funds to develop housing affordable at 80 percent of area median income or below. The 2024 HPS notes that in order to significantly increase Portland's supply of affordable housing units, replacing bonds with alternative revenue sources is essential.

The Joint Center for Housing Studies at Harvard University describes "social housing" as a term used to reference a system in which government or government-funded agencies develop, own, and manage low- or mixed-income housing outside of the private market. Characteristics of social housing systems include permanent affordability, protection from for-profit investment, and resident input in decision making. Vienna, Austria has served as a model for social housing, where the municipal government owns the majority of city land, which it sells to developers on a subsidized basis with specific affordability requirements. In Singapore, where nearly 80 percent of residents live in subsidized housing, the government acquired land through eminent domain after it gained independence from Britain, capping compensation to landlords to maintain low rents. In the Pacific Northwest, Vancouver, British Columbia is developing a Social Housing Initiative to fast-track non-profit and government-led housing development, while Seattle voters approved a ballot initiative in February 2025 to use payroll tax revenues to fund the development and maintenance of mixed-income social housing projects.