



Bureau of Planning and Sustainability
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Cover Page

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Project Title: Affordable Housing Mitigation Bank

Participating Agreement Member proposer: Nick Sauvie

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Mailing Address: 5215 SE Duke

City, State, Zip: Portland, OR 97206

Municipal partner organization: Bureau of Planning & Sustainability

Municipal partner individual contact name: Leslie Lum

Phone: (503)823-7896 **Email:** leslie.lum@portlandoregon.gov

Mailing Address: 1900 SW 4th, #7100

City, State, Zip: Portland, OR 97201

List additional partner organizations:

Action Plan strategy or item to be addressed: Rent stabilization, housing acquisition and rehabilitation to insure affordability, No Net Loss

Requested Amount: \$19,975



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January 16, 2018

Re: East Portland Action Plan Municipal Grant

To Whom it May Concern;

The Bureau of Planning & Sustainability (BPS) submits the Affordable Housing Mitigation Fund proposal for the East Portland Action Plan Municipal Grant. If this Grant proposal is funded, BPS will work with appropriate City bureaus and Rose Community Development to explore the viable approaches for the fund.

BPS appreciates EPAP's continued commitment to improving the lives of East Portland residents. We look forward to partnering with Rose Community Development and EPAP. Thank you for the opportunity to further serve the community's most 'vulnerable' communities.

Sincerely,

Joe Zehnder
Chief Planner



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East Portland Action Plan Municipal Grant Narrative **Affordable Housing Mitigation Bank**

1. This proposal seeks to create a new City tool to help stabilize housing for low-income East Portland residents. The City of Portland Bureau of Planning & Sustainability (BPS), in conjunction with other City bureaus, Rose Community Development (Rose CDC), and area youth, will collaborate to help prevent displacement of renters.

The EPAP includes several Involuntary Displacement Prevention Recommendations that this project will address:

- Rent Stabilization
- Housing Acquisition and Rehabilitation to Insure Affordability
- No Net Loss elements of East Portland Action Plan's (EPAP) Involuntary Displacement Prevention.

There are two basic elements to implementing the proposal:

a. *Connect two City projects:* PHB's Rental Inventory project and BPS's proposed Affordable Housing Mitigation Bank (a component of the Better Housing by Design, multi-family zoning project, outlined below). The Rental Inventory project would initially engage youth to investigate existing rents in East Portland in the City's Rental Inventory. As many youth live in these apartments, they may have access to the actual rents in the complexes. Additionally, they will connect with other youth and their families to obtain information about other properties. This information will be obtained ethically and discreetly, and handled anonymously. Many youth in East Portland are youth of color, and often ethnic minorities, the EPAP Strategic Priority E (CB.1.2) of EPAP will also be addressed (tell what it says).

b. *Research implementation approaches for the Affordable Housing Mitigation Bank.* As part of the Better Housing by Design project (BHD, which is updating zoning code standards for multi-dwelling zones), BPS is inserting a section into the zoning code allowing for the transfer of development rights (TDR's). This TDR system would allow Community Development Corporations (CDC's) with existing buildings that have not fully maximized their development entitlements to sell their remaining entitlements to prospective developers.

The bank funds would be used by the CDC's to purchase and/or rehabilitate existing market-rate affordable housing buildings. The information obtained from the Rental Inventory and the youth inventory of rent amounts will help CDC's to determine which apartment complexes might be most appropriate to purchase, rehabilitate, and hold at affordable rents.



This EPAP Municipal Grant

proposal would research mechanisms for the sale, transfer, and capture of these entitlements. If this project is selected, BPS, other city bureau to be determined, and Rose CDC will ensure that the entitlement Bank component of the BHD project is enacted. This project will identify how a market might be implemented and what kind of administration and tracking of bank activity would be necessary. It could then become permanently embedded into the City's work plan. This section of the proposal addresses Strategic Priority P (HD.2.3) by creating a fund to rehabilitate existing housing by making the apartments safer, permanently affordable, and more attractive.

2. BPS, other City bureaus, and Rose CDC will work together to conduct research and create options for how this Bank might operate. BPS will embed the rules governing the handling of transfer of development rights into the Zoning Code, through the current BHD code project. This work will include options for a way to facilitate the sale and transfer of unused development capacity to private market developers. In theory, the bank funds will be available to purchase and rehabilitate existing family sized, market rate apartments to hold at affordable rates indefinitely. Rose CDC will support the youth to succeed in their effort to inventory rents of apartments in East Portland. BPS will additionally support both Rose CDC and the youth, as necessary and appropriate.

3. Rose CDC will lead the youth effort, alongside youth. EPAP Civic Engagement, Housing, and/or former members of the Youth Subcommittee will additionally support youth efforts as necessary and monitor City activity to ensure that the project objectives are met.

4. Budget requested for this proposal is \$19,975 (which may be adjusted, per Rose CDC). Of this,

- \$5,975 is for Rose CDC staffing.
- \$6,000 is for consultant fees, such as economic and legal professionals. All City bureaus will provide additional in-kind staff time.
- \$8,000 is for youth stipends, food, and materials for the youth component of this proposal.

5. If funded, BPS, other City bureaus, and Rose CDC as appropriate will issue press releases and will periodically present progress of the work to EPAP, the Planning & Sustainability Commission, City Council, and other audiences, as requested. EPAP's involvement as funder and supporter will be prominently displayed and discussed at all events.

6. N/A



Project Budget

Submit this form on fiscal sponsor/municipal partner letter head. All express all responses as \$; only respond to spending items needed.

Item	Requested EPAP Funds	Leveraged (other Committed Funds) *	Donated Services & Time defined as \$**
Personnel (Direct project management, contracting for special services, volunteer time**, etc.)	Real Estate Developer, 50 hours @ \$40= \$2,000/ Community Development Staff, 80 hours @ \$30= \$2,400/ Private consultant fees: 60 hours @ \$100= \$6,000		In Kind: BPS staffing 50 hours @ \$41= \$2,050
Materials/Printing (Flyers, brochures, advertisements, etc.)			In Kind: BPS
Event Related Expenses (Renting table/chairs, reserving space, food, paper cups, transportation for presenters, etc.)			
Permitting & Fees (Reserving park space, noise variances, capping meters, street closures, etc.)			In Kind: BPS Van reservation for transporting youth
Participant Support (Travel costs, stipends, etc.)	Youth stipend \$8,000		
Project Materials (Wood, paints, flowers, bags, etc. —the materials needed to complete the project.)			
Capital Project Expense			
Additional Expenses			
SUBTOTAL	\$19,400		
Administration*** (project management, accounting)	Project Management, 45 hours @ \$35= \$1,575		
TOTAL	\$19,975		





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