

March 15, 2018
East Portland Action Plan (EPAP) Housing Subcommittee Meeting
East Portland Neighborhood Office
Meeting Notes

The Goal of the Housing Subcommittee is: To find common ground in supporting a range of housing types in East Portland as a means to strengthening livable communities, encouraging healthy, complete, and stable neighborhoods, and promoting family wage jobs. A range of housing types is meant to include rental housing and home ownership as well as housing for people at various income levels.

The Purpose of the Housing Subcommittee: The purpose of the EPAP Housing Subcommittee is to agree upon productive strategies for housing and to prioritize action items involving housing for East Portland. These strategies and action items might include (but not be limited to): encouraging housing for people in a range of income levels---including affordable housing for low-income people, promoting high quality housing development and construction standards, and encouraging property rehabilitation as well as new construction. The EPAP Housing Subcommittee will work with a lens of preventing displacement, protecting tenants' rights, promoting enhanced housing inspection enforcement, supporting local schools, encouraging job creation and economic development, and strengthening neighborhoods.

The EPAP Housing Subcommittee will strive to promote, for all East Portland residents, quality housing by design which in turn promotes stronger educational systems; an increase in living wages jobs, greater economic opportunity, stronger educational systems, enhanced transportation, and healthy neighborhoods throughout East Portland.

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Housing Subcommittee Meeting

March 15, 2018

Attendees: Teresa Keishi Soto, Cupid Alexander, Sabina Urdes, Peter Tofalvi, Yesica Arevalo, David Potts, Char Pennie, Linda Bauer, Robin Cash, Jen Corbridge, Andy Miller, Pauline Burkey, Lore Wintergreen, Leslie Lum, Natalie Rush, Michelle DePass, Lenny Dee, Nick Sauvie, John Mulvey.

John called the meeting to order at 6:02 pm and attendees introduced themselves.

1. Legislative Update

Jen Corbridge, Chief of Staff to State Rep. Alissa Keny-Guyer, joined us to give a report on outcomes of the recently concluded legislative session.

Their top priority, which our committee supported, was an increase in the document recording fee (HB2004). The bill passed, which mean there will be an increase of approximately \$30m per biennium for emergency housing, homelessness support programs and new affordable housing. The bill also includes provisions to create a new tax-exempt savings plan for first-time homebuyer down payments.

A second bill that passed (HJR201), which we also supported, refers a measure to the November ballot to amend the Oregon Constitution to allow more flexibility in leveraging local bond funds for affordable housing.

Jen also discussed:

- HB4134, which creates a legal path to removing racially discriminatory language from land title documents. This bill passed.
- HB4006, which was Speaker Kotek's bill, requires that cities must study the numbers of severely rent-burdened people within their city.
- The Governor and Legislature approved \$5.2 million from the general fund for emergency housing and shelters.

Jen also told us that a tenant protection bill will be introduced in 2019.

2. City of Portland Housing Update

We were joined by Cupid Alexander from Mayor Ted Wheeler's office.

Cupid started off mentioning the HJR201, which just passed the Legislature, which will enable the city to leverage more new affordable housing. The constitutional amendment that would allow bond dollars to leverage private funds could mean that 3,000 to 4,000 units could be developed instead of 1,300.

Regarding the affordable housing bond, interested parties can go to the www.portlandhousingbond.com website to see what projects they're funding and working on, with a time stamp indicating when decision was made to fund the project. Cupid mentioned that the Mayor is committed to paying construction workers a living wage.

The Mayor supports the \$500,000 Rental Rehabilitation program in East Portland. He thinks it's important to both produce and preserve affordable units and knows that East Portland is at the forefront of gentrification in Portland right now.

A new State of Housing in Portland report is supposed to be out soon. Cupid is working with the Mayor to have him look at adjusted income for low-income folks to include other items such as medical needs to create a more holistic and realistic picture of barriers that low-income families are facing.

Council will be discussing how to further incentivize Inclusionary Housing. They are particularly concerned with permits that went in prior to IH passing, so are trying to find incentives such as MULTE to get these projects to incorporate IH or affordability into their developments. He said that their goal is to incentivize the pipeline of pre-IH development.

The Mayor supports more funding for first time homebuyers. Cupid said that they're working on some new initiatives in this area and would be happy to come back and update us on them.

John raised the issue of East Portland representation on PHB's advisory committees and commissions, such as the Bond Oversight Committee and the Renters Commission, neither of which includes any East Portland representation. He requested that EPAP be included in the hiring committee for the new PHB Director.

Andy cited the recent Oregonian series on school mobility and housing. He said that all East Portland schools have mobility rates at 35% and above. That means that 1/3 of students that start school in the fall have to move before the end of the school year.

Cupid said that the Mayor supports working with school districts and that thought needs to be given to stabilizing East Portland's children. He noted that Tacoma is providing housing vouchers to students (who have an annual median income of 60% or less) who are getting displaced. This points to the need to prioritize affordable housing in gentrifying areas to maintain stability. Cupid also mentioned micro-segregation. For example, there are many low-income residents of affordable housing along MLK who are not prospering despite the economic development in the area.

Jen also mentioned that as federal housing investments are cut, the state will need to do more. She said that Rep. Keny-Guyer has done field hearings around the state and that displacement of K-12 students is a problem everywhere.

Lore drew attention to the following East Portland Action Plan 2016-17 Strategic Priorities, the East Portland Involuntary Displacement Prevention Recommendations for housing, and the specific housing recommendations that were identified by EPAP in the 2017 Transportation bond letter:

East Portland Action Plan 2016 – 17 Strategic Priorities with dedicated Housing Subcommittee Advocacy

- N.** Establish policy and practice that balances regional affordable and American Disabilities Act (ADA) accessible housing supply and promotes fair share across Portland. (EQ.2.1) *Housing Subcommittee*
- O.** Increase opportunities for sustainable moderate income and minority home ownership. (SN.2.1+2) *Housing Subcommittee*
- P.** Fund a housing rehabilitation program for East Portland to improve the safety, appearance, and affordability of existing housing stock. Involve the East Portland Action Plan Housing Subcommittee in the development of the program. (HD.2.3) *Housing Subcommittee*

Housing Subcommittee Displacement Prevention Recommendations for East Portland

Community Benefits Agreements (CBA)

Rent Stabilization

Just Cause Eviction (JCE), Code Enforcement, and Renter Education

Anti-Displacement Impact Analysis

Housing Acquisition Rehabilitation to Insure Affordability

No Net Loss/Affordable Housing Preservation Ordinance

Broadening Homeownership and Cooperative Ownership

Inclusionary Zoning

Owner-Occupied Homeownership Retention for People with Low -Income

East Portland Action Plan

2017 Transportation/Housing Bond Recommendation

Initiated by EPAP Housing

July 10, 2017

Equitable Housing Development - In order to achieve equitable public investments of transportation infrastructure, strategies to prevent displacement and make accessible formerly out-of-reach neighborhoods must be fully integrated throughout each transit plan. Equitable transportation investments must prevent displacement and restore affordability by investing in land acquisition for affordable housing development, purchasing whole buildings for affordable housing preservation, and utilizing permanently affordable models for affordable homeownership. This includes the following:

- 1)** A requirement that \$500 million in Bond dollars be committed to include an adequate and enforceable financial commitment to address affordable housing needs to prevent displacement in conjunction with East Portland transportation bond projects:
 - a)** Affordable housing units to be built within one mile of transportation bond project corridors and the recently funded Powell Blvd. Conceptual Design Plan implementation in East Portland;
 - b)** A minimum of 2,200 affordable housing units will be developed or rehabilitated;
 - c)** The funds allocated to affordable housing and designated for East Portland will include:

- 25% for affordable home ownership utilizing permanently affordable models
 - 30% for new affordable rental development, and
 - 45% toward purchase and affordable rehabilitation of privately owned rental units.
- 2) All rental affordable units will be 0-60% Median Family Income (MFI)
 - 3) 30% of affordable rental units be 0-30% MFI
 - 4) Homeownership affordable units will be up to 80% MFI
 - 5) At least 30% of affordable units will have three (3) or more bedrooms in newly constructed units
 - 6) All development agreements negotiated with public agencies along a transportation corridor in East Portland must require some affordability (20% at 0 - 80% MFI) in all residential development (aka: public benefits zoning).
 - 7) Transit Oriented Development (TOD) will include the following elements:
 - a) Permanent “Affordable Housing” in a setting that includes Market Rate Housing when using Bond funds to match TOD funds
 - b) Free transit passes for residents of affordable housing units for the first year after opening.

3. Better Housing By Design Discussion Draft

John presented a draft letter in support of affordable housing elements of the Better Housing By Design project. Bill Cunningham has attended several of our meetings to explain the project and answer questions. John noted that the proposed rules would encourage additional affordable homes within multi-family developments. He also said that the proposal would encourage larger homes, which EPAP has been raising as a concern.

Linda asked for more time to review the letter.

Given that the deadline to submit comments is March 19, it was decided that we extend the time to approve or block the letter until Thursday, March 15.

(Update: On March 15, Consensus was reached to support sending the letter, which is attached.)

4. Prosper Portland Projects in East Portland

Nick provided a document titled Affordable Housing & Lents Timeline delineating history and gentrification in the Lents neighborhood. The group was in favor of inviting Prosper Portland representatives to come to the subcommittee to inform us about their plans for Gateway and Lents. Michelle suggested Will Their, Susan Kuhn, as well as the new redevelopment manager, Kyra.

5. East Portland Renter Listening Session

John reminded the group that the new Portland Renters Services Commission would like to hear from renters in East Portland, particularly about security deposits and screening criteria. The event is Thursday, March 15, 2018 at IRCO at 10301 NE Glisan.

6. Proposed Development at the Hansen Site

John reminded the group that last month, staff from County Commissioner Jessica Vega Pederson's office joined us and requested our input on future development plans for the Hansen site, which is currently being used as a homeless shelter.

Teresa expressed concern about what would happen to the current residents of the shelter. Robin also expressed her concern that we shouldn't sweep homeless camps without some alternative for where people can go.

Meeting attendees will send ideas of what they want to see built at 122nd/Glisan to include in the next Housing Subcommittee meeting.

7. Portland Just Energy Transition Initiative

Lenny Dee from Onward Oregon talked to us about the upcoming Just Energy Transition ballot measure. He noted that the leading reason for payday loans was for utility payments. The measure would generate \$30M for energy upgrades and green industry. It would be funded by a 1% business license fee on businesses over \$1B.

The goal is to retrain workers, remediate toxified lands, and build new infrastructures and technologies that will be fairly shared across groups. The benefits of transitioning to clean, renewable systems—vibrant communities and wild spaces, economic benefits and employment opportunities—will be shared equitably.

Peter said that low oil prices have hurt green energy companies, so he supports the measure because it will support jobs.

Michelle mentioned that utility costs can be a substantial burden for low-income people.

Robin asked when they'd be starting to collect signatures. Lenny said that the deadline to turn them in is July 6 and they are hoping to begin collecting signature on April 7. They'll need approximately 40,000 signatures to qualify.

8. Strategic Priorities Review

Robin and Yesica went to the Housing Alliance lobby day in the State Capitol. Robin met with Portland Tenants United about their work in East Portland. Andy said that some staff from Human Solutions also went to lobby day.

The meeting was adjourned at 8:11 pm.

Next EPAP Housing Meeting: Monday, April 9, 2018, 6pm.

Subcommittee Name: HOUSING

EPAP Action item(s) being addressed: Housing and Development.1 – .6; Commercial and Mixed Use.1 - .2; Economic Development and Workforce Training.4.5; Public Safety.7.1; Housing Assistance and Safety Net Services.1 - .6; Equity.2.1 + 3.2

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Housing Subcommittee Recommendations:

1. The Housing sub-committee supports mixed-use and commercial zoning in commercial corridors in East Portland. This would promote greater economic development, prosperity, and encourage mixed-income housing development. (CM 1.1)
2. The Housing sub-committee supports single-family housing adjacent to commercial corridors to promote general homeownership, especially minority

homeownership, as well as mixed-income and more innovative housing. (CM 1.1)

3. The Housing Sub-committee sees the need for increase in amenities, jobs, infrastructure, and public transportation in East Portland to support housing of people in all income levels and to attract more middle and upper income housing.

4. The Housing Sub-committee would recommend prioritizing voluntary Inclusionary Zoning in middle income neighborhoods as one tool to promote mixed-income neighborhoods throughout Portland and to advocate for the City of Portland, Multnomah County and METRO to develop a pilot project for voluntary Inclusionary Zoning within the City/County.

5. The Housing Sub-committee would recommend advocating ending discrimination based on having a Section 8 Certificate, so low income families would have a greater choice on where they could live. The committee supports changing the law at the state level to remove this discrimination.

6. The Housing Sub-committee, after exhaustive research, recognizes that East Portland does not have significantly more tax-exempt housing properties than any other area of Portland, either in numbers or as a fair-share. East Portland does have significantly more “affordable by accident” housing than other parts of the City, but this has nothing to do with properties being tax-exempt or not.

East Portland Action Plan 2017 – 18 Strategic Priorities with dedicated Housing Subcommittee Advocacy

Q. METRO, City Housing Bureau with City Auditor, City Bureau of Planning and Sustainability, and Home Forward: Establish policy and practice that balances regional affordable and American Disabilities Act (ADA) accessible housing supply and promotes fair share across Portland. (EQ.2.1) *Housing Subcommittee*

R. City Housing Bureau and State of Oregon Legislature: Increase opportunities for sustainable moderate income and minority home ownership. (SN.2.1+2) *Housing Subcommittee*

S. City Housing Bureau: Fund a housing rehabilitation program for East Portland to improve the safety, appearance, and affordability of existing housing stock. Involve the East Portland Action Plan Housing Subcommittee in the development of the program. (HD.2.3) *Housing Subcommittee*

Housing Subcommittee Displacement Prevention Recommendations for East Portland

Community Benefits Agreements (CBA)

This is a contract with a governmental agency, real estate developer, or other jurisdiction to provide specific benefits to the local community or neighborhood in exchange certain provisions from that community or neighborhood. On public projects, CBAs can be negotiated with the initiating government agency and can be included in a Request For Proposals (RFP) with contractors. With private developer's benefits can be negotiated in a contract established with community groups who then accept (or don't oppose) project adjustments. CBAs have funded workforce training, local hiring, childcare access, affordable housing units, re-location stipends, reinforced access to family-wage jobs, and other public benefits.

Rent Stabilization

Just as Oregon has property tax increase protection, Rent Stabilization protects tenants in residential multi-family properties from excessive rent increases by mandating reasonable gradual rent increases, while at the same time ensuring the landlords receive a fair return on their investment.

Just Cause Eviction (JCE), Code Enforcement, and Renter Education

Just cause eviction controls are laws that protect renters by ensuring that landlords can only evict with proper cause, such as a tenant's failure to pay rent or destruction of property. While JCE provides such protections for renters, landlords retain full right to evict a tenant for breach of rental contract. Code Enforcement compels landlords to improve unsafe building conditions. Code Enforcement can ensure that multi-family dwellings are owned and managed responsibly. When housing code violations are found and not corrected, the government can impose significant penalties upon landlords. Rights and responsibilities education for renters must be included as an active component of JCE and Code Enforcement, to ensure the systems are reasonably monitored and enacted.

Anti-Displacement Impact Analysis

Impact Analysis is a tool that requires multi-family and commercial developments to provide a pre-build assessment of the effect such development will have on displacement in the area (usually a one-mile radius).

Housing Acquisition Rehabilitation to Insure Affordability This applies public housing dollars to purchase existing multi-family developments in poor condition and to rehabilitate the facility for use as affordable housing to be managed by a public entity or non-profit that serves low-income populations.

No Net Loss/Affordable Housing Preservation Ordinance

No Net Loss is when a City has to maintain a fixed amount of affordable housing through preservation, new construction, or other replacement of lost units. The Affordable Housing Preservation Ordinance is the establishment of a policy to ensure that the amount of housing affordable to low and moderate income persons does not decrease over time.

Broadening Homeownership and Cooperative Ownership

This establishes programs to increase opportunities for low-income households to have the opportunity to purchase a home. It means that some of the barriers to homeowners are removed so that homeownership becomes easier for groups of people who are often unable to purchase homes for themselves. Cooperative Ownership of multi-family developments occurs when a group of people form a collective business corporation to share ownership of a building. Co-op members work together to reach mutual goals based on democratic control and decision-making. Co-op members may or may not be residents of the shared ownership building.

Inclusionary Zoning

This requires developers to make a percentage of housing units in a new residential development available to low and moderate income households. In return developers receive non-monetary compensation in the form of density bonuses, zoning variances, expedited permits, or similar provisions that reduce construction costs or promote the developer's goals. This can be done in developments with many single-family units or in multi-family developments.

Owner-Occupied Homeownership Retention for People with Low -Income

As house values rise taxes rise and people living on limited and fixed incomes are not able to afford the taxes. While benefiting at the point of sale, people cannot afford to stay in their often long-term residences and cannot find another home in the area that does not present the same conditions.



East Portland Action Plan

Bureau of Planning and Sustainability
City of Portland
1900 SW 4th Avenue, Suite 7100
Portland, Oregon

March 15, 2018

Re: Better Housing By Design

Dear Better Housing By Design Project Team,

Thank you for the opportunity to comment on your Better Housing By Design Discussion Draft (January, 2018). We strongly support efforts by the Bureau of Planning and Sustainability to create an improved framework for affordable multi-unit development in East Portland and citywide.

Given our history and population, East Portland has been uniquely impacted by Oregon's unprecedented housing crisis. Decades of disproportionately low levels of public investment, particularly in housing, have left our region falling further behind and our community experiencing severe trauma due to housing instability.

The East Portland Action Plan (EPAP) was convened in 2009 by the City of Portland, Multnomah County and U.S. Senator Jeff Merkley to provide leadership and guidance to public agencies and other entities on how to strategically address community-identified issues and allocate resources to improve livability and prevent displacement in East Portland.

EPAP's community-generated plan, which was approved by the Portland City Council, include mandates to work to "assist in stabilizing low income residents/families" (EPAP Goal SN.1), "encourage housing that is attractive to households with a range of incomes" (EPAP Goal HD.5.6), and "improve the appearance, quality and safety of existing housing stock." (EPAP Goal HD.2)

Preventing housing displacement, stabilizing low-income families, and improving our region's substandard housing stock are core goals of the East Portland Action Plan. We appreciate the opportunity to work with BPS to achieve these goals.

With this effort in mind, we are pleased to offer our support to the following plan elements:

The Affordable Housing FAR Bonus. Our City is in dire need of affordable homes. We believe that it is critical that our planning efforts encourage production of these needed homes while avoiding concentrating poverty in already disadvantaged areas of the City. By implementing the draft's incentives, which offer additional Floor-Area Ratio (FAR) in exchange for guarantees of affordability, we can create economically integrated apartment buildings throughout the City at minimal public cost. As a result, low- and moderate-income families will be able to live in all areas of town at a price that they can afford.

Use of FAR instead of Unit Numbers as a metric. East Portland's diverse families need a housing supply that meets their culturally-specific needs. In particular, recent immigrant families in East Portland have difficulty finding homes with adequate bedrooms for their larger families and their traditional multi-generational family structures. To date, the City's production of regulated affordable homes has been dominated by smaller units, thereby offering little to these families.

By measuring affordability incentives by space instead of units, we believe that developers will be more likely to work to accommodate this unmet need.

Again, we appreciate the opportunity to give input on this draft and we want to express our gratitude for your efforts to keep EPAP included in this process.

Best Wishes,



Nick Sauvie
Co-Chair, Housing Subcommittee
East Portland Action Plan



John Mulvey
Co-Chair, Housing Subcommittee
East Portland Action Plan

cc: Cupid Alexander, Office of Mayor Ted Wheeler
Andrea Valderrama, Office of Mayor Ted Wheeler
Bill Cunningham, Bureau of Planning and Sustainability
Leslie Lum, Bureau of Planning and Sustainability
Shannon Callahan, Portland Housing Bureau
Michelle DePass, Portland Housing Bureau
Participating Members, East Portland Action Plan



East Portland Action Plan

March 16, 2018

Mayor Ted Wheeler
City Hall
1221 SW Fourth Avenue
Portland, OR 97204

Dear Mayor Wheeler,

We are writing on behalf of the East Portland Action Plan's Housing Subcommittee in support of funding for a multi-family rental rehabilitation program.

We understand that the funds allocated for the rental rehabilitation program have been redirected to East Portland homeowner repairs for Fiscal Year 2018 and are included in the Portland Housing Bureau's proposed Fiscal Year 2019 budget. We agree with the decision to spend the current year budget for homeowner repairs so that funds can be used as soon as possible. For future budgets, EPAP's Housing Subcommittee believes that the dedicated funds should be used for their original intent – rehabilitation of distressed rental properties in East Portland.

Multi-family rental rehabilitation has been a high priority for EPAP for several years. East Portland is the last relatively affordable geography in the city. The PHB's *State of Housing in Portland* report clearly indicates that rent increases in East Portland are among the highest in the city. This rapid gentrification led EPAP to develop and adopt Involuntary Displacement Prevention Strategies in 2015.

In response, the Portland Housing Bureau developed a multi-family rental rehabilitation program for private-sector landlords. For the last year PHB has not identified any private landlords willing to subject their property to temporary rent restrictions in exchange for low-cost rehabilitation financing. Despite PHB's best efforts, private landlords are not willing to limit rents in the current over-heated housing market.

EPAP's Housing Subcommittee believes that the best way forward is to open the program to nonprofits with properties with urgent repair needs. Although EPAP understands the importance of homeowner repairs, in our analysis a program directed at low-income rental properties is more equitable. Homeowners receiving repairs are less likely to be people of color and more likely to have financial assets and housing choices that are not available to

low-income renters. Human Solutions – a nonprofit that provides essential housing and services throughout East Portland – has urgent needs for rental rehabilitation funds. They have not been able to identify any viable funding to complete necessary repairs. It would be tragic if the Human Solutions properties were lost from the affordable housing inventory.

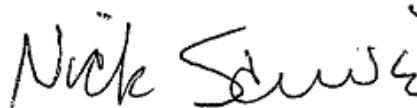
Thank you for your response to this request.

Sincerely,

EPAP Housing Subcommittee Co-Chairs:



John Mulvey



Nick Sauvie

cc: Portland City Commissioners
Shannon Callahan and Javier Mena, Portland Housing Bureau
Cupid Alexander, Mayor's Office