

October 8 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

October 8, 2018

Meeting began at 6:02 pm.

Attendees: Katie Larsell, Leslie Lum, Linda Bauer, lore wintergreen, Doug Armstrong, Char Pennie, Dominic Belcastro, Nick Sauvie, Erika Kennell, Michelle DePass, Merrill Liddicoat, Frieda Christopher, John Mulvey, Yvonne Chung, Roger Meyer, Samuel Garcia, Ryan Winterberg-Upp, Bob Rosholt, Kathy Wai, and State Representative Alissa Keny-Guyer

John called the meeting to order and attendees introduced themselves. John said we were removing Portland Renter Screening policy from the agenda and replacing it with a short discussion of the Bureau of Planning and Sustainability's new Faith-Based Housing project.

Faith-Based Housing

Leslie introduced a citywide project funded by a Metro grant, "Expanding Opportunities for Affordable Housing in Faith Communities." Leslie said a few churches in North Portland have wanted to build affordable housing on their property and are working on doing so. She handed out a brief description of the project. There is a continuum from shelters in Church to affordable housing development. Leslie explained the map they developed just for this project for East Portland. Roger asked if there was some way to preserve and land bank the available properties or are they doing a ground lease to hold it. Leslie said this project is to work through the thinking on how it would be handled. Nick is on the stakeholder group and will communicate to the committee. He said there are a lot of ways it could work out. Dom asked if they worked with the N/NE group. Katie asked if there are faith community people on the steering committee. Leslie said there is a cross section of groups on the committee. Michelle said she did a research project on African American churches and all the churches had excess land. Leslie said word of mouth will be helpful to get the word out to the churches. Michelle asked if there could be a list of things churches could do such as showers, storage, etc., up to building affordable housing, since churches may not have land for affordable housing but may be able to do something along the continuum. Leslie thought that was a good idea.

2019 Legislative Session Preview

State Representative Keny-Guyer introduced herself and her new Chief of Staff, Kathy Wai. She said that as Chair of the Housing and Human Services committee she has been busy grappling with the housing problem statewide. She said that there isn't a housing policy committee in the Senate and they don't have a budget committee in the House, which makes it more difficult to create a strategy around housing issues. She noted that both Portland and Eugene have declared housing states-of-emergency and said that the state is 135,000 units behind in affordable housing. There are many reasons why the state is in a big mess with the housing issue and discussed the lack of housing capacity in many rural areas of the State.

She reviewed several items that passed last year, including:

- Legislation to remove racially discriminatory language from property documents;
- A new \$5 million allocation to help distressed renters and homeless people;
- Set up a task force on racial disparities in home ownership;
- Passed legislation to increase the document recording fee to go toward affordable housing, including development of a first-time homebuyers savings account

She explained that the Legislature also referred Measure 102 to the voters. If it passes, the measure would allow more flexibility in the use of municipal bond funds for affordable housing, which would allow more housing to be built with limited public bond dollars.

Representative Keny-Guyer discussed some of the housing bills that will be submitted for the next legislative session, which include:

- rent stabilization / no cause eviction bill;
- a new \$20 million affordable housing acquisition fund
- work to establish housing expenditures within the "continuing service levels" budget, which would make housing an ongoing budget item and help avoid annual fights to fund these programs.

She also talked about her work to reform the Mortgage Interest Deduction. She said that there was significant opposition from realtors and that there would have to be some compromises made. She said that there would likely be a "step down" in the percentage that payers would be entitled to deduct, rather than a single, fixed income limit. She also said that she was willing to make some

compromises to get the bill through, since limiting the deduction is not just symbolic, since the funding would make a real difference in finding revenues for the housing the State needs.

Roger asked if there was enough interest in the houses to put money into trades and work force training. She said the governor passed some grants for helping in rural areas.

Lore said that in the past, Avel Gordly with the State legislature looked at the relationship between rural Oregon and Northeast Portland, since they had a lot in common and this is the current condition of East Portland.

Alissa also said that there was some discussion of a rent stabilization bill that could be applied statewide.

Erika asked about the mortgage interest deduction and how it might impact the housing bonds in the future.

Leslie asked about a tax credit for renters, which is done in other states. Alissa said that it's "on the table" in Salem.

Bob asked if there was a discussion of a State Bank, which would insulate home mortgages from the national cycles that drive up interest rates and drive displacement during economic downturns. Alissa was interested in finding out more and mentioned the State's mortgage foreclosure prevention program.

Dom asked Alissa to support the State Bar Association's task force on tenant representation in eviction courts and noted the need for para professional certification for tenant legal representatives.

Residential Infill Project

Katie Larsell explained what the Portland Planning & Sustainability Commission does and that the Residential Infill Plan is going to be reconsidered by the Commission prior to going before City Council. She explained the history of the project. It limits house size in various conditions and brought in ideas about missing-middle housing, and added in more options. She said that the Commission "went big" on density but that East Portland was not included in the overlay where the new rules would apply.

Katie distributed a draft letter to City Council.

The letter discusses things East Portland needs in place to prevent the new code from becoming a driver of displacement in East Portland.

Frieda brought up the unintended consequence with large lots in East Portland. She said based on the ability to put 3 or 4-plexes on lots if a developer subdivided a property into individual lots in say R5 zoning there was potential to have several larger complexes next to single family homes which would not blend with the neighborhood.

Leslie asked if cottage clusters would work and Frieda said that it would because they blend well with single family homes. Leslie suggested that the pattern area in East Portland is different than in inner Portland. Lore said Katie addressed many of the concerns and asked Linda Bauer what she thought since she worked on the Residential Infill Stakeholder Committee that reviewed the project. Linda said the Planning & Sustainability Commission changed everything, so she didn't feel she could comment on the current form of the project.

Nick said if a Quadrant Plan was done it would help, because it would look at current conditions and the effect of changes.

Leslie asked if we are adding value is there something to help affordability. Katie said there was some incentives for the affordability.

Michelle asked if there is a time constraint in making this decision. Katie said yes.

John asked for consensus with the caveat that Katie add language reflecting Nick's concern, which was that we reiterate our desire to add more affordable housing in East Portland. There was a consensus to approve.

East Portland Preference Policy

Frieda brought up the idea of developing a preference policy for East Portland to prioritize local families for new affordable homes in East Portland. She handed out a draft of ideas related to this preference policy. The N/NE Portland preference policy was discussed. Michelle shared information on this policy. The City recognized that they caused the displacement that goes back 3 generations

in N/NE. The City has been implementing an affordable housing preference policy that incentivizes those who have been displaced to return to the area.

There was quite a discussion on an East Portland displacement prevention preference policy. Frieda asked Erika and Nick what they thought. Nick said he thought we should move it forward. Erika said she would have to think about it, since preference policies have not been used in the past to prevent displacement.

Frieda said that a preference is possible but would have to be a percentage of the units, not all.

Michelle described the policy being implemented in N/NE as generational, in that if you, your parents or your grandparents were displaced, you'd be eligible for the incentives. She said that the policy applies to both rentals and homeownership.

Katie said that the policy should emphasize stabilizing kids and schools.

Erika said that the N/NE policy contains lots of strings for agencies to comply with. She said that providers apply for the City funds and then they are required to take on the task of implementing a challenging policy.

It was suggested that preference be given to those who have been displaced multiple times. Frieda will move forward with her research.

Portland Housing Bureau Report

Michelle said they held an ice cream social at the Ellington Apartments. Comcast came with information and goodie bags. It was quite an event. She said it would be great to do it when each building is opened to introduce it to the community. Frieda asked if there were additional units scheduled for East Portland. Michelle said she couldn't discuss projects that were under negotiations. Frieda said we want to make sure we have rehabilitated units bought here and additional projects added in East Portland, not just the one that opened in here. EPAP expects at least 26% of the Affordable Housing Bond funds should be spent in East Portland.

East Portland Screening of Priced Out

John said we were offered a showing of the movie “Priced Out”. We could do it in our meeting or at a special event. John would like to see a special community event showing the movie. Char Pennie said the Community Connection space was available in Lents. Lore said when EPAP has tried to do special events it did not go over well. Roger suggested Rosewood Initiative as a location. Merrill said Rosewood is having a partner meeting that is showing the movie. John will check to see if we can work with Rosewood Initiative to broaden the audience of the showing.

Review Previous Month’s Advocacy Work

Nick and Frieda attended the East County Caring Committee meeting focused on housing. John and Frieda met with Director Margaret Salazar from Oregon State Housing Department to discuss East Portland and the Strategic Plan they are drafting.

Other Business

Frieda said the City budget process is changing and it will focus on 3 areas: community engagement, strategic priorities established by City Council and a focus on the strategic priorities and programs by each bureau. She said the City Budget community engagement process will take a couple of years to shift to responding to the new process. A consultant did a review on last fiscal year’s process and provided a report with around 26 recommendations. The Mayor selected 3 recommendations to focus on this first year. The budget process for Fiscal Year (FY) 2019-2020 will not include the cut and add packages as they have done in the past, but will be “program based,” focusing on strategic priorities. The base budget of each bureau will apply a 1% cut budget submission for FY 2019 – 20.

Announcements

Lents Neighborhood Livability Association (LNLA) is having a meeting with the union representative for Portland Police Bureau on Oct 11 from 6:30pm-8:30pm. Meeting adjourned at 8:05pm.

Next EPAP Housing Meeting

The Next meeting will be December 10, 2018, 6 PM, at the East Portland Action Plan office, 1017 NE 117th Ave.

Childcare and Translation needed? Contact lore: 503.823.4035 or lore.wintergreen@portlandoregon.gov

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

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 2018 – 2020 Strategic Priorities with dedicated Housing Subcommittee Advocacy

- H. Office of Renter’s Services:** Fund and implement 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*
- I. City Housing Bureau and State of Oregon Legislature:** Increase opportunities for sustainable moderate income and minority home ownership. (SN.2.1+2) *Housing Subcommittee*
- J. City of Portland Housing Bureau and Bureau of Planning & Sustainability, Prosper Portland, METRO, Multnomah County, and State of Oregon:** Perform an Anti-Displacement Impact Analysis when considering 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). (SN.1, SN.2, SN.6, EQ.1, and EQ.2) *Housing Subcommittee*
- K. City of Portland:** Create an “Equitable Neighborhood Housing Fund” for East Portland to support the acquisition of developable land and existing market-rate housing currently serving low-income families and communities of color by organizations actively working to prevent residential displacement and build healthy, inclusive neighborhoods within East Portland. (SN.1, SN.2, SN.6, EQ.1, and EQ.2) *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 developers 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 receives 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 developers 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.