



East Portland Action Plan

Housing Subcommittee

Monthly Report

January 13, 2020

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 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.

Housing Subcommittee Meeting January 13, 2020

The meeting began at 6:06 pm.

Attendees: Nick Sauvie, Michael Anderson, Char Pennie, David Potts, Neil Heller, Erika Kennell, Yesika Arévalo, JR Lilly, John Mulvey, Leslie Lum, Michelle DePass, Linda Bauer, Arlene Kimura, Andy Miller, Latasha Carter, Tova Hershman, Laurie Palmer, Katia Selezneva, Scot Grossnicklaus and Doug Armstrong.

John called the meeting to order and the attendees introduced themselves.

1. Antidisplacement Programming Updates

John talked about several items relating to Antidisplacement in East Portland. First, he and Leslie are on a committee that will be interviewing candidates for a new Housing Bureau position that will be doing Antidisplacement work in East Portland. He indicated that he had passed along the names of a number of other EPAP members to participate in the hiring process.

He also updated the group on the work with Katie Larsell and Robert Liberty regarding accessory dwelling units (ADUs) for low-income homeowners in East Portland. EPAP submitted a planning grant application to Metro last year, and although we were turned down, we are in a good position to get it funded this time. They will be meeting with staff in Commissioner Eudaly's office later this week to talk about collaborating on this project.

JR said that he has been attending ADPDX Coalition meetings as they develop internal governance policies. They are working toward signing a memo of understanding with the City to receive and disperse grants. Once they create a definition for membership, then JR can come back to EPAP to see if folks are interested in joining.

He said that ADPDX is also working on a Residential Infill Project (RIP) response. John referred to EPAP's letter dated October 24, 2018, which was supported by the Housing and Economic Development Subcommittees as well as the full EPAP. In that letter, we took the position that displacement prevention must be in place in East Portland before we will support the Residential Infill Project. RIP letter that was not in support of the original proposal. There was a discussion of whether EPAP should revise its position, and several people commented on possible next steps.

2. Deeper Affordability Proposal / Residential Infill Project

Neil Heller and Michael Anderson presented a proposed amendment to the current RIP draft. Michael is a staffperson at the Sightline Institute and Neil is a local developer. They are representing Portland Neighbors Welcome.

Michael started off by saying that Sightline has been working to address questions of affordability in the RIP, which has been determined to be a driver of displacement in some East Portland neighborhoods. They would like to see stronger density bonuses in exchange for affordability in the RIP.

Neil talked about a planning software tool created by Fregonnese Associates that allows a developer to plug in a proforma (developer spreadsheet) and zoning regulations to see what will pencil out. His analysis shows that if the City permitted affordable 6-plexes or 8-plexes in residential zones, the developers could build with minimal or no public subsidy.

His analysis shows the required public subsidies as follows:

	income level	public subsidy per unit
1 unit (status quo)	60%MFI	\$563,000
	80%MFI	\$496,000
4-plex	60%MFI	\$204,000
	80%MFI	\$136,000
6-plex	60%MFI	\$146,000
	80%MFI	\$78,000
8-plex	60%MFI	\$54,000
	80%MFI	\$0

Under this proposal, if the RIP was amended to allow an affordability bonus that permits eight units in exchange for an 80%MFI rent restriction, the units could be built with no additional public subsidy.

Andy expressed concern that this would not address displacement issue and that this proposal might attract folks pushed out of higher-income neighborhoods into East Portland, which might drive displacement. John agreed and pointed out that income levels in East Portland are too low for most local people to afford 80%, or even 60% rent restrictions, so the proposal is unlikely to help East Portland current residents.

Arlene was concerned that 6 or 8 unit complexes should be required to provide some play space for youth. Currently, children are playing in parking lots and

streets outside their units. This was a requirement that EPAP fought for in the Better Housing by Design code amendments for larger developments, which were recently adopted.

Erica and Yesika agreed to work on a letter for the Committee to consider.

3. Mobile Home Parks Update

John reminded the group of EPAP's involvement in the 2018 effort to protect mobile home parks from redevelopment. One remaining issue from that project is that the City Council promised to implement some program to protect mobile home park residents from excessive rent increases on the property under their homes.

The Housing Bureau is currently proposing a rule that would allow these property owners to gain bonus Floor-Area Ratio (FAR) in exchange for agreeing to restrict rents on at least 50% of the spaces to no more than 60% MFI for a period of 99 years.

John is concerned that there currently is no sensible metric for setting a rent restriction, given that some residents are making payments on the home and renting the space underneath, while others own their trailer and only pay the rent for the space, and still others are renting both the trailer and the space. Since MFI is based on the assumption that people should be paying 30% of their monthly income on housing, including utilities, he's concerned that there may not be any logical way of assessing the right rent amounts.

The proposed rule simply assumes that the rent someone is paying for their space is one-half of their total housing costs. If that amount is set too high, the resident may not see any meaningful rent restriction from the program. He asked if anyone had any input on how to address this problem.

4. EPAP Candidate Questionnaire

John talked about the upcoming elections for Mayor and City Council. He said that EPAP has done a written questionnaire for candidates in the past. He distributed a draft questionnaire which was adapted from the one we did in 2016. He said that he would be presenting this to the full EPAP next week, but asked whether we had any input on the question regarding housing.

5. Review of Previous Month's Advocacy Work / Other Business / Future Agenda Items

John said that the committee will be looking at its next 2-year strategic priorities list and encouraged everyone to think about what we should be working on.

JR asked if anyone has any "big ideas" for the Housing Committee.

Nick said we should work on anti-displacement tools and resources.

Andy suggested getting BPS and PHB to sponsor an East Portland Summit on Displacement. This would help new PHB staff get on board.

Laurie suggested a 2020 EPAP Vision for the new century.

JR suggested education on affordable housing and acronyms.

Michelle referenced the community Transportation class offered at PSU as an educational model for people interested in housing issues.

Yesika suggested a Homeownership Fair for East.

Nick suggested a Welcome Home Coalition Speakers bureau.

6. Announcements

Char said that Lents Neighborhood Livability Association (LNLA) just held a candidate forum for Commissioner Eudaly's seat.

Andy said there will be a Mayor forum at the Sunnyside Community House at 3520 SE Yamhill on 1/21

JR reminded folks that EPAP grant application is open until 2/2/20.

The meeting was adjourned at 7:50 pm.

Next EPAP Housing Meeting:
Monday, February 10 at 6:00 pm
at the East Portland Action Plan office, 1017 NE 117th Ave

Childcare or Translation needed? Dietary restrictions?
Contact JR Lilly at 503-823-8027 or jr.lilly@portlandoregon.gov

**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)

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

- 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)

- 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)



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 homeownership 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 longterm residences and cannot find another home in the area that does not present the same condition.