



# East Portland Action Plan

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## Housing Subcommittee

### Monthly Report

**March 9, 2020**

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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**

March 9, 2020

The meeting began at 6:04 pm.

**Attendees:** Merrill Liddicoat, Linda Bauer, Nick Sauvie, Erik Anderson, David Potts, Char Pennie, Frieda Christopher, Gordon Jones, Katia Selezneva, John Mulvey, Leslie Lum, Sabina Urdes, Erika Kennel and JR Lilly.

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

### **1. Liveable Gateway Project Update - Gordon Jones**

Gordon gave us an update on the Liveable Gateway project.

He reminded us that his goal for the district is to build 40% of the new units at 60%MFI and the other 60% at market rate. He showed a new district map and said that the area has a capacity for 2000 new housing units and that it's the only substantial remaining undeveloped RX zone in the City.

He also said that the area is a "blank slate" for a new community, given much of the property is vacant and almost all of the existing structures are near the end of their usable life and will need to be replaced. Given this, the area presents a great opportunity to create a real community based around diversity, equity and inclusion and restoring Portland's displaced black community. He envisions the area including community centers, a museum and performing arts spaces.

Gordon said that he intends to make use of the Opportunity Zone tax credit program as well as a temporary property tax abatement, though he wants to see the property returned to the tax rolls. He's also pursuing a series of LIDs (Local Improvement Districts). He's met with Doug Kelsey, the General Manager of Tri-Met, to get his support. Doug is very supportive of Transit-Oriented Development.

The first LID, which EPAP supported, involves \$6.3m for street improvements near "the bend," i.e., the place where the MAX meets Burnside St, in the SW corner of the district. The funds are dedicated for MAX crossings and pedestrian and ADA improvements in that area, and is contingent on his group getting 200 housing units permitted on those blocks. The first two projects are 63 units and 77 units.

Future phases will include additional LIDs to build out the streets in the area. He estimates that 2/3 of those costs will be paid by the developers and 1/3 by TIF or other public sources. He's also pursuing support from Metro for an equitable development grant to create a district plan.

## **2. Lents Urban Renewal Area Audit - Nick Sauvie**

Nick presented two letters to the City Council responding to the audit of the Lents Town Center Urban Renewal Area. The first is for individuals to sign on, and the second was approved by EPAP's Economic Development Subcommittee and is being presented tonight for the Housing Subcommittee's approval.

The audit will be presented to the City Council, date to be determined.

Consensus was reached to support the letter. (Attached to this report at page 5)

## **3. Anti-Displacement Updates**

John gave several updates regarding the City's antidisplacement program. First, the Housing Bureau has not yet completed its hire of an East Portland displacement staffperson. The Council considered several amendments to the Residential Infill Project, including one at EPAP's suggestion that the RIP be delayed until the displacement strategy is in place. This proposal was rejected by the Council. AntidisplacementPDX is hiring a coordinator. The position is funded by the Bureau of Planning and Sustainability but will be housed at the Portland African American Leadership Forum. John and Katie Larsell are continuing to work with Robert Liberty on a program to support ADU construction in East Portland.

## **4. Housing Subcommittee Strategic Goalsetting**

JR reminded the group that EPAP will be adopting a new set of strategic goals for the next two years. He asked Housing Subcommittee members to think about what our goals should be for 2020-2022.

The meeting was adjourned at 7.46 pm.

Next EPAP Housing Meeting:  
**Monday, April 13th 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](mailto:jr.lilly@portlandoregon.gov)

March 2, 2020

RE: Lents Urban Renewal Audit

Dear Mayor Wheeler and Portland City Council,

As community-based organizations that rely on Prosper Portland as a partner, we unfortunately are not surprised by the auditor's findings in Lents. The title of the audit, *Lents Urban Renewal: 20 years of investment with minimal evaluation*, reflects the agency's lack of accountability to the community that it professes to serve.

The evidence after twenty years of Lents urban renewal:

- Median household income is down 24%. Lents' median income was comparable to the city's twenty years ago and is now more than \$20,000 behind.
- Poverty in Lents is up 7%; one in four residents lives in poverty.
- Nearly two-thirds of Lents residents can't afford their rent; this is more than 3,000 households.
- While the audit cites the creation of 476 affordable housing units, two-thirds of the rental housing developed is unaffordable to a typical Lents renter. It is worth mentioning that the vast majority of this housing was built after the Portland Housing Bureau was split off from the Portland Development Commission in 2009.
- Homeownership among people of color dropped sharply from 51% to 41%.
- Only 0.7% of funds went toward grants and loans to small businesses.
- More than one dollar in five - \$46 million - went to Prosper/city staff and overhead.

**In the strongest possible terms, we urge City Council to require that the agency fix the transparency and accountability issues called out in the Lents audit immediately.**

**Further, we believe that Prosper Portland is acting in violation of the city's adopted policy that requires anti-displacement impact analysis in advance of major projects.**

Prosper Portland has repeatedly stated its intention to improve upon practices that resulted in dismal outcomes for low-income residents, people of color and neighborhood businesses. We need Prosper Portland and City Council's commitment to do better at the Broadway Corridor redevelopment as well as at prospective urban renewal districts on the eastside and the Southwest Corridor.

There is time and funds are available for Prosper Portland to demonstrate that it takes the audit findings seriously and is moving to correct past mistakes in Lents. The paragraph titled "Next Steps" in the response to the audit from Mayor Wheeler and Directors Branam and Callahan says, "The year ahead presents an opportunity to reengage with community partners on key priorities for investment of the remaining resources within the district."

When do we begin?

Signed,  
Name Organization

cc: Kimberly Branam, Prosper Portland  
Portland Development Commission members  
Shannon Callahan, Portland Housing Bureau

**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.