

RESOLUTION No.

Direct the Portland Housing Bureau to contract for an independent study on the nexus associated with the demand for housing affordable to low and moderate income households created as a result of jobs created by commercial development, and an assessment of the extent to which new market rate housing generates additional demand for affordable housing and the economic feasibility of an affordable housing linkage fee.

WHEREAS, on October 7, 2015, City Council declared a housing emergency within the City of Portland, as a result of the unprecedented increases in average rents and low vacancy rates, as well as a decrease in the inflation adjusted wages of renter households.

WHEREAS, a household of three earning 80% of the median family income in the City of Portland in 2015 earns \$52,950.

WHEREAS, a household of three earning 50% of the median family income in the City of Portland in 2015 earns \$33,100.

WHEREAS, a household of three earning 30% of the median family income in the City of Portland in 2015 earns \$19,850.

WHEREAS, of all households earning up to 80% of the median family income in the City of Portland, 70% are rent burdened with 41% paying more than 50% of their income on rent.

WHEREAS, of all households earning up to 50% of the median family income in the City of Portland, 79% are rent burdened with 55% paying more than 50% of their income on rent.

WHEREAS, of all households earning up to 30% of the median family income in the City of Portland, 75% are rent burdened with 67% paying more than 50% of their income on rent.

WHEREAS, current projections anticipate the City of Portland adding 123,000 more households by the year 2035, in addition to the 260,000 households today and that the proportion of households with incomes below 80% of the median family income is expected to increase from 45% to 48% of all households.

WHEREAS, commercial development to accommodate the anticipated 2035 growth in households will produce and sustain jobs that pay a range of incomes that fall below 80% of the median family income, subsequently creating increased demand for affordable housing.

WHEREAS, this nexus study will assess the extent to which new market-rate development attracts higher income households who will spend more on retail and services; and whether that increased spending creates new jobs which attracts new workers to live in the city, some of whom will be low and moderate income and require affordable housing.

WHEREAS, current resources for affordable housing programming are insufficient to meet existing need as well as the projected demand, and that current resources are geographically restricted, declining, and/or unsustainable.

WHEREAS, the City of Portland is in need of funding for affordable housing programming with a rationale nexus to the quantity of low and moderate income jobs that are created, and that an economic analysis and feasibility modeling are effective mechanisms to make this determination.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland, a municipal corporation of the State of Oregon that the Portland Housing Bureau is directed to develop and return to City Council, an independent analysis of, and recommendations related to, the nexus associated with the demand for housing affordable to low and moderate income households created as a result of jobs created by residential and commercial development, and the economic feasibility of an affordable housing linkage fee, no later than April 27, 2016.

Adopted by the Council:

Commissioner Saltzman

Prepared by: Matthew Tschabold

Date Prepared: October 22, 2015

Mary Hull Caballero

Auditor of the City of Portland

By

Deputy

Agenda No.
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 Title

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INTRODUCED BY Commissioner/Auditor: Saltzman	CLERK USE: DATE FILED _____
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick BUREAU APPROVAL Bureau: Housing Bureau Head: Kurt Creager	Mary Hull Caballero Auditor of the City of Portland By: _____ Deputy ACTION TAKEN:
Prepared by: Matthew Tschabold Date Prepared: 10/22/2015	
Impact Statement Completed ☒ Amends Budget ☐	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes ☐ No ☒	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan	
Council Meeting Date 10/28/2015	

AGENDA TIME CERTAIN ☐ Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 35%;">FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th style="width: 20%;">YEAS</th> <th style="width: 20%;">NAYS</th> </tr> <tr> <td>1. Fritz</td> <td>1. Fritz</td> <td></td> </tr> <tr> <td>2. Fish</td> <td>2. Fish</td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td>3. Saltzman</td> <td></td> </tr> <tr> <td>4. Novick</td> <td>4. Novick</td> <td></td> </tr> <tr> <td>Hales</td> <td>Hales</td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	1. Fritz		2. Fish	2. Fish		3. Saltzman	3. Saltzman		4. Novick	4. Novick		Hales	Hales	
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CONSENT ☐																						
REGULAR ☒ Total amount of time needed: 20 minutes (for presentation, testimony and discussion)																						

IMPACT STATEMENT

Legislation title: Direct the Portland Housing Bureau to contract for an independent study on the nexus associated with the demand for housing affordable to low and moderate income households created as a result of jobs created by commercial development, and an assessment of the extent to which new market rate housing generates additional demand for affordable housing and the economic feasibility of an affordable housing linkage fee.

Contact name: Matthew Tschabold

Contact phone: 503-823-3607

Presenter name: Kurt Creager, Matthew Tschabold

Purpose of proposed legislation and background information:

New residential and commercial development often creates jobs that compensate wages at levels in which a household may be moderate-to-low income, and unable to find housing that is affordable. A nexus study analyzes local markets to assess the impact and scale of this potential, and estimates the demand for affordable housing. In addition, nexus studies are able to provide recommendations on linkage fee levels associated with commercial and residential development that maintain the economic feasibility of development projects, as well as raise revenue to provide the affordable housing demanded by the jobs created.

Financial and budgetary impacts:

The Housing Bureau anticipates the nexus study will be completed with current available resources. Recommendations developed as a part of the nexus study process may have a financial or budgetary impact, but any recommendations would require adoption by City Council prior to implementation.

Community impacts and community involvement:

The nexus study itself will not have any direct community impacts. An extensive community involvement process will be a part of the nexus study as study is scoped, assumptions in the model are tested, and any recommendations made.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section