



Office of Mayor Ted Wheeler  
City of Portland

February 12, 2018

Neil McFarlane, General Manager  
TriMet  
1800 SW 1<sup>st</sup> Avenue, Suite 300  
Portland, OR 97201

Martha Bennett, Chief Operating Officer  
Metro  
600 NE Grand Ave  
Portland, OR 97232

Dear Neil and Martha,

We deeply appreciate the partnership between Metro, TriMet and the City of Portland as we plan for light rail in the SW Corridor. It will take us all working creatively and collaboratively to ensure this once-in-a-lifetime investment truly benefits all people. This letter is our request to work together on solutions to some of the biggest challenges facing our region's low-income residents and people of color; housing affordability, mobility, and social inclusion.

Specifically, before we consider the Locally Preferred Alternative later this year, we would like to develop a Memorandum of Understanding (MOU) between the City, Metro and Trimet to better define housing goals and future joint development opportunities. We understand the City of Tigard has made a similar request. Please consider both requests to help ensure new affordable housing opportunities through the corridor.”

We are excited about high quality light rail service from Downtown Portland to Tigard and Tualatin connecting corridor residents and business to the region. The project creates an opportunity to help the City realize long-term plans to transform Barbur into a more vibrant and active place. However, we know from past rail transit investments that equitable outcomes will not occur without proactive public action. Many affordable housing units could be lost as the corridor becomes more desirable. We fear this could displace some of the existing 8,000 low-income renters and 4,000 low-income homeowners in the corridor.

The Cities of Portland and Tigard believe we need a regional commitment to housing that matches our transit investment. That is why we are jointly creating an Equitable Housing Strategy to support existing residents and preserve and create new affordable housing. Thank you for your active role in this planning process. We appreciate that Metro has funded a portion of that strategy. Now we are asking you to take the next step with us to invest holistically in our communities.

Please consider this letter our official request to work with you, to:

- Secure dedicated voter-approved funds for both light rail and affordable housing;
- Maximize opportunities for place-making and creation of new housing along the alignment, and minimize displacement of low-income residents caused by demolition of buildings in the light rail alignment, or by subsequent economic pressures; and
- Adopt goals and policies about how the City, Metro, and TriMet can use funding and land in our ownership to facilitate the development of affordable housing, including parcels acquired during construction.

#### Funding for Housing

To leverage our local housing investments, we strongly believe that Metro should put a new regional housing resource on the ballot for voter approval before or when the public votes to fund the light rail. This could be a set-aside for housing in a transportation bond or a separate housing measure with a strong focus on transit corridors. We will work with you and other regional partners to champion this regional housing measure. Our intent in Portland is for this resource to be invested ahead of both major transit projects in Portland (SW light rail and Division bus rapid transit). A housing fund specifically tied to transit of at least \$100 million is needed to *begin to meet the needs* along these two corridors. The City intends to complement this investment with other tools, including inclusionary housing resources, resources from our existing housing bond, and construction excise tax revenue.

#### Placemaking and New Housing Opportunity

For the City of Portland, the SW LRT is an opportunity to catalyze private and other public investment along the corridor to realize long term growth management goals identified in the Barbur Concept Plan and 2035 Comprehensive Plan. This includes:

- Transformation of Barbur into a Civic Corridor;
- Build-out of a Town Center in West Portland;
- Expansion of educational and employment opportunities at colleges and hospitals along the Corridor; and
- Repairing the South Portland Neighborhood through the Ross Island Bridgehead reconfiguration.

Accordingly, we urge you to select an alignment that both maximizes development opportunities in the corridor, and minimizes housing demolition. We are aware the final environmental impact statement is not complete and engineering plans are far from final. We hope you will bring us a preferred alternative alignment that limits negative impacts on vulnerable households, and maximizes future opportunity for those households.

#### Joint Development and Land Disposition Policies

Publicly controlled land is critical to our success. We ask that a structure be created to coordinate land acquisition and development strategies, similar to the structure and scope of our TOD partnership approved by our agencies through the North Interstate MAX MOU. We would like to explore:



- Right of first refusal for disposition of remnant parcels;
- For properties that TriMet will purchase and ultimately redevelop, commitments that some percentage of units in redevelopment projects, portfolio wide, be affordable to households making up to 60% of median family income.
- Land sale discounts to increase the feasibility and affordability of housing projects;
- Policies on active interim uses of property;
- Consideration of City (Housing Bureau) purchased land for construction staging;
- Coordination of additional purchases of land or buildings for affordable TOD using Portland Housing Bureau or Metro TOD Program funds.

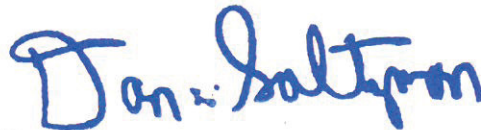
Next Steps

An MOU signed by all parties is our preferred method for securing these commitments prior to considering the Local Preferred Alternative. The Portland City Council will be hosting a work session on the SW light rail project and Equitable Housing Strategy this spring or summer. We would like to have an outline of agreed upon terms to consider at that point. It is critical that we take real steps toward implementing the Equitable Housing Strategy before we commit to a light rail project. Your prompt reply therefore, is greatly appreciated.

Respectfully,



Ted Wheeler  
Mayor of Portland



Dan Saltzman  
Transportation Commissioner-in-Charge

