



Equitable Housing in the Southwest Corridor

Portland Housing Advisory Committee

August 7, 2018

Affordable Homes and Good Transit in the SW Corridor



SW Corridor Light Rail Project

2016 Council Direction: Develop housing strategy



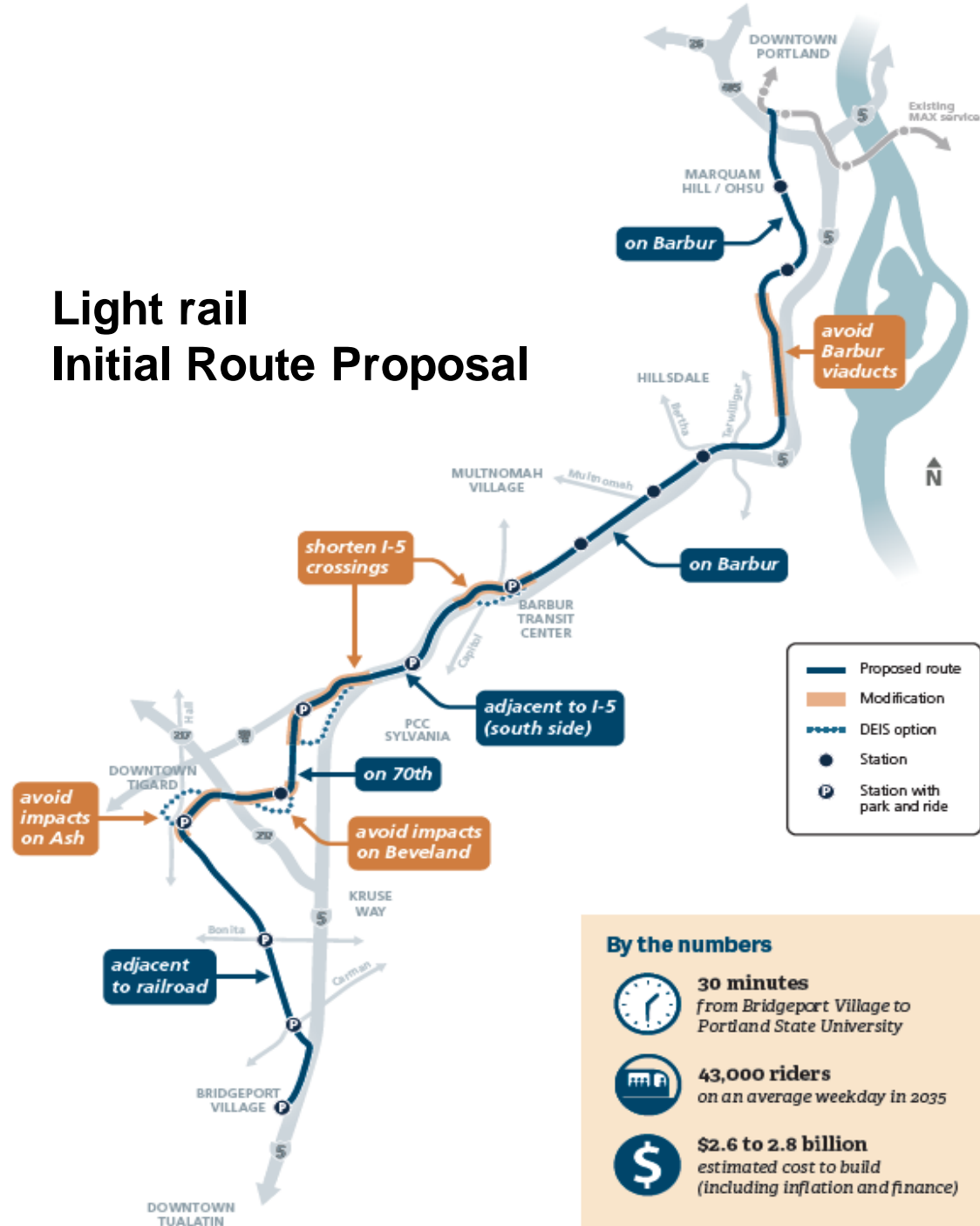
- LRT project - DEIS complete
- PSC letter
- Select Locally Preferred Alternative - August
- Council adopts LPA - October 10



Need for Equitable Housing Strategy:

- Lack of affordable housing and displacement is a corridor problem
- Equitable TOD is critical to SW Corridor success
- Teamed up with Tigard to act comprehensively

Light rail Initial Route Proposal



By the numbers



30 minutes
from Bridgeport Village to
Portland State University



43,000 riders
on an average weekday in 2035



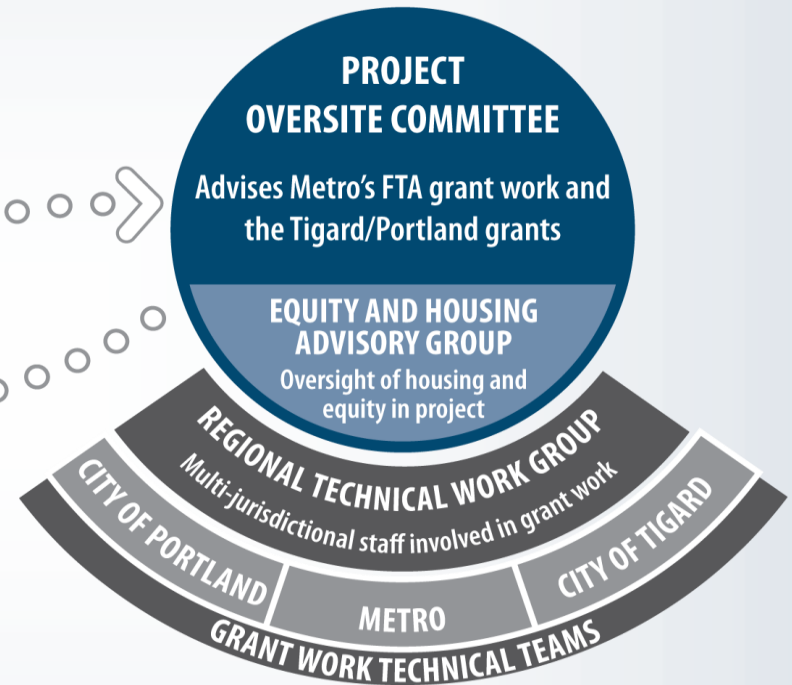
\$2.6 to 2.8 billion
estimated cost to build
(including inflation and finance)

SOUTHWEST CORRIDOR REGIONAL PLANNING PROCESS OVERVIEW

TRANSIT PROJECT



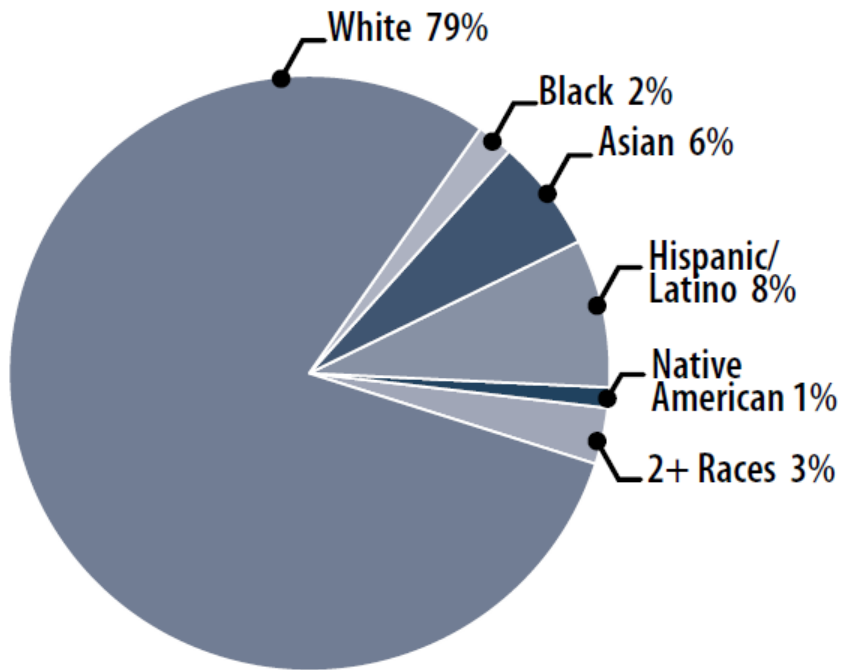
EQUITABLE DEVELOPMENT AND HOUSING PROJECT



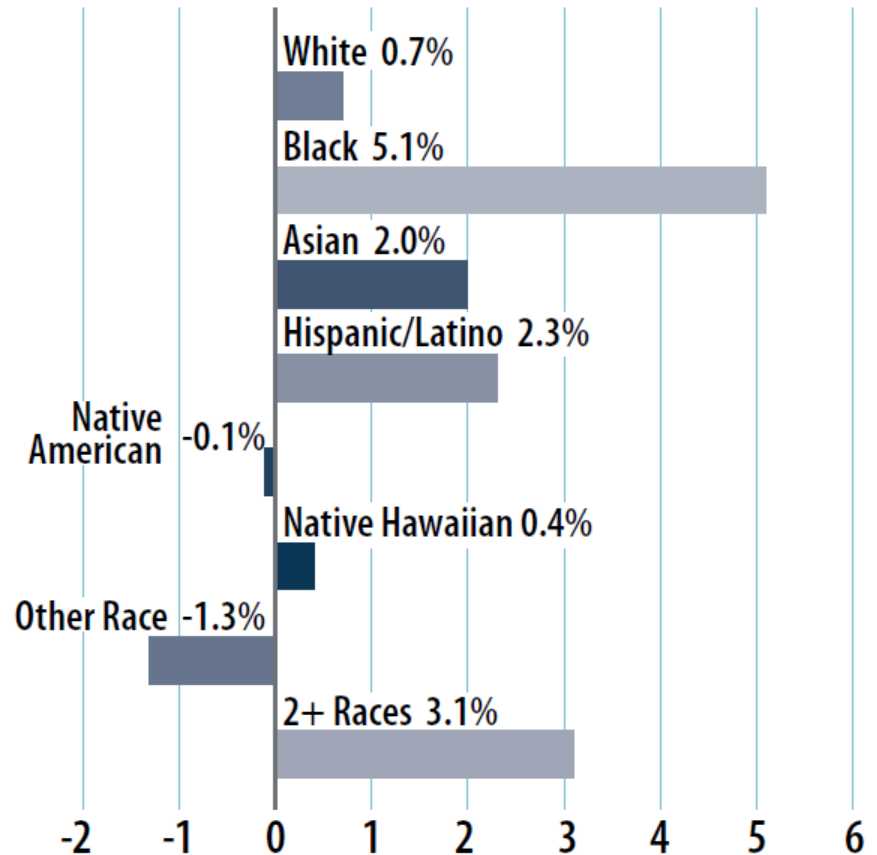
* Project Team Leads participants: Metro, Oregon Department of Transportation, Portland, Sherwood, Tigard, Tri-Met, Tualatin and Washington County

SW Corridor Population Growth and Diversity

Population by Race
5-year ACS estimate – 2011-15



2000, 2011-15 Population Growth by Race



Source: American Community Survey (ACS)

Housing need

Current need: Households paying more than 50% of income on housing costs

Household Incomes	Renters			Home Owners		
	Portland current need	Tigard current need	Other need	Portland current need	Tigard current need	Other need
0 – 30% MFI	955	680	355	405	129	250
30 – 50% MFI	690	169	280	304	245	120
50 – 80% MFI	225	89	15	399	183	135
Total	1,870	938	650	1,108	557	505

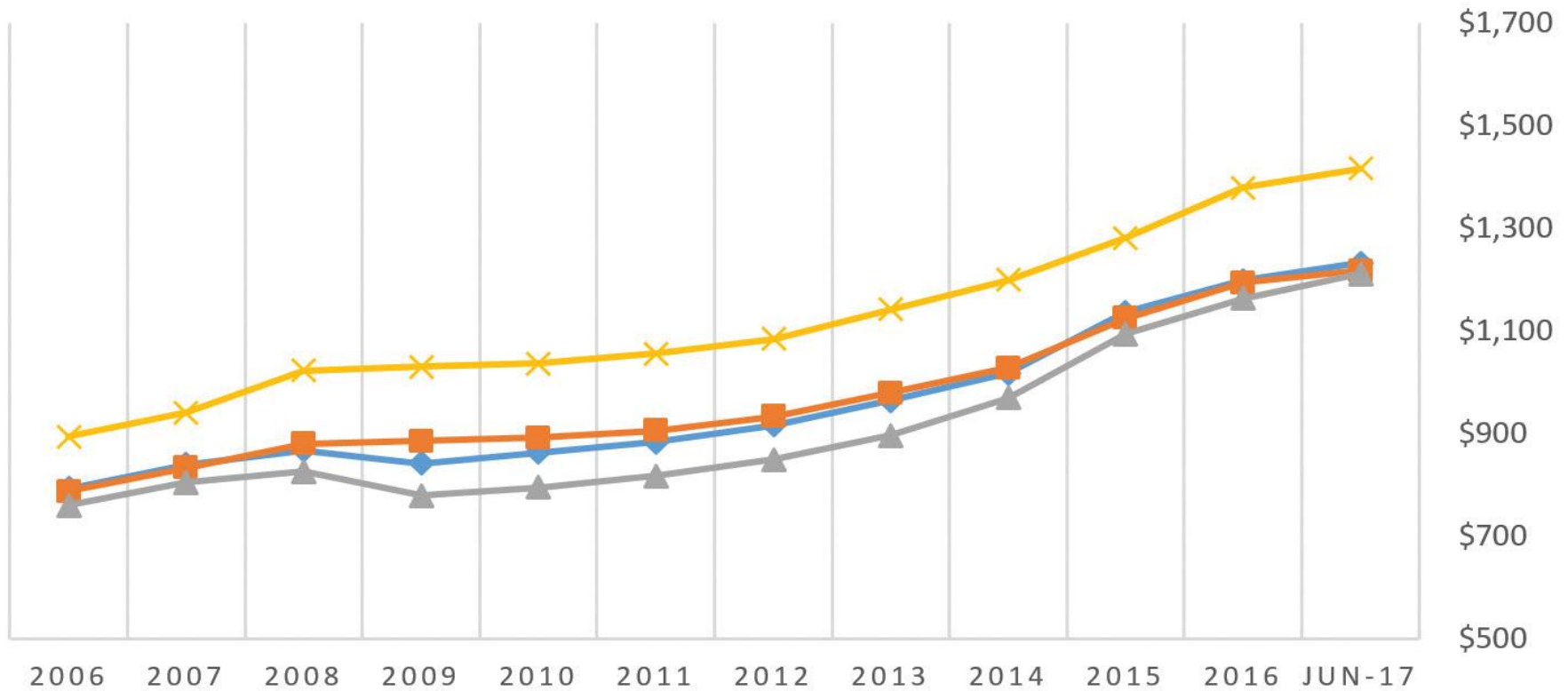
Future need: Low-income households estimated to move to the SW corridor

Affordability	PDX Future Need	Tigard Future Need	Total
0 – 30% MFI	581	467	2,246
30– 50% MFI	332	267	
50 – 80 % MFI	332	267	

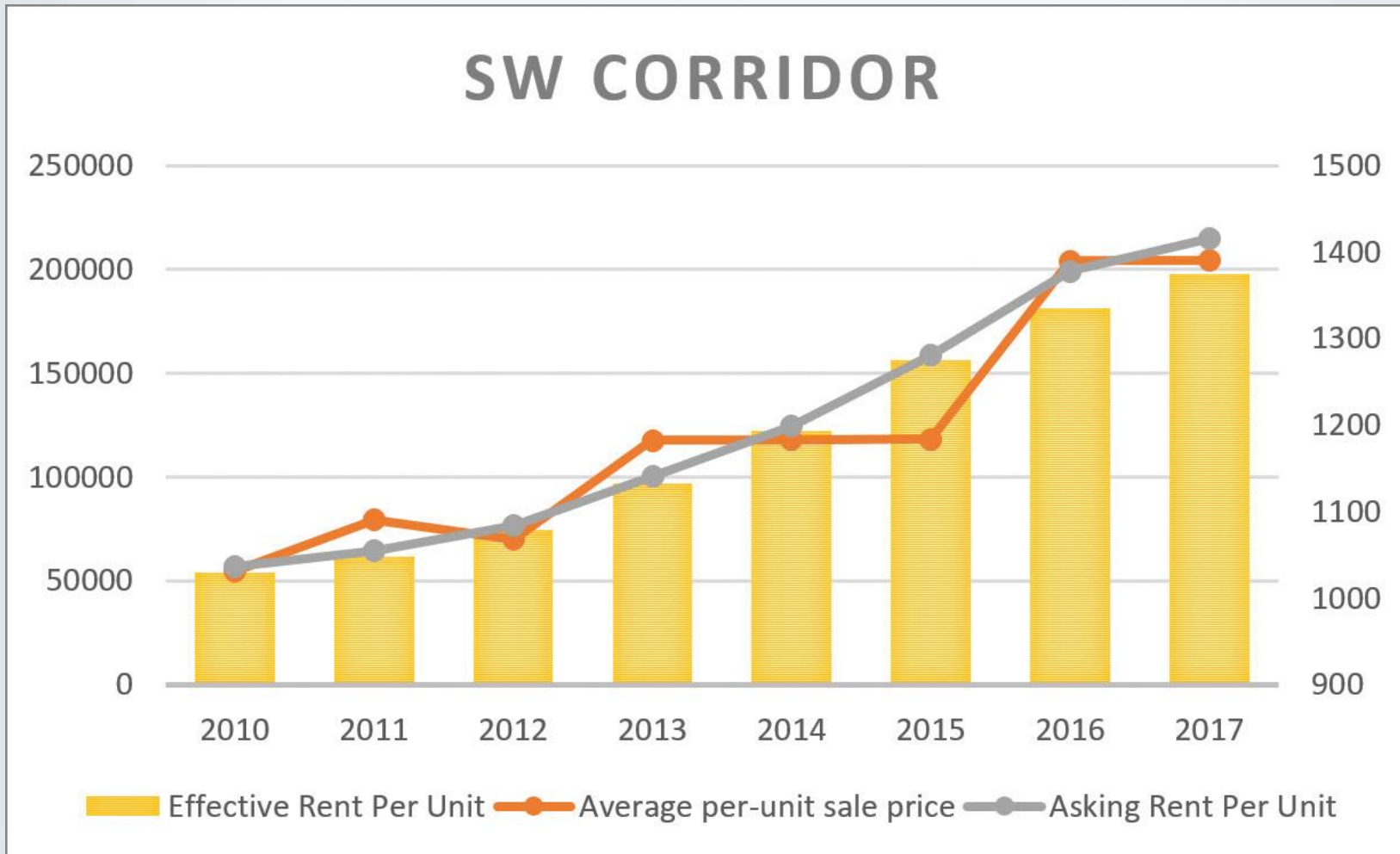
Housing costs are rising

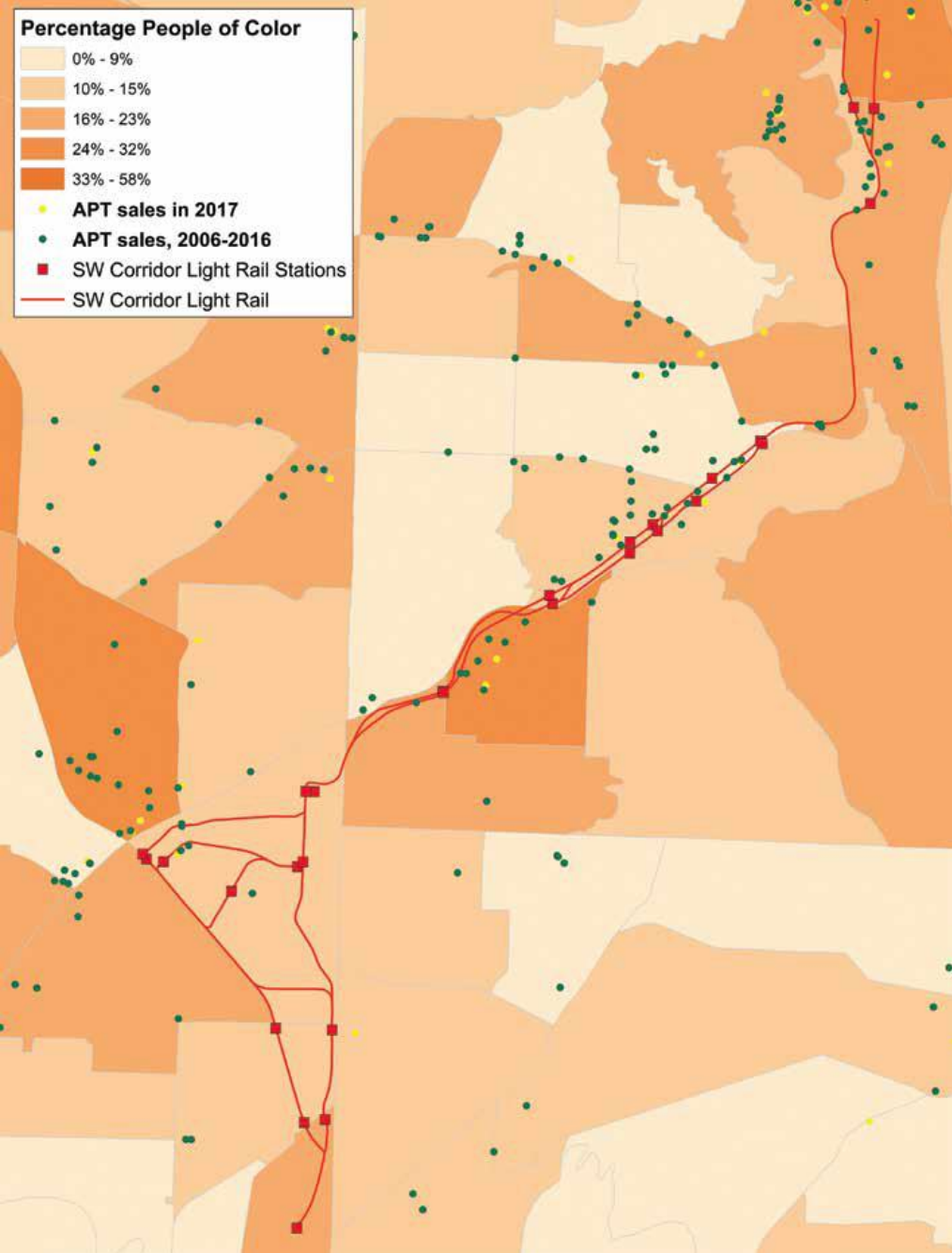
ASKING RENT PER UNIT

—◆— Metro —■— Portland —▲— Tigard —×— SW Corridor



Building sales and rent



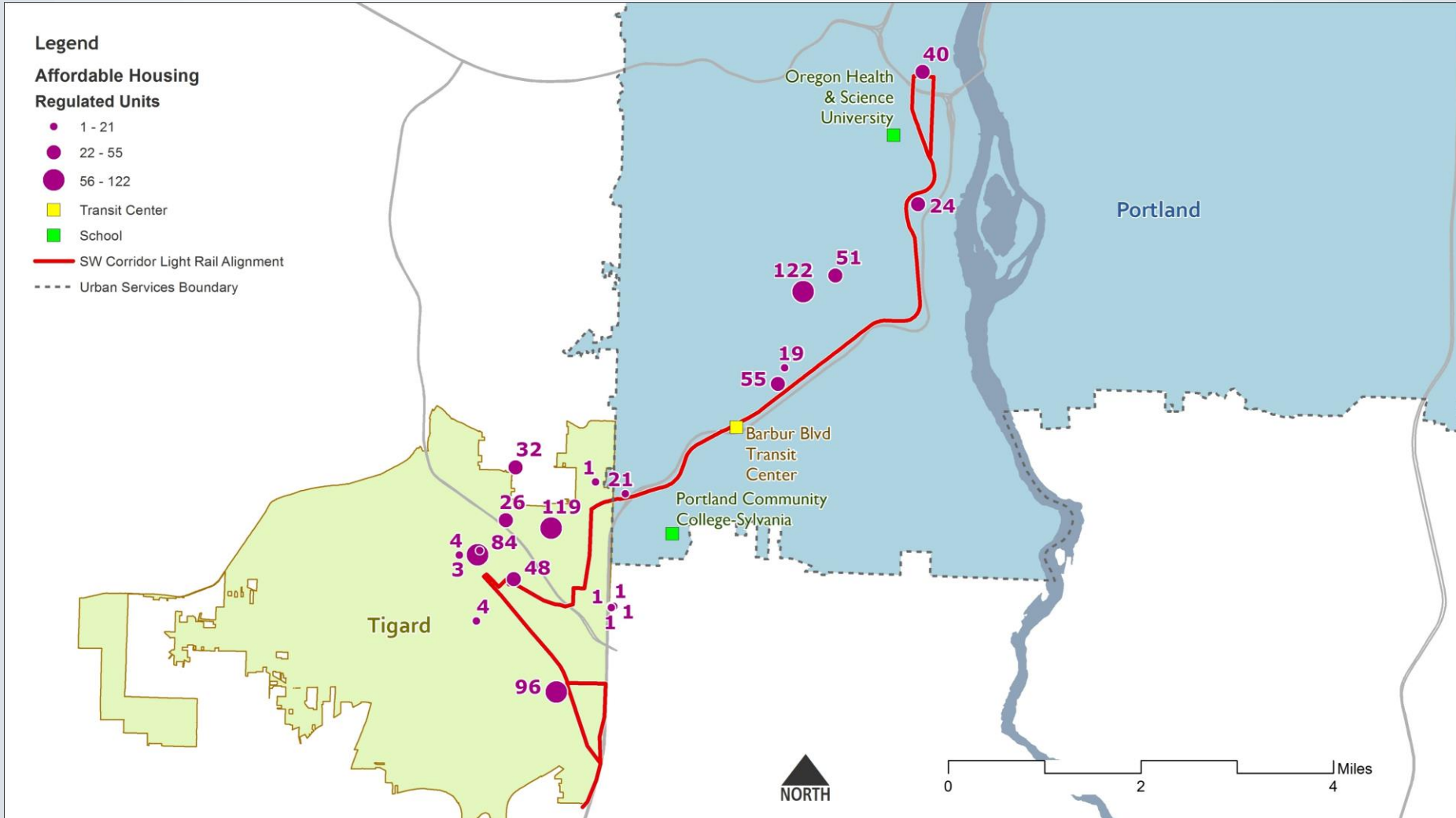


327 buildings with over 11,000 unregulated affordable homes

Two-thirds of sales are located in lower-income areas

Nearly 40 percent are in racially diverse areas.

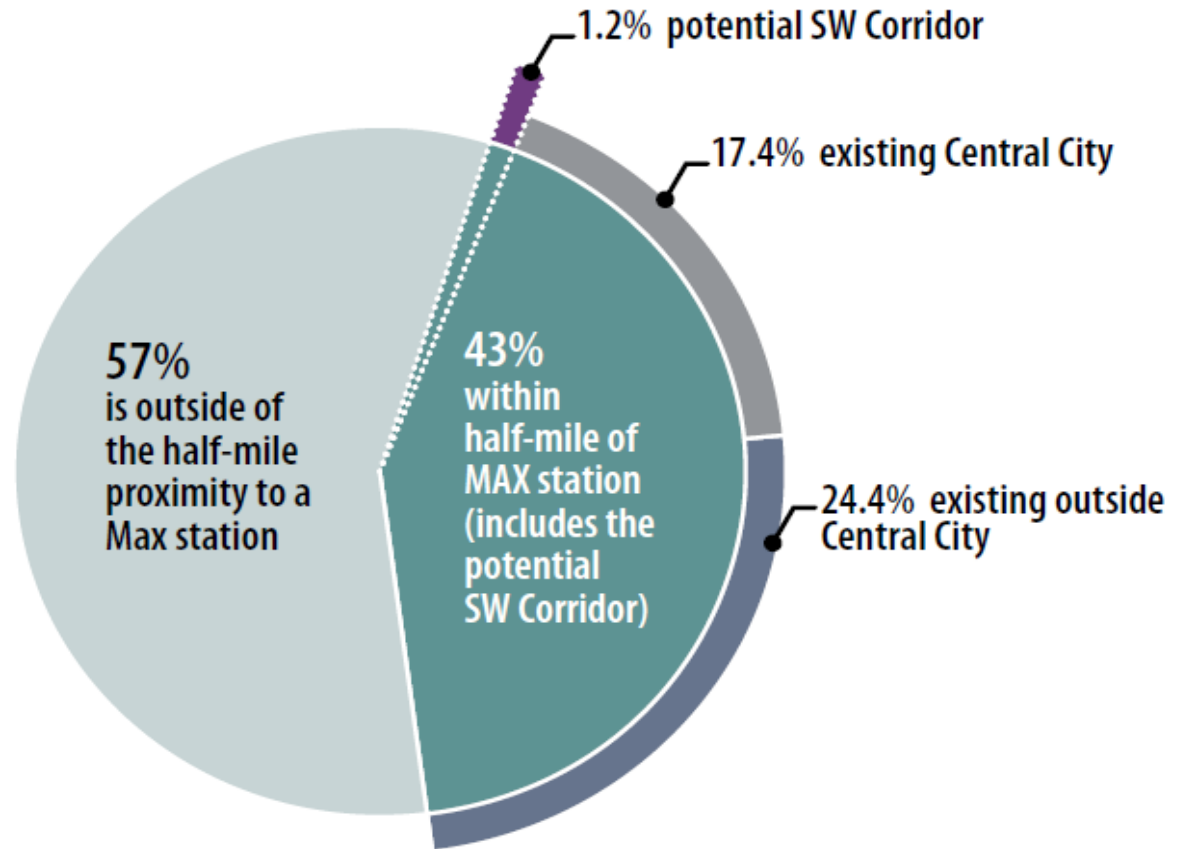
Very little affordable housing



Regulated Affordable Housing Near MAX Stations

Units within half mile of a station throughout the region

As of 2015, 43 percent of the region's 41,464 regulated affordable housing units are within a half mile of a MAX station (including potential SW Corridor stations).



Source: Oregon Metro

Public Engagement

- Advisory Group
- October Community Learning and Listening Session
- Community Planning Grants for CBOs
- Resident leadership-led event



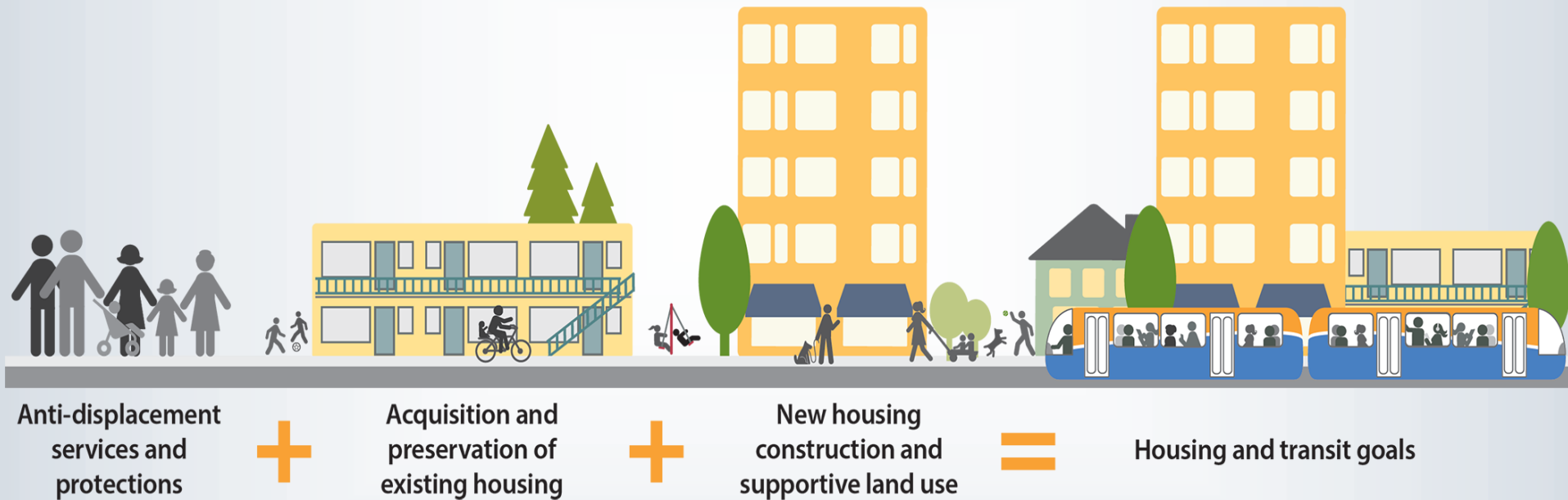


Resident leadership



SW Corridor Equitable Housing Strategy

Big ideas and bold action will be needed to achieve our housing and transit goals



Goals and strategies



Goal 1

Commit early financial resources to address near-term housing crisis and long-term needs

Strategy 1-1: Grow new resources for the long-term

- ◆ Form a SW Portland Urban Renewal Area (P)
- ◆ Fully Capitalize the Network for Oregon Affordable Housing's Housing Acquisition Fund
- ◆ Direct an appropriate portion of a Metro regional housing bond toward the SW Corridor (P)

- ◆ Support region-wide workforce housing real estate investment trust
- ◆ Explore an employer-assisted housing and corridor employer fund

Strategy 1-2: Prioritize existing resources early on

- ◆ Prioritize competitive resources for the SW Corridor
- ◆ Promote existing incentives available to all multi-family development

Strategy 1-3: Strengthen partners to steward the strategy

- ◆ Form a community-centered organizational structure to champion and implement the strategy

Goal 2

Prevent residential and cultural displacement

Strategy 2-1: Preserve existing unregulated affordable rental housing

- ◆ Acquire and convert up to ten unregulated affordable multi-family apartment buildings into income/rent restricted buildings
- ◆ Provide tax exemptions for existing unregulated affordable housing

Strategy 2-2: Strengthen tenant protections and provide anti-displacement services

- ◆ Fund an anti-displacement and fair housing services package
- ◆ Strengthen tenant protections

Goal 3

Increase choices for new homes for all household types and incomes

Strategy 3-1: Secure and develop opportunity sites for new construction of equitable transit-oriented development (TOD)

- ◆ Develop TOD-scale (100+ homes) affordable multi-family buildings in each of the ten station areas in Portland and Tigard
- ◆ Execute an interagency affordable housing Memorandum of Understanding
- ◆ Inclusionary zoning receiving a site(s) agreement (P)
- ◆ Recruit community land trusts to the corridor
- ◆ Identify opportunities for community benefits agreements

Strategy 3-2: Regulate land use and zoning to create affordable and market rate housing

- ◆ Incentivize equitable TOD through zoning
- ◆ Incentivize equitable TOD through development agreements
- ◆ Adopt middle housing tools and policies that work for low-income households

Sequencing strategies

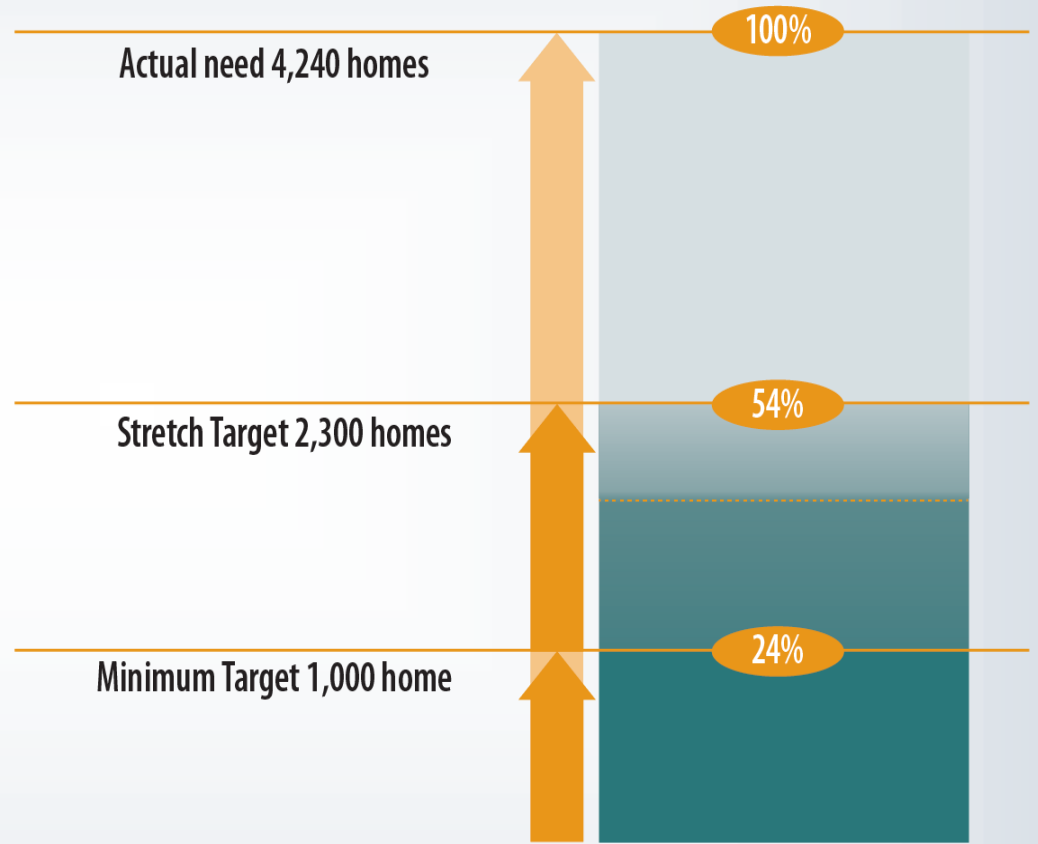
	AVAILABLE IN YEARS 1 – 3	AVAILABLE IN YEARS 4 – 6	AVAILABLE IN YEARS 7 – 10
FUNDING	<ul style="list-style-type: none"> Existing resources (e.g. Tigard Urban Renewal Area, Portland bond, etc.) General funds for anti-displacement service package Oregon Acquisition Housing Fund (OAHF) Metro housing bond with transit focus 	<ul style="list-style-type: none"> SW Portland Urban Renewal Area 	
ACQUIRE BUILDINGS	<ul style="list-style-type: none"> Oregon Acquisition Housing Fund (OAHF) Regional Real Estate Investment Trust 		<ul style="list-style-type: none"> Refinance OAHF loans
ACQUIRE LAND AND DEVELOP	<ul style="list-style-type: none"> Affordable Housing Memorandum of Understanding 	<ul style="list-style-type: none"> PCC parking lot 	<ul style="list-style-type: none"> Construct on TriMet, ODOT and city-owned properties
REGULATORY	<ul style="list-style-type: none"> Station area planning New tenant protections Inclusionary zoning (Portland) Housing code update (Tigard) 	<ul style="list-style-type: none"> Development Agreements 	
PARTNERS	<ul style="list-style-type: none"> Start-up phase 	<ul style="list-style-type: none"> Support lasting community-centered, collaborative structure 	

Recommended affordable rental housing stretch targets with new resources

Portland	600 constructed 100 through inclusionary housing 350-700 acquired or converted Total: 1,400 homes
	41 to 55% of Portland's need met \$358-447 million total development costs

Tigard	600 constructed 150-300 acquired or converted Total: 900 homes
	48 to 58% of Tigard's need met \$307-345 million total development costs

Stretching to meet the need in the SW Corridor



Key Challenges

1. Uncertainty of light rail
2. Capitalize the strategy with competing priorities: funding for building acquisition and development
3. Early anti-displacement activities: funding for services and enacting protections
4. Resource community capacity