



Bureau of Planning and Sustainability

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## MEMO

**DATE:** August 5, 2020

**TO:** Planning & Sustainability Commission

**FROM:** Tom Armstrong, Supervising Planner; Andrea Pastor, Senior Planner

**SUBJECT:** Anti-Displacement Action Plan Foundation Memo

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### Portland's Anti-Displacement Foundation Summary

The goal of Portland's Anti-Displacement Action Plan (ADAP) is to move all bureaus toward implementation of an equitable development and recovery framework in accordance with the policies adopted in the 2035 Comprehensive Plan, that enables Portland's most vulnerable communities to root, remain, and return to the neighborhoods they desire. This will require a systemic shift in the way City policies, plans, programs and investments are currently conceived of and implemented.

This summary will:

- provide background and context for this work;
- explain the BPS analysis to identify the communities most vulnerable to displacement;
- describe the City's current anti-displacement policy framework; and,
- offer new options for addressing residential displacement impacts on vulnerable households based on national best practices.

A fuller discussion of all these topics will be found in the full Anti-Displacement Action Plan Foundation Report.

### The Risk of Displacement in This Moment

The threat of displacement has long been a problem for economically disenfranchised communities. Many have been priced out of their neighborhoods by quickly rising housing costs and the in-migration of higher income households. The current public health and economic emergency makes this situation worse. Tens of thousands of Portland residents and businesses may not be able to afford their rents or mortgages payments (deferred and ongoing) due to lost income from illness or the measures taken statewide to keep the ravages of COVID-19 under manageable control for our healthcare system. In



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addition, the ongoing protests against racism and police brutality have also made clear, the stark inequities in our systems have disenfranchised our most vulnerable communities, particularly Black and Indigenous residents.

Due to the scale of this crisis and the impact it is having on government budgets, the decisions we make prioritizing the use of resources to keep our community intact and resilient are more urgent and important than ever. The City of Portland is committed to continuing work to address disparities in services and infrastructure, and cultivating healthy complete neighborhoods in areas that have historically lacked investment, such as East Portland. Through ADAP, the City aims to ensure that community members benefit equitably from the introduction of City plans for growth and amenities, rather than being subjected to displacement.

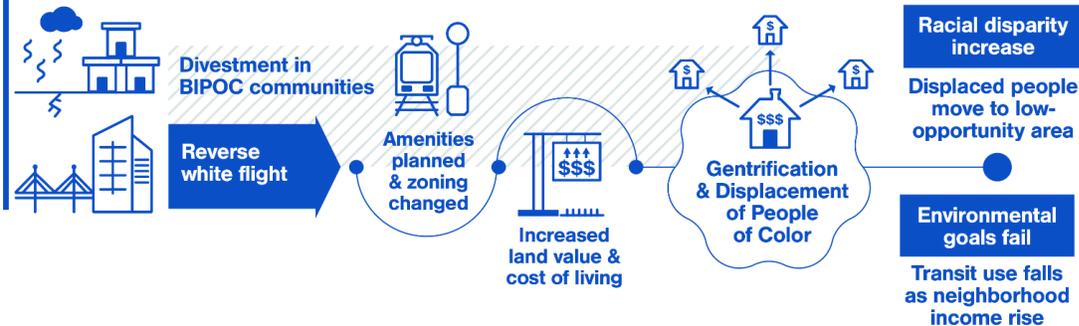
This project aims to invite the community into the conversation and decisions about the vision and path forward for the long-term recovery efforts and plans future projects for years to come. Through ADAP we hope to co-create with the community strong equitable development and recovery principles that lead to Portland toward being a more resilient city, with greater capacity to withstand future potential crises.

### **Background & Historic Context**

[Research](#) by BPS has detailed how City planning in Portland has contributed to an entrenched pattern of racial segregation and the displacement of communities of color for over 100 years. Exclusionary zoning regulations have limited housing choices in areas with wealthier and whiter households, while worsening displacement pressures in areas with more households of color. As Portland rose in prominence as a location to live, work, visit and invest in due to its walkable urban environment and natural beauty, the City built amenities in previously disinvested areas without implementing the recommended actions from community plans. Decades of public disinvestment in close-in neighborhoods with more households of color, and the introduction of public investments in amenities with little regard for the impact on lower income communities of color, set the stage for private real estate speculation that has led to an influx of higher income whiter households and the displacement of more than 10,000 Black residents from Inner N/NE Portland, due to rising rents, a lack of affordable housing options, loss of cultural space, and barriers to economic opportunity.



## Unintended Outcomes of Neighborhood Improvements and Change



During the Comprehensive Plan update, a coalition of community groups came together to advocate for the inclusion of anti-displacement policies in the City's guiding document to reverse this trend. Additionally, several community-developed plans, such as [PAALF's The People's Plan](#), provided a vision for what racial equity and city-wide anti-displacement work in Portland should be.

In 2019, the City joined [PolicyLink's](#) All In Cities program, which brought together City and community leaders to develop a path forward for addressing the racial inequities and displacement pressures facing the city. Policy Link made recommendations that are the foundation for the ADAP work that the City is undertaking.

The [six recommendations](#) were:

1. Racial equity must define both how the city operates and what is prioritized.
2. Identify a target population. (Participants identified communities of color as their focus.)
3. Focus on policies that will actively address near-term displacement pressures in communities.
4. Commit to a process that is led by people and communities most impacted by displacement and racial inequities.
5. Be prepared for a long-term commitment, particularly a long-term commitment of resources.
6. Build in accountability, transparency, and measurement for every goal and action.

The opportunities and concrete next steps to advance equitable development without displacement were:

1. Create a community-led city task force.
2. Commit to multi-year funding for Anti-Displacement PDX (ADPDX) to have a full-time staff.
3. Identify a permanent source of funding for anti-displacement work.
4. Create a process to track and annually report to City Council and the broader community.



Because of the disproportionate impact that the City's land use and planning history have had on Black residents, and the stark disparities this has led to, this project is focusing on improving equity with a focus on Black communities. By focusing on the most vulnerable communities with a targeted universalist approach, the project aims to improve outcomes and reduce disparities for all residents.

### **Progress to Date**

City Bureau Commitments: Bureau of Planning and Sustainability staff have been working with a cross-bureau team representing the Portland Housing Bureau (PHB), Prosper Portland (Prosper), Portland Bureau of Transportation (PBOT), and the Office of Equity and Human Rights (OEHR) to develop a workplan and agree on a framework for the development of the Action Plan. The team is aligning work across bureaus to ensure that there is adequate information and coordination between different areas of anti-displacement and equitable recovery and development work, and that the work of existing advisory bodies is considered in the development of the new Anti-Displacement Task Force.

Support for the Community Anti-Displacement Coalition: City staff worked with the community Anti-Displacement Coalition's Interim Steering Committee to identify grant resources from the City of Portland and Metro to fund a coalition organizer position through 2021, as well as a fund for community grants to be allocated to grassroots organizations to aid in community capacity building and the development of the Action Plan.

The Anti-Displacement Task Force: City staff have been working with the community coalition partners to determine the scope and membership of the Anti-Displacement Task Force (ADTF). The purpose of the ADTF is to provide community-led city-wide leadership, policy development, coordination and accountability around the City's anti-displacement and equitable recovery and development policies. The group will begin convening in September and is expected to meet through 2021.

Updated Anti-Displacement Analysis and Inventory of Tools: City staff have updated the displacement risk mapping to reflect newer data and identify how displacement is affecting different parts of Portland. City staff also have developed an inventory of the city's current anti-displacement tools, including policies, regulations, and programs to identify potential gaps and areas of needed action. A brief overview of this information is included in this summary.

### **Portland's Updated Displacement Risk Analysis**

The risk of displacement faced by vulnerable households is not uniform across Portland. To understand who benefits from or is burdened by how Portland is changing, we need to know where vulnerable populations live, what economic conditions they face, and how these conditions are changing. Displacement risk mapping identifies the most vulnerable households, tracks demographic changes and housing cost trends that indicate areas of Portland experiencing displacement pressures. Understanding

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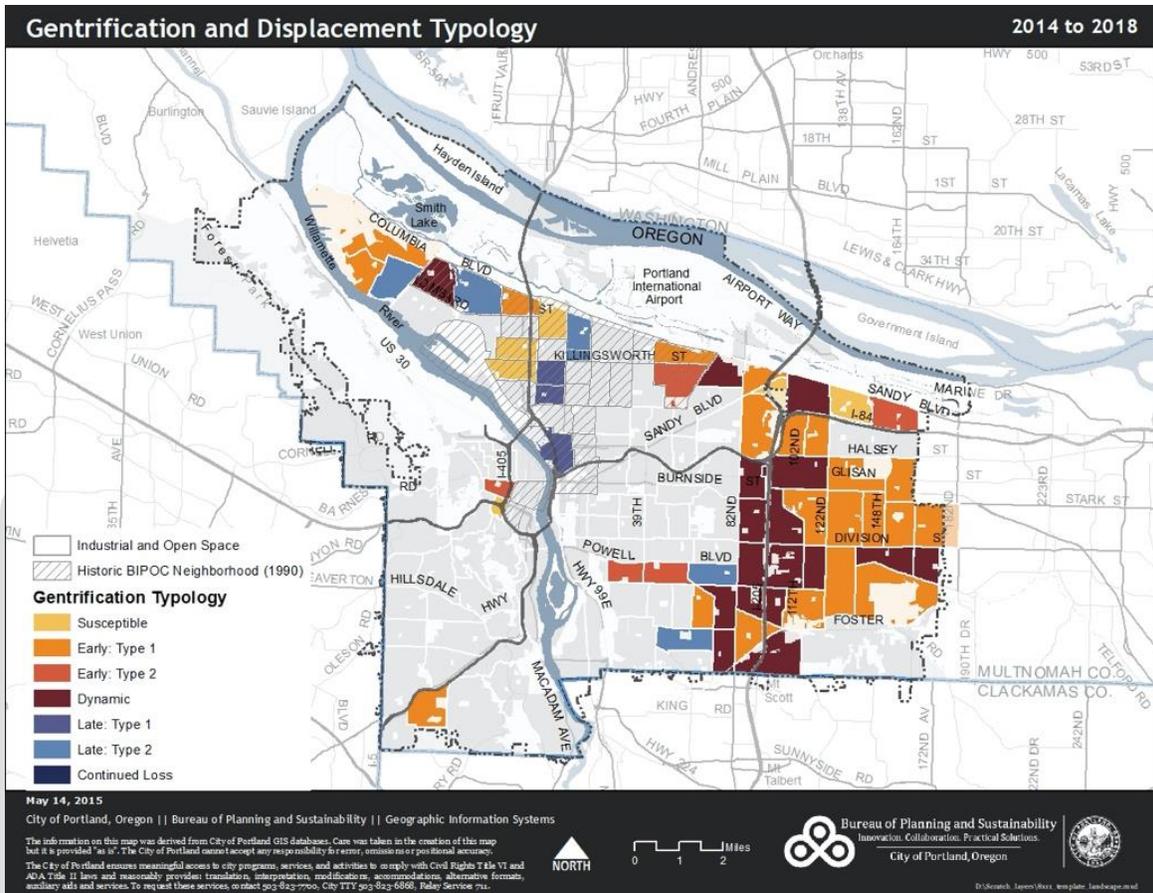
the unique conditions within a neighborhood as well as market dynamics city-wide presents the opportunity to deploy limited resources where they are needed most.

As Portland has grown increasingly popular and expensive, the location of displacement risk has changed significantly. In the original [Gentrification and Displacement Study](#) from 2013, almost all of the neighborhoods categorized as “Susceptible” to displacement were located along a strip between 82<sup>nd</sup> Ave. and Interstate 205. In this analysis, “Susceptible” areas are those near high-value tracts or tracts with rapidly appreciating real estate prices that still had some low or moderate home values. Neighborhoods that were categorized as “Dynamic” were primarily concentrated in Inner North and Northeast Portland, Cully and St. Johns. Areas defined as “Dynamic” experienced high appreciation rates over the previous decade but still had low or moderate home values, and exhibited demographic change, but were still home to vulnerable populations.

In the [2018 analysis](#), the level of displacement risk had drastically shifted throughout Portland. Areas in North Portland experienced skyrocketing housing costs displacing many BIPOC residents and neighborhoods in East Portland became the focus of displacement pressure.

With the most recent update, some of the changes witnessed in 2018 have become more pronounced by 2020. Now, most of the areas experiencing increased levels of displacement risk are along or east of I-205. This validates experiences shared by community members of the eastward push of displacement and the continued loss of historically Black neighborhoods shown in the map below as hatched areas.





As the inner ring neighborhoods west of 82<sup>nd</sup> Avenue have become increasingly expensive, especially for homebuyers, many have been priced out of these markets and are turning their attention east. This push is showing up in popular media and real estate blogs such as [Portland Monthly](#) and [Real Estate Agent PDX](#) which lists five East Portland neighborhoods and one nearby (Brentwood-Darlington) in its top 10 hottest list. The increased interest on East Portland as a bargain in the housing market runs the risk of increasing displacement pressures for at risk populations.

One analytical shortcoming of visualizing the threat of displacement in this manner is the fact that it overlooks all of the areas that are increasingly unavailable to vulnerable households via *exclusionary displacement*, where people are prevented from moving into an area they might otherwise choose because of the lack of affordability or other restrictions that preclude access, such as few family-sized units or discriminatory rental and real estate practices. Future mapping work will attempt to illustrate the need for equitable development strategies that address the barriers to affordable housing access found throughout the city, not only in areas that currently have large populations of vulnerable communities.



## Portland's Existing Anti-Displacement Policy Framework

One outcome of the original 2013 Displacement Risk Analysis was the community's mobilization for anti-displacement policies to be included in the 2035 Comprehensive Plan update. The goal of the Comprehensive Plan's "Healthy Connected Communities" growth management strategy is to build out a network of "complete communities" with parks, businesses, frequent transit service, schools, sidewalks, and other amenities close enough for people to walk or bike to meet their daily needs. "Complete" is defined as access to these physical amenities. By itself, this policy could increase displacement pressures as areas become more desirable and the cost of living increases. Current used definitions of "complete communities" also don't account for fair housing access to these neighborhoods, or the presence of racial or socio-economic diversity.

This focus on the built environment is now complemented by a set of anti-displacement policies for strengthening people and communities in the face of displacement pressures. These policies call for sufficient affordable housing, more community voice in policy making, and greater economic opportunity for communities of color that have historically been displaced by growth and marginalized economically and politically. These policies grew out of a policy platform proposed in 2015 by a coalition of community-based organizations called Anti-Displacement PDX. Their advocacy resulted in 28+ Comp Plan policies attributable to ADPDX's organizing and advocacy.

Additional policies were adopted by the City Council to incorporate considerations of racial and social equity into City investments in transportation, climate change mitigation, parks, and basic infrastructure. In total, the Comprehensive Plan has over 40 equitable development policies. (See full Foundation Report for the full list and policy language). The Comp Plan's overarching anti-displacement policy framework is summarized below.



<b>Comprehensive Plan Policy summary and highlights</b>	
<b>Equitable growth management and infrastructure</b>	<p>Reducing disparities, mitigating displacement, and expanding access to opportunity for low-income people and communities of color are all stated City goals for new private development and public investments. This means the City uses its regulatory and investment tools to:</p> <ul style="list-style-type: none"> <li>• Encourage development through zoning and infrastructure investments but require community benefits in return and any displacement impacts be mitigated</li> <li>• Plan for coordinated community development to redress past harms to communities of color</li> <li>• Improve public amenities in deficient areas accompanied with anti-displacement strategies</li> <li>• Incorporate analysis of displacement impacts and investments in prevention into infrastructure projects</li> <li>• Require additional community benefits for large capital projects</li> </ul>
<b>Housing and affordability</b>	<p>Increasing the amount, location, and affordability of housing are overarching goals for the City. An understanding of which neighborhoods and communities have historically not experienced much change or growth and which experienced displacement helped shaped these policies. The City is now committed to:</p> <ul style="list-style-type: none"> <li>• Analyzing plans and investments potential to cause displacement of communities of color and then using public investments to mitigate the impacts of displacement pressures</li> <li>• Planning for the preservation and restoration of the economic and cultural diversity of neighborhoods where displacement occurred</li> <li>• Using zoning and fair housing programs to expand housing types and affordability for people of all incomes to live in high opportunity areas</li> <li>• Increase renter protections for health, safety and stability in the face of displacement pressures</li> </ul>
<b>Economic and workforce development</b>	<p>The City’s economic policies aim to increase prosperity for all by targeting City intervention in neighborhoods and business and employment sectors where racial and economic disparities exist. This means the City is now committed to:</p> <ul style="list-style-type: none"> <li>• Preventing involuntary commercial displacement resulting from City plans and investments</li> <li>• Leveraging City plans and investments to require contracting with minority-owned and woman-owned businesses</li> <li>• Prioritizing commercial revitalization efforts in underserved neighborhoods and supporting small businesses owned by people of color</li> <li>• Reducing poverty by aligning economic and workforce development investments with human services, transportation, housing, and education</li> </ul>



## Related Comprehensive Plan Policies

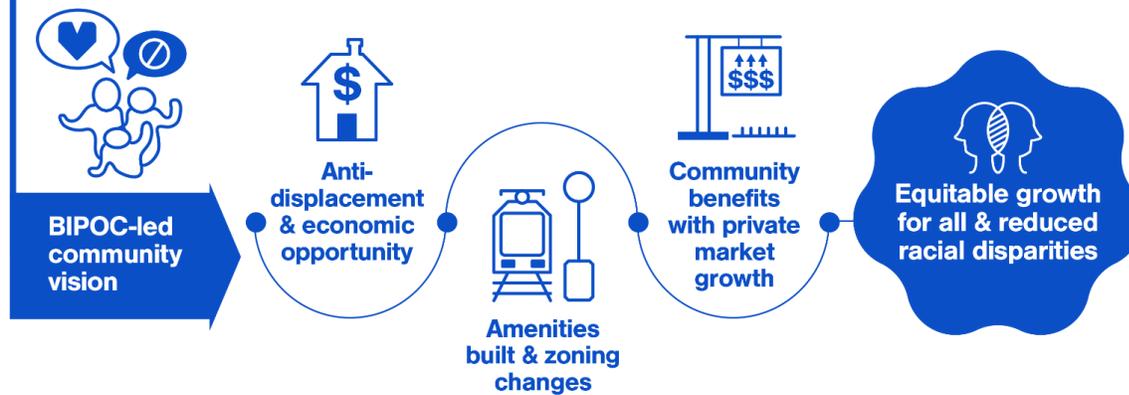
*Environmental justice.* These policies aim to eliminate environmental burdens disproportionately experienced by people of color and expand the benefits of improved environmental assets. Similarly, the equity framework in the City’s Climate Action Plan orients our climate change strategy toward meeting the needs of communities of color. This means:

- Low-income people and communities of color benefit from a reduction in carbon emissions and increasing the City’s resilience to climate change;
- Environmental remediation is targeted in areas with poor environmental conditions impacting health outcomes of communities of color.

*Community engagement.* Engaging communities of color in decision making is one of three overarching city-wide racial equity goals. Achieving social justice is an explicitly stated goal of the City’s Comp Plan. These policies direct the City to implement its anti-displacement policies in partnership with low-income people and people of color. This means they have:

- Meaningful participation and representation in decision making processes and structures;
- Access to capacity building resources to develop relationships, knowledge, and skills to effectively participate.

## A New Approach for Equitable Outcomes



## Portland’s Anti-Displacement Regulatory Landscape

Portland has also seen considerable changes in its housing-related regulatory landscape over the past five years. Consistent pressure from community activists and the declaration of a housing state of emergency led to significant changes that have increased the number of protections for vulnerable renters, and increased the resources dedicated toward the acquisition, development and preservation of regulated affordable housing.



## Tenant Protections Regulations

Regulation	Description	Implementing authority/agency
Temporary Eviction Moratorium	<ul style="list-style-type: none"> <li>90-day, extended through Sept. 2020, with 6-month period for repayment</li> <li>120-day, starting March 27, for certain rental properties</li> </ul>	State Emergency Response, 2020, supercedes City/County eviction moratoriums Federal CARES Act
Fair Access In Renting (FAIR)	<ul style="list-style-type: none"> <li>Regulates security deposit, move in fees, and screening criteria that may be used to select tenants</li> </ul>	PHB, 2020
Rent Stabilization	<ul style="list-style-type: none"> <li>Statewide rent control limits rent increases to a maximum of 7% per year, plus inflation. Primarily limits large rent increases. City plays no role in enforcement.</li> </ul>	State statute, 2019
Just Cause Eviction	<ul style="list-style-type: none"> <li>Tenants who have been in their rental unit for at least a year cannot be evicted without a reason.</li> </ul>	State statute, 2019
Mandatory Relocation Assistance	<ul style="list-style-type: none"> <li>Requires landlords to pay relocation assistance to renters under some conditions</li> </ul>	PHB, 2017

## Affordable Housing Preservation and Development Regulations

Regulation	Description	Implementing authority/agency
Increasing Opportunities for Affordable Housing	<ul style="list-style-type: none"> <li>Zoning code change to allow community-based organizations to build housing on their properties.</li> </ul>	BPS, 2020
Short-Term Rental (STR) Ordinance	<ul style="list-style-type: none"> <li>Requires inspection and fee to obtain STR permit. Passed new ordinance to get information from short-term rental platforms.</li> </ul>	BDS, 2014, 2019
Manufactured Dwelling Park Regulations	<ul style="list-style-type: none"> <li>Manufactured home parks rezoned to new RMP zone reserved for manufactured dwellings. Density bonus to incentivize affordability.</li> </ul>	BPS, PHB, 2018
Systems Development Charge (SDC) waivers for Accessory Dwelling Units (ADU) and Mass Shelter	<ul style="list-style-type: none"> <li>Lowers the cost of ADU development through SDC waivers in exchange for a 10-year commitment not to use structure as short-term rental.</li> </ul>	BES, PBOT, Parks, 2018
Inclusionary Housing	<ul style="list-style-type: none"> <li>Requires regulated affordable housing be built as part of private developments with 20+ units</li> </ul>	PHB, 2017
Increased funding for Affordable Housing	<ul style="list-style-type: none"> <li>Portland Housing Bond (\$258 million) passed in 2016</li> <li>The updated Affordable Housing Set-Aside Policy requires that at least 45% of some urban renewal area TIF funding to go to affordable housing.</li> </ul>	PHB, 2016 Prosper, PHB, 2015



## Why Hasn't This Been Enough?

Portland's economic and population growth strategy has primarily consisted of planning for where growth will occur, the types of uses and urban design, and the infrastructure necessary to support market-driven growth. This focus on the built environment and place-making, rather than the needs of our most vulnerable residents, has persisted for generations. This planning paradigm has led the City to incentivize growth through increasing development rights, usually without securing commensurate public benefits in return. Because of this, despite the considerable efforts to track and measure displacement, update policies, regulations and programs, Portland residents, businesses and cultural organizations continue to experience displacement as a significant challenge.

### Other issues that have been identified:

- Lack of funding. Despite the passage of Portland and Metro's Affordable Housing Bonds, the resources available for the preservation, acquisition and development of affordable housing is a small fraction of the need. This project will strive to identify a sustainable and ongoing source of funding for anti-displacement and equitable development projects.
- Lack of coordination across bureaus. While some recent projects have had high levels of collaboration from different bureau and agency partners to develop community benefits, and there are examples of strides toward equitable development principles in many projects, there is no broadly shared impact analysis and equitable investment framework across all City bureaus and partner agencies.
- No shared definition of success. Portland defined success of its Healthy and Connected Communities policy as 90% of residents living in complete communities by 2035. The City has not adopted similar metrics of success for anti-displacement nor the City's racial equity goals.

### An Urgent Need

The need for action around anti-displacement and equitable development was already high before COVID-19. In 2017, Census data showed that over 30,000 Portland renters were severely cost-burdened—paying more than 50% of their income in rent—meaning that they were at substantial risk of displacement.

- A 2019 [study by PSU's Homelessness Research & Action Collaborative](#) determined that paying for needed housing for all tri-county Portland metro residents who faced homelessness over 10 years would cost \$ 2.6 to 4.1 billion, not counting all the funding currently being spent by those jurisdictions.
- A 2020 analysis from Columbia University posited that for every 1% increase in the unemployment rate, homelessness per 10,000 people increased by 0.65. In April 2020, the unemployment rate in Multnomah County shot up to 15.6% from about 3% the previous month.



If this rate of unemployment holds, Multnomah County could see an increase of more than 4,500 individuals becoming homeless this year.

### Next Steps for the Anti-Displacement Task Force

City staff are working with the community coalition to establish the structure and membership of the Anti-Displacement Task Force for an expected convening in September. The immediate charge of the group is:

#### *Develop Anti-Displacement Action Plan*

- Establish a shared understanding of institutional and policy barriers to action, and identify cross-bureau actions to overcome those barriers.
- Update analysis tools and establish ongoing guidance for its use across bureaus. Develop citywide metrics to consistently measure outcomes related to displacement and equitable development.
- Establish policies and processes for equitable development strategies as part of major development and resilience projects that maximize benefits to affected communities.
- Recommend ongoing source of funding for anti-displacement work on infrastructure and regulatory projects.

#### *Guide Implementation of the Action Plan*

- Create a process to track progress across bureaus and report to Council and community. After the Task Force term ends, this process will be used by BPS to update Council on progress annually (or as directed by Council).
- Offer data and recommendations to bureaus on significant city investments, policies, programs and projects that center equitable development values and goals.
- Develop Agenda for State and Federal Support for 2022 session and beyond – The City of Portland’s tools and ability to prevent displacement are limited and will require action and support at the state and federal level as well.

### How can we do better?

Planners and policy makers have begun expanding their sights from “place” to focusing on the needs and outcomes of people. The City’s [Racial Equity Goals and Strategies](#) put a particular focus on eliminating the disparities in quality of life outcomes experienced by people of color and people with disabilities. Portland’s [2035 Comprehensive Plan](#) is an example of City policy prioritizing investments in both people and place. The broad scope of the Comp Plan provides a solid foundation for the City’s anti-displacement policy framework.

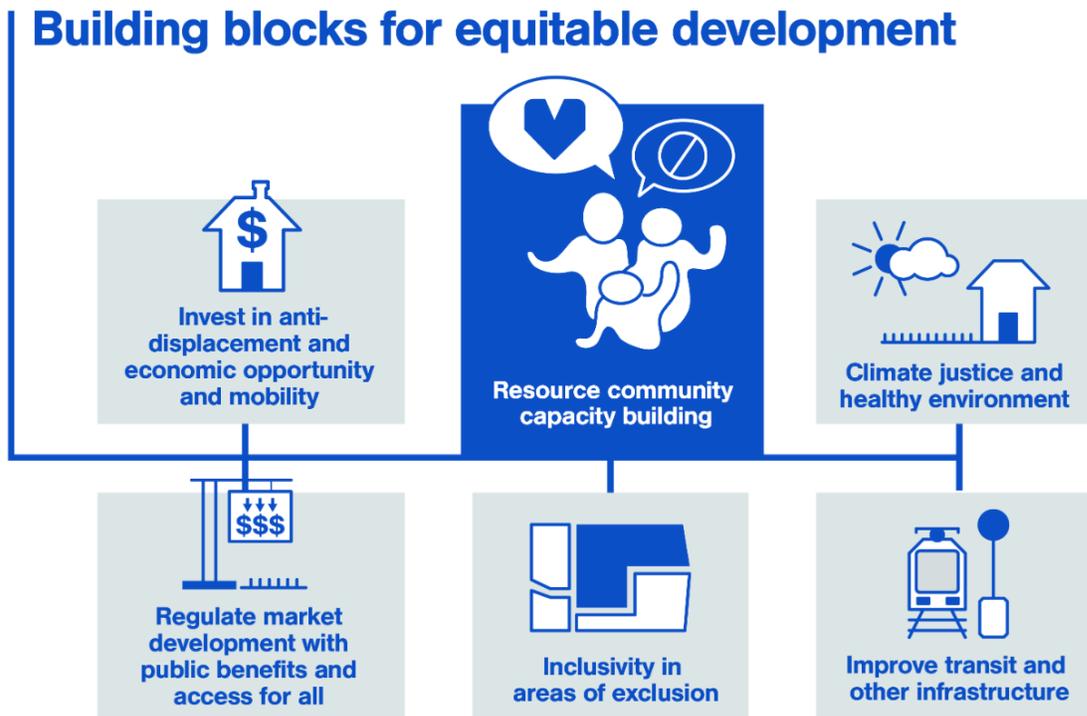
The City’s Anti-Displacement Action Plan provides two opportunities to strengthen its existing anti-displacement policy framework:

Fulfill the promise. Create investment programs and enact regulations that fully implement the high-level



policies in the Comprehensive Plan. Set specific anti-displacement and racial equity goals. Measure and report on outcomes regularly.

Raise the standard. Adopt additional anti-displacement policies. Incorporate other facets of displacement such as cultural displacement. Sharpen the current policies to focus on eliminating institutional racist practices causing displacement. Broaden the policy framework to a more wholistic approach to equitable development inclusive of issues of environmental justice, education, public health, workforce development, a wider range of infrastructure.



## Potential Community Stabilization Tools

Housing	Problem	Example Tools
	<p>The Oregon moratorium on renter evictions for non-payment ends September 30, 2020, with repayment due March 2021. Data shows tens of thousands of households are at risk of eviction once this protection is lifted.</p>	<p><b>Eviction Moratorium Extension:</b></p> <ul style="list-style-type: none"> <li>• Seattle extended the citywide moratorium on evictions through the end of 2020.</li> <li>• San Francisco instituted a permanent moratorium on evictions for nonpayment of rent.</li> </ul>
	<p>The City of Portland is preparing to launch a \$35 million rent relief program. Advocates contend that this will not meet the need, and that only rent forgiveness will result in no net increase in homelessness.</p>	<p><b>Rent Forgiveness:</b></p> <ul style="list-style-type: none"> <li>• California is considering legislation that would give tax credits to landlords to forgive rent. The tax credits would equal rent payments spread out over 10 years. Tenants would pay the state back over 10 years starting in 2024.</li> <li>• San Antonio has dedicated \$50 million to emergency housing assistance. Renters will receive 75% of rent in assistance and landlords will forgive 25%.</li> <li>• Ithaca, NY has passed a resolution to cancel and forgive residential and commercial rents owed from April to June.</li> </ul>
<p>As the prospect of a rent cliff and ensuing evictions looms, there is potential for the rental property market to fall, if property owners choose more reliable investment vehicles, or default on mortgages. In other cities, private equity firms have amassed large rental property holdings in recessionary times, leading to a significant loss of privately-owned affordable housing stock.</p>	<p><b>Housing &amp; Land Acquisition Strategy:</b></p> <ul style="list-style-type: none"> <li>• Washington D.C. has had a Tenant Opportunity to Purchase law for over 30 years. The supporting fund and program have assisted renters in acquiring over a thousand housing units.</li> <li>• <a href="#">Brookings</a> suggests that cities set aside funds for the acquisition of multifamily housing that may come on the market, particularly if the market falls sharply. Portland has established practices for land acquisition, and developing a post-COVID-19 downturn strategy for acquiring affordable housing could mitigate the coming displacement pressures renters will face if the economy lags for a considerable amount of time.</li> </ul>	

