



June 7, 2024

Habitat for Humanity Portland Region and Proud Ground Input on Portland's Draft Housing Production Strategy

Thank you for the opportunity to provide input and for the work that the City of Portland has invested in bringing forward an array of good housing ideas. While we are enthusiastic about some of the specific proposals, we are concerned that the strategy is broken into two separate tracks; A) Affordable Housing (0-80% AMI) focuses primarily on rental development and B) Increasing Homeownership focuses on households in the 80-120% AMI range. ***It's critical that the City address the homeownership inequities and thirst for homeownership among households below 80% AMI.***

Two-thirds of Habitat Portland Region homebuyers have incomes between 35-60% AMI. We receive 800-1000 applications for every 20-40 homes that we build. A home that's an asset, not just a roof, is truly transformational for families at that income level. It's the difference between moving multiple times a year, switching schools, facing eviction or homelessness, forgoing basic needs, experiencing enormous stress – and the security of 30 years and beyond in a comfortable, affordable home that your kids will inherit. Because Portland households of color tend to have lower incomes, we can't possibly address the 2:1 homeownership disparity between White and Black households and the legacy of City-sanctioned housing discrimination without a homeownership strategy for households with incomes below 80% AMI. If the average Black household income in Portland is \$3,000 per month, then limiting our homeownership subsidies for households between 80-120% AMI will only exacerbate the racial wealth gap.

Furthermore, the median renter household income in Portland is below \$50,000 per year. If the stated goal is to *increase* homeownership, i.e., create a pathway from renting to owning, then the subsidies need to pair with actual renter household incomes. Strategies targeting households at 100% AMI (\$114,400 for a household of 4, more than double the median renter income) will not reach most renters.

Specific Comments:

A) Promote Affordable Housing:

Affordable Housing strategies for households below 80% AMI can and should include homeownership.

4. Explore Additional Local Revenue Sources – these potential new resources should be directed to rental *and* homeownership opportunities for households below 80% AMI.

8. A Comprehensive Citywide Land Banking Practice. This is an excellent idea and one that has been in the works for some time. In November 2022, Portland passed a resolution to build a landbank of up to 400 publicly owned sites to be

readied for housing development. These parcels were to be identified from existing land held by the various bureaus and through acquiring privately-owned underutilized land.

We suggest increasing the priority level for this recommendation, working through the barriers that have prevented this good idea from materializing, and coordinating with Metro, Tri-Met, school districts, Multnomah County, and the State. Consolidating all publicly owned surplus land to create regional landbanks could create efficiencies.

We also suggest pairing Land Banking with a strategy to expand Community Land Trusts. Through the CLT model, slices of Portland neighborhoods can be preserved as affordable for generations to come. Land that is deed-restricted as affordable will ensure diverse mixed-income communities in the future. It's a strategy to combat displacement, gentrification, and the market forces that continually drive up housing costs.

B) Increase Homeownership

3. Explore Expanding Homeownership Programs for buyers between 80-120% AMI. As noted above, we need local funding to develop new homes for sale at prices affordable to buyers *below 80% AMI*. We suggest revisiting this concept with an equity lens and tailoring homeownership programs to serve communities who have historically been excluded.

Additional Ideas for Consideration: 5. Explore Opportunities to Support Alternative Ownership Models – Assess and explore if there are barriers to cooperative ownership models such as Community Land Trust (CLT) or Limited Equity Cooperative for lower barrier entry to homeownership. We suggest elevating the concept of supporting/removing barriers to CLTs and co-ops from an idea to a proposed strategy. There are a number of tools that the City could use (land, downpayment assistance, TIF and Inclusionary Housing fee-in-lieu funds for development and construction, to name a few) to promote CLTs and co-ops. If these ideas need further development, the proposed strategy at this time could be to convene a homeownership stakeholder workgroup to vet concepts.

C) Through H)

We are supportive of streamlining permitting, new strategies to fund infrastructure, studying SDCs, housing preservation, studying a tenant opportunity to purchase, and all recommendations to promote age and disability friendly housing, climate friendly and healthy homes.

We support the state and federal advocacy priorities and would love to see the City add its support for increased downpayment assistance targeted for communities historically excluded from homeownership and flexible state funds for affordable homeownership development.

Support for an Inner Eastside for All

Finally, we support the proposal by Portland Neighbors Welcome to upzone the Inner Eastside. Allowing a mix of housing types in convenient, high opportunity areas with strong schools is one significant step that our city can take. Densification and homeownership can be complimentary land use strategies. Affordable, family-sized *homes for sale* can come in the form of 4-story condominium buildings. If we pair density with the Community Land Trust model, we can preserve a slice of the Inner Eastside for diverse households today and generations into the future.

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