

CREATE ZONING INCENTIVES FOR AFFORDABLE HOUSING IN CENTRAL CITY

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)

ADDRESS AND ZIP CODE

Email

✓ Charles JOHNSON		
✓ Listing	—	—



Changing lives
Building communities
Creating opportunities

TESTIMONY TO COUNCIL

Date: May 7, 2014
To: Mayor Charlie Hales, Commissioner Dan Saltzman, Commissioner Nick Fish,
Commissioner Amanda Fritz, Commissioner Steve Novick
From: Sean Hubert, Senior Director
Andy Shaw, Director of Housing
Subject: CCC's Support for Commissioner Saltzman's Affordable Housing Incentive Zoning Proposal

Portland is rapidly losing its housing affordability. While there are many factors driving this, we believe key among them are the following:

- **National income and rent trends.** Median national income growth started to flatten in the 1970s and this stagnation has increased over the last 20 years with median incomes (adjusted for inflation) essentially remaining at 1995 levels. As incomes have stagnated rents have continued to increase at or above inflation (compounded at times by demographic trends and population growth) and it is becoming more common to see urbanized areas where median rent as a share of median income is above 35% or even 40%.
- **Market and investment dynamics.** Portland has remained undervalued relative to other national markets where rents are as much as 200% higher and people are paying a higher percentage of their income as rent. This has driven increasing investment to the Portland market as investors believe that costs, rent growth and investment returns are comparably favorable. As more and more new units come online at higher rent levels, this in turn has a compounding effect as existing landlords see room to increase their rents as well.
- **Portland factors.** Portland faces additional pressures related to higher in-migration levels coupled with urban growth boundary constraints.

What this means for very low income people in Portland.

As the number of market rental units with affordable rents decreases, this places additional pressures on Portland's stock of regulated affordable housing units. As market affordability decreases, people end up residing in affordable units longer, which decreases the City's leverage in terms of the number of people that will be served by our affordable units over time. This in turn will have an impact on those deeply in poverty as fewer affordable units will become available in the course of a year. These means more people at risk of becoming or staying homeless.

All of these are reasons why Portland needs to take a proactive and multi-faceted approach to securing long term housing affordability. And we believe that Commissioner Saltzman's Incentive Zoning proposal moves us in the right direction and is a great example of how Portland can look at its zoning tools to complement, in a cost-effective way, the work of the Portland Housing Bureau and other City and County efforts around housing and homelessness. Central City Concern urges you to adopt this resolution.