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December 8, 2014

To: Portland City Council  
Planning and Sustainability Commission  
Portland Development Commission

RE: Affordable Housing Opportunity in the North Macadam Urban Renewal Area (NMAC URA)

Dear Commissioners,

As you make decisions regarding expansion of the North Macadam Urban Renewal Area, Oregon ON and our member organizations urge you to stay true to our City's goals for housing affordability and opportunity in this high-opportunity neighborhood. In particular, the City must move immediately to secure sites in order to ensure affordable housing in the area.

As you know, Portland is currently experiencing a crisis in housing affordability and access. While there is a boom in multifamily construction at the high end of the market, affordable vacancy rates are at historic lows, there is widespread displacement of low-income residents and people of color, and too many families are experiencing or are at risk of homelessness.

We must not become another San Francisco where only the wealthy can afford to live in high-opportunity areas such as North Macadam, aka South Waterfront. We ask the City to maintain its existing goals and make it a priority to identify land, additional resources, and creative solutions to achieve the goals.

The City's actions in the NMAC URA should be consistent with the current Comprehensive Plan Housing Policy, in particular this key section: *"Housing Policy 4.7: Balanced Communities: Strive for livable mixed-income neighborhoods throughout Portland that collectively reflect the diversity of housing types, tenures (rental and ownership) and income levels of the region."*

The City should aggressively and proactively pursue the [North Macadam Urban Renewal Plan's](#) Housing Goals, which state:

*Facilitate balanced, mixed development of commercial and residential improvements to encourage and provide opportunities for workers of all family sizes, ages, cultural backgrounds, and income levels to reside near their employment.*

*(1) Provide a wide range of housing opportunities to accommodate households at all income levels, including low income, moderate-income, and market-rate rental and owner-occupied housing, which support prospective residential markets in, adjacent to, and near the Area.*

*(2) Develop quality housing in a manner that makes available housing opportunities for a profile of household incomes that are representative of the City as a whole.*

*(3) Consistent with Jobs goals and where financially feasible, encourage and promote housing opportunities for Low and Very low-income households.*

While we know it is no easy task to create affordable housing at all income levels – particularly given federal funding cuts and barriers such as the statewide ban on inclusionary zoning – we believe that working together,

our community can meet the challenge.

As background, at the inception of the NMAC URA in 1999 a significant compromise was reached which drastically reduced the affordable housing goals for the district well below what City policy called for. At that time, it was estimated that the district would have an estimated build out of 3,000 units. But, it was decided early on that there would be both limited urban renewal tax increment financing resources and competing priorities in the district, and thus goals were reduced.

The table below compares the Citywide Profile Policy Objective based on the NMAC URA build out, with the drastically downsized Affordable Housing Goals that were adopted for the NMAC Strategy.

<u>MFI RANGE</u>	<u>CITYWIDE PROFILE %</u>	<u>CITYWIDE PROFILE UNITS</u>	<u>ADOPTED CONSTRAINED FUNDING MODEL GOALS</u>
0-30% MFI	13.5%	405 units	166 units
31-50% MFI	17.2%	516 units	211 unit
51-80% MFI	16.7%	501 units	205 units
81-100% MFI	14.1%	423 units	172 units
101-120% MFI	11.1%	330 units	34 units
120%+ MFI	32.8%	825 units	
		3,000 units	788 units

In short, the City already made a huge compromise when it adopted a housing strategy with goals that were significantly lower than what would have been required if City policy had been mandated for the NMAC URA, as was set for the River District Urban Renewal Area.

It is still possible to meet the modest existing goals and there is still time to pursue resource development strategies and solutions to bridge the relatively small gap between the existing goals and PHB's initial estimate of available resources. These solutions can and should include all income levels and housing across the continuum, including homeownership as well as rental housing.

As community partners, Oregon ON and our members are ready and eager to help develop creative solutions to provide housing opportunity for low- and moderate-income residents in this and other high-opportunity areas.

Thank you very much for considering our comments as you move forward with decisions that will shape this area for decades to come. Please do not hesitate to contact me if you have any questions or would like to discuss these issues further.

Sincerely,



John Miller  
Executive Director  
On behalf of Oregon ON's 19 member organizations in Portland

Cc: Traci Manning, Portland Housing Bureau  
Portland Housing Advisory Commission  
Patrick Quinton, Portland Development Commission