



## Portland Housing Bureau

### Portland Housing Advisory Commission

Tuesday, June 3, 2014

3:00 p.m. – 5:00pm

Portland Housing Bureau

421 SW 6th Ave, Suite 500

Portland, OR 97204

✓ = PHAC public member action item

► = PHB staff member action item

### June 2014 Meeting Minutes

**Members Present:** Jesse Beason, Elisa Harrigan, Colin Rowan, Marc Jolin, Rey España

**Members Excused:** Carmen Rubio, Deborah Imse, Carter MacNichol, Andrew Colas, Sarah Zahn

**Staff Present:** Traci Manning, Kate Allen, Antoinette Pietka, Ben Yeager, Javier Mena, Daynelle Banks

| Agenda Item                                                         | Discussion Highlights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Outcomes / Next Steps |
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| <b>Welcome &amp; Review<br/>Meeting Purpose, Review<br/>Minutes</b> | Jesse Beason opened the meeting and welcomed the PHAC applicants that were present. Minutes were not approved because quorum was not reached.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |
| <b>Public Testimony</b>                                             | Veronica B -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                       |
| <b>The Affordable Housing<br/>System – Defining Need</b>            | <p>Jesse Beason – At our last meeting we had a chance to hear from the Multnomah County and from Home Forward about the roles they play in the overall housing system – A Home for Everyone. This is our second portion of discussion of our understanding of the affordable housing system serving Portland and Multnomah County. Jesse turned the meeting over to Traci Manning.</p> <p>Traci Manning – We spend a lot of time with data in the Bureau and it is surprising how hard it is to answer questions about the housing market. Some pretty basic questions have come up about what the need is especially in the central city in areas of opportunity that we have identified. Dr. Bates reminded us at the Equity Forum that we need to think about what we are buying with our dollars. We need to think about the neighborhood</p> |                       |

| Agenda Item | Discussion Highlights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Outcomes / Next Steps                             |
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|             | <p>we are buying. We are constantly looking for better data to tell us what does it cost to live in neighborhoods of opportunity? Who can afford live in neighborhoods of opportunity? Who is getting shut out? What housing is available? What are the rent burdens? Who is at risk for homelessness? This is one view of how we can look at supply, demand and need in our community.</p> <p>Antoinette Pietka began her presentation about the housing needs in Portland. Antoinette also introduced Ben Yeager, part of the PHB data team to assist with the presentation.</p> <p>Portland Housing Context –<br/>Housing pricing have continued to trend upward with rapid immigration and economic expansion. Affordability is continually a problem. Residents are being priced out of their community. With that there is a question of social equity and inclusion. We won't be able to define need in one presentation but our hope is that this is the beginning of a dialogue. Antoinette summarized the key policy questions...</p> <p>Ben Yeager – This is an overview of a lot of the things we want to look at. The Portland population in general is on the lower end of this study group.</p> <p>Antoinette – What we are doing today is a comparative analysis that relies heavily on data from a study in the city of Seattle. They looked at Portland and 12 other cities that have similar markets and similar populations.</p> <p>Ben Yeager – We have a relatively large population in the region as opposed to the City. . A lot of the data is broken out by the region and City. The Region is the Metropolitan Statistical Area (MSA) and the City is the actual City of Portland. The regional share is the percent of population in the region that is in the City of Portland. The region is growing faster than the city.</p> <p>Portland region and City are relatively older than compared to the rest of the cities in the study. Number of households is important. It is a way to measure the unit of demand. It tends to mirror the population. Household growth is growing. We are in the middle of the study. Household size is 2.3 persons per household. That is close to the mean for all the cities. The region around Portland tends to have larger households than in the City.</p> | <p>► <a href="#">Email link to full study</a></p> |

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|             | <p>Antoinette – There are some key data points that need further investigation by demographic: income, race, ethnicity.</p> <p>Jesse – Another element is the units of government. On the East coast there are much smaller units of government. For example, the City of Atlanta has 23 cities in its region and 130 counties in its state.</p> <p>Ben – Household size speaks to type of unit we should be building. Median household income is low compared to others in the study. Portland is in the middle of the study for homeownership rates. Homeownership rates will be different in sub-populations, particularly race and ethnicity. Median year of structures built in Portland: 1958. We have an older housing stock for where we are in the country. Multi-family units as a percent of total housing stock is low.</p> <p>Elisa – Is that a mix of homeownership and rental?</p> <p>Ben – It’s just multi-family – yes.</p> <p>Antoinette gave a definition of regulated units. Regulated meaning what we would traditionally call affordable housing with compliance on the units with income requirements.</p> <p>Jesse – So does that include vouchers?</p> <p>Antoinette – No.</p> <p>Ben – The majority of the building permits issued in Portland was for multi-family. Portland is near the bottom for median rent for 2-bedroom apartment at: \$969. Even though according to this research there shows low median rent most households are considered rent burdened. Home Opportunity Index – Shows the percent of homes sold in Portland that would have been affordable to a household making the local median income. 57% sold would have been affordable. The next three slides talk about the cost of developing in Portland. There is a feeling of difficulty of developing in Portland. Average per square foot cost Portland is in the middle. We are towards the bottom in land regulation.</p> |                       |

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|             | <p>Elisa – One of the challenges that I have heard particularly around the exclusionary zoning is that land use regulations in Oregon are significantly more burdensome than in the rest of the US. Why would developers say the restrictions are more burdensome here when the data does not support that?</p> <p>Traci – I’m fascinated by this because I have heard the same thing. These cities in the study represent a very small sample size.</p> <p>Elisa – But these are all specific cities that have some very strong tools and they don’t seem to have as many barriers or as much public resistance to including affordable housing.</p> <p>Antoinette – The Seattle study also does a comparison of the tools.</p> <p>Traci – We should send a link around to the study.</p> <p>Elisa – That might be helpful when we talk about roadblocks regarding land restrictions.</p> <p>Ben – Looking at land within 50 kilometers of the city center and looking at what parcels of land are undevelopable due to geographic constraints.</p> <p>Jesse – When you say undevelopable do you mean a public park or do you mean you just literally you could not get a physical structure there if you tried?</p> <p>Ben – I was thinking you could not build there like in the west hills. Next Slide is total affordable housing units. In total affordable housing produced by AMI level Portland was focused more on the 0 to 60% and the majority of these were rental units. How has Austin produced all those units?</p> <p>Antoinette summarized the presentation.<br/>The full study can be found at:<br/><a href="http://www.seattle.gov/council/issues/affordhousing/default.html">www.seattle.gov/council/issues/affordhousing/default.html</a></p> <p>Jesse – I thought it was interesting that the amount of people cost burdened in San Francisco is the lowest in the study which is probably a result of San Francisco being unaffordable so only the ones that can afford to stay, stay. There is an income piece that</p> |                       |

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|             | <p>is an important part of being cost burdened. Second, we don't want any cost burden. Even if we were the lowest there would still be housing need.</p> <p>Marc – I was struck by the low percentage of our overall housing stock that is rental housing as compared to other cities.</p> <p>Traci – When you hear the planning bureau talk about the 135,000 households that will be added in the next 20 years the belief is that 80% of that need will be met with multi-family.</p> <p>Kate – That is the trend because the permits issued in 2010 were heavily focused on multi-family.</p> <p>Elisa – Folks are focusing on more units on the ground but that won't change the rent burden piece. It's needs to be multiple tools.</p> <p>Colin – Do we have any insight to what Austin has done?</p> <p>Antoinette – we need to look at regulatory tools.</p> <p>Traci – Part of this data look is to have the conversation, what are the policy directions for the market? The concept of the toolbox. What tools are others using that we are not using? We have limited capacity to do data research above and beyond what we are doing. We are aware that there is a tremendous amount of need in the 0-30% even though that was not the focus of this data.</p> <p>Antoinette – We are wanting to start to look at strategy. As we look at the data does it drive us to choose one strategy over another?</p> <p>PHAC discussed strategies that could be incentivized that aren't already being used. Where can strategies be deployed?</p> <p>Jesse – Most of what we intend to absorb by 2035 is already allowed by zoning. The study is in the central city planning area because the belief is that there is no demand outside of the city.</p> |                       |

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|                                    | <p>Colin – Our median income is somewhat low and our rents aren’t very high but we still have a lot of rent burden so we should look at rent distribution. Understanding what is driving that particular dynamic would be a part of the conversation.</p> <p>Rey – Cully neighborhood is bringing in a consultant to look at need and affordability. Cully is really concerned with displacement pressures. There is a lot of housing being produced but it’s not aimed at the people that we are trying to help. The housing is being aimed at newcomers so we really need to look at affordability. How these things work in a neighborhood context and scale may be helpful to look at. Maybe the Cully neighborhood could do a presentation.</p> <p>Jesse – In looking with the prosperity initiative at a state level they say the acceptable poverty rate is 10% and we are at 17%. We are always going to need restricted units. What are the strategies in balancing the number of restricted units? Do we want to pay attention to the income side or should we focus on only housing?</p> <p>Colin – Should PHAC just be focusing on housing? It seems like we have to look at income. We have to address both.</p> <p>Traci – The Fair Housing Advocacy Committee met with BPS regarding the projecting the building of small multi-family units. What about larger households?</p> <p>Traci – Part 3 of this discussion is coming up – What do we do about the need of affordable housing?</p> <p>Traci invited all PHAC members to help shape the upcoming conversation for the July and possibly August meetings.</p> |                       |
| <b>City Legislative Priorities</b> | <p>Traci introduced Andy Smith from the Office of Government Relations. Andy is sitting in on the interim legislative committee work where Elisa is also a member.</p> <p>Andy Smith – Office of Government Relations</p> <p>Our office represent city council at the state and federal level. There is a large conversation happening around developing policies that promote inclusionary housing. Three examples are:</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                       |

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|             | <ol style="list-style-type: none"> <li>1. SDC waivers or a state grant program have come up.</li> <li>2. Easing land use restrictions.</li> <li>3. Creating a framework for micro housing with state incentives.</li> </ol> <p>The elephant in the room is the preemption on inclusionary zoning. At some point that issue is going to have to be discussed more directly. On the city side we are the very early stages for city priorities and initiatives. Going to council at the end of June for an early work session to get some early guidance from council to see where they would like us to spend our time. We expect to have an agenda fully developed and ready to be adopted by council by the end of this year or the beginning of next year. Andy opened the floor for questions.</p> <p>Traci invited Elisa to speak about the committee.</p> <p>Elisa – There are about 12 people on the committee that get to vote but we have gotten very deep on anything. We had a very short conversation on inclusionary zoning. It is a little difficult because we are talking about homeownership and multi-family housing. We have a lot of observers that are not allowed to vote but can ask questions. I don't know if we are going to get anywhere on a bill for 2015 regarding inclusionary zoning but we are going to do some trial and error around some of the other barriers. Everyone is in agreement that we need to find new streams for affordable housing. There might be opportunities for Portland.</p> <p>Jesse – Are there housing related tax expenditures that are coming up in 2015?</p> <p>Andy – There is an interest in taking comprehensive look at tax abatements much in the style that the legislature has taken a look at tax credits. There is interest in developing the same formula at tax abatements. Anything that costs the state revenue or local revenue.</p> <p>Jesse – I think the IDA initiative is up for sunset in 2015. That is a big deal for any folks buying homes with the bureau's assistance.</p> <p>Traci – One great thing is that the COP government relations office works closely with the Housing Alliance. They have been really responsive with looking at the County's agenda to see what is important so it can also be signed on by the City of Portland.</p> |                       |

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|                                 | <p>Elisa – One of the things from last session is the city might be more vocal or more upfront about their support or decision of a particular issue and how that decision happens. Could we PHAC say something if we wanted to let council know that a particular issue is important to us?</p> <p>Andy – PHAC should use the advisory capacity to help government relations be more vocal about something that is important.</p> <p>Marc – Are you asking for it to be a priority item? For example on the list of items PHAC would advise that something be a priority?</p> <p>Elisa – Yes that is what I am saying.</p> <p>Andy – Procedurally we will be in front of council on June 25 and October or November. Close to the dates are good times to remind council what PHAC thinks is important or remind about the priority level.</p> <p>Traci – We have other follow up items so I think we should keep legislative on the agenda until early October just to check in so we don't miss opportunities to remind council about what is important to us.</p>                       |                       |
| <b>Other Business Follow-up</b> | <p>Traci – Short budget update. Last meeting I announced that PHB had done very well in budget deliberations. Council has also directed us to fund Our Fair Housing/Equity decision package for \$75,000 pilot for CAT to provide better assistance to communities in East Portland and N/NE. Also a \$25,000 pool of funds to help our subrecipients be compliant with Title VI. It is our mandate from the federal government that we pass on to our contracts that says the services you provide need to be accessible to people no matter what language they speak or disabilities that inhibit their ability to understand your materials. It is something the City has lagged on where we are trying to become more compliant. Commissioner Saltzman will introduce resolution that directs that 50% of short term rental tax revenues to be directed to the Housing Investment Fund to be used for the development or preservation of affordable housing in Portland or helping low income people access affordable housing.</p> <p>Elisa – What's the expected revenue on that?</p> |                       |

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|                                  | <p>Traci – For year one the revenue has already been pledged. At least \$500K total and then we get half of that.</p> <p>Traci – Council passed the incentive zoning study. We will be working with them on that. The bureau held our third annual equity forum and it was well attended. City Club is doing a Friday Forum on homelessness. Forum on Homelessness Part 2: Local Report. Friday June 13<sup>th</sup>. Commissioner Dan Saltzman and newly elected chair Deborah Kafoury have both confirmed they will be in attendance.</p> <p>Kate – I’m going to talk quickly about the update on the n/ne 20 million housing strategy. Kate distributed a handout summary of the community forum. This is in response to concerns raised when the MLK south – Trader Joe’s that there would be a lack of affordable housing and the long term effects of displacement and gentrification in that area. The mayor saw good wisdom in allocating an additional \$20 million in TIF funds over a five year period. Priorities have emerged to make sure those funds are used to address housing needs for people who are in danger of being displaced or who have been displaced and have a desire to return. PHB will have a site with updates, information and ways to be involved. PHAC Recruitment update. There will be 4 vacant seats. There were 45 applications received. Next steps in the process. We did a matrix of what we currently have and where we have gaps. First round we will review the 45 applications against the matrix. PHAC volunteers will review the applications and then turn over to Traci and Commissioner Saltzman. New PHAC members will hopefully be seated by July.</p> |                       |
| <b>For the Good of the Order</b> | Traci – This is the last meeting for two of our original PHAC members. Carter and Carmen have termed out.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                       |