

SW CORRIDOR EQUITABLE HOUSING STRATEGY



Introducing a New Model of Equitable Growth

FULFILLING THE PROMISE OF COMPLETE COMMUNITIES WITH HOUSING CHOICES AND OPPORTUNITY

In 2016 the Portland City Council directed the Bureau of Planning and Sustainability (BPS) to develop a housing strategy for the SW Corridor in anticipation of potential investment in a new light rail line from Downtown Portland to Bridgeport Village. The City of Tigard and the Portland Housing Bureau (PHB) are co-leading this work with BPS.

The new housing strategy is nested within Metro's SW Corridor Equitable Development Strategy, which addresses workforce and economic development needs in addition to housing. Tigard and Portland city councils will take action on the final SW Corridor Equitable Housing Strategy in the summer of 2018, prior to the adoption of the Locally Preferred Alternative for the light rail project.

The multibillion-dollar investment in light rail will attract additional investments in housing, providing an opportunity to meet long-term housing needs while also addressing this current housing crisis and the long-standing racial disparities and underlying income inequality that exacerbate it.

Big moves

Achieving the housing strategy's three overarching goals requires bold action and strong support of community-centered stewardship. **The biggest of these are captured in the graphic to the right.** Other recommended implementation strategies are listed on the next page.



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www.portlandoregon.gov/bps/equitablehousing



SW Corridor Housing Goals and Implementation Strategies

◆ Primary strategies are those required to achieve our goals.

❖ Secondary strategies should continue to be explored as this strategy evolves throughout the implementation

Strategies are either corridor-wide or agency-specific and are distinguished below with the following marks.

+ Corridor-wide strategies can be pursued collaboratively

^ Agency-specific strategies pertain to individual cities or other institutional partners.



Goal 1

Commit early financial resources to address near-term housing crisis and long-term needs

Strategy 1-1: Grow new resources for the long-term

Form a SW Portland Urban Renewal Area ^

Fully Capitalize the Network for Oregon Affordable Housing's Housing Acquisition Fund +

Support a Metro regional housing bond +

Support region-wide workforce housing real estate investment trust ^

Explore an employer-assisted housing and corridor employer fund +

Support Portland Just Energy Transition Initiative ^

Strategy 1-2: Prioritize existing resources early on

Prioritize competitive resources for the SW Corridor +

Promote existing incentives available to all multi-family development +

Strategy 1-3: Strengthen partners to steward the strategy

Form a lasting community-centered organizational structure to champion and implement the strategy +



Goal 2

Prevent residential and cultural displacement

Strategy 2-1: Preserve existing unregulated affordable rental housing

Acquire and convert up to ten unregulated affordable multi-family apartment buildings into income/rent restricted buildings +

Provide tax exemptions for existing unregulated affordable housing +

Strategy 2-2: Strengthen tenant protections and provide anti-displacement services

Fund an anti-displacement services package +

Create parity of tenant protections across jurisdictions +



Goal 3

Increase choices for new homes for all household types and incomes

Strategy 3-1: Secure and develop opportunity sites for new construction of equitable transit-oriented development (TOD)

Develop TOD-scale (100+ homes) affordable multi-family buildings in each of the ten station areas in Portland and Tigard +

Execute an interagency Equitable TOD Memorandum of Understanding +

Inclusionary zoning receiving site(s) agreement ^

Recruit community land trusts to the corridor +

Explore opportunities for limited equity cooperative housing models +

Identify opportunities for community benefits agreements +

Strategy 3-2: Regulate land use and zoning to create affordable and market rate housing

Incentivize equitable TOD through zoning +

Incentivize equitable TOD through development agreements +

Adopt middle housing tools and policies that work for low-income households +

Key findings for SW Corridor

The corridor along Barbur Boulevard and Highway 99W between downtown Portland and Tigard is unique for its relatively affordable housing, recently diversifying population and quality amenities like jobs, schools and stores. However, the housing crisis has affected this area and threatens to displace the low-income households and communities of color who have established communities there.

To “ground truth” our work, project staff performed/commissioned an assessment of the area. Some key findings from the SW Corridor Equity and Housing Needs Assessment include:

1. The area’s population is growing, with strong growth in communities of color.

The SW Corridor population of approximately 103,000 has increased by more than 14,000 people since 2000. While the area is still predominantly White, the growth of communities of color (roughly 25,000 total) is creating a more racially integrated and diverse community.

2. The corridor is an amenity-rich area with convenient access to some of the highest quality jobs and schools in the region.

The corridor is home to more than 7,400 businesses providing 121,000 jobs, with an average salary of \$60,000. High schools in the area have on-time four-year graduation rates 10 to 20 percent higher than the surrounding school districts, with an average of 85 percent in 2015-16.

3. High quality-of-life outcomes exist overall, while vulnerability exist for many households.

Median household income (\$73,000) and educational attainment (56 percent with a Bachelor’s degree) in the corridor is higher than that of the city of Portland. However, there are more than 8,300 low-income renters and 4,400 low-income homeowners who make less than 80 percent of the median family income (MFI).

4. Racial disparities exist across many quality-of-life indicators.

Rates of homeownership among Black and Latino households in the corridor, 20 and 25 percent respectively, are less than half the rate for White households (56 percent). People of color who rent are disproportionately cost burdened; 59 percent of Black renters and 45 percent of Hispanic/Latino renters.

5. The current and future need for affordable housing and services is large but not insurmountable – if we grow resources to meet our housing targets.

There are currently over 3,500 low-income renters and 2,170 homeowners paying more than 50 percent of their income on housing costs, which leaves them vulnerable to displacement pressures. Affordable housing investments in the corridor have totaled \$16 million in local resources and \$134 million from state and federal resources over the last five years. However, there are only 775 regulated affordable homes and minimal amount of homeowner stabilization resources in the area.

6. There are many unregulated affordable apartments, but buildings are selling quickly.

There are 327 older, unregulated affordable apartment buildings in the corridor, containing over 11,000 apartments. This accounts for 70 percent of all apartments in the area. Since 2006, these older buildings accounted for 94 percent of apartment building sales. Two-thirds of these sales are in lower income areas, and nearly 40 percent are in racially diverse areas.

7. The future will bring more multi-family housing throughout the corridor, but the current zoning and housing stock in Portland is weighted toward single-family housing.

The current housing stock corridor wide is 56 percent detached single-family. More than half of the land area in potential Portland station areas is zoned for single-family homes. However, multi-family housing is expected to account for 88 percent of the corridor’s new development.

8. Rising multi-family zoned land values are tracking with increased rents.

Over the past five years, rents for two- and three-bedroom apartments have spiked in Downtown Tigard (90 and 48 percent, respectively). Near Portland’s Central City, rents are well over double the price a low-income family of four can afford. Rents did not rise much along mid-Barbur, but they rose enough to be out of reach for low-income households.

9. Home sale prices are rising and home flips are occurring.

Median sale values of single-family homes have steadily climbed, increasing by 13 percent since the 2007 pre-recession peak, and 20 percent since 2010. The number of home flips (homes purchased twice in a two-year period) per 100 home sales have increased 12 percent since 1997.

10. Lack of funding has resulted in few organizations working in the corridor to meet the housing needs.

Sixteen organizations were identified that provide housing and housing-related human services and/or advocacy in the corridor. These organizations identified staff time and capacity and available capital as obstacles to meeting the corridor’s housing needs.

Affordable rental housing minimum targets versus the actual need

	Minimum Targets		Actual Need
Portland	<ul style="list-style-type: none"> • 200 constructed • 100 through inclusionary housing • 200 acquired • Total: 500 homes 	<p>Portland 100% of need 2,660 homes</p>	<ul style="list-style-type: none"> • 910 constructed • 1,650 acquired • Total: 2,660 homes
	<ul style="list-style-type: none"> • Up to 20% of need met • \$141 million 		<ul style="list-style-type: none"> • 100% of need met • \$829 million
Tigard	<ul style="list-style-type: none"> • 450 constructed • 50 acquired • Total: 500 homes 	<p>Tigard 100% of need 1,580 homes</p>	<ul style="list-style-type: none"> • 730 constructed • 850 acquired • Total: 1,580 homes
	<ul style="list-style-type: none"> • 32% of need met • \$214 million 		<ul style="list-style-type: none"> • 100% of need met • \$546 million

Recommended affordable housing stretch targets with new resources

Portland	<ul style="list-style-type: none"> • 600 constructed • 100 through inclusionary housing • 350-700 acquired • Total: 1,400 homes 	<p>Stretching to meet the need in the SW Corridor</p>
	<ul style="list-style-type: none"> • 41 to 55% of need met • \$358-447 million development costs 	
Tigard	<ul style="list-style-type: none"> • 600 constructed • 150-300 acquired • Total: 900 homes 	
	<ul style="list-style-type: none"> • 48 to 58% of need met • \$307-345 million development costs 	

