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MEMO

DATE: February 22, 2019

TO: Planning and Sustainability Commission

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SUBJECT: Residential Infill Project Additional Displacement Risk Analysis

At the February 12, 2019 Planning and Sustainability Commission (PSC) worksession, staff presented Appendix H, Displacement Risk and Mitigation. The Commission requested additional information to address questions raised about the demographic composition of certain neighborhoods where the risk analysis showed a net increase in displaced households. The Commission also wanted to determine whether the reallocation of displacement, while an overall net reduction, had a potential disparate effect on any particular community of color. The following summarizes the additional analysis and provides key findings.

Limitations on Data

The data used in the analysis is drawn from the American Community Survey (ACS), Comprehensive Housing Affordability Strategy (CHAS) and Public Use Microdata Samples (PUMS). With each further grain of detail, the margin of error is increased. When the margin of error approaches the sample size, the data can no longer be assumed to be statistically valid.

The determinants of vulnerability are based on a composite score of four factors: tenure, race, income, and education attainment. We used “low income renters residing in single dwelling structures” as the indication of vulnerable households in the original Displacement Risk Analysis. Data is not available or is not statistically reliable to determine “low income renters of color residing in single dwelling structures.” Therefore, to build on the prior analysis, staff identified areas at the census tract level that had higher shares of populations of color (when compared against the citywide average), as an indication of the likelihood of



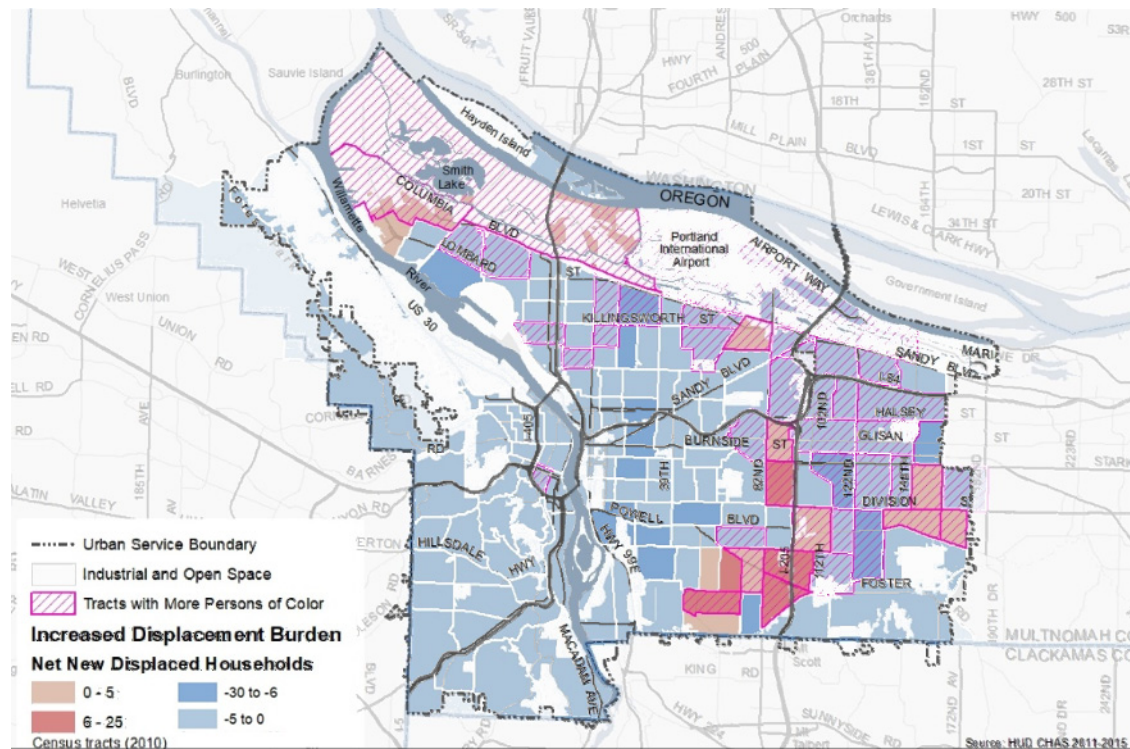
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when displacement is more likely to impact a low-income renter of color. Staff also examined average rent profiles in areas with net increased displacement risk.

Focus on Communities of Color

The map below shows the census tracts with higher shares of people of color (indicated by the pink cross-hatching). It also shows all census tracts where there is a net decrease from the baseline in displaced households (shown in light and dark blue), as well as all census tracts where there is a net increase in displaced households (shown in light and dark red). The table below the map tallies the net displaced households from only those census tracts with higher shares of communities of color.



	Number of tracts with higher shares of persons of color	Number of households affected	Citywide households affected
Medium displacement decrease (-30 to -6)	26	-157	
Low displacement decrease (-5 to 0)	3		
Low displacement increase (0-5)	11	73	
Medium displacement increase (6-25)	4		
TOTAL	42	-84	

This table indicates that the proposals decrease displacement for approximately 157 households in areas with more people of color but increases potential risk displacement risk



for approximately 73 households in other areas with more people of color. In total there are approximately 84 fewer low-income renters in single family structures at risk under the proposal compared to the 2035 Comprehensive Plan, or about a 16 percent reduction.

Staff also evaluated the racial and ethnic composition for the specific areas identified as having increased displacement risk under the RIP Proposals. In general, these neighborhoods have a higher share of Latinx and Asian households compared to both the city as a whole and compared to identified displacement risk areas.

Population	Neighborhoods with net increase in displacement risk				
	Citywide	Displacement Risk Areas	Brentwood-Darlington	Lents/ Mt. Scott-Arleta	Montavilla
White	630,331	335,863	13,192	37,589	15,870
Black	447,488	206,780	8,931	21,880	10,518
Latino	35,091	27,720	383	1,405	677
Asian	61,214	46,077	2,065	5,888	1,336
Native American	48,815	32,699	870	6,002	2,056
Hawaiian/Pacific	3,513	2,520	123	366	266
Another race	3,787	3,470	193	217	138
Multi-racial	1,941	1,129	33	113	33

Population share	Neighborhoods with net increase in displacement risk				
	Citywide	Displacement Risk Areas	Brentwood-Darlington	Lents/ Mt. Scott-Arleta	Montavilla
White	71%	62%	68%	58%	66%
Black	6%	8%	3%	4%	4%
Latino	10%	14%	16%	16%	8%
Asian	8%	10%	7%	16%	13%
Native American	1%	1%	1%	1%	2%
Hawaiian/Pacific	1%	1%	1%	1%	1%
Another race	0%	0%	0%	0%	0%
Multi-racial	5%	5%	5%	5%	5%

Rent Analysis

Current average rents for single family homes in areas identified as having more potential risk for displacement under the RIP proposals are currently around 80% MFI rent levels for two and three bedroom units. Using 2018 HUD rent limits published by the Portland Housing Bureau, 80% to 120% MFI for a two bedroom unit in Portland is between \$1,466 and \$2,197 per month. The economic analysis conducted by Jerry Johnson indicates that new units in triplex and fourplex development types would



likely be priced at 80%-120% MFI, at or close to current rents for detached single dwelling units in these neighborhoods today.

Zillow Rent Index (ZRI) for Single-family Residential by Neighborhood (Q3 2018).

Neighborhood	SFR ZRI
Brentwood-Darlington	\$1,630
Lents	\$1,560
Montavilla	\$1,680
Mount Scott-Arleta	\$1,630

Key findings:

- Communities of color overall are as likely or less likely to be displaced compared to the baseline scenario as a result of the proposals.
- In general, the three neighborhoods with a net increase in potential displacement risk have a higher share of people of color, especially Latinx and Asian households, compared to both the city as a whole and compared to identified displacement risk areas.
- Average rents in the three neighborhoods are around 90% MFI, which is at or near the average rents predicted for triplex and fourplex units under the economic feasibility analysis.

