



April 5, 2024

Habitat for Humanity Portland Region and Proud Ground Input on Portland's Draft Housing Production Strategy

Thank you for the opportunity to provide input and for the work that the City of Portland has invested in bringing forward an array of good housing ideas. While we are enthusiastic about some of the specific proposals, we are concerned that the strategy is broken into two separate tracks; A) Affordable Housing (0-80% AMI) focuses primarily on rental development and B) Increasing Homeownership focuses on households in the 80-120% AMI range. ***It's critical that the City address the homeownership inequities and thirst for homeownership among households below 80% AMI.***

Two-thirds of Habitat Portland Region homebuyers have incomes between 35-60% AMI. We receive 800-1000 applications for every 20-40 homes that we build. A home that's an asset, not just a roof, is truly transformational for families at that income level. It's the difference between moving multiple times a year, switching schools, facing eviction or homelessness, forgoing basic needs, experiencing enormous stress – and the security of 30 years and beyond in a comfortable, affordable home that your kids will inherit. Because Portland households of color tend to have lower incomes, we can't possibly address the 2:1 homeownership disparity between White and Black households and the legacy of City-sanctioned housing discrimination without a homeownership strategy for households with incomes below 80% AMI. If the average Black household income in Portland is \$3,000 per month, then it's simply not equitable to target our homeownership subsidies for households between 80-120% AMI.

Furthermore, the median renter household income in Portland is below \$50,000 per year. If the stated goal is to *increase* homeownership, i.e., create a pathway from renting to owning, then the subsidies need to pair with actual renter household incomes. Strategies targeting households at 100% AMI (\$114,400 for a household of 4, more than double the median renter income) will not reach most renters.

Specific Comments:

A) Promote Affordable Housing:

Affordable Housing strategies for households below 80% AMI can and should include homeownership.

4. Explore Additional Local Revenue Sources – these potential new resources should be directed to rental *and* homeownership opportunities for households below 80% AMI.

8. A Comprehensive Citywide Land Banking Practice. This is an excellent idea. Habitat Portland is thrilled to have developments in the works on two parcels of City-owned land. Land is increasingly expensive and scarce. We suggest increasing the priority level for this recommendation and coordinating with Metro, Tri-Met, school districts, Multnomah

County, and the State. Consolidating all publicly owned surplus land to create regional landbanks could create efficiencies.

We also suggest pairing a Land Banking Practice with a strategy to expand Community Land Trusts. Through the CLT model, slices of Portland neighborhoods can be preserved as affordable for generations to come. Land that is deed-restricted as affordable will ensure diverse mixed-income communities in the future. It's a strategy to combat displacement, gentrification, and the market forces that continually drive up housing costs.

B) Increase Homeownership

3. Explore Expanding Homeownership Programs for buyers between 80-120% AMI. As noted above, we need local funding to develop new homes for sale at prices affordable to buyers *below 80% AMI*. We suggest revisiting this concept with an equity lens and tailoring homeownership programs to serve communities who have historically been excluded.

Additional Ideas for Consideration: 5. Explore Opportunities to Support Alternative Ownership Models – Assess and explore if there are barriers to cooperative ownership models such as Community Land Trust (CLT) or Limited Equity Cooperative for lower barrier entry to homeownership. We suggest elevating the concept of supporting/removing barriers to CLTs and co-ops from an idea to a proposed strategy. There are a number of tools that the City could use (land, downpayment assistance, TIF and Inclusionary Housing fee-in-lieu funds for development and construction, to name a few) to promote CLTs and co-ops. If these ideas need further development, the proposed strategy at this time could be to convene a homeownership stakeholder workgroup to vet concepts.

C) Through H)

We are supportive of streamlining permitting, new strategies to fund infrastructure, studying SDCs, housing preservation, studying a tenant opportunity to purchase, and all recommendations to promote age and disability friendly housing, climate friendly and healthy homes.

We support the state and federal advocacy priorities and would love to see the City add: support for flexible funds for affordable homeownership development.

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