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MEMORANDUM

To: Mike Lindberg
From: Doug Butler **DB**
Date: September 18, 1979
Subject: HOUSING PROGRAM SUMMARY

Attached is a summary and overview of the HCD program which may be used to brief the new Commissioner-in-Charge for OPD and others as appropriate. This report includes the following:

1. Summary of Programs and Projects by Agency.
2. Summary of Process/Organizational Changes and of Accomplishments of the Last Few Years.
3. Housing Program Activity In the Near Future.
4. Housing Program: The Longer Term Future.

The major purpose of this document is to describe the Housing Program rather than to concentrate on the individual activities of the various bureaus. As a result, much of the detailed description of activities I omitted under the assumption that it will be included in the briefings of the implementing agencies.

Either Bruce Martin or I can be prepared to present this report as a briefing with about one day's notice and, of course, we are both available if you have questions or comments.

DB/ms

cc: Bruce Martin

Housing Program Presentation

Introduction

With the adoption by City Council, in March of 1978, of the City's Housing Policy the many agencies, Bureaus, programs and projects throughout City government which are related to housing have truly come together into a single Housing Program. This report describes that program; its purposes, activities and goals; its unique operational processes; a summary of recent accomplishments; a summary of specific activity in the near future, and; a brief discussion of housing activity over the longer term.

Summary of Programs and Projects by Agency

SUMMARY OF PROGRAMS AND PROJECTS BY AGENCY

| Agency Program | Purpose | Activity | Annual Goal |
|--|--|---|--|
| Office of Planning & Development (OPD) Housing Section Management Plan | <ul style="list-style-type: none"> -to bring together the many City housing Programs, projects and activities into a single housing program which is directly related to adopted City objectives and policies. -to improve management and coordination -to clarify responsibilities -to lay the groundwork for a monitoring/evaluation system -to bring public, private and semi-public housing activity together to meet City objectives -to set annual housing goals -to permit those external to the City housing program to understand it -to bring housing policy, planning, program together with the budget process | <ul style="list-style-type: none"> -define with relevant agencies existing City programming and projects in terms of objectives purpose, activity resources, relationship to other programs, support needed, goals -work with relevant agencies to bring about policy implementation -examine organizational problems and concerns -prepare annual goals -begin work with private sector committees including list of prioritized proposals and goals -inventory semi-public programs | <ul style="list-style-type: none"> -a report which defines the program overall and specific parts, relates this to City policy, establishes public and private goals and recommends improvements. |
| Housing Assistance Plan | <ul style="list-style-type: none"> -to define housing conditions and needs -to establish goals for assisted housing programs -to set location criteria for assisted housing -to gain HCD grant funding -to qualify for HUD assisted housing allocation | <ul style="list-style-type: none"> -update housing inventory data -update housing condition data -update income and need data -work with relevant agencies to determine programming and goals for one and three year periods -discuss housing allocation with HUD -draft housing assistance plan -revise as necessary after public hearing Council review and HUD review | <ul style="list-style-type: none"> -adopted Housing Assistance Plan annually -approval of \$10 million HCD grant annually -set annual goals for assisted housing |
| Housing Opportunity Plan | <ul style="list-style-type: none"> -allocate assisted low income housing opportunities throughout the region -gain acceptance of assisted lower income housing by jurisdictions throughout the region -gain bonus allocations from HUD of assisted housing (up to 50% of current allocation) and CDBG block grant and 701 planning funds | <ul style="list-style-type: none"> -meet regularly with MSD's Housing Advisory Committee -meet regularly with MSD and other relevant staff -recommend changes or criteria which are consistent with City policy and objectives | <ul style="list-style-type: none"> -approved application for HUD bonus funds by December 1979 |

SUMMARY OF PROGRAMS AND PROJECTS BY AGENCY

| Agency Program | Purpose | Activity | Annual Goal |
|--|--|--|--|
| OPD con't) Revenue Bonds for Housing | <ul style="list-style-type: none"> -to provide low cost capital for the construction or long term financing of additional units in the City -to provide a tool to develop moderate/middle income housing in Downtown and other areas of the City where it is not being built by the private sector -to provide low cost condominium financing, particularly Downtown middle income -to provide low cost single family financing for moderate middle income prices out of the market | <ul style="list-style-type: none"> -prepare and support local ordinances (with PDC and CHDI) for both single and multi family programs to implement state legislation | <ul style="list-style-type: none"> -Council adoption of revenue bond criteria for housing by Nov. 1979 -implementation December 1979 |
| Displacement | <ul style="list-style-type: none"> -to examine the potential problem of displacement of lower income families, against their will, by higher income households -to make policy recommendations and program recommendations as necessary | <ul style="list-style-type: none"> -participate in the HUD national panel to review, comment and assist in the execution of two major national studies of revitalization and displacement | <ul style="list-style-type: none"> -assist in the execution of HUD's projects -apply the results of HUD projects to the City, as possible. -make recommendations for future actions |
| Condominium Conversions | <ul style="list-style-type: none"> -to examine the extent of conversion of rental housing to condominium units in the City and particularly the NW -to determine the characteristics of the new owners and former renters -to determine the change in quality of the buildings. -to examine the process of condo conversion and its effect -to determine the change in housing circumstance of displaced renters -to make recommendations for public action as necessary | <ul style="list-style-type: none"> -compile data on conversions -locations, units, price, etc. survey new owners -locate and survey former renters -survey rents in multi-family in the NW -examine conditions of converted building and find evidence of former condition and investment -examine specifics of conversion process -locate buildings in the process of conversion and the effect of conversion process -prepare report and make recommendations for City action. | <ul style="list-style-type: none"> -a report detailing condo conversions in Portland, justification for public concern, recommended action as necessary by Nov. 1979 |

SUMMARY OF PROGRAMS AND PROJECTS BY AGENCY

| Agency Program | Purpose | Activity | Annual Goal |
|-------------------------|---|--|---|
| Proposed Project Review | <ul style="list-style-type: none"> -to assure that assisted housing projects and other projects in the A95 Review process which are housing related are acceptable to the City -to comment or raise questions as necessary -to assist desirable assisted housing projects in gaining State or HUD approval | <ul style="list-style-type: none"> -review proposals as requested by HUD, State or A-95 -respond appropriately -track projects at HUD to assure a smooth path to approval (or rejection if desired) | -as requested (at least 5 Section 8 projects and 2 A95 Reviews were requested during Aug. 1979) |
| Special Projects | -to provide housing related staff to the Director of the Office of Planning and Development or the Mayor for analysis, recommendation, response to questionnaires, information, etc., as requested | -as requested, in the recent past this has included status reports, site reviews for other bureaus, response to requests and questionnaires from many types, attendance at meetings related to energy comp plan, growth allocation, etc., assistance to Bob Gordon in Wash. D.C. on Fed legislation etc. | -as requested |

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|--|---|--|---|
| CHDI | <ul style="list-style-type: none"> -To stabilize housing costs and rents by increasing production to maintain a healthy balance between demand and units. -Work together with the private sector to bring public and private resources to effectively deliver the type and price range of housing not being produced by the private sector and in short supply. -To supplement housing related programs of other agencies. | <ul style="list-style-type: none"> -Work as necessary with specific housing projects as necessary to bring about development. These projects presently include: QUAD; Fred Meyer donated property-38 units; Western International Properties-70 units downtown; Tower on the Park-130 units downtown; St. James Lutheran Church Property-downtown; Nina Vallian property-downtown; McCormack Pier-405 units downtown; T.L. Brandt Project-84 units downtown; SW Water St. project-3 units; Old Jewish Temple property-38 units downtown; Jack Jarvis Property-downtown. | <ul style="list-style-type: none"> -To assist in meeting the City's goal for increasing the housing stock in the downtown area. -To assist in the delivery of at least 100 units annually outside of the downtown area. |
| Metropolitan Human Relations Commission (MHRAC) | | | |
| Public Information | <ul style="list-style-type: none"> -Inform the public of fair housing issues, rights and obligations, appropriate redress to housing discrimination. -Encourage neighborhood diversity. -Advocate implementation of fair housing laws. | <ul style="list-style-type: none"> -TV announcements -Speaking engagements -Information and referral on complaints -Follow up on referrals to determine effectiveness of State & Federal Programs | <ul style="list-style-type: none"> -TV announcements on 4 stations by October. -10 speaking engagements including high schools and neighborhood groups |
| HUD Reports and documentation | <ul style="list-style-type: none"> -Comply with Federal CDBG regulations maintaining grant eligibility | <ul style="list-style-type: none"> -prepare reports and documentation of City activities in the area of fair housing and equal opportunity in housing built or operated with (or otherwise receiving) federal funds | |
| Checking Service | <ul style="list-style-type: none"> -Elimination of discrimination in housing. -assist complainants in establishing evidence of discrimination and filing complaints. | <ul style="list-style-type: none"> -Establishment of procedures and techniques of checking -Training staff -Recruit and train volunteers -operate and coordinate with HUD, Bureau of Labor, etc. | <ul style="list-style-type: none"> -ongoing |

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|--|---|--|---|
| MHRC con't) study of the effectiveness of existing enforce- ment processes | -Elimination of discrimin- ation in housing. -assure the effectiveness of existing fair housing laws. | -Examine the disposition of actual complaints -determine nature of complaints, and those complained against -analyze results and make re- commendations. | -Report by Dec. 1979 |
| study of PDC loan distribution | -To document the fair housing aspects of PDC's rehab. loan program. | -Examine the distribution of PDC loans by area of the City and compare to racial makeup. | Report by Oct. 1979 |
| consultation local planning agencies | -Provide assistance in deve- loping land use goals, ob- jectives, and policy from perspective of impact on low-income and minorities. | -Develop procedures -Implement -Assist MSD with affirmative action plans. | -Ongoing |
| analysis of redlining in mortgage and homeowners insurance | -Provide access to mortgage and homeowners insurance for all people. | -Complete research, design for comprehensive study by May, 1980 | -Research design ready for implement- ation in FY 1980-81. |
| Bureau of Buildings | | | |
| Maintenance Code Inspection Program | -To preserve the City housing stock -To assist property owners in the maintenance of housing -To implement the housing maintenance code program | -The Housing Maintenance Code has been prepared and adopted -A consultant has been retained to prepare specific recommend- ations for inspection program (voluntary) implementation -Two neighborhoods would be selected for execution of a pilot program. -A marketing approach will be developed. -About a 6 months pilot program will be executed -Results will be analyzed on a continuing program recommended | -Develop and prepare a pilot voluntary code program by Nov. 1979 -Execute the pilot program -Recommend a continu- ing voluntary code program. |
| Bureau of Planning (BOP) | | | |
| Complete Com- prehensive Plan | -Provide policy and land use framework/City development by land use type, density, location, and major public facilities. -Meet LCDC requirements. | -See adopted process. | -First Draft plan Jan. 1979. -Adoption by City Council by June- 1980. |

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|--|---|---|---|
| (BOP con't.) Mobile Home Ordinance | <ul style="list-style-type: none"> -Allow greater flexibility for the use of mobile homes in the City. -Increase housing options both for type of housing and lower cost units. -Increase homeownership. | <ul style="list-style-type: none"> -Develop provisions for mobile homes in revised zoning code. -Integrate with code recommendations for First Draft of Comp. Plan. | -Ordinance adopted with Comp. Plan on or before July 1980. |
| Substandard Lot Ordinance | -To increase the number of buildable developed lots available for housing within the City. | <ul style="list-style-type: none"> -Finalize consultants report recommendations. -Integrate recommendations into zoning Code revision proposals of Comp Plan. | -Adoption of Code Amendment by City Council as early as 1979 or no later than June 1980 (to PCPC on Oct. 2, 1979) |
| Vacant Land Inventory | -To provide accurate info. on available land to relevant public agencies and to the private sector to encourage desired development. | <ul style="list-style-type: none"> -Research past inventories. -Develop procedures for monitoring all permits indicating changes. -Research changes since last inventory. -Computerize process and updates. | -Not initiated |
| Development of coordination process with HAP to insti- tutionally im- plement process for assisted Housing Policy and HAP's 5 year plan. | <ul style="list-style-type: none"> -Assure consistency of HAP's activity with Comp. Plan. -Assure a known process and mutual criteria for HAP project siting. | -Should be set up by Planning Director and HAP Director. | -Not developed. |
| AX Zone Capitol Improvement Plan | -To plan for the provision of public improvements which are necessary for its effective development of housing in the AX Zone area of downtown. | -Study is completed and a draft being prepared. | -1st draft by Nov. 1, 1979 and to PCPC by Dec. 1, 1979. |

SUMMARY OF PROGRAMS AND PROJECTS BY AGENCY

| Agency Program | Purpose | Activity | Annual Goal |
|---|--|---|--|
| Housing Authority (HAP) Add 1500 units of subsidized housing in five years. | <ul style="list-style-type: none"> -Provide for unmet housing needs. -Add to existing stock. -Promote integration -Develop a rational plan for providing assisted housing. | <ul style="list-style-type: none"> -Select sites -Option/purchase sites. -Neighborhood participation. -Develop & implement management, security, maintenance programs. -Explore operative programs with private developers. -Explore operative programs with private developers. -Explore new financing packages. -Construct units. | <ul style="list-style-type: none"> -300 units per year for 5 years. Presently executing- 139-new units(conv) 130 Sec. 8 95 units Sec. 8 30 units Sect 8 Fam 26 units fam (conv) |
| Implement CHAP siting process | <ul style="list-style-type: none"> -To find evaluate and validate sites for 300 units for the 1st year of HAP's 5 year plan. | <ul style="list-style-type: none"> -Establish and maintain contact with real estate offices and other who would know of probable sites. -Seek offers from private parties concerning potential sites. -Evaluate potential site. -Rate variance and other land use or code concern. | <ul style="list-style-type: none"> -locate sites, for 300 units. -1st sites under Land Bank-within 3 months. |
| Facilitate neighborhood cooperation with CHAP im- plementation | <ul style="list-style-type: none"> -Involve neighborhood groups in site selection process (early) and involvement through project completion. | <ul style="list-style-type: none"> -Contact neighborhood groups -Prepare information and presentation. -Present to neighborhood groups where project may go. -assess group reaction. -Maintain contact to notify of land availability. -Request meeting if land evaluation is favorable. -Assess neighborhood position -Involve group in dedicating -Prepare report. | <ul style="list-style-type: none"> -Attain neighbor- hood support/co- operation with CHAP implementation (300 units per year |
| Medalion Condo- minium Convers- ion Project | <ul style="list-style-type: none"> -To demonstrate the feasa- bility of converting rentals to lower income ownership. | <ul style="list-style-type: none"> -Property is presently con- verted and for sale. -sell units. | <ul style="list-style-type: none"> -retain 18 units as Public Housing-- sell remaining units to lower income ASAP. |
| Pr erty Value Impact Study | <ul style="list-style-type: none"> -To examine and demonstrate the effect of publicly owned assisted housing on surround- ing property | <ul style="list-style-type: none"> -Execute study which has been funded by the Ford Foundation | <ul style="list-style-type: none"> -Completed study by July, 1980. |

SUMMARY OF PROGRAMS AND PROJECTS BY AGENCY

| Agency Program | Purpose | Activity | Annual Goal |
|---|---|--|---|
| HAP con't.) Property ac- quisition and rehab program | -To increase available assisted housing | -Purchase and rehabilitate existing housing utilizing Section 8 rent supplement and other programs -Projects thus far include approvals of 182 units in 3 proposals. | -Add 1500 units of assisted housing over the next 5 years |
| Portland Deve- lopment Com- mission (PDC) | | | |
| Emergency Home Repair (implemented together with IRB) | -Assist lower income owner occupants to maintain their home by providing labor and materials for needed repair. | -Operating in conjunction with with other rehab. loans | -100 units |
| Rehabilitation Loan Programs and Technical Assistance | -Make it possible for lower income homeowners to upgrade and maintain their home, and to comply with codes. | -Market the program -inspect properties -originate loans -Assist homeowners prepare and execute construction constraints -finalize construction contracts -Closing and servicing loans | -1200 units annually |
| Investor Rehab. Loans (1-4 unit PIR/Title I) | -provide financial assistance to investor owners of re- sidential properties in the form of below market interest rate loans for rehab. | | |
| Investor Rehab Loans (5 or more units/commer- cial) | -provide public participation with local lenders to rehab commercial and/or residential properties of 5 or more units (co-venture results in below market interest). | | -60 units |
| Multi-Family rehab. | -To improve the quality of existing multi-family housing. | -The multi-family-Investor Rehab Loan programs- are expanded by the availability of \$1.5 million in Federal 312 fund plus .5 million of tax increment funds. | -500-550 units rehabilitated |

SUMMARY OF PROGRAMS AND PROJECTS BY AGENCY

| Agency Program | Purpose | Activity | Annual Goal |
|---|--|--|--|
| (PDC con't.) Operations Control and Services Sys- tem | <ul style="list-style-type: none"> -fully automated rehab. loan operation control to manage loan origination, project critical path and loan servicing. To make all rehab. activity more efficient and effective -Include financial and accounting systems | <ul style="list-style-type: none"> -request for suggested systems -review responses -RFP -Review proposals and select system -purchase program and install system -Operate and evaluate system -Report, followup, etc. | <ul style="list-style-type: none"> -complete system on line-6 months to equip -1 year on line |
| Portland Loan Review Comm. | <ul style="list-style-type: none"> -To assure that single family purchase financing is not denied due to the age or location of a property. | <ul style="list-style-type: none"> -review complaints -problem resolution -referrals | |
| IROP/Innovative Grant | <ul style="list-style-type: none"> -To purchase rehab and return to usefule occupancy abandon housing. | <ul style="list-style-type: none"> -Inventory abandon housing -assess feasibility -negotiate to purchase -rehab specs. -construction -sale or dispose to HAP. -prepare detailed process for development of a cooperative -execute a pilot cooperative | <ul style="list-style-type: none"> -60-80 units in-cluding on co-operative. |
| QUAD Housing (Quadreplegics United Against Dependency Inc.) | <ul style="list-style-type: none"> -Convey land to QUAD to build a "living/learning" facility. | <ul style="list-style-type: none"> -Neighborhood contract PDC resolution of Urban Renewal conformance -City Council resolution of conformance -HUD funding decision -PDC-reuse appraisal - land sale negotiation -City Council action on land sale -HUD acceptance | <ul style="list-style-type: none"> -Construction of QUAD project |
| UDAG (Urban Development Action Grant) | <ul style="list-style-type: none"> -Provide 630 units of needed housing for moderate income families and low income elderly | <ul style="list-style-type: none"> -Council approval of Project -Complete EIS | <ul style="list-style-type: none"> -About 120 units annually -To City Council by Nov. 1979. |
| Former Mt. Hood Freeway Corridor | <ul style="list-style-type: none"> -Dispose of publicly owned property in the Mt. Hood Freedway corridor -Provide housing information and referral services to prospective purchasers | <ul style="list-style-type: none"> -Confer with OSHD prior to open house or sale of property -Provide info to prospective purchasers prior to sales -Maintain current info on housing costs, interest rates, terms, etc. -Conduct workshops on tax info, home purchase, home-making, maintenance, etc. | <ul style="list-style-type: none"> -A minimum of 3 workshops and 6 informal sessions annually -Work with HAP and Remodelers Asso |

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|---|--|---|--|
| (PDC con't) Thurman- Vaughn Corridor (BOF/PDC) | <ul style="list-style-type: none"> -Revitaliz abandoned free-way corridor -Develop vacant land -Encourage private reinvestment -Improve traffic circulation -Buffer residential and industrial districts | (Housing) <ul style="list-style-type: none"> -Brochure Distribution -Developer selection -Council approvals -Market study -Appraisals -Preliminary design -Developer decides -Conditional use -Design Development -Document, Permits | <ul style="list-style-type: none"> -Moving on disposition at this time to initial developers. |
| Downtown Housing Program | <ul style="list-style-type: none"> -Retain and rehab existing housing -Develop new housing, especially in the AX Zone -Provide public improvements which support housing -Propose public policy, programs and legislation which supports and encourages maintenance, upgrading and creation of housing | <ul style="list-style-type: none"> -Determine need and demand by type of housing -Analyze adequacy of existing policy -Establish goals and objectives for housing production -Recommend programs, budgets, policy, procedures -City Council adoption -Monitor programs | <ul style="list-style-type: none"> -Council adoption Oct. 1979 |

Housing Program: Process-Operation

Over the past several years the various housing related agencies and bureaus in the City of Portland developed a series of housing programs which are recognized nationally as among the most productive which exist. During the past 2 years these programs have been brought together into a single housing program, strengthening each element, changing existing activity as necessary and adding new programs to meet the City's objectives. These changes have been brought about through the use of an innovative process.

The process for planning/programming/management which has been developed and implemented in Portland is unique and has been productive beyond even our own expectations.

This process includes:

- The development and adoption of policy and objectives for the City which provide clear direction for housing program goals, and evaluation
- The development of a Management Plan for all housing activity to bring all programming and projects together into one overall program meeting adopted City objectives.
- The development of new housing programs and revamping of existing activity to fulfil City objectives.
- The development of a Housing Section in OPD, to serve a central focus for the housing program assure timely implementation, and overcome existing organizational problems.
- Relating the Management Plan/programming activity directly to the budget through the use of contracts between OPD and individual agencies and bureaus.
- Development of an evaluation system for the overall housing program, measuring our effectiveness in meeting the City's adopted objectives.

The policy was developed primarily by a task force of bureau chiefs from the major housing related bureaus and agencies including Portland Development Commission, Bureau of Buildings, Housing Authority, Bureau of Planning, and the Human Relations Commission. The product was a set of policies and objectives which each agency believes to implementable and is committed to implement.

A Housing Management Plan was prepared by OPD; detailing all of the City's housing programs and projects, analyzing their relationship to adopted objectives; examining shortfalls and gaps in the program; examining organizational concerns and recommending limited changes.

The major organizational recommendations of the Management Plan were to strengthen the focus and central management of the housing program in OPD through a Housing Section which would be responsible for the Housing Management Plan; contracting with each agency to execute the management plan activity and goals; resolve interagency concerns; assign short term projects, and; develop programs, projects as necessary of overall program implementation.

A Management Information System and related projects are being undertaken in the Housing Section which will lead to the development of an evaluation system for the housing program which will not only evaluate the product of the program, but also examine the extent to which the overall program and individual programs meet our adopted objectives.

The result of these changes in process has been to provide clear direction for each agency, to encourage each agency to see its role as a part of an overall housing program, to make overall management possible through the provision of clear objectives, and to increase the effectiveness and productivity of the entire program.

These results can be clearly seen in the cooperative and responsive attitude of all of the housing bureaus and agencies, in the tremendously productive past year, and in the list of housing items which will be forthcoming in the near future which are also described below.

Major Activities Undertaken to Implement City Policy.

This section briefly outlines the major actions which have been taken by the City or its agencies to implement the City's housing policies and objectives since the adoption of the Housing Policy.

The Housing Assistance Plan has undergone major changes including increased emphasis on multi-family rehabilitation and new site selection criteria which are consistent with the assisted Housing Policy and the Housing Authority's criteria.

A Community Development Strategy has been adopted which is consistent with and to a large extent based on the Housing Policy.

This first Housing Management Plan has been prepared and City Council has approved personnel changes necessary to implement recommended organizational change.

The City has worked extensively with MSD in the preparation of an areawide Housing Opportunity Plan which allocates assisted housing throughout the region. This plan will serve as the basis for bonus allocations from HUD of assisted housing funds, Community Development Block Grant funds and 701 Planning funds.

A non-profit housing corporation, City Housing Development, Inc., was established and funded by the City. This agency is charged primarily with assisting and encouraging the development of additional housing units in the City and particularly moderate and middle income housing in the Downtown area. They are presently working with developers on about 12 projects in various stages of development.

The Housing Authority adopted and is moving toward implementing its 5 year plan to add 1,500 units to its housing stock. Presently over 625 units are in various stages of development.

The City prepared and obtained funding for an innovative grant (from HUD) to rehabilitate and bring back to useful life approximately 80 abandoned housing units. This project has been expanded to include the development of a cooperative in an abandon building as a demonstration project.

A Dangerous Building Code was prepared and adopted by City Council and enforcement was subsequently initiated and is being extensively applied.

A Housing Maintenance Code, designed to replace the City Housing Code, has been drafted and reviewed and adopted by City Council.

An ordinance permitting development of lots which are presently sub-standard according to the zoning ordinance has been prepared which could make several thousand lots available for development in the City. This will be presented to PCPC in October.

A Planned Unit Development Ordinance has been adopted by City Council. This will greatly increase the attractiveness of development in the City, particularly on sites which have been passed over due to physical problems such as slopes.

A subdivision ordinance has been adopted by City Council.

A HUD Neighborhood Strategy Area Grant has been prepared and approved which will add 500 units of assisted lower income housing in the Downtown area over the next 5 years.

A Downtown Advisory Committee was established by City Council to prepare and recommend a plan for housing development and programming in the Downtown area. This committee has met for several months and will make its recommendations to City Council in October.

An Urban Development Action Grant from HUD was approved for about \$10 million to execute a development near St. Johns, which will provide about 630 new housing units.

The Woodlawn renewal area housing project (about 85 units) is moving ahead with a developer. The ground breaking was held in June and several units have been built.

The QUAD housing project and the Labor Center project (150 units for the elderly) were both approved for Section 202 and Section 8 funding by HUD and should be proceeding to construction in the near future.

Over 850 single family home purchases have been financed for low and moderate income families in the City by the State Housing Division.

The City's single family home rehabilitation program has been expanded from about 1,000 to about 1,200 units annually. The multi-family rehab program is rapidly developing and should address about 500 units this year.

A number of studies of specific problems have been undertaken which will lead to recommendation for action in the future. These include a Congregate Housing Study, Downtown Housing Market analysis and work related to displacement mobility, and condominium conversions.

Legislation to allow the City to sell revenue bonds to finance development of multi-family housing in the Downtown and Community Development areas was passed by the State Legislature. This will provide up to \$25 million annually of low interest capital for multi-family development.

Legislation was also passed which provides \$30 million to the State Housing Division for low interest financing of homes in the City of Portland for moderate and middle income families (up to 105% of the area median income).

The Housing Authority of Portland has converted an apartment house to lower income condominiums.

Portland Development Commission is developing a conversion scheme where a vacant building will be rehabilitated and converted to low cost cooperatives.

A program is being developed by staff and consultants to implement a voluntary Housing Maintenance Code Inspection Program pilot project. This would be initiated in two neighborhoods during the first year and a City-wide program proposed from the results.

In many respects the production of new units, to alleviate shortages maintain price and rent levels, avoid displacement and other concerns, has been a major focus of our activity over the past year. The results of these activities have produced the projects listed below which are in advanced stages of development as well as a large number of projects which are in initial development stages. These projects overlap with those noted above, and are not an all inclusive list.

These projects include:

| | |
|---------------------------------------|--------------------|
| -UDAG | 630 units |
| -Woodlawn Project | 85 units |
| -Neighborhood Strategy Area | 500 units |
| -Clay Tower | 235 units |
| -Lovejoy Village | 208 units |
| -Tower on the Park | 130 units |
| -McCormick Pier | 405 units |
| -Western International | 70 units |
| -Jack Jarvis Project | 5 units |
| -Housing Authority | |
| Conventional Public housing | (165 units) |
| Section 8 | (255 units) |
| Acquisition and rehab. | <u>(152 units)</u> |
| Total | 612 units |
| -Union Labor Retirement Center | 150 units |
| -Fred Meyer Donated Parcel (Brussard) | 38 units |
| -Taco Time Project | 30 units |
| -Yamhill Coop | |
| -Rolling Hills (subdivision) | 200 units |
| -Ash Creek Woods (subdivision) | 150 units |
| -Meadowland Dairy (subdivision) | <u>600 units</u> |
| | 4,048 units |

(Total units and units for each project are approximate)

Housing Program Activity in the Near Future

The following is a list summarizing housing projects or activities which are currently underway, or will be soon, and, which for various reasons, City Council and others should be aware. These projects will have proposals or recommendations for City Council decision or have the potential for public controversy or discussion.

Studies:

Condominium Conversion Study (OPD)

To examine the extent and other specifics of the conversion of rental units to condominium units in the City, determine appropriate public action and make recommendations to alleviate identified problems.

The study will:

- identify rental units which have been converted to condominiums
- survey present occupants
- determine changes (investments) in the buildings.
- survey developers involved in conversion
- locate and interview former residents
- examine the legal process
- make recommendations to OPD and City Council.

Project is underway and should be completed with recommendations made by November 1st.

Discrimination Against Renters with Children (OPD)

To examine the extent of discrimination against families with children in rental housing in the City, determining the specific types of household (e.g. women with children, elderly, etc.) who have problems, and making recommendations for public action.

The study will:

- survey rental units
- survey rental agencies
- survey renter households with children
- survey rental owners and managers
- make recommendations

This project will begin in November, 1979 and be completed with recommendations made by January 1, 1980.

Displacement (OPD)

Displacement of lower income households by higher income households in cities throughout the nation appears to have become a problem over the past few years. The intensity of this problem in the City of Portland at this time does not appear to be as great as in some other cities such as Seattle, Washington, D.C. or San Francisco. Still, we are taking every opportunity to assess and deal with the problem.

A number of related activities have been undertaken including:

- an aggressive program to expand the supply of housing, hence alleviating a shortage and reducing or eliminating the problem
- examining condominium conversion (as described above)
- examining the impact of our rehab loan programs (as described below)
- actively participating in a nation panel over the next year to advise HUD on displacement studies, etc.

This project will continue throughout the year.

Study of Rehabilitation Loan Applicants in NE Portland (PDC)

To determine the extent of households who have recently moved into a home in the NE and who apply for rehabilitation loans, their characteristics and how they differ from the historic residents of NE and historic loan applicants.

This study will examine in detail the socio-economic and housing characteristics of PDC loan applicants and compare to test neighborhoods. Report to OPD by end of September.

Study of the Relationship of the Distribution of PDC Loan Applicants and Racial Distribution (MHRC)

To determine the extent to which PDC rehabilitation loans have been directed to location which have extensive minority populations.

A report will be prepared by October, 1979.

Local, State, Regional, Federal Legislation or Policy.

Revenue Bond Program for Housing (OPD-PDC)

This project will take those steps necessary to implement locally the authority to utilize revenue bonds for housing which as authorized in the last state legislative session. This activity will include the preparation of two ordinances for City Council adoption and work with the State Housing Division to implement single family programming. One of these ordinances will provide criteria for multi-family programming and the other for single-family.

Finally, legislation has been introduced in the Congress in Washington, D.C. which has severely constrained the use of revenue bond for housing until Congress has taken final action. We have over the past few months worked with the Ways and Means Committee in the House and in the future will work with the Senate Finance Committee to resolve this problem.

Ordinances will be prepared and presented to City Council by October, 1979, which will provide guidelines for use of revenue bonds for housing.

Downtown Housing Program (PDC)

Council appointed the Downtown Housing Advisory Committee approximately one year ago. That committee has worked intensively over the past year to examine housing needs in the downtown area, and developing policy, objectives and programs to meet those needs.

A proposal has been presented to City Council and will be before City Council for adoption by October, 1979.

Housing Opportunity Plan Bonus Allocation (OPD)

An area-wide Housing Opportunity Plan was prepared and adopted at MSD in March, 1979. This plan allocates assisted housing throughout the metro area and was developed with extensive input from the City.

Based on this plan an application has been developed by MSD (also with City input) for an allocation for bonus funds for assisted housing. This bonus allocation will range from a low of 10% of the present allocation to a high of 50%. This housing bonus will serve as the basis for subsequent bonus allocations of CDBG and 701 planning funds.

Application should be approved by HUD by December, 1979.

Non-Assisted Housing Allocation (OPD)

LCDC goals require that all jurisdictions provide for their "fair share" of the regions housing needs, including various types, price ranges and sizes of units. LCDC has clarified that it is MSD's responsibility to determine a distribution of future housing need with which all local comprehensive plans must be consistent.

This project has begun in July, 1979 and it is anticipated that a plan will be presented to the MSD council for adoption within this fiscal year.

City involvement in developing this allocation will be extensive.

Local Programs.

Housing Management Plan (OPD)

After the adoption of the Housing Policy OPD began to prepare a Housing Management Plan to detail the City's overall housing program, how well it meets the City's objectives, specify program and organizational shortcomings and make recommendations. The focus of the first year's activity was on organization and additional effort needed to meet City objectives.

Limited reorganization was complete by September.

The Management Plan process for this year will concentrate on goal development in the public and private sectors and semi public programs. Also the housing and CD programs will be more closely developed.

The Management Plan activity will be timed so that products will coincide with the HCD and budget processes. The plan will be related directly to the budget process through contracts to execute planned activity.

"Homestead Program" - 312 Loans (PDC)

A program will be developed to request a specific amount of 312 rehab loan fund from HUD (about \$2 million). These funds would be used for rehab in HCD neighborhoods. Under this program the City would accept any HUD properties in the City to rehab and dispose. Where there are very few of these properties, the remainder (most of) these funds would be used as our present 312 funds are used.

An application will be presented for Council approval by October, 1979.

Housing Maintenance Code Voluntary Inspection Program (OPD)

The Maintenance Code Inspection Program is to be prepared (recommended) by a consultant who has been retained by the OPD and is working closely with City staff.

A report will be submitted to OPD by October, 1979.

Multi-Family Rehabilitation (PDC)

In response to the City's Housing Policy PDC is attempting to expand its multi-family rehab loan activity to bring it into balance with the level of single-family activity.

A program is being prepared which includes a new rehab guidebook. Specific geographic areas will be isolated and special marketing and publicity utilized in those areas.

Additional Federal 312 funds (about \$1.5 million) and tax increment funds (about \$.5 million) will generate about 500-550 multi-family rehabs.

The program will be ready to implement by late October, 1979.

Study of the Effectiveness of Existing Fair Housing Enforcement Processes (MHRC)

This project is examining actual complaints and their disposition by responsible agencies. It will also examine the nature of those complaints, and those who made the complaint.

These results will be analyzed and recommendations made for location or State action.

A report will be prepared by December, 1979.

Substandard Lot Ordinance

An ordinance to allow the utilization of lots which are presently substandard due to zoning is being redrafted by the Bureau of Planning.

The proposal will be presented to PCPC on October 2nd.

AX Zone Capitol Improvement Plan

This plan is being developed by the Bureau of Planning to provide public improvements necessary for the effective development of the AX Zone.

a first draft of the plan will be produced by November 1, 1979 and be presented to PCPC by December 1, 1979.

Specific Housing Projects.

UDAG

A Planning Commission briefing was scheduled for September 4th with a draft renewal plan and EIS.

All hearings and approval of a renewal plan should be complete by November, 1979.

Redevelopment agreements for at least 25% of the project should be complete by January, 1980.

McCormick Pier Project

An informal Council session was scheduled for September 4th on all aspects of public involvement in this project.

The developer is moving ahead and will apply for tax exemption by October. PCPC, PDC and City Council must decide within 180 days.

Yamhill Coop

Construction will begin on this project in October and renting will begin by Spring, 1980.

Thurman/Vaughn

This project is proceeding as planned, land disposition will begin in October, 1979.

QUAD

This project has been approved by HUD and a closing date for financing in August, 1979. Construction should begin in November, 1979.

Tower on the Park

Presently taking reservations - need 70 units reserved. Construction planned to begin by November, 1979.

Western International (Newman) Project

Bid and construction start planned by October, 1979.

Fred Meyer Donated Site (Broussard) Project

Presently awaiting conditional commitment from the State Housing Division.

Housing Program: The Longer Term Future

The Housing Program, as described above, has rapidly increased its productivity, broadened its activity to meet the objectives of the Housing Policy, and moved to address its organizational problems. Still, important changes and initiatives remain to be pursued in the future, these include:

Development of Combined Public Sector/Private Sector Goals and Programs

The City's Housing Policy and objectives are based to a large extent on the recognition that most activity in the area of housing is, and will continue to be, undertaken by the private sector. This includes primarily lenders, developers, builders and investors in multi family housing.

The Housing Management Plan was, from the beginning, designed to implement the City policy through developing programs and goals for both the public and private sectors.

The major effort during the first years Management Plan was to define our own program, encourage implementation, and resolve organizational problems. In the second year Management Plan the focus will be to, continue public implementation, develop the planning, budgeting process, and to work with private sector to develop programs and goals which help meet City objectives.

Relate Housing Programming More Closely with Community Development Programming

During the past year the development of a new 3 year Community Development Strategy brought a clear recognition of the close and necessary relationship of Housing and Community Development activities. The CD Strategy is to a large extent based on the Housing Policy. At the same time housing has only been directly related to that process to the extent of assisted housing programs for which annual goals are needed in order to apply for HCD funds.

In the future the overall housing program as represented in the Management Plan will be brought together with CD programming as an integrated Housing and Community Development process, plan and program.

Increasing Need and Demand for Multi-Family Rehabilitation Programs

The City's HCD program thus far has concentrated upon the single family, owner-occupied aspect of the community. For a number of reasons this emphasis will shift increasingly to multi-family over the next three years.

These reasons include:

- we will have addressed a large portion of the single-family target population.
- we will be involved in more special project areas such as Goose Hollow where most housing is rental.
- we have increasing pressure from the public to address multi-family improvements in present and former HCD areas such as Northwest.
- the City's Housing Policy calls for increased multi-family delivery.
- the City's Housing Assistance Plan calls for increased multi-family rehab.

Housing Maintenance Code Voluntary Inspection Program

The voluntary inspection program described under short term projects, would be implemented as a pilot program in two neighborhoods. When this demonstration is completed the results will be analyzed and a city-wide program instituted.

As a major element in the City Housing Policy, designed to maintain existing housing for future use as well as maintain safety and sanitation conditions, this program will become a cornerstone of the City's housing program.

Comprehensive Plan Proposals

As the City's major tool for establishing land uses and densities those proposals in many ways will affect the implementation of the Housing Policy. Several major proposals with extensive positive impact include:

- "Add a rental" This would allow a small rental unit to be added to any large single family dwelling (over 2,000 sq. ft.). This proposal may be the single most important proposal from a housing point of view in the plan. It would provide a flexible buffer in the housing market between periods of shortage and oversupply. They could be brought onto and off of the market as they are demanded. During periods of shortage, such as the past few years, demand would grow and units made available when there is oversupply and reduced demand units would be withdrawn from the market.

This proposal has other more direct benefits including; making efficient use of existing housing stock, increasing density without adding new buildings, energy efficiency, and assisting homeowners with limited incomes to keep and maintain their homes during a period of excessive inflation.

Townhouse or Row House Zone

This proposal would allow development of attached housing units in R 2.5 zones. This would create new homeownership opportunities and increase density near major streets.

Mobile Home Ordinance

This would create an overlay zone where mobile homes would be allowed under some conditions.

Mobile homes today are constructed to a Federal code which is similar to any other building code. They are recognized as being an affordable form of homeownership for moderate income families. Designs have greatly improved. Today, financing is generally available for mobile homes on a similar basis to any other housing.

It would be expected that in the future mobile homes would be increasingly allowed, at least in subdivisions, or under certain conditions.

Semi-Public Agencies

Today several hundred semi-public agencies exist in the City which deliver millions of dollars worth of housing services each year. Many of those services meet City objectives and augment our program. A few

of these are the Handicapped agencies, Womans Resource Center, battered womens program, elderly centers and various missions.

At this time no accurate inventory of these services and agencies exists. Such an inventory will be undertaken as part of the Management Plan.

The services offered will be analyzed in terms of their effectiveness, relationship to City objectives and relationship to existing City programming. Recommendations will be made both to the City and to relevant agencies regarding ways these semi-public programs can better meet public objectives.

Changes in City Codes and Processes

One of the commitments made in the Housing Policy was to review City codes and processes to eliminate unnecessary steps or requirements and to speed the development process.

This concern has not only been voiced by the home Building industry, but also has been the subject of studies and hearings by the State Legislature, the Federal Congress and the State Housing Council.

It would be expected that these changes would be proposed from time to time over the next few years.