



October 28, 2014

Planning & Sustainability Commission
City of Portland
1900 SW 4th Avenue, Suite 7100
Portland, OR 97204

RE: Comprehensive Plan Proposed Draft

Commissioners:

Living Cully is pleased to submit these preliminary comments on the City of Portland's Comprehensive Plan Proposed Draft.

Living Cully is a collaborative effort of four community development organizations operating in the Cully neighborhood – Habitat for Humanity Portland/Metro East, Hacienda Community Development Corporation, the Native American Youth and Family Center, and Verde. This powerful collective represents over 100 years of combined know-how in community economic development, affordable housing, and green infrastructure.

The Comprehensive Plan needs to respond to seriously address the threat of displacement

Living Cully has analyzed the Comprehensive Plan Proposed Draft based on its likely effects on housing affordability and the displacement of low-income residents and people of color.

Living Cully shares the City's goal of enhancing the quality of life in Portland's neighborhoods through a variety of needed investments and programs. However, we refuse to accept that the displacement of lower-income residents and people of color is an inevitable result of these improvements. Living Cully's vision for our own neighborhood is one in which lower-income households can live and thrive in Cully as it is improved, and for generations into the future, rather than being priced out. In closer-in, "high opportunity" neighborhoods that already enjoy the kinds of services, amenities and infrastructure envisioned by the Comprehensive Plan, we believe that the Plan must prevent the further displacement of people of color and other low-income residents, and expand opportunities for other lower-income households – including those that have previously been displaced – to afford housing there.

Just as detailed planning and dedicated resources are required to improve Portland's urban form, environment and public facilities (to cite three Comp Plan chapters), specific plans and commensurate resources are also needed to expand opportunities for lower-income households and people of color to



live and thrive in all of our neighborhoods. While the Comprehensive Plan Proposed Draft contains scores of detailed goals and strategies for improving Portland in numerous ways, Living Cully is deeply concerned that the plan's stated commitments to housing opportunity and preventing displacement are not matched by the commitment of resources and the articulation of concrete strategies.

In short, implementation of the Comp Plan as drafted will exacerbate existing displacement pressures and contribute to rising housing costs, but will not ensure effective mitigation for those impacts – let alone *expand* access to housing and employment for lower-income Portlanders. Because the Comprehensive Plan seeks to improve the quality of life in Portland's neighborhoods, its implementation will increase demand for housing and commercial space and incentivize real estate speculation. As a result, much of the plan will likely have a direct displacement effect: property values and housing costs will increase.

The following examples of policies from Chapter 3 (Urban Form) demonstrate the displacement threat posed by the implementation of the Comprehensive Plan. Far from being outliers, these policies exemplify the overall thrust of the plan, which is to make wholesale improvements to Portland's neighborhoods. If not paired with specific, well-resourced mitigation efforts, policies such as these will invariably contribute to displacement, even as they meet the City's other goals:

- **Integrate nature and Green infrastructure in centers (3.6, 3.17)**
Green infrastructure has been proven to increase property values.
- **Leadership and Innovation in design (3.7)**
“High-quality design” is a dangerously ambiguous term, despite the policy's unexplained claim that high-quality design “demonstrates Portland's... commitment to a more equitable city...”
- **Investments in centers (3.12)**
The infrastructure and economic development investments envisioned by this policy will inevitably increase property values and housing costs.
- **Government services and Arts and culture (3.13, 3.14)**
Many of these services and investments will raise property values and housing costs in the surrounding neighborhoods.
- **Accessibility and Center connections (3.15, 3.16)**
Accessible, connected neighborhoods create high demand for housing. Housing costs will increase.

To balance out the cumulative displacement pressure created by these policies, Chapter 3 also includes Policy 3.3, “Equitable development,” which commits the City to, “Avoid or reduce negative development impacts, especially where those impacts inequitably burden communities of color, under-served and under-represented communities, and other vulnerable populations.” Whereas the chapter's other policies contain numerous specific goals and strategies that will in fact contribute to displacement, Policy 3.3's vague promise of equity is symptomatic of the lack of a real strategy to increase opportunity specifically for those Portlanders who will not be able to afford the sustainable, connected, livable city envisioned by the Comprehensive Plan.



As if to underscore the Plan’s ineffective response to the threat of displacement, Policy 3.3 – the very policy that seeks to ensure equitable development – goes on to say that the City will, “Make needed investments in areas that are deficient in infrastructure and services to reduce disparities and increase equity.” To the contrary, absent robust anti-displacement measures and a commitment of resources to implement them, infrastructure investments in neighborhoods like Cully will *increase* disparities and *reduce* equity. Our lower-income neighbors will be displaced by the rising housing costs that will inherently accompany such investments.

Simply stating that development will be done in an equitable manner, or that displacement will be prevented, does not make it so. The 1980 Comprehensive Plan, after all, also included explicit reference to the threat of displacement. Portland must do better this time around. Living Cully calls on the Planning and Sustainability Commission to incorporate the following recommendations.

1. Strengthen and expand the “impact analysis” tool introduced in Chapter 5 of the Proposed Draft; apply to entire document.

The entire Comprehensive Plan should be covered by an umbrella policy that requires a ‘Housing Affordability and Displacement Impact Analysis’ when the City and other public entities take actions that will potentially affect the real estate and housing markets, including:

- a. Planning decisions, including zoning changes and designations such as Neighborhood Centers
- b. Infrastructure and other public investments, including transit
- c. Development proposals that trigger a land use review
- d. Other actions taken by City Council and the PDC that may affect the real estate and housing markets

Require mitigation for anticipated housing affordability/displacement impacts.

When an Impact Analysis finds that public actions are projected to contribute to displacement and loss of housing affordability, the Impact Analysis must also include mitigation strategies. Implementation of these strategies must be tied to the implementation and/or budget of the project/policy.

2. Analyze implications of Neighborhood Center designations, and plan to mitigate any housing affordability/displacement impacts.

As an immediate application of the Housing Affordability and Displacement Impact Analysis tool, the City should analyze the impact of designating Cully and other areas as Neighborhood Centers in the Comprehensive Plan. Because this designation is designed to spur the kind of neighborhood development that inherently leads to increased property values and housing costs, Living Cully fears that the designation – and its associated zoning changes, new infrastructure and other investments – will contribute to rising housing costs and signal developers and speculators to invest in property in these areas. If the impact analysis finds this to be a valid concern, the City should enact sufficient mitigation measures to ensure that the coming investment does not result in



displacement, and that low-income residents and people of color will benefit from the changes that the designation is designed to bring about.

3. Add emphasis on “permanently affordable” homeownership.

Policies 5.34, 5.35 and 5.36 state goals to “support” and “encourage” homeownership. These policies should specifically refer to “permanently affordable homeownership” models (e.g. community land trusts, limited-equity cooperatives) that remove housing from the speculative market. Such models ensure that lower-income households will continue to have access to those homes even after the initial owners sell them.

4. New policy establishing land-banking as an anti-displacement tool.

Use land-banking to remove properties from the private market, particularly in neighborhoods that are now experiencing or are projected to experience rising housing costs, so that those properties can be used for permanently affordable housing and commercial spaces. Explore a variety of policy tools to acquire properties, including eminent domain, right of first refusal on for-sale properties, and acquisition of foreclosed properties. Develop locally or at the state level a sustainable funding mechanism to enable non-profits and government to create and manage land banks. Support and coordinate with community-based organizations that wish to use land-banking to gain control of property for community-serving purposes.

5. Explore means of recapturing the value of public investments; use revenue to fund anti-displacement strategies.

The City should explore ways of recapturing the value that is created through its public investments. Public investments (e.g. parks, transit service) create significant value that is captured privately by property owners and landlords. This increased property value results in the displacement of existing residents, and the loss of housing opportunity for other lower-income households in the future. The City should seek to recapture these windfall property value gains, perhaps through the imposition of a special capital gains tax on land values in areas where public investments contribute to property value increases. This revenue should be dedicated to anti-displacement efforts – specifically to permanently affordable housing in the neighborhoods in which it is collected.

6. Pursue tools that create permanently affordable units in market-rate housing developments.

The City should aggressively pursue tools such as inclusionary zoning that create permanently affordable housing units in private developments – through lobbying at the state level to lift the ban on inclusionary zoning, implementing other existing models and developing new land use tools.

7. New zoning designation for “housing opportunity.”



Until such time as inclusionary zoning is available as a tool for creating units of permanently affordable housing, the City should institute a new zoning designation for "housing opportunity." In areas with high development activity and demand, institute zoning that sets a "community standard" that new development *will* include affordable housing units. This would be similar to an incentive zoning strategy, except that the baseline would be at *higher* densities, building heights, etc., with the expectation that developments will include affordable housing and therefore meet the "community standard." Developers would be able to opt out of the affordable housing community standard, but would then be subject to more restrictive zoning limitations (shorter buildings, lower density, etc.). In other words, this would not be a mandatory inclusionary zoning program, but rather a means of setting an expectation for inclusive communities, and challenging developers to voluntarily meet that expectation.

8. Do not change zoning designation of "Sugar Shack" site (NE Cully Blvd and NE Killingsworth St.).

Retain the current zoning designation of EXGH, which will allow community-based organizations to develop urgently needed affordable housing on this site, along with other uses.

9. Hire PolicyLink to help incorporate these suggestions and others designed to lead to equity in the final comprehensive plan.

PolicyLink has been working with the City of Seattle to support Seattle's efforts to explicitly and meaningfully incorporate equity into their comprehensive plan. PolicyLink is interested in bringing its strong expertise to Portland.

10. BPS must complete the Council-assigned task of addressing displacement pressures created through the Cully Commercial Corridor and Local Street Plan for Cully. Similar efforts should be carried out in other neighborhoods vulnerable to or experiencing displacement.

Signed,

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