

PREPARED FOR:

PRESENTED BY: Alexander Krokus

Council Clerk: Karla Moore-Love
City Commissioner: Steve Novick
City Commissioner: Amanda Fritz
City Commissioner: Dan Saltzman
Auditor: Mary Hull-Caballero
Mayor: Charlie Hales

July 6, 2016



SUBJECT:

Complications Associated with Local Affordable Housing Crisis, and Job Polarization, in Relationship to Oregon S.B. 1533-B

RECOMMENDED ACTION:

For City Council to amend Portland City Council policy pertaining to Oregon Statute ORS 197.309 Section 1, by superseding Section 1, subsection (1)(a), by using 60% as the coefficient factor in the initial pricing determination for exclusionary zoned units. According to Section 1, subsection 6(c), of S.B. 1533-B, the City of Portland has the legal authority to adjust the initial threshold for pricing affordable housing units below 80%, of the region's average annual median wage.

Since 1999, the state of Oregon had prohibited enacting mandatory inclusionary policies to create affordable housing. For 17 years, only two states in the entire nation refused to provide this vital protection to their local citizens, Oregon, and Texas. SB 1533, which was passed by our state legislators during the last legislative session, and recently signed into law by Governor Kate Brown, was promoted as a solution to our affordable housing dilemma.

The generally accepted formula for pricing affordable housing units is derived from applying 60% of the region's annual median wage. Unfortunately, SB 1533's definition of affordable housing is "*households with incomes equal to or higher than 80% of the median family income*". This is stated in Section 1, subsection 1(a) of the bill.

According to the Portland Housing Bureau, the "*Median Income for a Family of Four*" in 2015 was \$73,900 in Multnomah county. Applying the minimum 80% coefficient factor, against the region's median wage, for a family of four residing in the Portland metropolitan area, is equivalent to \$58,800. If the threshold rose to 90%, then a local family would have to earn \$66,510 annually, to be able to afford any of these exclusionary zoned units.

In rural and urban areas, encompassing the entire state of Oregon, middle-wage jobs have continuously diminished, while low and high-wage jobs have increased significantly. This employment pattern is defined as job polarization, and perhaps could be considered similar to the infant stage of cultural imperialism. The Oregon Office of Economic Analysis displays an over 20% increase in high-wage jobs

in urban areas, from 2008-2015. Low-wage jobs also rose in the Portland Metro area by 20% in the past decade, while middle-wage jobs have decreased by almost 10% in the same time period.

The top four occupational fields that employ all Oregonians in 2015, according to the U.S. Bureau of Labor statistics, were “*Food Preparation & Service Related Operations*”, “*Sales & Related Operations*”, “*Office & Administrative Support Occupations*”, and “*Production Operations*”. These top four employment industries comprise almost one half of Oregon’s entire workforce. In 2015, the highest annual mean wage for all of these top four occupational fields, which contains 213 specific categories, was a mere \$36,800. The lowest earner of these top statewide professions had an annual mean wage of \$23,850. These statistics are quite similar in comparison to the local Portland economy.

The top four occupations for individuals located in the Portland metro area had an average annual median wage of only \$24,412 in 2012. The top specific occupation in the Portland metro area was a “*Retail Salesperson*”, and the second leading occupation dealt with “*Food Preparation Service, Including Fast Food*”, and the third top local profession was a “*Cashier*”.

In 2015, “*Office and Administrative Support*” provided the most employment locally, followed by “*Sales and Related Occupations*”, and “*Food Preparation and Service Related Occupations*”. The average median annual wage for these top local employment sectors, which employed 370,250 local residents, was only \$31,116 in 2015.

Applying “*80% or higher of the median family income*” as the coefficient for the initial determination factor, which has been established by SB 1533, enables housing developers the favorable option to appeal to a wealthier out-of-state customer, who possess the monetary capacity to actually afford one of these units. Our affordable housing crisis will continue to exist, as long as we allow realtors and developers to use this higher threshold (80% or higher) in the initial determination of affordability requirements. This new inclusionary zoning law essentially discriminates against families making less than a minimum of \$58,800 annually here in Portland.

SB 1533 also grants these out-of-state developers multiple incentives, such as advantageous tax breaks, and full or partial exemptions from property taxes, and also the legal permission to construct taller projects, according to Section 1, subsection 4, and Section 1, subsection 5(A), and 5(D). Other incentives and benefits for these developers can actually be determined at will, and can be established by any “*city or county*” located in the state of Oregon.

Currently, numerous developers are building residential structures all over the Portland metropolitan area that are far too expensive for native Oregonians to afford. I am asking for all of you, to please exercise your power as city council, and provide basic human security to all Portlanders, and not just to the abundant amount of economically fortunate transplants, who have transformed our city’s demographics over the past decade.

Section 1, subsection 6(c) of S.B. 1533-B, grants the City of Portland the authority to adjust the coefficient factor for determination below 80%. If this recommended provision is enabled, a family of four would have to earn \$44,340 annually to qualify. This number is far more obtainable for the majority

of our local residents, considering the top three professions in Portland had an annual median wage of only \$31,116 in 2015.

Also, how will the city of Portland attempt to eliminate our unethical job polarization, and actually provide decent paying middle-wage jobs to our community? So that hard working families do not have to live in their automobiles, or on the street, while they are working one or two full-time professions.

Until we are able to orchestrate a sound solution to offset the vast rise of income inequality locally, we must guarantee basic human protection to our local citizens during the process of restoration.

Thank you for sparing the time, to address this immensely relevant local concern. It is genuinely appreciated.

Sincerely,

Alexander Krokus
5555 N. Wilbur Ave.
Portland, OR 97217

United States Bureau of Labor. "*Portland Metro Area Top Occupations based on 2012 Employment*". State of the Workforce Report. 2013.

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Oregon State Legislature. "*Enrolled Senate Bill 1533*". 3 March 2016.

Oregon Office of Economic Analysis. "*Oregon Job Polarization*". 13 April 2016.

Occupational Change (2000-2012)



(Oregon Office of Economic Analysis)

Enrolled
Senate Bill 1533

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Workforce and General Government)

CHAPTER

AN ACT

Relating to affordable housing; creating new provisions; amending ORS 197.309, 320.170, 320.176 and 320.186 and section 1, chapter 829, Oregon Laws 2007; repealing section 9, chapter 829, Oregon Laws 2007; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 197.309 is amended to read:

197.309. (1) **As used in this section:**

(a) **“Affordable housing” means housing that is affordable to households with incomes equal to or higher than 80 percent of the median family income for the county in which the housing is built.**

(b) **“Multifamily structure” means a structure that contains three or more housing units sharing at least one wall, floor or ceiling surface in common with another unit within the same structure.**

[(1)] (2) Except as provided in subsection [(2)] (3) of this section, a [city, county or] metropolitan service district may not adopt a land use regulation or functional plan provision, or impose as a condition for approving a permit under ORS 215.427 or 227.178[,] a requirement, that has the effect of establishing the sales **or rental** price for a housing unit or residential building lot or parcel, or that requires a housing unit or residential building lot or parcel to be designated for sale **or rent** to [any] a particular class or group of purchasers **or renters**.

[(2)] (3) [This] **The provisions of subsection (2) of this section [does] do** not limit the authority of a [city, county or] metropolitan service district to:

(a) Adopt or enforce a [land] use regulation, [functional plan] provision or [condition of approval] **requirement** creating or implementing an incentive, contract commitment, density bonus or other voluntary regulation, provision or [condition] **requirement** designed to increase the supply of moderate or lower cost housing units; or

(b) Enter into an affordable housing covenant as provided in ORS 456.270 to 456.295.

(4) **Notwithstanding ORS 91.225, a city or county may adopt a land use regulation or functional plan provision, or impose as a condition for approving a permit under ORS 215.427 or 227.178 a requirement, that has the effect of establishing the sales or rental price for a new multifamily structure, or that requires a new multifamily structure to be designated for sale or rent as affordable housing.**

(5) **A regulation, provision or requirement adopted or imposed under subsection (4) of this section:**

(a) May not require more than 20 percent of housing units within a multifamily structure to be sold or rented as affordable housing;

(b) May apply only to multifamily structures containing at least 20 housing units;

(c) Must provide developers the option to pay an in-lieu fee, in an amount determined by the city or county, in exchange for providing the requisite number of housing units within the multifamily structure to be sold or rented at below-market rates; and

(d) Must require the city or county to offer a developer of multifamily structures, other than a developer that elects to pay an in-lieu fee pursuant to paragraph (c) of this subsection, at least one of the following incentives:

(A) Whole or partial fee waivers or reductions.

(B) Whole or partial waivers of system development charges or impact fees set by the city or county.

(C) Finance-based incentives.

(D) Full or partial exemption from ad valorem property taxes on the terms described in this subparagraph. For purposes of any statute granting a full or partial exemption from ad valorem property taxes that uses a definition of "low income" to mean income at or below 60 percent of the area median income and for which the multifamily structure is otherwise eligible, the city or county shall allow the multifamily structure of the developer to qualify using a definition of "low income" to mean income at or below 80 percent of the area median income.

(6) A regulation, provision or requirement adopted or imposed under subsection (4) of this section may offer developers one or more of the following incentives:

(a) Density adjustments.

(b) Expedited service for local permitting processes.

(c) Modification of height, floor area or other site-specific requirements.

(d) Other incentives as determined by the city or county.

(7) Subsection (4) of this section does not restrict the authority of a city or county to offer developers voluntary incentives, including incentives to:

(a) Increase the number of affordable housing units in a development.

(b) Decrease the sale or rental price of affordable housing units in a development.

(c) Build affordable housing units that are affordable to households with incomes equal to or lower than 80 percent of the median family income for the county in which the housing is built.

(8)(a) A city or county that adopts or imposes a regulation, provision or requirement described in subsection (4) of this section may not apply the regulation, provision or requirement to any multifamily structure for which an application for a permit, as defined in ORS 215.402 or 227.160, has been submitted as provided in ORS 215.416 or 227.178 (3), or, if such a permit is not required, a building permit application has been submitted to the city or county prior to the effective date of the regulation, provision or requirement.

(b) If a multifamily structure described in paragraph (a) of this subsection has not been completed within the period required by the permit issued by the city or county, the developer of the multifamily structure shall resubmit an application for a permit, as defined in ORS 215.402 or 227.160, as provided in ORS 215.416 or 227.178 (3), or, if such a permit is not required, a building permit application under the regulation, provision or requirement adopted by the city or county under subsection (4) of this section.

(9)(a) A city or county that adopts or imposes a regulation, provision or requirement under subsection (4) of this section shall adopt and apply only clear and objective standards, conditions and procedures regulating the development of affordable housing units within its jurisdiction. The standards, conditions and procedures may not have the effect, either individually or cumulatively, of discouraging development of affordable housing units through unreasonable cost or delay.

(b) Paragraph (a) of this subsection does not apply to:

(A) An application or permit for residential development in an area identified in a formally adopted central city plan, or a regional center as defined by Metro, in a city with a population of 500,000 or more.

(B) An application or permit for residential development in historic areas designated for protection under a land use planning goal protecting historic areas.

(c) In addition to an approval process for affordable housing based on clear and objective standards, conditions and procedures as provided in paragraph (a) of this subsection, a city or county may adopt and apply an alternative approval process for applications and permits for residential development based on approval criteria regulating, in whole or in part, appearance or aesthetics that are not clear and objective if:

(A) The developer retains the option of proceeding under the approval process that meets the requirements of paragraph (a) of this subsection;

(B) The approval criteria for the alternative approval process comply with applicable statewide land use planning goals and rules; and

(C) The approval criteria for the alternative approval process authorize a density at or above the density level authorized in the zone under the approval process provided in paragraph (a) of this subsection.

(10) If a regulation, provision or requirement adopted or imposed by a city or county under subsection (4) of this section requires that a percentage of housing units in a new multifamily structure be designated as affordable housing, any incentives offered under subsection (5)(d) or (6) of this section shall be related in a manner determined by the city or county to the required percentage of affordable housing units.

SECTION 2. ORS 320.170 is amended to read:

320.170. (1) [*Construction taxes may be imposed by*] A school district, as defined in ORS 330.005, may impose a construction tax only in accordance with ORS 320.170 to 320.189.

(2) Construction taxes imposed by a school district must be collected, subject to ORS 320.179, by a local government, local service district, special government body, state agency or state official that issues a permit for structural improvements regulated by the state building code.

SECTION 3. Section 1, chapter 829, Oregon Laws 2007, is added to and made a part of ORS 320.170 to 320.189.

SECTION 4. Section 1, chapter 829, Oregon Laws 2007, is amended to read:

Sec. 1. (1) A local government or local service district, as defined in ORS 174.116, or a special government body, as defined in ORS 174.117, may not impose a tax on the privilege of constructing improvements to real property except as provided in [*sections 2 to 8 of this 2007 Act*] **ORS 320.170 to 320.189.**

(2) Subsection (1) of this section does not apply to:

(a) A tax that is in effect as of May 1, 2007, or to the extension or continuation of such a tax, provided that the rate of tax does not increase from the rate in effect as of May 1, 2007;

(b) A tax on which a public hearing was held before May 1, 2007; or

(c) The amendment or increase of a tax adopted by a county for transportation purposes prior to May 1, 2007, provided that the proceeds of such a tax continue to be used for those purposes.

(3) For purposes of [*this section and sections 2 to 8 of this 2007 Act*] **ORS 320.170 to 320.189,** construction taxes are limited to privilege taxes imposed under [*sections 2 to 8 of this 2007 Act*] **ORS 320.170 to 320.189** and do not include any other financial obligations such as building permit fees, financial obligations that qualify as system development charges under ORS 223.297 to 223.314 or financial obligations imposed on the basis of factors such as income.

SECTION 5. ORS 320.176 is amended to read:

320.176. (1) Construction taxes imposed [*under ORS 320.170 to 320.189*] by a school district pursuant to **ORS 320.170** may be imposed only on improvements to real property that result in a new structure or additional square footage in an existing structure and may not exceed:

(a) \$1 per square foot on structures or portions of structures intended for residential use, including but not limited to single-unit or multiple-unit housing; and

(b) \$0.50 per square foot on structures or portions of structures intended for nonresidential use, not including multiple-unit housing of any kind.

(2) In addition to the limitations under subsection (1) of this section, a construction tax imposed on structures intended for nonresidential use may not exceed \$25,000 per building permit or \$25,000 per structure, whichever is less.

(3)(a) For years beginning on or after June 30, 2009, the limitations under subsections (1) and (2) of this section shall be adjusted for changes in construction costs by multiplying the limitations set forth in subsections (1) and (2) of this section by the ratio of the averaged monthly construction cost index for the 12-month period ending June 30 of the preceding calendar year over the averaged monthly construction cost index for the 12-month period ending June 30, 2008.

(b) The Department of Revenue shall determine the adjusted limitations under this section and shall report those limitations to entities imposing construction taxes. The department shall round the adjusted limitation under subsection (2) of this section to the nearest multiple of \$100.

(c) As used in this subsection, "construction cost index" means the Engineering News-Record Construction Cost Index, or a similar nationally recognized index of construction costs as identified by the department by rule.

SECTION 6. ORS 320.186 is amended to read:

320.186. A school district may pledge construction taxes **imposed pursuant to ORS 320.170** to the payment of obligations issued to finance or refinance capital improvements as defined in ORS 320.183.

SECTION 7. Sections 8 and 9 of this 2016 Act are added to and made a part of ORS 320.170 to 320.189.

SECTION 8. (1) **The governing body of a city or county may impose a construction tax by adoption of an ordinance or resolution that conforms to the requirements of this section and section 9 of this 2016 Act.**

(2)(a) **A tax may be imposed on improvements to residential real property that result in a new residential structure or additional square footage in an existing residential structure, including remodeling that adds living space.**

(b) **An ordinance or resolution imposing the tax described in paragraph (a) of this subsection must state the rate of the tax. The tax may not exceed one percent of the permit valuation for residential construction permits issued by the city or county either directly or through the Building Codes Division of the Department of Consumer and Business Services.**

(3)(a) **A tax may be imposed on improvements to commercial and industrial real property, including the commercial and industrial portions of mixed-use property, that result in a new structure or additional square footage in an existing structure, including remodeling that adds living space.**

(b) **An ordinance or resolution imposing the tax described in paragraph (a) of this subsection must state the rate and base of the tax.**

(4) **Taxes imposed pursuant to this section shall be paid at the time specified in ORS 320.189 to the city or county that imposed the tax.**

(5)(a) **This section and section 9 of this 2016 Act do not apply to a tax described in section 1 (2), chapter 829, Oregon Laws 2007.**

(b) **Conformity of a tax imposed pursuant to this section by a city or county to the requirements of this section and section 9 of this 2016 Act shall be determined without regard to any tax described in section 1 (2), chapter 829, Oregon Laws 2007, that is imposed by the city or county.**

SECTION 9. (1) **As soon as practicable after the end of each fiscal quarter, a city or county that imposes a construction tax pursuant to section 8 of this 2016 Act shall deposit the construction tax revenues collected in the fiscal quarter just ended in the general fund of the city or county.**

(2) Of the revenues deposited pursuant to subsection (1) of this section, the city or county may retain an amount not to exceed four percent as an administrative fee to recoup the expenses of the city or county incurred in complying with this section.

(3) After deducting the administrative fee authorized under subsection (2) of this section and paying any refunds, the city or county shall use the remaining revenues received under section 8 (2) of this 2016 Act as follows:

(a) Fifty percent to fund developer incentives allowed or offered pursuant to ORS 197.309 (5)(c) and (d) and (7);

(b) Fifteen percent to be distributed to the Housing and Community Services Department to fund home ownership programs that provide down payment assistance; and

(c) Thirty-five percent for programs and incentives of the city or county related to affordable housing as defined by the city or county, respectively, for purposes of this section and section 8 of this 2016 Act.

(4) After deducting the administrative fee authorized under subsection (2) of this section and paying any refunds, the city or county shall use 50 percent of the remaining revenues received under section 8 (3) of this 2016 Act to fund programs of the city or county related to housing.

SECTION 10. Section 9, chapter 829, Oregon Laws 2007, is repealed.

SECTION 11. A city or county may not adopt a regulation, provision or requirement under ORS 197.309, as amended by section 1 of this 2016 Act, until the 180th day after the effective date of this 2016 Act.

SECTION 12. This 2016 Act takes effect on the 91st day after the date on which the 2016 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

Passed by Senate February 26, 2016

.....
Lori L. Brocker, Secretary of Senate

.....
Peter Courtney, President of Senate

Passed by House March 3, 2016

.....
Tina Kotek, Speaker of House

Received by Governor:

.....M.,....., 2016

Approved:

.....M.,....., 2016

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2016

.....
Jeanne P. Atkins, Secretary of State

Moore-Love, Karla

From: Alexander Krokus <alexander.krokus@pcc.edu>
Sent: Thursday, June 30, 2016 10:24 PM
To: Moore-Love, Karla
Subject: Communication to City Council (Affordable Housing & Job Polarization Crisis): 07-06-16
Attachments: TestimonyAlexanderKrokus-07062016.pdf

June 30, 2016



City of Portland Council Clerk
Karla Moore-Love
1221 SW 4th Avenue, Room 130
Portland, OR 97204

Re: Communication to Council (Affordable Housing & Job Polarization Crisis)

Dear Karla Moore-Love,

I hope all is well. I've attached a PDF file to this email, which contains my communication pertaining to the "Affordable Housing & Job Polarization Crisis", that is scheduled for July 6, 2016.

Thank you once again for providing me with the opportunity to address relevant local concerns. It is genuinely appreciated.

Sincerely,

Alexander Krokus
5555 N. Wilbur Ave.
Portland, OR 97217
alexander.krokus@pcc.edu
akrokus@pdx.edu

PREPARED FOR:

PRESENTED BY: Alexander Krokus

Council Clerk: Karla Moore-Love
City Commissioner: Steve Novick
City Commissioner: Amanda Fritz
City Commissioner: Dan Saltzman
Auditor: Mary Hull-Caballero
Mayor: Charlie Hales

July 6, 2016



SUBJECT:

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RECOMMENDED ACTION:

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Since 1999, the state of Oregon had prohibited enacting mandatory inclusionary policies to create affordable housing. For 17 years, only two states in the entire nation refused to provide this vital protection to their local citizens, Oregon, and Texas. SB 1533, which was passed by our state legislators during the last legislative session, and recently signed into law by Governor Kate Brown, was promoted as a solution to our affordable housing dilemma.

The generally accepted formula for pricing affordable housing units is derived from applying 60% of the region's annual median wage. Unfortunately, SB 1533's definition of affordable housing is "*households with incomes equal to or higher than 80% of the median family income*". This is stated in Section 1, subsection 1(a) of the bill.

According to the Portland Housing Bureau, the "*Median Income for a Family of Four*" in 2015 was \$73,900 in Multnomah county. Applying the minimum 80% coefficient factor, against the region's median wage, for a family of four residing in the Portland metropolitan area, is equivalent to \$58,800. If the threshold rose to 90%, then a local family would have to earn \$66,510 annually, to be able to afford any of these exclusionary zoned units.

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in urban areas, from 2008-2015. Low-wage jobs also rose in the Portland Metro area by 20% in the past decade, while middle-wage jobs have decreased by almost 10% in the same time period.

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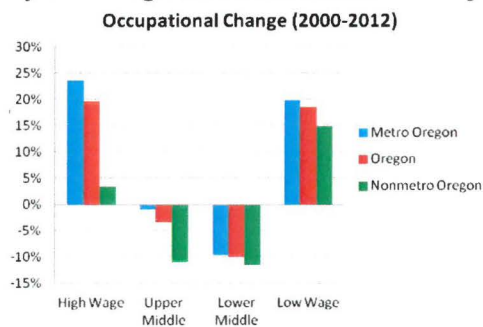
United States Department of Labor: Bureau of Labor Statistics. *“May 2015 State Occupational Employment and Wage Estimates: Oregon”*. 30 March 2016.

---. *“May 2015 Metropolitan and Nonmetropolitan Area Occupational Employment and Wage Estimates: Portland-Vancouver-Hillsboro, OR-WA”*. 30 March 2016.

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Oregon Office of Economic Analysis. *“Oregon Job Polarization”*. 13 April 2016.



Moore-Love, Karla

From: Alexander Krokus <alexander.krokus@pcc.edu>
Sent: Tuesday, May 24, 2016 12:19 PM
To: Moore-Love, Karla
Subject: Request to Address an Additional Communication to Council: Alexander Krokus
Attachments: TestimonyAlexanderKrokusAffordableHousing.pdf

May 24, 2016



City of Portland Council Clerk
Karla Moore-Love
1221 SW 4th Avenue, Room 130
Portland, OR 97204

Re: Request to Address an Additional Communication to Council (Affordable Housing & Job Polarization Crisis)

Dear Karla Moore-Love,

This communication is derived from research that I conducted for a recent city of Portland Mayoral debate. I asked a question that was directly related to this communication, to seven Mayoral candidates earlier this month. I assume that I will be unable to present two separate communications on the same date, which is entirely understandable.

I've attached a PDF of this additional request (Affordable Housing & Job Polarization Crisis) to this email.

Thank you once again for providing me with the opportunity to address relevant concerns. It is genuinely appreciated.

Sincerely,

Alexander Krokus
5555 N. Wilbur Ave.
Portland, OR 97217
alexander.krokus@pcc.edu

May 24, 2016



Re: Problems Associated with Local Affordable Housing Crisis, and Job Polarization, in Direct Relationship to the Passage of Oregon Senate Bill 1533.

Since 1999, the state of Oregon had prohibited enacting mandatory inclusionary policies to create affordable housing. For 17 years, only two states in the entire nation refused to offer this protection to their local citizens, Oregon, and Texas. SB 1533, which was passed by our state legislators during the last legislative session, and recently signed into law by Governor Kate Brown, was promoted as a solution to our affordable housing dilemma.

The generally accepted formula for pricing affordable housing units is derived from 60% of the region's annual median wage. Unfortunately, SB 1533's definition of affordable housing is "*households with incomes equal to or higher than 80% of the median family income*". This is stated in Section 1, subsection 1(a) of the bill.

According to the Portland Housing Bureau, the "*Median Income for a Family of Four*" in 2015 was \$73,900 in Multnomah county. Applying the minimum 80% of the region's median wage, for a family of four, residing in the Portland metropolitan area, is equivalent to \$58,800.

In rural and urban areas, encompassing the entire state of Oregon, middle-wage jobs have continuously diminished, while low and high-wage jobs have increased significantly. This employment pattern is defined as job polarization, and perhaps could be considered similar to the infant stage of cultural imperialism. The Oregon Office of Economic Analysis displays an over 20% increase in high-wage jobs in urban areas, from 2008-2015. Low-wage jobs also rose in the Portland Metro area by 20% in the past decade, while middle-wage jobs have decreased by almost 10% in the same time period.

The top four occupational fields that employ all Oregonians in 2015, according to the U.S. Bureau of Labor statistics, were "*Food Preparation & Service Related Operations*", "*Sales & Related Operations*", "*Office & Administrative Support Occupations*", and "*Production Operations*". These top four employment industries comprise almost one half of Oregon's entire workforce. In 2015, the highest annual mean wage for all of these top four occupational fields, which contains 213 specific categories, was a mere \$36,800. The lowest earner of these top statewide professions had an annual mean wage of \$23,850. These statistics are quite similar in comparison to the local Portland economy.

The top four occupations for individuals located in the Portland metro area had an average annual median wage of only \$24,412 in 2012. The top specific occupation in the Portland metro area was a “Retail Salesperson”, and the second leading occupation dealt with “Food Preparation Service, Including Fast Food”, and the third top local profession was a “Cashier”. In 2015, “Office and Administrative Support” provided the most employment locally, followed by “Sales and Related Occupations”, and “Food Preparation and Service Related Occupations”. The average median annual wage for these top local employment sectors, which employed 370,250 local citizens, was only \$31,116.

This “80% or higher of the median family income” initial pricing determination factor, established by SB 1533, enables housing developers the favorable option to appeal to a wealthier out-of-state customer, who possess the ability to actually afford these units. This is a direct result of this higher threshold in the initial determination of affordability requirements. This new inclusionary zoning law will essentially discriminate against families making less than \$58,800 annually here in Portland.

SB 1533 also grants these out-of-state developers multiple incentives, such as advantageous tax breaks, and full or partial exemptions from property taxes, and also the legal permission to construct taller projects, according to Section 1, subsection 4, and Section 1, subsection 5(A), and 5(D). Other incentives and benefits for these developers can actually be determined at will, and can established by any “city or county” located in Oregon.

Currently these developers are building residential structures all over the Portland metropolitan area that are far too expensive for native Oregonians to afford. How will you exercise your power as city council, to provide human security to all Portlanders, and not just to the abundant amount of economically fortunate transplants, who have transformed our city’s demographics over the past decade?

How will the city of Portland attempt to eliminate this unethical job polarization, and provide decent paying middle-wage jobs to our community, so that hard working families do not have to live in their automobiles, or on the street, while they are working one or two full-time professions?

Thank you for sincerely for sparing time to address this concern. It is genuinely appreciated.

Sincerely,

Alexander Krokus
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alexander.krokus@pcc.edu

Sources:

United States Bureau of Labor. “Portland Metro Area Top Occupations based on 2012 Employment”. State of the Workforce Report. 2013.

Oregon Office of Economic Analysis. "Oregon Job Polarization: 2008-2015 Employment Change". 13 April 2016.

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Portland Housing Bureau. "2015 Median Income for a Family of Four". 31 July 2015.

Oregon State Legislature. "Enrolled Senate Bill 1533". 3 March 2016.

Oregon Office of Economic Analysis. "Oregon Job Polarization". 13 April 2016.

Occupational Change (2000-2012)



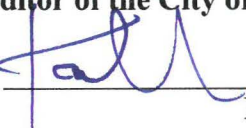
Request of Alexander Krokus to address Council regarding affordable housing and job polarization crisis (Communication)

PLACED ON FILE

JUL 06 2016

Filed JUN 28 2016

MARY HULL CABALLERO
Auditor of the City of Portland

By  Deputy

COMMISSIONERS VOTED AS FOLLOWS:		
	YEAS	NAYS
1. Fritz		
2. Fish		
3. Saltzman		
4. Novick		
Hales		