

2005

**CENTRAL CITY
HOUSING INVENTORY**

Rental and Homeownership Inventory

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Prepared by:

Portland Development Commission

CENTRAL CITY HOUSING INVENTORY

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CENTRAL CITY HOUSING INVENTORY

Executive Summary

Background

The Portland Development Commission (PDC) conducted an inventory of the residential units in the Central City to better understand the overall housing profile in this market area. The inventory provides information on the amount of housing, the type of housing, and the affordability of the housing. The previous Central City Housing Inventory was completed by PDC in April 2002. This inventory includes information updated through April 2005.

For this analysis, “Central City” refers to the Central City Plan Area as defined by the City of Portland (City Code Section 33.510) as of December 2005. This area is comprised of the sub-districts generally understood as North Macadam, Downtown, Goose Hollow, River District, Lower Albina, Lloyd District, and the Central Eastside. The sub-district boundaries are as defined in the Central City Plan and in most instances (while they may overlap with) are not the same as the City's urban renewal areas.

Boundary amendments made as a part of the April 1, 2005 (City Ord. No. 179092) change are not reflected in this report. For future inventories, PDC will work with the Bureau of Planning to reflect boundary and sub district changes in a manner that allows for comparison to past inventories and analysis of trends.

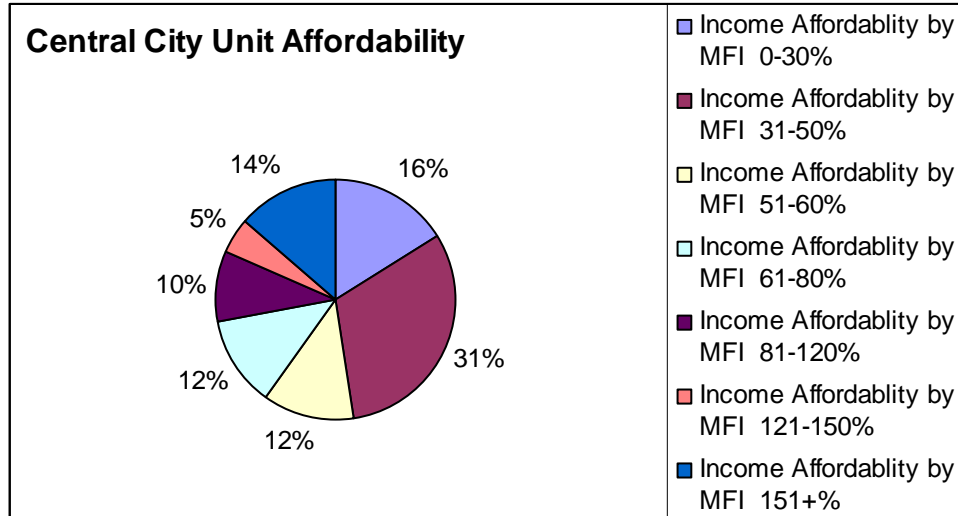
In August 2001, City Council adopted a No Net Loss policy for affordable housing in the Central City which states that either through preservation or replacement, the Central City will retain at least the current number of housing units affordable to households at or below 60% Area Median Income (AMI). The inventory provides information to assess the City's progress on the Central City No Net Loss policy, as well as other housing policies established in the Central City Plan, the City's Comprehensive Plan: Goal 4 and relevant Urban Renewal Area Plan goals and housing strategies.

This report summarizes the results of rental and homeownership units.

Housing Inventory

The Central City has 20,016 housing units. Rental housing comprises 79% of the overall housing stock, ownership units make up 18% of the housing stock, and shelter units account for 3% of the stock.

The overall affordability mix of the Central City housing stock is varied. The chart below includes subsidized & market rental units along with ownership units. Units that have an overall housing cost that is affordable to households in the 31 to 50% MFI range encompass the highest percentage of total Central City Housing Units.



Rental Housing Inventory Results

The 2005 inventory had a lower response rate from market rate rental properties than the previous inventory. The result is that market rate units are under-represented in the calculation of affordability and the distribution of affordability, overstating the ratio of lower income units. The 2002 Central City Housing Inventory had a 95% return rate. The current inventory had only an 84% response rate of the identified rental units in the Central City. A challenge for future inventories will be finding suitable incentive for the market rate properties to participate in the voluntary survey.

The following are highlights from the rental housing inventory.

- Occupancy Type:** The rental housing inventory is segmented into restricted and open market units. Restricted and open market units are split roughly 50/50. All of restricted units have rent levels at or below 80% MFI with the exception of units in one building that restricts residency to seniors, but does not have an income restriction.
- Income Affordability:** Rental housing in Downtown, restricted and market rate, predominately consists of units affordable to low- and moderate-income households. Over 90% of all rental housing units are affordable to households at or below 80% MFI. This number includes both restricted occupancy, subsidized, and open market rental units.
- No Net Loss Units:** There are an estimated 10,124 rental units currently affordable to households with income at or below 60% MFI (74% of the total rental housing surveyed). In the 2002 Central City Housing Inventory, there were an estimated 8,286 NNL units. This is an approximate increase of 22%.

- 19% of this increase is due to changes in the US Department of Housing and Urban Development calculations of the Portland Metropolitan Area’s median family income for fiscal year 2004/2005, rather than actual increases in the rents charged.
 - The remaining 81% was the result of new rental units built since 2002 that are affordable at or below 60% MFI:
 - 373 units affordable to households at 0-30% MFI
 - 120 units affordable to households at 31-50% MFI
 - 139 units affordable to households at 51-60% MFI
 - The majority of the No Net Loss units are currently affordable to households at 31-50% MFI. This represents 39% of the total rental stock. Housing units affordable to households at the low end, 0-30% MFI, account for 20% of the total rental stock. The 51-60% MFI threshold accounts for 15% of the stock.
- **Units with rent over 60% MFI:**
 - Rents within the 61-80% MFI range account for 15% of the total rental stock.
 - Rents within the 81-120% MFI range account for 9.5% of the total rental stock.
 - Only Two percent of the total rental stock is priced at levels affordable only affordable to those households at or above 121% MFI. All but one of these units is west of the Willamette River.
 - **Recent Rental Housing Activity (since 2002):** Since the 2002 Central City Housing Inventory, more than 1,700 new rental units have been developed in the Central City. The River District saw the greatest level of recent activity with a 20% increase in the amount of rental housing over the previous rental inventory. Due to PDC financial assistance and other public & private resources, the affordability of newly built units is relatively diverse. The mix of restricted and open market units is 60% and 40% respectively.¹ Below is a breakdown of these new rental units based on where rents fall within HUD’s 2005 Housing Affordability guidelines.

New Rental Housing Development Since 2002

	INCOME AFFORDABILITY (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Total Units	373	120	139	239	737	139	44	1,791
% of Units	20.8%	6.7%	7.8%	13.3%	41.2%	7.8%	2.5%	

Ownership Housing Inventory Results

The 2002 Central City Housing Inventory reported a homeownership rate of 14% which reflects not only an increase in the number of ownership units, but also an increase in the ratio of homeownership units to rental units. At the time of the inventory, the Central City homeownership rate was 18%. While the current percentage remains dramatically lower than the citywide rate of 56%, the construction of new ownership units far out paced rental housing

¹ See methodology section for more details. Market rate properties did not return surveys in as great a number as those that are subsidized.

during this period. This trend is expected to continue as 2,177 new condominiums are currently under construction and even more are planned throughout the Central City. The River District continues to have the highest homeownership rate in the Central City at 64%. South Waterfront is expected to develop similarly.

General information regarding the type of units and sales information was collected for approximately 84% of the identified ownership units in the Central City. The following are highlights from the ownership housing inventory.

- **Income Affordability and Sales Price:** The Central City has very few ownership opportunities for households with incomes below 80% MFI. Ownership units sell predominantly at prices affordable to households above 150% MFI, with only 19% of the units sold or listed at prices affordable to middle-income households. Home sales prices did vary between individual sub-areas, with River District units almost exclusively above 150% MFI, and Lloyd District units favoring the middle-income market.

Compared to the 2002 Central City Housing Inventory, the median sales price for ownership units has seen steady increases. The Central City experienced a 20% increase in prices from \$204,000 to \$244,000. The Central Eastside median sales price increased 14% from \$140,750 to \$160,000, it remains the lowest priced sub-area. Downtown experienced a 20% median sale price increase from \$179,500 to \$215,000. Goose Hollow increased 66% from \$165,000 to \$273,875. River District increased 32% from \$221,500 to \$292,000. The Lloyd District has no recorded resales during 2004 and through April of 2005.

Sales price per square foot in the Central City averages \$244 per square foot while price per square foot in 2005 in the River District averaged near \$373 per square foot. Downtown and Goose Hollow sales were both above \$320 per square foot. Lloyd District and Central Eastside sales average closer to \$200 per square foot.

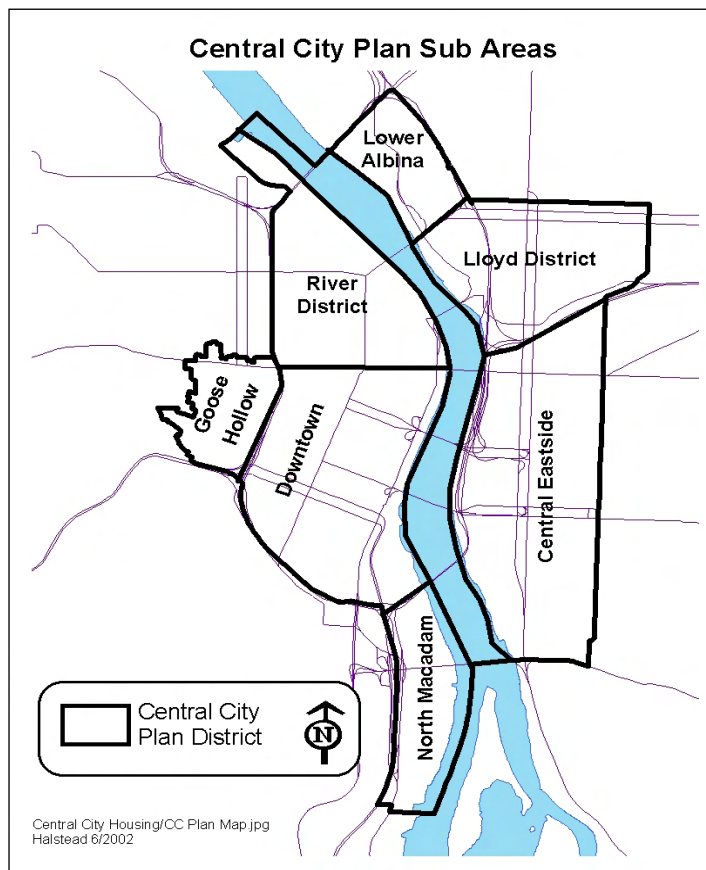
- **Recent Ownership Housing Activity (since 2002):** Over 1,380 new ownership units have been constructed in the Central City since the 2002 Central City Inventory.
 - The River District has captured 97% of the new homeownership construction with 1,340 new units constructed since the 2002 Inventory, and at least an additional 188 units currently under construction. Consequently, the River District has also seen the highest number of sales.
- **Annual Rate of Appreciation (1995 to 2005):** Annual appreciation rates are surging. From the previous 2002 Central City Inventory, ownership units appreciated 25.44%. The Central Eastside, for example, appreciated 50% in the current inventory period compared to 25% in the 2002 Inventory. From an annual 8% appreciation rate noted in the 2002 Inventory, the current inventory shows a three fold increase in appreciation.

2005 CENTRAL CITY HOUSING INVENTORY

Introduction

The Portland Development Commission (PDC) conducted an inventory of all of the residential units in the Central City to better understand the overall housing profile in this market area. The inventory provides information on the amount of housing, the type of housing, and the affordability of the housing. This information is critical to effectively developing and evaluating city policies and initiatives related to housing type, tenure, and affordability. The last comprehensive Central City Housing Inventory was published by PDC in August 2002.

For this analysis, “Central City” refers to the Central City Plan Area as defined by the City of Portland. This area is comprised of the sub-districts generally understood as North Macadam, Downtown, Goose Hollow, River District, Lower Albina, Lloyd District, and the Central Eastside.² The sub-district boundaries may overlap with urban renewal area boundaries, but they are not the same as the City's urban renewal areas.



² “Central City” refers to the Central City Plan Area as defined by the City of Portland (33.510) and was last updated on April 1, 2005 (Ord. No. 179092). Map 510-1 (see Appendix E) of the Plan shows an extension of Goose Hollow further west along Burnside and changed the North Macadam sub area to South Waterfront. These new sub areas and other boundary changes will be reflected in subsequent inventories.

There have been many plans developed over the last 30 years that have provided a guide for housing development in the Central City. These plans range from the broader Comprehensive Plan and Central City Plan to the more specific neighborhood and urban renewal plans. These Plans have been updated throughout the years to respond to emerging priorities and changing conditions, establishing new goals and different housing targets. In a general sense, these various plans complement each other and provide a broad context for housing in the Central City. But while the overall context is consistent, often times the Plans have different quantitative housing targets and set conflicting priorities, illustrating the complicated questions and goals about housing that exist in the Central City. A summary of recent plans and policies in the Central City is included at the end of this report. Appendices F and G provide a summary of many of the quantitative housing goals related to the Central City.

The following inventory is one tool to help evaluate progress that has been made toward these specific goals. It provides a profile of the rental and ownership housing in the Central City to be able to assess which specific housing goals have been achieved and which housing goals continue to require the attention of the City, guiding housing policy decisions in the Central City.

In addition to the Central City Inventory, PDC also publishes the Consolidated URA Report annually which tracks progress and activity as it relates to the urban renewal housing strategies. In the next year, PDC will undertake updates to the River District and North Macadam housing strategies to reflect changes in build-out and market assumptions.

Inventory and Research Methodology

The housing inventory includes all housing units in the Central City. The study area has been divided into six sub areas to allow for more detailed geographic analysis of housing availability:

- Downtown
- River District
- Lloyd District
- Central Eastside
- Goose Hollow
- Lower Albina

The North Macadam sub area (which is the area along the west bank of the Willamette River and south of the I-405 loop) is not included in the inventory because it did not have completed housing projects at the time of the inventory, but information on current projects under development are summarized in this report. An inventory of the North Macadam sub-area will be included in the next Central City Housing Inventory.

Rental Housing Inventory and Survey

To collect information on rental housing in the Central City, a rental housing survey was sent out by mail to the owner(s) or property managers of each identified rental property within the boundaries of the Central City. Staff followed up by phone with the owners or property managers of each non-responsive property, at which time the survey was either resent or completed over the phone.

The survey itself consists of eight main sections, in addition to identification information (owner/property name, address, phone, contact) and room for additional comments (see Appendix A). The first section, “Unit Information,” asks for number and type of units (single family home, apartment, etc.) and whether the management accepted Section 8 certificates. “Parking Information” asks for number of spaces and rental rates. “Utility Information” asks for types of heat and hot water, and whether or not each type of utility is included with the rent. “Rent information” asks for number of bedrooms, number of units of that size, unit size, monthly rent paid by tenant, and any sort of rent, income level or tenant restriction that may be in place on those units. “Tenant profile” asks for basic demographic information, including estimates of seniors, children and persons with special needs. “Demand” asks about waiting lists and vacancy rates. “Fees/Deposits/Move in Costs/Lease” asks for rental agreement types and various move-in fees and deposits. The final section, “Building Amenities and Room Amenities” provides a check list of various features commonly found in building common spaces and private spaces.

Information was also collected for special need and service-oriented housing that does not charge the tenant a monthly rent. Shelter beds and group home rooms as well as other units in which the tenant does not pay rent are reported as separate residential units and are included in the total unit counts.

Income Categorization

The housing inventory was used to categorize units by their affordability according to income level. The categorization of housing as affordable at the various income levels is based on imputing an income level from rents, not actual tenant income data. Since actual household size was not available for the housing units, the number of people in a household was estimated based on the number of bedrooms. Household size, median family income (MFI), and housing affordability was estimated in the same manner used for past PDC inventories.

The following table shows the estimated housing cost affordable for a household at 100% median family income. The maximum monthly housing cost serves as the indicator of affordability. Median family income of tenants was estimated from the total monthly housing cost, assuming a 30% rent burden. See Appendix B for a breakdown of median family income by household size and maximum monthly rent considered affordable by the US Department of Housing and Urban Development (HUD) standards.

Residents actual spending on housing compared to their income is not easily determined via a survey instrument such as used in this inventory. The utilization of HUD's affordability guidelines are the most readily available income to rent assumptions that are consistently used to infer and impute rent affordability. This in no way captures those individuals who actually spend more than 30% of their income on housing. Again, these are assumptions based on reported rent and how that rental information follows HUD's affordability guidelines.

Estimated Household Size and Housing Affordability By Number of Bedrooms

Number of Bedrooms	Estimated Household Size	100% Median Family Income	Maximum Monthly Housing Cost = 30% of Monthly Income
0	1	\$44,231	\$1,189
1	1.5	\$47,550	\$1,273
2	3	\$54,300	\$1,528
3	4.5	\$61,100	\$1,766
4	6	\$67,900	\$1,969
5	7.5	\$73,350	\$2,173

Based on FY 2005 HUD Portland Area Median Income

Throughout the report, affordability is discussed in terms of percentage of median family income. For instance, rent and utility costs of \$764 for a two-bedroom apartment is affordable to a household with an income at 50% MFI, or otherwise stated an annual income of \$30,550 for a three person household. The MFI ranges of 0-30%, 31-50%, 51-60%, 61-80%, 81-120%, 120-150%, and over 150% are consistent with other policy discussions and analyses and allow for broad comparisons.

The following chart provides a more down-to-earth assessment of what these income levels and housing burdens represent. For example, 100% MFI for a family of four equates to \$67,900. This yearly income could be represented by engineers, human resource managers, and police supervisors employed full-time.

INCOME LEVEL	AFFORDABLE HOUSING COST	HOUSEHOLD PROFILES
30% MFI \$14,250 1 person \$20,350 4 persons	Studio apt. \$356 1 bedroom \$382 2 bedroom \$459	<ul style="list-style-type: none"> • 32 hours/week fast food worker • 30 hours/week child day care worker • 30 hours/week parking lot attendant • Full time personal & home care aid • Full time painter, wall paper hanger, or janitor
50% MFI \$23,750 1 person \$33,950 4 persons	Studio apt. \$594 1 bedroom \$636 2 bedroom \$764	<ul style="list-style-type: none"> • Full time retail sales person, reservation/ticket agent, or receptionist • Full time construction laborer, meter reader, or postal service mail sorter
80% MFI \$38,000 1 person \$54,300 4 persons	Studio apt. \$950 1 bedroom \$1,018 2 bedroom \$1,223	<ul style="list-style-type: none"> • Full time cement mason, advertising sales agent, paralegal or credit analyst. • Full time database manager, landscape architect, technical writer, or insurance salesperson.
100% MFI \$47,550 1 person \$67,900 4 persons	1 bedroom \$1,189 2 bedroom \$1,273 3 bedroom \$1,528	<ul style="list-style-type: none"> • Full time medical lab technician, computer programmer, or insurance claims adjuster. • Full time industrial engineer, human resource manager, police supervisor, or software engineer.

Total Housing Cost

Actual rents were recorded whenever possible. For units in which ranges were reported, the high end of the rent range was used in calculating the affordability. Respondents also indicated the utilities which tenants were responsible for paying in addition to their rent. For units in which no utilities or only partial utilities were included in the rent, monthly utility costs were estimated using the 2001 HUD Utility Allowance Worksheet (Appendix C) provided by the Housing Authority of Portland. The utility allowance and the monthly rent provided a gross rent figure. Gross rent and estimated household size were used to calculate income affordability levels.

Inventory Response Rates

General information regarding the number of units, type of units, and rent information was collected for 84% of the identified rental units in the Central City. The response rates for individual questions related to the tenant profile, other fees or deposits, and amenities varied dramatically.

Ownership Housing Inventory

Data Collection

For these units, the data collected included the number of bedrooms, square footage, actual price paid, and date of sale, as well as previous sales information. The asking/sales price was recorded for newly constructed units that had not yet been sold. Surveys were not distributed to property managers, developers or homeowners. Information was predominantly collected from Multnomah County tax assessor records and the Real Estate Multiple Listing Service. Additional information was gleaned from PDC development records and developer promotional materials.

Complete information on recently constructed multifamily projects was the most difficult to collect because sales and unit specification had not yet been recorded with the tax assessor. Loft-style units which technically have zero bedrooms but vary dramatically in terms of square footage were coded as one bedroom units for affordability calculations. Both of these issues resulted in incomplete information for many new units in the River District.

To determine the appropriate income category and affordability levels for ownership units the following assumptions were used: 3% down payment, 30-year fixed mortgage, and a 33% housing cost burden. See Appendix D for assumptions made when calculating homeownership affordability and affordability levels by income and number of bedrooms. The rental and ownership housing industries use different standards to evaluate a household's ability to pay housing costs. The rental housing industry uses a 30% of income test yet the ownership housing industry - dictated by the financing industry - evaluate an individual's ability to pay based upon a number of risk factors. A general rule of thumb is to apply a 33% of income test, meaning that the total of the principal, interest, tax, insurance, mortgage insurance and any association dues do not exceed 33% of a households gross monthly income.

Sales data was collected for 88% of the identified ownership units in the Central City. There are a total of 437 ownership units for which no sales data was available.

Total Housing Inventory Summary

The Central City study area has over 700 residential buildings ranging from single-family homes in the Central Eastside and Goose Hollow to condominium towers in Downtown and River District. There is an overall housing unit increase of 19% between the 2002 and this inventory update. The current inventory reflects a total of 20,016 housing units in the Central City compared to 16,881 reported in the 2002 inventory. The table below shows the distribution of residential units by tenure and location within sub areas.

Estimated Number of Housing Units in the Central City by Sub Area

TENURE	CENTRAL CITY SUB AREAS						CENTRAL CITY TOTAL
	Down-town	River District	Lloyd District	Central Eastside	Goose Hollow	Lower Albina	
Rental	7,970	3,556	1,038	1,119	2,620	42	16,345
Owner Occupied	901	2,340	121	60	248	1	3,671
CC Total	8,871	5,896	1,159	1,179	2,868	43	20,016
% of Units	44.3%	29.5%	5.8%	5.9%	14.3%	0.2%	

Each of the sub areas contribute differently to the overall Central City housing market. The Downtown sub area has the largest concentration of housing with 47% of all Central City housing units. However, this percentage is lower than the 51% reported in the 2002 inventory.

The River District has emerged as a very strong market in the last decade. For example, in the 2002 inventory 24% of housing units are found in the River District compared to 32% in this inventory. This trend will continue with the continued addition of mixed-tenure housing units in this sub area.

The sub areas east of the Willamette River combine for a much smaller portion of the housing market with a total of 4,380 units, representing only 25% of all Central City housing. These areas when compared to the 2002 inventory experienced no significant change in percentage of all Central City housing.

The following table includes all of the housing for which housing cost information was available. In the 2002 inventory, 15,192 units or 90% of the sample universe of 16,881 had sales or rental information. This inventory shows a slight decline to 84%. This includes market and subsidized rental units, as well as homeownership sales. The process for determining affordability is described in the methodology section, while a description of the unit types follows in the rental and homeownership sections.

Central City Housing Units by Median Family Income
Includes Subsidized and Market Rental Units and Ownership Units

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY** (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	1,735	2,759	858	1,131	626	192	663	7,964
% of Units	21.8%	34.6%	10.8%	14.2%	7.9%	2.4%	8.3%	
River District	771	1,058	687	236	619	501	1,528	5,400
% of Units	14.3%	19.6%	12.7%	4.4%	11.5%	9.3%	28.3%	
Lloyd District	-	36	137	325	209	46	31	784
% of Units	0.0%	4.6%	17.5%	41.5%	26.7%	5.9%	4.0%	
Central Eastside	93	553	23	14	21	6	1	711
% of Units	13.1%	77.8%	3.2%	2.0%	3.0%	0.8%	0.1%	
Goose Hollow	114	923	381	348	165	44	85	2,060
% of Units	5.5%	44.8%	18.5%	16.9%	8.0%	2.1%	4.1%	
Lower Albina	20	-	-	-	-	-	-	20
% of Units	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
CC Total	2,713	5,329	2,086	2,054	1,640	789	2,308	16,939
% of Units	16.0%	31.5%	12.3%	12.1%	9.7%	4.7%	13.6%	

*Sales and rental information for 16,939 units (84% of total open market, & unrestricted units)

**Methodology for calculating income affordability explained in following sections

Rental Housing Inventory Results

The Central City rental stock includes 16,345 rental units ranging in size from the more than 60 single-family rentals to the over 500-unit Portland Center apartment development. Rental data was obtained for 84%, 13,697 units, of the estimated total. The profile of rental housing in the Central City is important to understand because it is the traditional location of worker housing, and continues to be the locus of affordable housing for seniors, persons with special needs and small households who prefer to live near jobs, services and entertainment.

Occupancy Type

Rental units were divided into various categories of Restricted Occupancy and Unrestricted/Market to provide distinction between the type of units provided by the open market, and those provided by public and non-profit programs. Restricted occupancy describes any unit in which there are occupancy requirements other than basic tenant screening for tenancy and credit histories. Requirements include restrictions on how high a tenant's income can be, a tenant's age or attendance at a qualified school. They also include rental units that require tenants to be involved in programs such as drug and alcohol treatment, life skills, or job training.

Some of the shelter/mission units are listed as "special needs" because of program restriction, and include both rooms and shelter beds (each is counted separately). The remaining shelter beds, while technically "open market," are listed separately due to the unique population served.

**Rental Housing Units
By Restriction Type and Sub Area**
(includes "non-rent" units)

UNIT TYPE & RESTRICTION	CENTRAL CITY SUB AREAS						TOTAL UNITS	% OF TOTAL UNITS
	DT	RD	LLOYD	CES	GH	LA		
Unrestricted Market Rents	4,245	1,546	531	384	1,418	-	8,124	50%
Income Restricted	1,550	1,558	-	155	249	-	3,512	21%
Sec 8/202 (non sr/disabled)	181	305	-	113	88	-	687	
Other (PDC, LIHTC, etc)	1,369	1,253	-	42	161	-	2,825	
Senior/Disabled/Assisted Living	933	326	268	-	123	-	1,650	10%
Sec 8/202	853	172	-	-	123	-	1,148	
Assisted Living/Subsidized	80	154	-	-	-	-	234	
Assisted Living/Market	-	-	268	-	-	-	268	
Mission/Shelter/Transient*	43	222	-	145	-	-	410	3%
Special Needs/Restricted**	142	368	-	122	-	20	652	4%
Student Housing	1,429	109	-	-	459	-	1,997	12%
0-80% MFI	113	109	-	-	111	-	333	
Market	1,316	-	-	-	348	-	1,664	
Total Units	8,342	4,129	799	806	2,249	20	16,345	

* Includes both rooms and shelter beds (each are counted as a separate unit)

** Includes alcohol & drug free housing, alcohol & drug treatment centers, AIDS housing, youth, corrections, other program restricted

Restricted Occupancy Units

Restricted Occupancy units comprise 60% of the rental units for which data was obtained.³ With the exception of 268 market-rate senior units, all of the Restricted Occupancy units have rent levels that are affordable to households with incomes at or below 80% MFI.

- **Income Restricted, Non-Senior.** At 27% of rental units, non-senior, income-restricted housing represents the largest portion of Restricted Occupancy units in the Central City. The Downtown region and the River District contribute roughly equal numbers of units. These units include project-based Section 8 units, as well as other publicly-subsidized units with income restrictions imposed due to federal funding, Low-Income Housing Tax Credits, State or City bond financing, or PDC direct financial assistance.
- **Student Housing.** Student housing contributes the second largest percentage, 15%, of this section of restricted housing stock in the Central City. This section exists mostly in the Downtown and Goose Hollow areas, close to the Portland State University campus. While few of the units are income restricted, due to their target population and the overall market, none of the student-restricted units are renting above 80% MFI.
- **Senior and Disabled Housing.** Seniors and disabled persons housing represents 12% of rental units. Downtown is again the most significant contributor to this section of rental housing stock by number of units. The units that comprise this section of the housing market are mostly smaller units, with one or fewer bedrooms. These units include project-based Section 8 units and other publicly-subsidized units that impose rent restrictions. Senior-restricted housing also includes 268 market-rate units which do not have rent levels affordable to low-income households.

The other two types of restriction, shelter/mission and special needs/program housing, account for 3% and 5% of the total rental housing stock respectively.

Non-Rental Residential Units

The rental inventory includes traditional rental units, as well as special need residential units that do not collect rent from tenants. While the non-rental units are not part of the rental housing market, they do contribute to the residential character and mix of the Central City. These units include shelter and mission beds and rooms, residential youth services, in-patient drug and alcohol treatment centers, and other residential services to special need populations.

All of the "non-rental" special need residential units are in the Downtown (22%), River District (56%) and Central Eastside (19%) sub areas. Homeless shelters and drug and alcohol rehabilitation services account for the majority of residential units that are not collecting rents from tenants.

³ Because more restricted occupancy and subsidized properties returned surveys or where current data was obtained, this percentage may not reflect the actual breakdown in the market. Thus, market-rate units are under represented.

Income Affordability

The following tables' breakdown the units by the median family income of renters for which they would be considered affordable. The study infers residents' incomes from the gross rent and number of bedrooms in a unit as described in the methodology. This does not represent the actual income of the resident. The rental units are categorized in income ranges that assume a maximum gross rent of 30% of the tenant's gross income. The income ranges are based on HUD's MFI estimates, as detailed in Appendix B.

The analysis is broken into a table of all rental units in the Central City, as well as a table of only "open market" rental units. Open market rental units have no restrictions on tenant occupancy. Both restricted occupancy and open market units comprise the rental market, but the open market units provide insight into what rent levels are supported by market demand, i.e. what is the highest rent a property can charge and still be able to fill the units.

Both segments of the rental market interact with and affect each other. In cases where market rents are low, open market rental and restricted occupancy units may compete for the same tenant population. Rent stability offered by restricted units or amenities provided by the open market units may influence a renter's decision. In either case, the following table indicates that the current rental market in the Central City favors low-income units (0-80% MFI).

All Rental Housing Units by Median Family Income

Includes Section 8, Subsidized, Senior, Student
And Other Restricted Occupancy Units

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	1,735	2,759	858	1,128	488	20	3	6,991
% of Units	19.7%	27.4%	12.3%	16.1%	7.0%	0.3%	0.0%	
River District	770	1,058	687	236	520	158	38	3,467
% of Units	22.2%	30.5%	19.8%	6.8%	15.0%	4.6%	1.1%	
Lloyd District	-	36	137	323	170	1	-	667
% of Units	0.0%	5.4%	20.5%	48.4%	25.5%	0.1%	0.0%	
Central Eastside	93	552	21	4	4	-	-	674
% of Units	13.8%	54.2%	3.1%	0.6%	0.6%	0.0%	0.0%	
Goose Hollow	114	923	381	344	112	-	4	1,878
% of Units	6.1%	49.1%	20.3%	18.3%	6.0%	0.0%	0.2%	
Lower Albina	Not Available							-
% of Units								
CC Total	2,712	5,328	2,084	2,035	1,294	179	45	13,677
% of Units	19.8%	39.0%	15.2%	14.9%	9.5%	1.3%	0.3%	
Central City No Net Loss Units				*14,502 units surveyed (88.0% of total rental units)				
<i>10,124 total units</i>								
<i>69.9% of total rental housing</i>								

Bedroom Type and Unit Count by Sub Area

Central City Sub Areas	Bedroom Type & Unit Count by Sub Area							TOTAL UNITS*
	Studio	One	Two	Three	Four+	SRO	Shelter	
Downtown	2,744	2,482	623	49	-	1,090	3	6,991
% of Units	19.7%	27.4%	8.9%	0.7%	0.0%	15.6%	0.0%	
River District	701	1,117	436	75	-	1,003	135	3,467
% of Units	20.2%	32.2%	12.6%	2.2%	0.0%	28.9%	3.9%	
Lloyd District	56	364	247	-	-	-	-	667
% of Units	8.4%	54.6%	37.0%	0.0%	0.0%	0.0%	0.0%	
Central Eastside	266	165	19	3	4	87	130	674
% of Units	39.5%	54.2%	2.8%	0.4%	0.6%	12.9%	19.3%	
Goose Hollow	722	766	307	13	-	70	-	1,878
% of Units	38.4%	40.8%	16.3%	0.7%	0.0%	3.7%	0.0%	
Lower Albina % of Units	Not Available							-
CC Total	4,489	4,894	1,632	140	4	2,250	268	13,677
% of Units	32.8%	35.8%	11.9%	1.0%	0.0%	16.5%	2.0%	

From the above table, the type of units available in the central city falls heavily on the studio and one-bedroom units. These units make up 69% of the rental units. Approximately 16% of units are Single Room Occupancies (efficiencies). There are very few three plus bedroom units available in the central city.

Open Market Rentals

The Central City has 6,322 number of rental units which have no tenant or income restrictions. While there was a 99% response rate for income and tenant restricted units, there was only an 89% response rate among "open market" units surveyed.⁴ This disparity may result in a slight overstatement in what percentage of units is low income.

The table of the following page outlines the affordability of surveyed units that are purely open market. It is important to note that some of these properties are non-profit owned and therefore may be renting at below-market rates to ensure affordability, but there are no income or tenant restrictions applied.

Over 45% of all rental units in the Central City are "open market" units that do not have any restrictions on the occupant other than traditional credit or rent history information. Open market units contribute significantly to the affordable housing stock in the Central City with 32% of the total No Net Loss units affordable to households at or below 60% MFI having no tenant or income restrictions. These units are located throughout the Central City.

The Lloyd District and the Central Eastside have the least diverse open market housing stock in terms of affordability. The Central Eastside is almost wholly below 80% MFI, while the Lloyd

⁴ As noted in previous sections, it was more difficult to obtain rental surveys from open market properties than those properties that incorporate rental restrictions. Other than a lack of incentives for completion of the rental survey, it is not certain as to why there is this discrepancy.

District serves mostly moderate- and middle-income households. High end rental units with rents above 120% MFI are only found in sub areas west of the Willamette River with the most in the River District.

**Open Market, Unrestricted Rental Housing Units
by Median Family Income**
Does not include Section 8, Subsidized, Senior, Student,
Other Restricted Occupancy Units or NonRent Units

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY* (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	44	646	686	1,069	376	15	3	2,839
% of Units	1.5%	22.8%	24.2%	37.7%	13.2%	0.5%	0.1%	
River District	176	144	213	154	461	158	38	1,344
% of Units	13.1%	10.7%	15.8%	11.5%	34.3%	11.8%	2.8%	
Lloyd District	-	36	137	323	170	1	-	667
% of Units	0.0%	5.4%	20.5%	48.4%	25.5%	0.1%	0.0%	
Central Eastside	68	289	21	3	4	-	-	385
% of Units	17.7%	75.1%	5.5%	0.8%	1.0%	0.0%	0.0%	
Goose Hollow	42	569	189	243	40	-	4	1,087
% of Units	3.9%	52.3%	17.4%	22.4%	3.7%	0.0%	0.4%	
Lower Albina % of Units	Not Available							-
CC Total	330	1,684	1,246	1,792	1,051	174	45	6,322
% of Units	5.2%	26.6%	19.7%	28.3%	16.6%	2.8%	0.7%	
	Central City No Net Loss Units <i>2,896 open market units</i>			*7,090 units surveyed (89% of total open market, unrestricted units)				

- The affordability of one- and two-bedroom units may be overstated in this analysis. The methodology for calculating the affordability of one-bedroom units is estimated based on a 1.5 person household assuming a split between one and two person households. But, based on the 2000 Census, Central City households are smaller than the city average with a greater number of one-person households.

No Net Loss Units (0-60% MFI)

The No Net Loss Resolution of August, 2001 establishes the policy to maintain *at least* the current number of affordable units (at or below 60% MFI) in the Central City. Therefore, understanding where and how much affordable housing exists in the Central City is imperative to achieving the policy goals.

As noted in the 2002 Central City Housing Inventory, there were an estimated 8,286 rental units currently affordable to households with incomes at or below 60% MFI. These units fall under the No Net Loss Resolution and are used to establish a baseline from which the policy objective can be measured in the future. To achieve the No Net Loss policy goals, these units must be preserved or replaced to ensure that at least 8,286 rental units affordable to households at or below 60% MFI are retained in the Central City in perpetuity. The 2005 inventory shows there are now 10,014 NNL rental units.

The median family income ranges are set by the HUD. The associated income ranges increased significantly from the 2002 guidelines to 2004 with no change from 2004 to 2005. For example, a family of four making \$57,200 in 2002 equates to 100% of the median family income for the Portland-Vancouver MSA. Currently, the threshold for 100% MFI for a family of four is \$67,900. The increase in income represented in the current MFI guidelines impacted the increase in the number of NNL units for this inventory update.

Approximately 19% of the new NNL unit count is a result of the increase in income distributions provided within HUD's FY 2004-2005 median income percentages rather than new development or significant rises in rents charged. The remainder of the increase in NNL units from 2002 to 2005 is a direct result of new development within the Central City sub areas.

The bulk of the total No Net Loss units are currently affordable to households at 31-50% MFI. However, the majority of the open market No Net Loss units are in the higher 51-60% MFI income range. Open market units account for over one-third of these affordable housing units in the Central City.

**No Net Loss Rental Housing Units
by Sub Area and Median Family Income
(0-60% MFI Units Only)**

CENTRAL CITY SUBAREAS	NO NET LOSS UNITS				TOTAL NNL UNITS*	% OF TOTAL NNL UNITS
	Restricted		Open Market			
	Units	%	Units	%		
Downtown	3,976	74.3%	1,376	25.7%	5,352	52.9%
River District	1,982	78.8%	533	21.2%	2,515	24.8%
Lloyd District	-	0.0%	173	100.0%	173	1.7%
Central Eastside	288	43.2%	378	56.8%	666	6.6%
Goose Hollow	618	43.6%	800	56.4%	1,418	14.0%
Lower Albina	Not Available					
CC Total	6,864	67.8%	3,260	32.2%	10,124	
*20 units in Lower Albina not included						

- It is important to note that the No Net Loss baseline is based on a 95% sample of all rental units in the Central City and must be considered an estimate. The following unit estimates are based on an 84% overall response rate.

The profile of No Net Loss units falls heavily on properties with units that carry some form of income restriction in the form of a regulatory agreement with the federal government, the State or Oregon or the Portland Development Commission. Roughly 68% of No Net Loss units have income restrictions. Areas west of the Willamette River provide the greatest number of No Net Loss units.

The profile of No Net Loss units varies dramatically as you move from one sub area to another. Three-fourths of the units in Downtown and River District have some type of restriction, while affordable units in the Lloyd District and Central Eastside sub areas are predominately open market. Goose Hollow is the most balanced between restricted and open market affordable units. Over half of the No Net Loss units are located in the Downtown sub area. The Central Eastside

accounts for less than 7% of the total No Net Loss units, but represents 12% of the total open market No Net Loss units in the Central City.

- 0-30% MFI Rental Housing.** Housing units affordable to extremely, low-income households account for 20% of the total rental units, with just over 2,732 units available. This is an increase from the 2002 inventory of 15%. The River District has the greatest amount of open market units affordable at or below 30% MFI. The Lloyd District is the only sub area without any units affordable at or below 30% MFI, and Goose Hollow only has 4% of its total units at or below 30% MFI.
- 31-50% MFI Rental Housing.** As the largest affordability group, 31-50% MFI units represent 39% of the total rental housing stock compared to 27% in 2002. One-third of this stock is open market, unrestricted units. More than half of the total units in the Central Eastside are affordable to this income group, which is in contrast to the less than 1% of the total Lloyd District rental units. The west-side sub areas of Downtown, River District and Goose Hollow have roughly 35% of their units affordable to households between 31-50% MFI.
- 51-60% MFI Rental Housing.** Units affordable at 51-60% MFI account for 20% of the total open market No Net Loss units. A lower percentage of these units have affordable or tenant restrictions than the lower income categories. The Downtown sub area has the highest percentage of No Net Loss units affordable between 51-60% MFI, although this income group is similarly dispersed in the other sub areas.
- Rental Property Ownership Type.** The type of ownership and restriction on affordable rental units greatly impacts the ability of the City to achieve the No Net Loss policy objectives. Public and private non-profit agencies with a mission to provide affordable housing own nearly half the affordable rental units in the Central City. These organizations own both restricted occupancy units, as well as "open market," unrestricted units. An additional 13% are privately owned by for-profit entities that must be maintained as affordable because of restrictions related to financing. These units have varying terms of affordability remaining on their obligations.

The remaining two-fifths are privately-owned with no requirements for maintaining affordable rent levels. The table below summarizes the type of property ownership of the 10,144 rental units currently affordable at or below 60% MFI.

**No Net Loss Rental Housing Units
by Sub Area and Property Ownership Type
(0-60% MFI Units Only)**

OWNERSHIP TYPE & RESTRICTION	CENTRAL CITY SUB AREAS						TOTAL UNITS	% OF TOTAL UNITS
	DT	RD	LLOYD	CES	GH	LA		
Public/Non-Profit Owned	2,918	1,526	-	143	247	20	4,854	48%
Privately Owned/Restricted	833	261	-	-	219	-	1,313	13%
Privately Owned/Unrestricted*	1,600	727	173	525	952	-	3,977	39%
Total Units	5,351	2,514	173	668	1,418	20	10,144	

* Includes properties that are privately-owned/unrestricted but currently managed by non-profit housing and service providers that may impose income or programmatic restrictions (i.e. Danmoore)

- HUD Subsidized Properties.** HUD-subsidized housing provides the bulk of affordable housing for seniors in the Central City. In 1998, the Affordable Housing Preservation Ordinance adopted by City Council established Title 30 as part of the city code, requiring property owners to provide the City notice if they choose to opt out of the HUD contracts (such as Section 8 and Section 202) upon expiration and provide the City the opportunity to purchase the property. The following is a table of HUD-subsidized housing that is not owned by either the Housing Authority of Portland, PDC or a non-profit dedicated to preserving low-income housing.

Property	Address	# of Units	Expiration Date	Sub Area
1200 Building	1200 SW 12 th Ave.	89	2013	Downtown
Admiral Apt.	910 SW Park Ave.	37	2010	Downtown
Bronaugh Apt.	1434 SW Morrison St.	52	2013	Goose Hollow
Chaucer Court	1019 SW 10 th Ave.	84	2011	Downtown
Clay Towers	1430 SW 12 th Ave.	233	2007	Downtown
Lexington Apt.	1125 SW 12 th Ave.	53	2012	Downtown
Park Tower Apt.	731 SW Salmon	162	2012	Downtown
TOTAL		710		

- PDC, HAP, and Non-Profit owned properties.** These are properties that are owned by PDC, the Housing Authority of Portland, or other Non-Profits (NP). The following table highlights those properties in the Central City and the total units associated with each property where information is available.

Owner	PDC, HAP, & Non-Profit Owned Properties	
	# of Properties	# of Units
Non-Profit	46	3,900
HAP	10	1,135
PDC	3	238
Totals	59	5,273

- Unit Size.** Below is a table showing the breakdown of the affordable units (0-60% MFI) by number of bedrooms.

**No Net Loss Rental Housing Units
 by Bedrooms and Subarea
 (0-60% MFI units only)**

# OF BEDROOMS	CENTRAL CITY SUB AREAS						TOTAL UNITS	% OF NNL UNITS
	DT	RD	LLOYD	CES	GH	LA		
SRO	915	942	-	87	70		2,014	20.5%
Studio	2,749	661	19	324	718		4,471	45.4%
1 Bedroom	1,510	642	144	233	519		3,048	31.0%
2 Bedroom	63	106	10	17	108		304	3.1%
3 Bedroom	-	-	-	5	3		8	0.1%
Total Units	5,237	2,351	173	666	1,418	-	9,845	

Nearly 70% of the units affordable at or below 60% MFI are either SROs or studio apartments, meaning that the vast majority of affordable units in the Central City are appropriate for singles only. Only 3% of the total affordable units are "family" units with two or more bedrooms.

Moderate Income Rental Housing (61-80% MFI)

Housing serving moderate-income residents is a significant portion of the rental housing stock comprising 15% of the total rental housing stock and 28% of the open market rental housing stock. Of the approximate 2,000+ housing units with rents at the 61-80% MFI level, 12% have some restrictions either limiting the type of tenant served (i.e. students or seniors) or the income served due to PDC or other financing agency requirements. In all of the sub areas, except the Central Eastside, 61-80% MFI units represent 12-50% of the total open market rental housing units. In the Central Eastside, 61-80% MFI is the upper limit of market rents.

Middle Income Rental Housing (81-150% MFI)

Housing with rent levels affordable to households at 81-150% MFI represents only 11% of the total rental housing stock. When looking just at open market, unrestricted rental housing this affordability category accounts for 20% of the market rentals. Downtown, River District and Goose Hollow have a broader range of affordability within this housing stock than is found in the Lloyd District which is predominantly renting at 81-100% MFI levels. The Central Eastside has only four units with middle-income rental rates. No units are restricted in this income range.

- **81-120% MFI Rental Housing.** While only 10% of the total rental housing stock in the Central City rent in the 81-120% MFI level, this group comprises 17% of all open market rental units. The largest concentration of this rental housing stock is located in the Downtown and River District sub areas, accounting for 48% of this market rental housing in the Central City. The Central Eastside and Goose Hollow have few rental opportunities in the 81-120% MFI range.
- **121-150% MFI Rental Housing.** Roughly 3% of the total open market rental housing units rent at 121-150% MFI levels. These are wholly found in the sub areas west of the Willamette River. This stock represents between 1-12% of the Downtown and River District market rental housing stock.

High Income Rental Housing (over 150% MFI)⁵

Less than 1% of the total rental housing stock has rent levels above 150% MFI. All of these units are found in the sub areas west of the Willamette River. These units range in size from 1,100 square feet to 2,265 square feet, and over half of the units are larger two-bedroom apartments.

⁵ For specific median family income ranges, please reference the HUD Median Income Percentages in the Appendix B.

Open Market Rental Rates

In this analysis affordability levels have been calculated using the total housing cost (rent plus utilities) and the number of bedrooms in the unit. This does not allow for assessing the variations in unit size in terms of square footage, which is often a more relevant analysis of open market rental housing. Square footage information is available for over 80% of the total open market rental units. On whole, open market rental units' median rent along with the number and type of units are represented in the table below.

Central City Open Market Median Rents And Number & Type of Rental Unit

	CES	DT	GH	LLOYD	RD	TOTALS
Median Rent	\$507	\$697	\$675	\$888	\$1,318	
Studio	252	909	448	56	114	1779
1 Bedroom	106	1002	393	364	506	2371
2 Bedroom	19	550	194	247	237	1247
3+ Bedrooms	5	49	12	0	75	141
SRO's	3	329	40	0	324	696

The following table summarizes the average and median price per square foot for the various sub areas.

Rent Per Square Foot Open Market, Unrestricted Rental Housing Units by Subarea (does not include parking costs)

CENTRAL CITY SUBAREAS	RENT PER SQUARE FOOT		% OF OPEN MARKET UNITS
	Average	Median	
Downtown	\$1.68	\$1.18	28.0%
River District	\$1.89	\$1.89	23.0%
Lloyd District	\$1.32	\$1.32	39.0%
Central Eastside	\$1.17	\$1.12	41.0%
Goose Hollow	\$1.29	\$1.13	34.0%
Lower Albina	Not Available		
CC Total	\$1.47	\$1.18	30.0%

The average rent rate (not including utilities or parking costs account) is \$1.47 per square foot in the Central City. The variation between the median rate of \$1.18 and the average rate in some of the sub areas indicates there are some outlier properties. However, these outliers appear to fall within accepted statistical ranges. Also, the average price per square foot for new construction is \$1.46 and the median is \$1.42. This again supports the previous supposition that the difference between the average and median can be explained without placing the weight of this difference solely on outlier properties. If the difference between average and median were larger, that would point to very high price-per-square-foot buildings that inflate the average. The rate varies, but not dramatically across the Central City.

Based on responses to the inventory, an estimated 30% of open market, rental units provides off-street parking for tenants, ranging from a driveway as part of a single family lot to access to an adjacent parking lot, or structured parking within the development. The following table summarizes the price per square foot of all units indicating there is access to parking. The price includes monthly parking fees, when they are applicable, as well as rent (it does not include estimated utility expenses).

**Rent Per Square Foot,
Open Market, Unrestricted Rental Housing with Access to Off Street Parking
by Subarea**

CENTRAL CITY SUBAREAS	RENT PER SQUARE FOOT		UNITS WITH ACCESS TO PARKING*	% OF TOTAL OPEN MARKET UNITS
	Average	Median		
Downtown	\$1.31	\$1.31	880	23.9%
River District	\$1.64	\$1.63	371	30.2%
Lloyd District	\$1.16	\$1.09	245	43.2%
Central Eastside	\$0.84	\$0.85	10	9.0%
Goose Hollow	\$1.12	\$1.08	400	24.3%
Lower Albina	Not Available			
CC Total	\$1.38	\$1.37	1906	

*2,219 units had both parking and square footage information
Properties do not necessarily have enough parking spaces for every units

Apartments in Downtown, River District and Lloyd District were more likely to charge a monthly rent for a parking space. Of the estimated 1,000 units in the Downtown sub area with parking, 93% did not include parking in the rental price, but instead charged an additional monthly fee ranging from \$55 to \$185 per month. Of the estimated 345 units with parking in the River District, 61% charged an additional monthly fee ranging from \$50 to \$130. Almost all of the units in the Lloyd District which provide parking charge a \$65 to \$70 monthly fee.

Recent Housing Activity

Housing Constructed Since 2002

Since 2002, a total of 1,791 units of rental housing have been developed in the Central City. All of these units are new construction. The table on the following page summarizes the new development, and the number of units.

The River District and Downtown experienced the greatest level of recent activity with 90% of the total new rental housing built. The Downtown sub area captured 41% of the total new rental housing built. The affordability of newly built units is relatively diverse. Approximately 35% of all new units built are affordable within the 0-60% MFI range. Station Place is a senior-restricted development with an 80% MFI cap; Pacific Tower with a 60% cap; and Museum Place with 20% of its units restricted at 50% MFI.

Rental Housing Development Since 2002 by Subarea

CENTRAL CITY SUBAREAS	NEW HOUSING DEVELOPMENT		
	Project Name/Address	Units	Year
Downtown	Museum Place South/ 1030 SW Jefferson St.	141	2003
	Broadway Housing/ 626 SW College St.	384	2003
	St. Francis/ 1024 SW Main St.	132	2002
	DOWNTOWN TOTAL	657	
River District	The Louisa/ 123 NW 12th Ave	242	2005
	Station Place/ 1020 NW 9th Ave	176	2004
	Yards at Union Station Phase S/ 707 NW Naito Pkwy	56	2004
	Pacific Tower/ 333 NW 4th Ave	156	2003
	The Lexus/ 1125 NW 9th Ave	139	2003
	Danmore/ 8 NW 8th Ave	180	2005
RIVER DISTRICT TOTAL	949		
Lloyd District	The Merrick/ 1231 NE MLK JR. Blvd	185	2003
LLOYD DISTRICT TOTAL	116		
Central Eastside	CENTRAL EASTSIDE TOTAL	0	
Goose Hollow	GOOSE HOLLOW TOTAL	0	
CC Total		1791	

The following is a table showing the affordability of the rental housing projects built in the Central City since 2002. Of these units, roughly 25% are income restricted and the remaining are open market units.

Rental Housing Units Built Since 2002 by Median Family Income

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY* (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	100	39	-	7	476	29	6	657
% of Units	15.2%	5.9%	0.0%	1.1%	72.5%	4.4%	0.9%	
River District	273	81	139	99	209	110	38	949
% of Units	28.8%	8.5%	14.6%	10.4%	22.0%	11.6%	4.0%	
Lloyd District	-	-	-	133	52	-	-	185
% of Units	0.0%	0.0%	0.0%	71.9%	28.1%	0.0%	0.0%	
Central Eastside	-	-	-	-	-	-	-	-
% of Units	-	-	-	-	-	-	-	-
Goose Hollow	-	-	-	-	-	-	-	-
% of Units	-	-	-	-	-	-	-	-
CC Total	373	120	139	239	737	139	44	1,791
% of Units	20.8%	6.7%	7.8%	13.3%	41.2%	7.8%	2.5%	

The majority of housing constructed in the last five years has rent levels affordable to households with incomes between 81% and 120% MFI.

Condominium Conversions

There were two properties that converted from rental to condominium ownership between the 2002 and 2005 inventories. Two of these properties are in the River District – The Lexus and McCormick Pier. These conversions shifted 139 & 301 units respectively for a sub total of 440 units. In addition, two additional properties in the Downtown sub area were in the process of converting after the inventory was completed. University Park Apartments has since converted 125 units to condominium ownership units and the Portland Center Apartments is currently converting its 525 rental units. These two conversions are not reflected in the current inventory, but will result in a loss of 650 rental units. The total number of rental units converted to condominium since 2002 is 1,090 units.

Housing Under Construction

There are currently an estimated 868 units that are under construction. All these units are in the River District sub area.

- Burlington Tower: NW 10th & Lovejoy. This is a private development that will contribute 163 rental units.
- South Pearl: NW 13th & Davis. This development will contribute 26 rental units affordable between 51-80% MFI, 71 units between 81-120% MFI, and 145 units over 121% MFI.
- Sitka Apartments: NW Overton & 13th Ave. This development will contribute 217 affordable rental units with 5 live/work spaces.

A number of projects throughout the Central City currently in the planning and predevelopment stage are not included in this report.

Ownership Housing Inventory Results

The Central City ownership housing stock includes 3,671 individual units ranging from single family homes in the Central Eastside and Goose Hollow to high-rise condos in Downtown and the River District. This is a 55% increase from the 2,360 units reported in the previous inventory.

Since the 2002 Housing Inventory, the profile of ownership housing in the Central City has changed dramatically. New development in the River District accounts for much of the new growth in the Central City. Although not counted in this inventory, South Waterfront/North Macadam ownership opportunities such as The Strand and The Meriwether developments will be completed in 2006. Homeownership will remain the dominate type of residential development in the coming years with over 2,000 planned or under construction.

Sales data was collected for 3,234 ownership units, representing 88% of the total 3671 ownership units in the Central City. These units are condo, town home, and detached single family residences. The prices represent what was actually paid for the unit, not the market or assessed value of the unit at the time of the inventory. It is assumed that all units are owner-occupied. For example, the study does not account for units that are rented out. The inventory breaks down home sales data using a number of different methods, including imputed median family income, actual sales price, price per square foot, and appreciation rates.

Homeownership Rate

Based on the inventory findings, the homeownership rate within the Central City boundaries is 19% compared to 14% in 2002. The homeownership rate within the Central City sub areas varies significantly. The lowest rates are in the Central Eastside and Lower Albina. The higher rates occur in the rapidly growing River District. Below is a breakdown of ownership rates by sub area.

Central City Sub Areas	# of Units	Ownership Rate
Downtown	901	25%
River District	2340	64%
Lloyd District	121	3%
Central Eastside	60	2%
Goose Hollow	248	8%
Lower Albina	1	n.s.
Central City Total	3671	19%

The River District and Downtown sub areas were the only areas with new homeownership projects completed since 2002. The River District homeownership rate increased from 27% in 2002 to 64% in 2005. The Downtown sub area saw an increase from 11% in 2002 to 25% in 2005. These increases shifted the ownership rates for the remaining sub area downward. For instance, The Lloyd District ownership rate was 12% in 2002 compared to 3% in 2005. The Central Eastside ownership rate was 5% in 2002 and as of this inventory is 2%.

Income Affordability

The median family income of homeowners was derived from the sales price, date of sale, number of bedrooms and the assumptions described in the methodology section. This method determines the affordability of the home at the time of purchase using median family income for the year it was purchased as the baseline. The methodology does not include costs associated with parking or home owner association (HOA) fees.

Home sales information was collected for 3,232 ownership units, or 88% of the total units inventoried in the Central City. The following table indicates that the current homeownership market in the Central City favors high end units affordable to households with income 150+% MFI (with almost no options affordable to households earning an income less than 80% MFI).

Homeownership Housing Units by Median Family Income

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY* (MFI)							TOTAL UNITS**
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	-	-	-	3	138	172	660	973
% of Units	0.0%	0.0%	0.0%	0.3%	14.2%	17.7%	67.8%	
River District	1	-	-	-	99	343	1,490	1,933
% of Units	0.1%	0.0%	0.0%	0.0%	5.1%	17.7%	77.1%	
Lloyd District	-	-	-	2	39	45	31	117
% of Units	0.0%	0.0%	0.0%	1.7%	33.3%	38.5%	26.5%	
Central Eastside	-	1	2	10	17	6	1	37
% of Units	0.0%	2.7%	5.4%	27.0%	45.9%	16.2%	2.7%	
Goose Hollow	-	-	-	4	43	44	81	172
% of Units	0.0%	0.0%	0.0%	2.3%	25.0%	25.6%	47.1%	
Lower Albina	Not Available							-
% of Units	Not Available							
CC Total	1	1	2	19	336	610	2,263	3,232
% of Units	0.0%	0.0%	0.1%	0.6%	10.4%	18.9%	70.0%	

*Median family income at the time of the most recent sale

**Sales information was available for 3232 of the total 3671 ownership units (88% of total units)

The affordability of one- and two-bedroom units may be overstated in this analysis.

- The methodology for calculating the affordability of one-bedroom units is estimated based on a 1.5 person household assuming a split between one and two person households. But, based on the 2000 Census, Central City households are smaller than the city average with a greater number of one-person households.
- The methodology for calculating affordability is based on the last sales date and sales price rather than estimating the current market value of units that have not sold recently. Therefore extreme increased in market value between the date of sale and the inventory is not captured.

Moderate Income Ownership Housing (61-80% MFI)

For moderate-income households, the Central City does not offer many options for affordable home ownership. The Central Eastside had the highest recorded number of ownership units affordable in the 61-80% MFI range with Goose Hollow next. The River District has no ownership units affordable to households at 61-80% MFI.

Middle Income Ownership Housing (81-150% MFI)

Homeownership units affordable to middle income households comprise 29% of the total ownership stock. The Lloyd has the highest percentage, 72%, of ownership units that fall within the middle income MFI range. The Central Eastside sub area's ownership stock in this range is 62%. Goose Hollow's ownership stock in this range is 51%. Downtown and River District sub areas round out with 32% and 23% respectively. However, these high percentages do not equate to high numbers of ownership units. For example, Central Eastside has 23 units out of 37 whereas the River District has 442 units out of 1933. Thus, the opportunity for ownership in this MFI range is better in the River District than Central Eastside.

The River District and Downtown sub areas provide the predominance of units affordable to middle income households. These two sub areas offer 752 ownership units compared to 194 for all other sub areas combined. However, they offer a greater number of ownership opportunities in the higher band of this MFI Range (121-150%). The lower band, 81-120% MFI, of ownership opportunities is still higher with approximately 70% of the total number of units available in the River District and Downtown sub areas. Therefore, the best opportunity for ownership housing affordable at the middle income MFI range is in the River District and Downtown sub areas.

- **81-120% MFI Ownership Units:** The 81-120% MFI range comprises approximately 10% of the overall ownership opportunities in the Central City. The Downtown sub area has the highest percentage, 41%, of ownership units in this MFI band. The River District is next with 30%.
- **121-150% MFI Ownership Units:** The 121-150% MFI range comprises approximately 19% of the overall ownership opportunities in the Central City. The River District sub area has the highest percentage, 56%, of ownership units in this MFI band. The Downtown sub area is next with 28%.

High Income Ownership Housing (over 150% MFI)

Approximately 70% of all ownership units in the Central City sold at prices affordable only to households with incomes above 150% MFI, with the majority above 200% MFI. Compared to the previous Inventory, this trend remains. The current inventory reflects the percentage of units above 200% MFI at 52%. The majority of ownership units in the Central City are selling above 150% MFI and the majority of those are selling above 200% MFI. A closer examination reveals there are differences among the sub areas. For example, Lloyd District contributes 10 units to this MFI range while the River District contributes 725 units. Lloyd District has a low ownership stock and the River District has the largest. This further underscores that the growth in the River District creates a different market for ownership stock compared to other sub areas.

Sub Area	Total Number of Units \geq 200% MFI	Percentage of Stock
Goose Hollow	67	83%
Downtown	377	57%
River District	725	49%
Lloyd District	10	32%

The sub areas west of the Willamette River contribute 95% to the overall ownership stock in the 150%+ MFI range. At 200% MFI or above, Downtown and River District are very close in percentage, but the River District has the most units in this elevated range.

Recent Housing Activity (April 2002 to April 2005)

Recent Home Sales

The more recent sales of ownership units provide a better insight into the current market in Central City. The following table summarizes information from sales occurring since April 2002 through the data collection period (April 2005). The table on page 27 represents only the most recent sale of a unit and does not account for units that may have sold multiple times between April 2002 and April 2005. Information was collected for 1,036 sales that represent 28% of the total ownership units in the Central City.

The greatest number of sales occurred in the River District, 817 sales, followed by the Downtown sub area, 92 sales. The Lloyd District and Goose Hollow represent the same number of sales over the 4-year period, but the Lloyd district had no sales in 2004 & 2005.

The River District remains as the district with the highest median and average sales prices. The River District's highest average price per square foot is \$310/sq.ft. The Goose Hollow and Downtown sub areas follow with \$292/sq.ft and \$278/sq.ft respectively. The Central Eastside represents the lowest average price per square foot at \$145. Interestingly, Goose Hollow has a higher median price per square foot than the River District. The difference is approximately \$17.

The Central Eastside has the lowest average sales price and median sales price relative to all other Central City sub areas. However, the Lloyd District records only one sale in 2003 and none through 2004 & 2005. This one sale in the Lloyd District could also be an outlier making the overall numbers in the sub area artificially high. Not having 100% of the sales information and square footage limits the breadth of this study. With that said, it is important to note that even with this limitation sales prices in the Lloyd District are increasing and represents 49% of the total number of ownership units in this sub area.

Homeownership Units Sold: April 2002 through April 2005

Year Sold	# of Sales	Average		Median		Recent Sales as a % of Total Ownership Units
		Sales Price	Price/Sq. Ft.*	Sales Price	Price/Sq. Ft.*	
CENTRAL EASTSIDE						
2002	1	\$160,000	\$137	\$160,000	\$137	
2003	3	\$166,667	\$90	\$150,000	\$112	
2004	4	\$194,750	\$209	\$189,000	\$196	
2005	0	\$0	\$0	\$0	\$0	
2002-2005	8	\$173,806	\$145	\$160,000	\$137	13% of Total Units
DOWNTOWN						
2002	13	\$202,192	\$215	\$188,000	\$203	
2003	50	\$211,344	\$289	\$186,950	\$291	
2004	25	\$315,660	\$276	\$242,000	\$195	
2005	4	\$566,250	\$330	\$423,750	\$328	
2002-2005	92	\$323,862	\$278	\$215,000	\$247	10% of Total Units
GOOSE HOLLOW						
2002	4	\$272,875	\$188	\$229,250	\$190	
2003	18	\$234,258	\$269	\$226,955	\$266	
2004	31	\$377,635	\$320	\$399,900	\$414	
2005	6	\$354,717	\$390	\$318,500	\$371	
2002-2005	59	\$309,871	\$292	\$273,875	\$318	24% of Total Units
LLOYD DISTRICT						
2002	58	\$171,310	\$216	\$133,834	\$220	
2003	1	\$355,000	\$172	\$355,000	\$172	
2004	0	\$ -	\$ -	\$ -	\$ -	
2005	0	\$ -	\$ -	\$ -	\$ -	
2002-2005	59	\$263,155	\$194	\$244,417	\$196	49% of Total Units
RIVER DISTRICT						
2002	153	\$266,528	\$255	\$217,710	\$253	
2003	196	\$285,371	\$285	\$238,246	\$277	
2004	405	\$402,258	\$327	\$346,000	\$324	
2005	63	\$448,861	\$373	\$368,000	\$351	
2002-2005	817	\$350,755	\$310	\$292,123	\$301	35% of Total Units
CENTRAL CITY						
2002-2005	1035	\$284,290	\$244	\$244,417	\$247	28% of Total Units

*Only includes sales for which square footage information was available

Annual Rates of Appreciation

The annual rate of appreciation was calculated by comparing the most recent sales prices and date to the previous sales price and date. The change in sales prices was averaged across the period spanning in the previous sales data and most recent sales date. The table below reports the results.

Annual Rate of Appreciation: Homeownership Unit Re-sales 1995 through April 2005

CENTRAL CITY SUBAREAS	1995-1998**		1999-April 2002**		April 2002-April 2005**		1995-2005	
	Median Rate of Annual Appreciation	# of Resales	Median Rate of Annual Appreciation	# of Resales	Median Rate of Annual Appreciation	# of Resales	# of Resales ***	% of Total Units
Central Eastside	38.0%	7	24.6%	11	50.00%	5	23	38%
Downtown	8.8%	170	7.0%	125	25.44%	20	315	35%
Goose Hollow	17.6%	33	10.3%	29	47.22%	8	70	28%
Lloyd District	NA	-	10.3%	13	14.89%	1	14	12%
Lower Albina	No Resale Information Available				No Resale Information Available		NA	
River District	19.8%	42	9.4%	182	15.92%	10	234	10%
Total Central City	13%	252	8%	360	25.44%	44	656	18%

*Annual Rate of Appreciation calculated as the average rate for the time period between prior sales date and resale date. Only one resale reported for an individual unit.
 **Date of resale
 ***Multiple resale of a single unit is not reported.

The annual rate of appreciation has dramatically increased from the previous reporting period for the Central City Inventory. This inventory noted a decrease in appreciation that was relatively mild. However, the current inventory results reveal that appreciation of property as measured by sales price has seen median rates increase to as much as 50% over a 3 year period.

Overall, the appreciation from the 2002 Inventory to the 2005 inventory rose from 8% to 25%. Central Eastside and Goose Hollow saw the highest increase in appreciation rates with 50% and 47% respectively. Even the Lloyd District reporting only one sale for the current inventory period represents a 15% appreciation. This is only 1% below the River District.

The River District is unique in this inventory. This is due to the fact that so many new ownership units came on the market after the previous Central City Inventory. Thus, there were very few re-sales of these units. Of those that had sold, the appreciation was particularly robust.

Housing Constructed Since 2002

For example, the River District increased the number of ownership units by 119% and Downtown by 5%. By far, the River District has seen the sharpest increase in ownership opportunities. The remaining sub areas were unchanged.

Approximately 36% of all homeownership units in the Central City have been built since the previous inventory in 2002, see table below. No new construction occurred in the Lloyd District, Central Eastside, and Goose Hollow. Downtown saw an increase of 40 units with the completion of the Mosaic Condominiums. The River District contributes 1269 new ownership units. This is also the overwhelming majority of all new ownership units. These new units also comprise 66% of the total units the River District contributes.

CENTRAL CITY SUBAREAS	NEW HOUSING DEVELOPMENT		
	Project Name/Address	Units	Year
Downtown	Mosaic Condominiums/1400 SW 11TH AVENUE	40	2003
	DOWNTOWN TOTAL	40	
River District	McCormick Pier Condos/606-710 NW FRONT AVE	301	2005
	The Elizabeth/NW 9th & EVERETT	125	2005
	The Avenue Lofts/1400 NW IRVING	168	2005
	The Edge Condos/805 NW 14TH AVENUE	117	2004
	Park Place Condos/922 NW 11TH AVE	124	2004
	The Henry/1025 NW COUCH	147	2004
	Bridgeport Condos/1130 NW 12th AVE	123	2003
	Marshall Wells/1420 NW LOVEJOY	164	2002
	RIVER DISTRICT TOTAL	1269	
Lloyd District			
	LLOYD DISTRICT TOTAL	0	
Central Eastside			
	CENTRAL EASTSIDE TOTAL	0	
Goose Hollow			
	GOOSE HOLLOW TOTAL	0	
CC Total		1,309	

Housing Under Construction

There are several new condominium developments that have substantial pre-sale numbers, broken ground, or are under construction. Below is a breakdown by sub-area.

River District:

- The Pinnacle development will add 188 ownership units once completed late in 2005.
- Waterfront Pearl – Mistral is the first of two developments to be completed by mid-2007 and will contribute 97 ownership units.
- Riverscape will contribute 104 town homes, 91 brownstones, and 234 condominiums. The first phase of town homes will be completed mid-2006 and the rest of the units will follow for an expected completion of mid-2007.
- The Lexis is converting from rental to condo units that will contribute 139 additional ownership units in early 2006.⁶

Lloyd District:

⁶ Units included in this inventory as rental units. In future inventories, these units will be ownership units.

- 1620 Broadway development will contribute 88 units when completed late in 2005.

South Waterfront:

- The Meriwether development will add 245 ownership units when completed in 2006.
- The John Ross development will add 286 ownership units when completed in 2007.

Downtown:

- The Elliot will contribute 223 ownership units when completed in mid-2006.
- Benson Tower will contribute 143 ownership units when completed in early 2007.
- The Strand development at Riverplace along the southern end of McCall Waterfront Park will contribute 214 ownership units when completed in 2007.
- University Park Apartments is converting from rental to condo units that will contribute 125 ownership units when completed in early 2006.⁷

These developments will contribute a total of 2,177 units when completed. These new developments are currently pre-selling units. For example, at the time of the inventory the 1620 Broadway condo development was 88% sold with prices ranging from \$200,000 for a one bedroom to \$1 million for large, penthouse units. The Meriwether was 94% sold with prices ranging from \$189,000 to \$1.9 million.

⁷ Units included in this inventory as rental units. In future inventories, these units will be ownership units.

Central City Plans and Housing Policies

Central City Plan

The Central City serves as the core of the city and the metropolitan region, with the Willamette River serving as a focal point and unifying feature for the City. Over the last three decades various planning efforts have addressed the housing needs and goals of the Central City and its relationship to the larger City and metropolitan region. The Central City Plan (The Plan) adopted in March 1988, and its subsequent amendments, is "a vision for the future, which establishes the Central City as the center of commerce and cultural activities in the community, recognizes the unique environmental setting and historic precedence of the area, incorporates the residential and business characteristics of individual districts within the area, preserves the integrity of adjacent neighborhoods, and improves the livability of the area for all citizens," and established overall policies and objectives for the Central City as a single planning area.

The Plan sets forth goals for growth management and smart growth, diversity of the built environment and amenities, as well as diversity of residents, employment and visitor populations. It called for maintaining the Central City's position as the main high-density housing area in Oregon by promoting the construction of at least 5,000 new units, preserving and rehabilitating existing housing and ensuring that affordable housing would exist in the Central City for all income levels. In 1995, in response to new regional planning efforts and rapid population growth, the Plan was amended to establish a target of constructing 15,000 new housing units in the Central City by the year 2010. This amendment also added the goal of housing at least fifteen percent of all PSU students in nearby University housing, as well as the goal of avoiding isolation of households of any economic group. In 1996, the Plan was also amended to greatly expand the Plan boundary in Goose Hollow to include several MAX station areas. The Plan recognizes the relationships and connection of these neighborhoods, as well as their unique characteristics and differing roles within the Central City, by providing separate goals for each district.

North Macadam, like areas of the River District, provides a blank slate for mixed-use development that will include high-density residential. The focus of residential development in North Macadam will be the creation of a jobs/housing balance. Currently, no housing exists within the district, though the Central City Plan listed a goal of developing the district as mixed-use, with significant residential development along the riverbank.

Downtown serves as the high-density retail and office core of the City with a range of employment opportunities from administration and finance to restaurant and retail. It has maintained "its role as the preeminent business location in the region" and continues to "expand its role in retailing, housing and tourism, and reinforce its cultural, educational, entertainment, governmental and ceremonial activities" as articulated in the Central City Plan. While there have been periods of growth in residential development over the three last decades (South Auditorium in the 1970s, and South Park Blocks and RiverPlace in the 1980s, and affordable housing in the 1990s), there remain opportunities for new housing development downtown. The Plan calls for the development of market-rate middle- and upper-income housing in downtown to balance with the preservation and maintenance of housing units affordable to lower-income residents.

Goose Hollow may provide the most diverse housing stock in the Central City. The neighborhood is filled with everything from single family homes and smaller rental complexes to high-density apartments and condominiums. Historic buildings are coupled with new construction serving a range of needs including affordable rental housing, student housing, and moderate and high-end condominiums. The Central City Plan area was significantly expanded in 1995 to include the areas around the MAX stations. The Central City Plan specifically encourages the development of housing for families, in the form of low-rise, high density housing that is compatible with the growing community in character. The 1995 amendment of the Plan calls for 1,000 new households in this sub district over 20 years by 2015, to increase the neighborhood, family-oriented feel of the area.

River District includes the older commercial and residential areas in Old Town/Chinatown, as well as the quickly redeveloping residential Pearl District. The single room occupancy (SRO) stock, social services and missions have been a predominant residential use in the Old Town/Chinatown area, while some of the most expensive rental units and loft style condominiums in the city lie to the northwest in the Pearl District, along with more fashionable galleries, retail stores, and restaurants. The Central City Plan envisions the protection of existing SRO and shelter stock.

Lloyd District, located on the eastside of the Willamette River, is considered in the Central City Plan "an extension of Downtown." The Lloyd Center Mall, which is complemented in size and import by the Rose Garden Arena, Memorial Coliseum, the Convention Center and many public sector office buildings, acts as an eastern anchor to the Central City. New housing in recent years has been market-rate rental and condominiums, predominantly along the outer edges of the district. Recent redevelopment in the Lloyd District has elevated the focus on new housing development in support of job growth and current employees in the area to increase "the diversity of housing options to meet needs and preferences of current and future residents and employees of the district," as articulated in the Central City Plan.

Central Eastside is labeled as a light industrial area, but the area east of Martin Luther King Jr. Blvd. has a smattering of single-family homes and small plexes as well as a larger stock of affordable multifamily rental units. The Central City Plan calls for "mixed-use developments, including housing, in areas already committed to non-industrial development."

Lower Albina is predominantly an industrial area, with some housing that serves as the transition into the single-family enclaves in the Eliot Neighborhood. The policy aim of creating a historic district around Russell Street would include ensuring a mix of uses for the restored buildings and infill development, of which housing would be one of the likely uses.

Comprehensive Plan

The Comprehensive Plan provides the context for land use planning within Portland. In January 1999, the City of Portland adopted the Comprehensive Plan Housing Policy (Comp Plan) updating the Goal 4 of the Comprehensive Plan: "Enhance Portland's vitality as a community at the center of the region's housing market by providing housing of different types, tenures, density, sizes, costs, and locations that accommodate the needs, preferences, and financial

capabilities of current and future households.” Major redevelopment decisions and urban renewal areas are required to be consistent with the Comp Plan.

With the new planning efforts surrounding the adoption and implementation of Metro’s 2040 Plan, new emphasis has been placed on new residential production in the City. To lessen the impacts of population growth on the lower density residential neighborhoods in Portland, City Council has targeted the Central City for accommodating 15,000, of the total 70,700 additional housing units recommended by Metro in the 2040 Regional Framework Plan. The River District is anticipated to accommodate 5,000 of these new units, leaving the remaining 10,000 to be accommodated in Downtown, Lloyd District, Inner Eastside, Goose Hollow and North Macadam.

The Comp Plan calls for striving for livable mixed-income neighborhoods. One objective of the Comp Plan is to achieve a distribution of household incomes in the Central City that reflects the distribution citywide. Based on the 2000 Census, the estimated distribution of median family incomes in the city without respect to housing cost burden and affordability is as follows:

2000 Income Distribution*	0–30% MFI	31–50% MFI	51–80% MFI	81-100% MFI	101–120% MFI	More than 120% MFI
City of Portland	14%	13%	20%		20%	33%

Source: Bureau of Housing and Community Development

Another Comp Plan objective is to “ensure that income diversity and affordability targets are maintained over the long-term.” The No Net Loss Policy, discussed below, takes this objective further to require the maintenance of at least current numbers of low-income housing units in the entire Central City. Moreover, the Comp plan suggests the designation of sufficient buildable land for residential development, while avoiding demolition of safe buildings to make efficient use of already existent building stock.

Central City No Net Loss

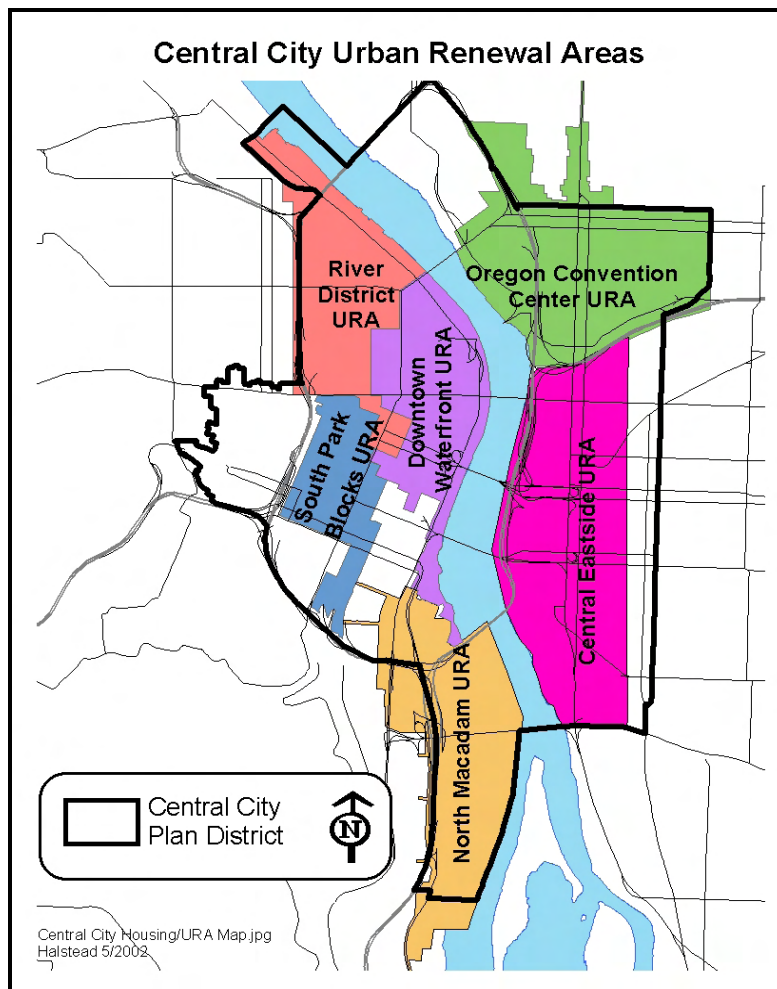
Recognizing the importance of affordable housing near supportive services, City policy in the Comprehensive and Central City Plans emphasizes the importance of maintaining the affordable housing stock. Recent adoption of the Central City No Net Loss Policy further strengthens this commitment. In August 2001, City Council adopted a No Net Loss resolution, to preserve, rehabilitate and/or replace housing in the Central City that is affordable to households at or below 60% MFI. The resolution directed PDC and the Bureau of Housing and Community Development (BHCD) to develop a funding and implementation plan for meeting near-term No Net Loss goals through the preservation and/or replacement of 1,200 affordable housing units by 2006. It also directed PDC to take a full inventory of housing in the Central City to establish baseline measures and goals for the No Net Loss policy.

To date, over 600 units have been preserved or developed in support of the Central City No Net Loss 1,200 unit goal. An additional 500-700 units in preliminary predevelopment stages will also contribute to the 1,200 unit NNL goal in the upcoming year.

Urban Renewal Areas

Six urban renewal areas overlap with the Central City Plan District. The role of urban renewal is to help achieve Comprehensive Plan goals and objectives through jobs, housing and revitalization efforts. Each urban renewal area has a separate urban renewal plan that guides investments of tax increment financing (TIF). In most cases, PDC has adopted housing strategies that establish specific goals for housing development and preservation within individual urban renewal areas. The Central City includes:

- North Macadam Urban Renewal Area
- South Park Blocks Urban Renewal Area
- Downtown Waterfront Urban Renewal Area
- River District Urban Renewal Area
- Central Eastside Urban Renewal Area
- Oregon Convention Center Urban Renewal Area



- **South Park Blocks.** City Council adopted the South Park Blocks Urban Renewal Area (SPB URA) in July 1985. The primary objective of the South Park Blocks Urban Renewal Plan is "to improve the condition and appearance of the Area, eliminate blight and blighting influences, to increase and improve housing, expand public facilities and upgrade the South

Park Blocks." The Plan sets a target of developing 1,600 new units for middle-income households and "maintain the existing number of low and moderate income housing units."

The Downtown Target Area Housing Implementation Strategy, adopted by PDC in August 2001, sets five year (2001-2006) housing production and preservation targets for the area south of Burnside that includes the South Park Blocks URA and a portion of the Downtown Waterfront URA, balancing goals for middle and upper income housing production with affordable housing preservation and replacement goals.

- **Downtown Waterfront.** City Council adopted the Downtown Waterfront Urban Renewal Area (DTW URA) in 1974. It listed as its primary aim improving the "function, conditions and appearance of the area adjacent to the Willamette River" in order to strengthen the relationship of the riverfront to downtown. An objective of the DTW URA Plan is to "maintain existing low-income housing and promote additional new housing serving mixed income groups."
- **River District.** The River District Urban Renewal Area was established by the City Council in October 1998. The River District Housing Implementation Strategy, adopted in 1994 and updated in 1999, calls for the creation of 5,555 new housing units in the next twenty years with over half of these new units serving households at or above 80% MFI to reflect the income profile of the city as a whole. This also includes the preservation of existing low-income housing units. This strategy relates to the area north of Burnside that includes the River District URA and a portion of the Downtown Waterfront URA.
- **North Macadam.** The North Macadam Urban Renewal Area was adopted by City Council in August of 1999. Plans envision development with urban-scale housing, offices, bioscience research and conference facilities, hotels, restaurants, and retail, all in a manner that celebrates the district's presence on the Willamette River. Housing in this district aims specifically to support jobs in the district and on Marquam Hill, to be fairly dependent on public transportation and to achieve density levels in keeping with the vision of the Central City. The Framework Plan for the North Macadam area foresees the development of about 1,500 to 3,000 new units of housing.
- **Oregon Convention Center (Lloyd District sub area).** The Oregon Convention Center Urban Renewal Plan (OCCURA) was adopted by City Council in 1989. The plan states as a goal that urban renewal activities should "foster residential and mixed-use development that serves a range of age and income within residential or mixed-use zones within OCCURA as mutually supportive of retail opportunities and the maintenance of neighborhood values." The Lloyd District Housing Strategy recommends the support of low-income (0-50% MFI) rental housing development in the district, as well as expanding homeownership opportunities for existing residents. This Strategy recommends stimulating the development of high-density, mixed-use and transit-oriented developments, with a stated goal of 3,000 new housing units, through both public and private efforts, by the year 2015.
- **Central Eastside.** The Central East Side URA (CES URA) was adopted by City Council in July of 1986. While much of the CES URA relates to economic and industrial concerns, it

does stipulate a goal of “affording opportunities for commercial and housing development within appropriately designated sub areas.” It moreover adds that this industrial area is linked closely with neighboring areas that are primarily residential, and so should reflect the human scale and residential nature of its surroundings.

CENTRAL CITY HOUSING INVENTORY

Appendices

TENANT PROFILE:

Average Length of Residency: _____ years Average Household Size _____

Do persons with special needs live in any of the units? YES or NO (circle one)

Please list number of units with the following type of residents: _____ Community Corrections
_____ Developmental Disability or Mental Illness
_____ Physical Disability or Mobility Impairment
_____ Other (_____)

DEMAND:

Is there a waiting list for any apartments? YES or NO (circle one)

Average number of vacant units? _____ units

FEES/DEPOSITS/MOVE IN COSTS*/LEASE:

Type of Rental Agreement:

_____ month-to-month
_____ Lease? (Term _____ mos)

Last Month's Rent YES or NO (circle one)

Application \$ _____ ___ refundable ___ nonrefundable.
Cleaning \$ _____ ___ refundable ___ nonrefundable
Security \$ _____ ___ refundable ___ nonrefundable
Key \$ _____ ___ refundable ___ nonrefundable
Pet \$ _____ ___ refundable ___ nonrefundable
Other \$ _____ ___ refundable ___ nonrefundable.

BUILDING AMENITIES: (select all that apply)

- Controlled Entry Door Person
- Laundry Room
- Elevator Handicap Accessibility
- Community Kitchen Meal Service
- Pool Fitness Room
- Cable TV Access Internet Access
- Play Area (children) Community Room
- Outdoor Area (courtyard, rooftop garden)

ROOM AMENITIES: (select all that apply)

- Private Bath Shared Bath
- Full Kitchen Fridge Only
- Microwave/Stove Only Dishwasher
- Maid Service Linens
- Washer/Dryer Washer Dryer Hookup
- Balcony Fireplace
- Carpeted Floors Hardwood Floors
- Handicap ready (no of units _____)

ADDITIONAL COMMENTS:

PLEASE MAIL OR FAX THIS FORM BACK TO:

Portland Development Commission
222 SW 5th Ave
Portland, OR 97209

FAX: (503) 279-1866
ATTN: Pat Mobley
mobleyp@pdc.us

Appendix B: Income and Rent Guidelines

Multnomah County, Portland-Vancouver, OR-WA Median Income for a Family of Four: \$67,900

Household Size	30%	50%	60%	80%	100%	120%	150%
1	14,250	23,750	28,500	38,000	47,550	57,050	71,300
2	16,300	27,150	32,600	43,450	54,300	65,200	81,500
3	18,350	30,550	36,650	48,900	61,100	73,350	91,650
4	20,350	33,950	40,750	54,300	67,900	81,500	101,850
5	22,000	36,650	44,000	58,650	73,350	88,000	110,000
6	23,650	39,400	47,250	63,000	78,750	94,500	118,150
7	25,250	42,100	50,500	67,350	84,200	101,050	126,300
8	26,900	44,800	53,800	71,700	89,650	107,550	134,450

(Based on the HUD Portland Area Median Income as of February 9, 2005: \$67,900 for a family of four. Figures are rounded to the nearest \$50.00).

2005 Housing Affordability: Maximum Monthly Rent Including Utilities by Median Family Income With a Housing Burden of 30%

# of Bedrooms	Household Size	30%	50%	60%	80%	100%	120%	150%
Grp Home	0.75	267	445	534	713	892	1,070	1,337
0	1	356	594	713	950	1,189	1,426	1,783
1	1.5	382	636	764	1,018	1,273	1,528	1,910
2	3	459	764	916	1,223	1,528	1,834	2,291
3	4.5	529	883	1,059	1,412	1,766	2,119	2,648
4	6	591	985	1,181	1,575	1,969	2,363	2,954
5	7.5	652	1,086	1,304	1,738	2,173	2,608	3,259

(Based on the HUD Portland Area Median Income as of February 9, 2005: \$67,900 for a family of four. Figures are rounded to the nearest \$1.00)

Appendix C: HUD Schedule of Utilities Allowances

SECTION 8 PROPERTIES (April 2004) – Served by PGE

		500 SF	700 SF	900 SF	1100 SF	1300 SF	1500 SF	1700 SF	1900 SF	
		0-BD	1-BD	2-BD	3-BD	4-BD	5-BD	6-BD	7-BD	
A L L	ELECTRIC-MONTHLY SERVICE CHARGE	\$10	\$10	\$10	\$10	\$10	\$10	\$10	\$10	
	LIGHTS & REFRIG.	\$9	\$13	\$17	\$20	\$26	\$30	\$34	\$39	
	FAN	\$1	\$1	\$2	\$2	\$2	\$3	\$3	\$4	
E L E C T	COOKING	\$3	\$5	\$6	\$8	\$10	\$11	\$13	\$15	
	HOT WATER	\$17	\$19	\$22	\$27	\$32	\$36	\$42	\$48	
	SPACE HEAT (EXIST. S/F DETACHED)		\$43	\$53	\$64	\$76	\$84	\$97	\$111	
	SPACE HEAT (NEW S/F DETACHED)		\$21	\$26	\$32	\$37	\$42	\$48	\$55	
	SPACE HEAT (EXIST. MULTIPLEX)	\$25	\$34	\$40	\$50	\$57				
	SPACE HEAT (NEW MULTIPLEX)	\$13	\$18	\$21	\$26	\$30				
G A S	GAS-MONTHLY SERVICE CHARGE	\$6	\$6	\$6	\$6	\$6	\$6	\$6	\$6	
	COOKING	\$4	\$5	\$7	\$8	\$10	\$12	\$14	\$16	
	HOT WATER	\$10	\$14	\$17	\$21	\$27	\$31	\$36	\$41	
	SPACE HEAT (EXIST. S/F DETACHED)		\$35	\$44	\$53	\$63	\$70	\$80	\$92	
	SPACE HEAT (NEW S/F DETACHED)		\$15	\$19	\$23	\$26	\$30	\$34	\$39	
	SPACE HEAT (EXIST. MULTIPLEX)	\$20	\$27	\$33	\$41	\$47				
	SPACE HEAT (NEW MULTIPLEX)	\$9	\$12	\$15	\$18	\$21				
O I L	HOT WATER	\$13	\$18	\$23	\$28	\$35	\$40	\$46	\$53	
	SPACE HEAT (EXIST. S/F DETACHED)		\$56	\$70	\$85	\$100	\$112	\$128	\$147	
	SPACE HEAT (NEW S/F DETACHED)		\$24	\$31	\$36	\$42	\$48	\$55	\$63	
	SPACE HEAT (EXIST. MULTIPLEX)	\$32	\$43	\$53	\$66	\$76				
	SPACE HEAT (NEW MULTIPLEX)	\$14	\$19	\$24	\$30	\$34				
W T R	INSIDE PORTLAND	\$5	\$7	\$9	\$11	\$14	\$16	\$18	\$21	
	INSIDE GRESHAM	\$11	\$13	\$15	\$17	\$20	\$22	\$23	\$24	
	OTHER AREAS	\$6	\$9	\$12	\$14	\$18	\$21	\$24	\$27	
S W R	SEWER-SINGLE FAMILY DWELLING	\$32	\$38	\$44	\$49	\$58	\$64	\$64	\$65	
	SEWER-S/F GRSHM/OTHER	\$29	\$29	\$29	\$29	\$29	\$29	\$29	\$29	
	SEWER-MULTI-FAMILY DWELLING	\$14	\$20	\$26	\$31	\$40	\$46			
GAR	GARBAGE/SOLID WASTE (WEEKLY P/U)	\$19	\$19	\$19	\$20	\$25	\$29	\$29	\$29	
	USE SAME RATE FOR GRESHAM AND OTHER AREAS									
A P P L	TENANT OWNED									
	APPLIANCES	REFRIG.	\$4	\$4	\$4	\$4	\$4	\$4	\$4	
	CREDIT	RANGE	\$3	\$3	\$3	\$3	\$3	\$3	\$3	
TOTAL										

EXISTING SINGLE FAMILY DETACHED OR MULTIPLEX ARE UNITS NOT WEATHERIZED AND CONSTRUCTED PRIOR TO 1980
WEATHERIZED (3 OF 4) WINDOWS _____ CEILING _____ FLOOR _____ WALLS _____

NEW SINGLE FAMILY DETACHED OR MULTIPLEX-DOUBLE GLASS ARE UNITS WEATHERIZED OR CONSTRUCTED AFTER 1980

SERVICE CHARGES ARE FIXED FOR ELECTRIC, GAS, AND WATER/SEWER

4522 HDD USED IN COMPUTATIONS
LIGHTS INCLUDE REFRIGERATOR, OVERHEAD LIGHTS, LAMPS, AND OUTLETS
REFERENCE HUD-52667 FOR ALLOWANCE TABLES

FMR	
-UA	
MAX	

Appendix D: Homebuyer Affordability*

Homebuyer Affordability Median Family Income by Sales Price and Number of Bedrooms

Household Size	30%	50%	60%	80%	100%	120%	150%	200%
1	\$2,879	\$46,433	\$68,210	\$111,763	\$155,317	\$198,871	\$264,202	\$373,086
2	\$12,153	\$61,890	\$86,758	\$136,494	\$186,231	\$235,967	\$310,572	\$434,913
3	\$21,496	\$77,461	\$105,443	\$161,408	\$217,373	\$273,338	\$357,286	\$497,198
4	\$30,839	\$93,032	\$124,129	\$186,322	\$248,516	\$310,709	\$404,000	\$559,483
5	\$38,327	\$105,512	\$139,105	\$206,290	\$273,476	\$340,661	\$441,439	\$609,403
6	\$45,746	\$117,877	\$153,943	\$226,075	\$298,207	\$370,338	\$478,536	\$658,865
7	\$53,234	\$130,357	\$168,919	\$246,043	\$323,166	\$400,290	\$515,975	\$708,784
8	\$60,722	\$142,837	\$183,895	\$266,011	\$348,126	\$430,242	\$553,415	\$758,704

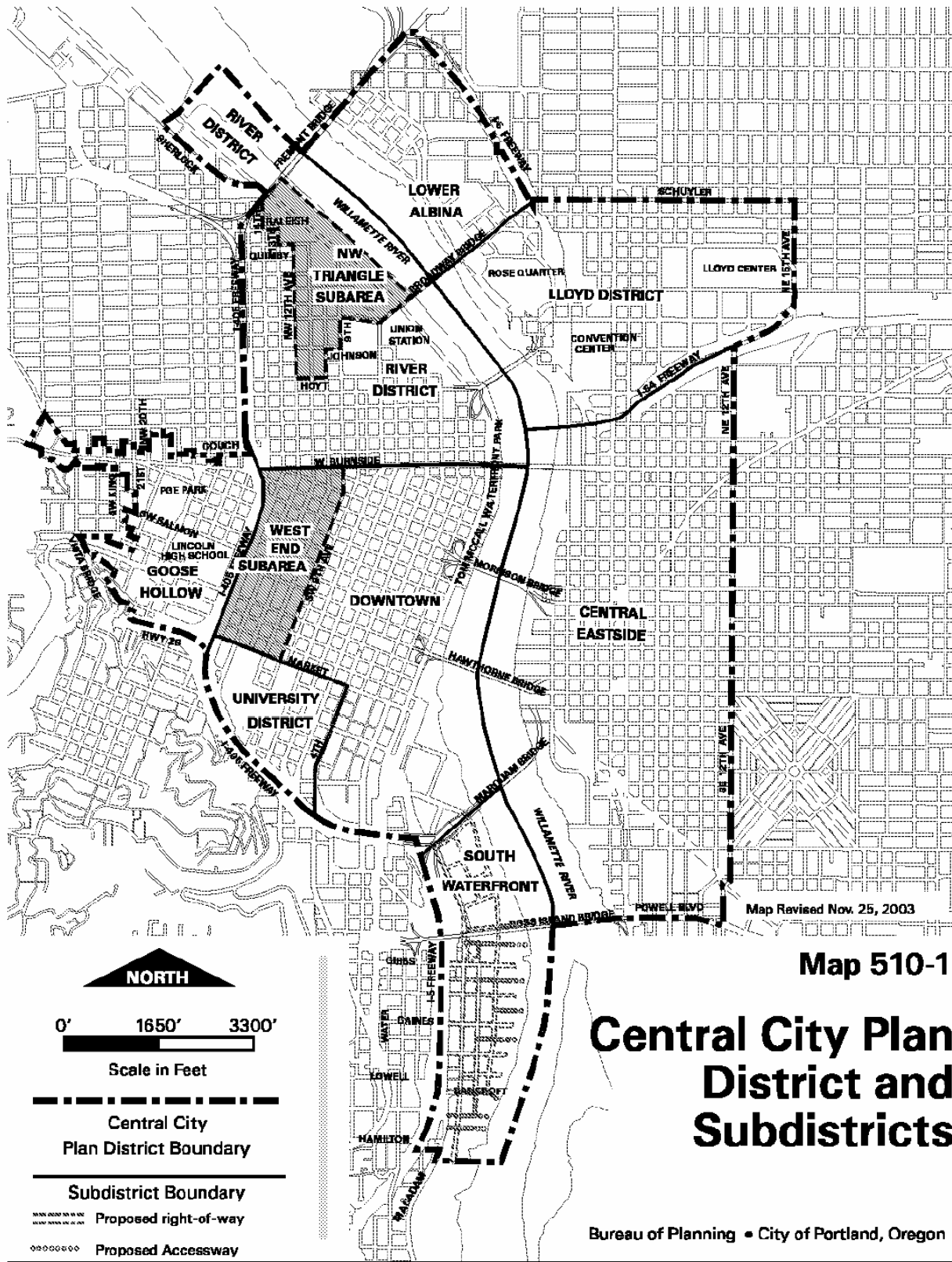
# of Bedrooms	Household Size	30%	50%	60%	80%	100%	120%	150%	200%
Loft/Studio	1	\$2,879	\$46,433	\$68,210	\$111,763	\$155,317	\$198,871	\$264,202	\$373,086
1	1.5	\$7,516	\$54,161	\$77,484	\$124,129	\$170,774	\$217,419	\$287,387	\$404,000
2	3	\$21,496	\$77,461	\$105,443	\$161,408	\$217,373	\$273,338	\$357,286	\$497,198
3	4.5	\$34,583	\$99,272	\$131,617	\$196,306	\$260,996	\$325,685	\$422,720	\$584,443
4	6	\$45,746	\$117,877	\$153,943	\$226,075	\$298,207	\$370,338	\$478,536	\$658,865
5	7.5	\$56,978	\$136,597	\$176,407	\$256,027	\$335,646	\$415,266	\$534,695	\$733,744

Assumptions:

Downpayment	5%
Interest Rate	5.5%
Mortgage Terms	30 yrs
Mtg ins cutoff	20%
Mtg ins rate	0.78
Full tax millage rate	22.26
Housing Burden	33%

* Both tables are best estimates. Actual property taxes, homeowners insurance and mortgage insurance rates vary by sale price, loan amount and level of coverage. Actual costs will impact individual borrowing ability.

Appendix E: Updated Central City Plan District Map



Appendix F: Central City Housing Goals

Summary of Quantifiable Housing Unit Goals, Targets and Strategies

Plan or Strategy	General New Housing Development	No Net Loss Affordable Housing (0-60% MFI Rental)	Mod/Middle-Income Rental Housing (61-150% MFI)	Ownership Housing
Comprehensive Plan	Achieve a distribution of household incomes similar to the distribution of household incomes found citywide in the Central City			
No Net Loss		Preserve/replace rental units affordable at or below 60% MFI (2002 base: 8,286 units) <u>Subgoal:</u> <ul style="list-style-type: none"> • Preserve/replace 1,200 units affordable at or below 60% MFI by 2006 (base 2001) 		
Central City Plan	Develop 15,000 new housing units by 2010 (base yr 1988) <u>Subgoals:</u> <ul style="list-style-type: none"> • Develop 5,000 new units in the West End (base 2001) • Develop 1,000 new units in the University District (base 1995) • Develop 1,000 new units in Goose Hollow (base 1996) • Develop 5,500 units in the River District (base 1995) • Develop 3,000 units in North Macadam by 2019 (Proposed North Macadam Plan-4/02) (base 2002) 	Preserve/replace 2,700 low/mod units in the West End (base 2001)		
South Park Blocks Urban Renewal Plan (1985-2008)			Develop 1,600 units of middle income housing in the South Park Blocks Urban Renewal Area (base yr 1985)	
Downtown Target Area Housing Implementation Strategy (2001-2006)	Develop 900-1,100 net new housing units (preserve/replace 300-400 affordable rental units)	<ul style="list-style-type: none"> • Complete Phase I of Museum Place (St. Francis/ Fairmont Replacement, Sockeye Development) • Preserve the units in Fairfield Hotel and Jefferson West Apt 	Complete Phase II of Museum Place (condos)	
Lloyd District Housing Implementation Strategy (2002-2015)	Develop 3,000 new units by 2015 (PDC to assist the development of 900 new units) (base 2002)	<ul style="list-style-type: none"> • Develop new rental units: <ul style="list-style-type: none"> • 2002 to 2006 -- 100 units (current PDC funding priority below 50% MFI) • 2007 to 2011 -- 220 units • 2012 to 2015 -- 220 units • Preserve/replace 300 units affordable at or below 60% MFI 	Develop new owner units: <ul style="list-style-type: none"> • 2002 to 2006 -- 100 units (current PDC funding priority 60-100% MFI) • 2007 to 2011 -- 130 units • 2012 to 2015 -- 130 units 	

River District Housing Implementation Strategy (1994-2014)	Develop 5000 new housing units by 2014	<ul style="list-style-type: none"> Rental & Ownership MFI Production Targets: <ul style="list-style-type: none"> 0-30% MFI = 923 31-50% MFI = 857 51-80% MFI = 1319 81-120% MFI = 1319 121+% MFI = 2176 	
North Macadam Housing Development Strategy (1999-2020)	Develop 3000 new housing units by 2020	<ul style="list-style-type: none"> Subsidized rental units = 711 	<ul style="list-style-type: none"> Subsidized ownership units = 77

Appendix G: Adopted Central City Housing Strategies

Net New Housing Unit Production Targets*

Various Strategies adopted by City Council and/or Portland Development Commission
(*"Net New" assumes a no net loss of units)

SUB AREA	0-30% MFI	31-50% MFI	51-60% MFI	61-80% MFI	81-120% MFI	120-150% MFI	OVER 150% MFI	TOTAL NEW UNITS
Downtown Target Area Housing Implementation Strategy (2001-2006)	0 units (25-50 units preservation/replacement)	0 units (175-200 units preservation/replacement)	0 units (75-100 units preservation/replacement)	25-75 units (25-50 units preservation/replacement)	525-650 units		350-375 units	900-1100 units (300-400 units preservation/replacement)
River District Housing Implementation Strategy** (1999-2020)	359 units	365 units	440 units		797 units	1389 units		3350 units
Lloyd District Housing Implementation Strategy (2002-2015)								3000 units
Central Eastside Housing Implementation Strategy	The Central Eastside Housing Strategy (10/16/03) does not mention any specific housing unit production targets							NA
North Macadam Housing Development Strategy (1999-2020)	166 units	211 units	205 units		780 units	1292 units	346 units	3000 units

Specific housing strategies have not been developed for North Macadam or Goose Hollow

** River District targets are actually percentages of units at build out. The numbers shown are estimates based on 500 new units since 1994. If more units are developed over the course of the urban renewal area, the number of units required in each income category will be increased accordingly.