

Adopted Comprehensive Plan Housing Policy



PORTLAND BUREAU OF PLANNING
January 1999

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**Adopted
Comprehensive Plan Housing Policy**

Goal 4 of the City's Comprehensive Plan

**Adopted on December 16, 1998
By Portland City Council
Ordinance No. 172954**

**Strategies Accepted by
Resolution No. 35748**



**Bureau of Planning
January 1999**

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COMMUNITY VALUES

(From *Future Focus*, Adopted by City Council, 10/91)

We the citizens of Portland set forth in these values our hopes and aspirations for the future of our community. We affirm the worth and dignity of each person and the right of each person to grow and prosper. We recognize the special excellence of our environment and quality of life and the responsibility of each member of the community to preserve and enhance it. We believe our community flourishes through vigorous economic, educational, social, and cultural initiative. We support a global perspective and partnerships beyond our boundaries. These values are the foundation of life in our community for this and future generations.

Economic Vitality

We value a strong, varied, adaptive, and globally-based economy that is compatible with the community's environmental values. We value an economy that creates community wealth and supports public and private facilities and services. We value an economy that provides employment and economic choices for individuals and families.

Creative Freedom

We value a creative climate that encourages innovation, development of creative capabilities, and a free and stimulating exchange of ideas.

Diversity

We value an open and friendly community that is free from bigotry and intimidation. We value a community that welcomes and respects the individuality, unique talents, and contributions of all people regardless of age, race, gender, ethnicity, sexual orientation, religion, physical or mental ability, or financial means.

Personal Well-Being

We value the right of all Portland citizens to physical, mental, and emotional well-being, including adequate food, clothing, housing, transportation, health care, and security of person and property.

Quality Urban Environment

We value the beauty and accessibility of our natural surroundings. We embrace a commitment to preserve and enhance the quality of our air, water, land, open space, wildlife, and wildlife habitat. We value an urban environment enhanced by parks, natural areas, and recreational opportunities that are accessible to all citizens.

Good Government

We value open, honest government that is responsive to its citizens. We value strong, creative leadership by elected officials and private citizens willing to empower and work with the entire community to shape Portland's future. We value cooperative approaches to problems that extend beyond Portland's boundaries.

Cultural Vitality

We value the social, economic, and creative contributions made to our quality of life by diverse and accessible public arts, cultural activities, and community events.

Balanced Development

We value Portland's physical development and renewal while recognizing that future growth should maintain commitment to human scale, our architectural heritage, resource conservation, the environment, and neighborhoods. We value planned growth which provides for efficient, adequate infrastructure and public services.

Education

We value quality education that enables all residents to reach their full potential as individuals, workers, and citizens. We also value social, economic, and civic contributions of strong, integrated systems of education.

Sense of Community

We value a city of healthy, vigorous neighborhoods where residents participate in community life and feel a sense of belonging and involvement.

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I. INTRODUCTION

ADOPTED COMPREHENSIVE PLAN HOUSING POLICIES AND OBJECTIVES

Housing is more than physical shelter. The residential environment consists of not only the dwelling unit but the site and setting, neighbors and community, municipality and public services, habitability and accessibility, rights and responsibilities, costs and benefits. Yet housing is even more than the residential environment, for it is only in relation to those who inhabit and use it that housing has meaning and significance - not only physical and economic, but emotional, symbolic, and expressive. We occupy our houses, and, for better and for worse, they become our homes.

Michael Stone, *Shelter Poverty*

SUMMARY:

On December 16, 1998, City Council amended the City's Comprehensive Plan Housing Policy by replacing the housing goal and policies adopted in 1978 with a new goal and 15 new policies and related objectives. The new goal, policies, and objectives are included as Section II of this report.

City Council's action was the culmination of the first comprehensive review of the City's Housing policy since it was adopted in 1978 and later incorporated into the 1980 Comprehensive Plan. The goals and policies of the city's Comprehensive Plan provide the context for land use planning within Portland, guidance for major capital projects and other funding decisions, and the policy direction for the city's housing assistance programs. Where major development decisions are being proposed, state law requires consistency with the Comprehensive Plan. Comprehensive Plan amendments and urban renewal districts must be consistent with the Comprehensive Plan.

The city's Comprehensive Plan housing goal, policies, and objectives are implemented through the Comprehensive Plan Map, through building and zoning code regulations, and through public and private sector programs.

OBJECTIVES OF CITYWIDE HOUSING POLICY REVIEW

The objective of this review was to ensure that the housing goal, and its policies and objectives, reflect the new policy direction that has emerged from adopted community and neighborhood plans, the *Region 2040 Growth Concept and Urban Growth Management Functional Plan*, the *State Transportation Planning*

Rule, and from plans such as the *Comprehensive Housing Affordability Strategy (CHAS)*, and its successor, the *Consolidated Plan* that focus on low and moderate-income housing in the city.

No zoning code changes, zoning map, or Comprehensive Plan Map amendments were adopted as part of this process because, for the most part, the adopted policies and objectives reflect existing regulations and programs.

The city's Housing Policy guides a variety of city activities. These activities include enforcement, education, technical assistance and training; loans or grants of federal or local funds, and property tax abatements. The city develops new housing programs or strategies in response to concerns identified through area or community plans, urban renewal plans, or citywide housing plans. Section III identifies the linkage between the housing policies and objectives, and the strategies, both existing and potential. As such, this linkage provides the foundation for monitoring, evaluation, and feedback on policy implementation.

Resource allocation and prioritization of housing needs is done more frequently than Comprehensive Plan policy updates. The Consolidated Plan process identifies citywide housing needs and recommends prioritization and allocation of locally controlled federal funds by income level and housing activity. Community, neighborhood, and area plans focus on area-specific housing needs. The PDC 5-Year Business Plan identifies housing priorities and activities within the context of the housing policy to guide the allocation of tax increment and other funds. Guidelines are developed and updated by citizen input through the city's biennial budget process. The actual allocation of public resources is done by City Council.

Planning Process

The Comprehensive Plan Housing Policy review was an interdepartmental effort led by the Bureaus of Planning and Housing and Community Development, the Portland Development Commission, and the Housing Authority of Portland. Each of the respective boards and commissions: the Planning Commission, the Housing Authority Board, the Portland Development Commission, and the Housing and Community Development Commission, designated a citizen representative to serve on a steering committee, chaired by Commissioner Gretchen Miller Kafoury.

The planning process included the following steps:

1. Stakeholder Interviews: Beginning in November 1997, project staff interviewed over 50 people to identify housing policy issues, conflicts, and gaps.

2. Problem Statement and Review: In January 1998, a Draft Problem Statement was issued that summarized the key issues and perceived policy conflicts. The draft was circulated to over 500 interested persons and organizations for comment. This review produced about 30 written comments that added new insights and questioned some assumptions. In addition project staff met with interested organizations to talk both about the project and about the issues identified.
3. Community Workshops: Four community workshops were held in April and May, 1998, to identify the most significant issues the housing policy should address. Discussion questions were developed around specific demographic trends and their impacts on housing. People who were unable to attend the workshops were encouraged to submit written responses. Background material prepared for the workshops included a these reports: *Household, Housing, and Affordability Data*; and *Planning Context*, a summary of key plans and policies that will frame the City's housing policy. This material, as well as the Problem Statement, is included in the *Background Report to the Comprehensive Plan Housing Policy* (November 1998).
4. Public Discussion Draft: The Public Discussion Draft was available for review and comment for 30 days, from July 31, 1998 through August 31, 1998. Two hundred fifty copies of the document were distributed to individuals and organizations. Open forums on the draft were held on August 18 and 20. A focus group was also held with housing developers. Written comments were received from eighteen individuals and organizations.
5. Report and Recommendation: On August 31 notice of the public hearing and the report's availability was sent to approximately 700 individuals and organizations. *The Report and Recommendation to the Planning Commission* was issued on September 14. On October 5, 1998, a joint hearing on the Recommendation was held by the Planning Commission in conjunction with the Housing and Community Development Commission (HCDC), the Housing Authority Board (HAP), and the Portland Development Commission (PDC). Six individuals and organizations gave written or oral testimony. The HCDC, the PDC, and the HAP Board considered the recommended housing policy at each of their regularly scheduled meetings. HCDC, HAP, and PDC voted in favor of the recommendation contained in the September 14 report, and forwarded that advice to the Planning Commission.

The Planning Commission held two work sessions to discuss the recommended housing policy. On November 10, the Planning Commission voted to adopt the recommended policy with amendments.

A Report from the Planning Commission to City Council was issued on November 25, 1998. On December 10, City Council held a public hearing on the recommended amendment and on December 16, they voted to adopt the policy as recommended by the Planning Commission.

How to Use This Document

This report is formatted to illustrate for the reader how policies and objectives have been and can be linked with actions designed to implement them. Policies are grouped around four general sets of issues: Housing Supply (Policies 4.1 through 4.3); Housing Safety and Quality (Policies 4.4 through 4.6); Housing Opportunity (Policies 4.7 through 4.10); and Housing Affordability (Policies 4.11 through 4.15).

Section II contains the adopted Goal 4, including its policies and objectives. The following describes the difference among the three categories of policy.

Goal: This is the broadest expression of the community's housing vision.

Policy: The policy is a broad statement that sets a preferred direction in response to a particular set of issues.

Objective: The objective provides further detail on the direction that is necessary to support the related policy. It is usually more narrowly defined than a policy.

Please note that only the goal, policies and objectives were adopted as amendments to the Comprehensive Plan. Commentary and strategies were not adopted by ordinance, but were accepted by Council resolution.

Section III expands on the adopted policies and objectives by restating and linking them to existing and potential strategies. City Council accepted Section III by resolution. Their acceptance of it does not imply continued funding of existing strategies, nor does it imply that City Council endorsed potential strategies, only that it is reasonable to consider them in the future.

Strategy: Key strategies are identified as either existing or potential. The existing strategies reflect actual zoning and building code regulations, existing ordinances, or city housing programs. The potential strategies are included to give some ideas about alternative or additional methods of implementing policy.

Acceptance of the strategies by resolution does not commit the City to authorize funds for their implementation. The City Council weighs competing needs, public objectives, and resource availability on a biennial basis.

The potential implementers are: Bureau of Planning (BOP); Bureau of Housing and Community Development (BHCD); Portland Development Commission (PDC); Housing Authority of Portland (HAP); Bureau of Buildings (BOB); Office of Neighborhood Involvement (ONI); Office of Transportation (PDOT); Office of Government Relations (GA), Energy Office, Auditors Office, Office of Finance and Administration (OFA). The list is not intended to be fully inclusive since it does not include other private or public agencies, or specific neighborhood organizations.

Commentary: The comments on the facing page provide supporting data or rationale for the policies and objectives.

Links: At the end of each group of policies there is a reference to related Comprehensive Plan goals and policies. The references are included in this document to reinforce the concept that this housing policy inter-relates and complements other city goals and policies.

Relevant Housing Programs: At the end of each group of policies there is a list of related housing programs that implement the policies and objectives. Like the strategies, the housing programs themselves are not adopted as part of this process since their future funding depends on resource availability. They are included in this document to demonstrate the potential link between policy and programs.

SECTION II:
Adopted Housing Goal, Policies and Objectives

Commentary

The housing goal reflects the intent of both Statewide Housing Goal 10 and the Metropolitan Housing Rule. The state requires local jurisdictions to provide for adequate and diverse housing based on an analysis of the needs, financial capabilities, and preferences of citizens for housing commensurate with their ability to pay for it. The goal also reflects Portland's position as the largest market within the region. A shift in emphasis during the 20 years since the City's housing policy was first adopted is the growing recognition that the housing market is regional. It is also dynamic and often in a state of flux as market pressures change and influence other submarkets, the boundaries of which may not coincide with political or jurisdictional boundaries.

The words "vitality" and "community" are used intentionally in this goal statement to affirm the City's and citizens' values, as reflected in *Portland Future Focus: Strategic Plan*, adopted in 1991, that future growth must enhance the City's vitality as well as its sense of community.

NOTE: Due to a series of court decisions, the goals, policies and objectives of the Comprehensive Plan must be identified as mandatory, balancing, or aspirational, and further identified as applicable to City adopted legislative plans, or quasi-judicial land use cases. The Planning Bureau is engaged in a *Comprehensive Plan Improvement Project* to categorize all policies and objectives to comply with these legal requirements. The Planning Bureau will be presenting a draft categorization of the entire Comprehensive Plan to Planning Commission in 1999.

The goal, policies and objectives were adopted on an interim basis as "balancing." They will be re-evaluated along with other *Comprehensive Plan* policies and objectives as part of *the Comprehensive Plan Improvement Project*.

- **Balancing Policies** must be considered by carefully weighing and balancing with other policies. Decisions are made based on the cumulative weight of policy language and direction. Most of the provisions of the Comprehensive Plan are considered balancing. The balancing of policies is more than a numerical tally; it requires a careful analysis of the appropriateness and applicability of policies to the specific circumstances under consideration.

Policies and objectives 4.1 through 4.3 focus on housing production and the adaptation of, or investment in, existing housing. These policies and objectives frame the City's response to the following questions: *Are there enough housing units to meet household needs? Is the supply of housing keeping pace with increases in the number of households? Is there enough land allocated for residential or mixed-use development to accommodate different types of housing? Will housing available in the future match the mix of households in the community?*

- **Policy 4.1 Housing Availability**, and its objectives reflect the different roles the city plays in ensuring housing availability through both production and preservation. The *Comprehensive Plan Map* and zoning code regulations are significant tools to ensure housing availability. Some objectives refer to other actions the city takes to ensure availability.
- **Policy 4.2 Maintain Housing Potential**, and its objectives are more commonly referred to as the city's "no-net loss housing policy." This policy was adopted in 1990 based on recommendations of the City's Periodic Review Housing Density Task Force. At that time the city was out of compliance with the Metropolitan Housing Rule that required the city to ensure that vacant and buildable land have the capacity of 10 units per acre.
- **Policy 4.3 Sustainable Housing**, and its objectives reflect the city's Sustainable City Principles, growth management concepts, and transportation planning rules.

Goal:

- 4 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.

POLICIES AND OBJECTIVES - HOUSING SUPPLY

- 4.1: **Housing Availability:** Ensure that an adequate supply of housing is available to meet the needs, preferences, and financial capabilities of Portland’s households now and in the future.

Objectives:

- A. Designate sufficient buildable land for residential development to accommodate Portland’s share of regional household growth to reduce the need for urban growth boundary expansions.
- B. Develop new relationships and mechanisms that increase private investment in, and production of, housing.
- C. Consider the cumulative impact of regulations on the ability of housing developers to meet current and future housing demand.
- D. Encourage the efficient use of existing housing.
- E. Encourage the efficient use of infrastructure by focusing well-designed new and redeveloped housing on vacant, infill, or under-developed land.
- F. Encourage housing design that supports the conservation, enhancement, and continued vitality of areas of the city with special scenic, historic, architectural or cultural value.
- G. Facilitate the redevelopment of surface parking lots zoned for residential and mixed-uses to accommodate housing and mixed-use development.
- H. Create alternatives to the demolition, without replacement, of structurally sound housing on residentially zoned property.
- I. Reduce nonregulatory barriers to the development of vacant residentially zoned sites.
- J. Limit residential development in areas designated as industrial sanctuaries.

4.2: Maintain Housing Potential: Retain housing potential by requiring no net loss of land reserved for, or committed to, residential, or mixed-use. When considering requests for amendments to the *Comprehensive Plan* map, require that any loss of potential housing units be replaced.

Objectives:

- A.** Allow the replacement of housing potential to be accomplished by such means as: 1) rezoning (and redesignating) existing commercial, employment, or industrial land to residential; 2) rezoning (and redesignating) lower density residential land to higher density residential land; and 3) rezoning to the CM zone; or 4) building residential units on the site or in a commercial or employment zone if there is a long term guarantee that housing will remain on the site.
- B.** Allow for the mitigation of the loss of potential housing units with a housing pool credit system.

4.3: Sustainable Housing: Encourage housing that supports sustainable development patterns by promoting the efficient use of land, conservation of natural resources, easy access to public transit and other efficient modes of transportation, easy access to services and parks, resource efficient design and construction, and the use of renewable energy resources.

Objectives:

- A.** Place new residential developments at locations that increase potential ridership on the regional transit system and support the Central City as the region's employment and cultural center.
- B.** Establish development patterns that combine residential with other compatible uses in mixed-use areas such as the Central City, Gateway Regional Center, Station Communities, Town Centers, Main Streets, and Corridors.
- C.** Encourage the development of housing at transit-supportive densities near transit streets, especially where parks or schools are present, to ensure that the benefits of the public's investment in those facilities are available to as many households as possible.
- D.** Foster flexibility in the division of land and the siting of buildings and other improvements to reduce new development's impacts on environmentally sensitive areas.
- E.** Use resource efficient technologies and materials in housing construction that increase the useful life of new and existing housing.

Commentary

Policies and objectives 4.4 through 4.6 emphasize the *safety and quality* of the housing provided. Broadly stated, these policies and objectives frame the City's response to the following questions: *Is the existing housing in adequate physical condition? Are units falling into disrepair? Are they at risk of abandonment or removal from use? Do housing conditions enhance the neighborhood environment?*

Policy 4.4, Housing Safety, and its objectives focus on building and maintaining housing for long-term safety.

Policy 4.5, Housing Conservation, and its objectives reflect the value existing housing contributes to the city, and the importance of maintaining it as an asset.

Policy 4.5, Housing Quality, and its objectives focus on improving the quality and livability of housing to improve conditions for residents and neighborhoods.

POLICIES AND OBJECTIVES - SAFETY AND QUALITY

4.4: Housing Safety: Ensure a safe and healthy built environment and assist in the preservation of sound existing housing and the improvement of neighborhoods.

Objectives:

- A.** Ensure safe housing for Portland’s citizens of all income levels.
- B.** Encourage the return of abandoned housing to useful and safe occupancy.
- C.** Ensure the safety of the general public by requiring owners to repair substandard housing or as a last resort, demolish dangerous housing.

4.5: Housing Conservation: Restore, rehabilitate, and conserve existing sound housing as one method of maintaining housing as a physical asset that contributes to an area’s desired character.

Objectives:

- A.** Require owners, investors, and occupants, to be responsible for maintenance of the housing stock.
- B.** Encourage the adaptive reuse of existing buildings for residential use.

4.6: Housing Quality: Encourage the development of housing that exceeds minimum construction standards.

Objectives:

- A.** Promote housing that provides air quality, access to sunlight, and is well protected from noise and weather.
- B.** Ensure that owners, managers, and residents of rental property improve the safety, durability, and livability of rental housing.
- C.** Protect housing from excessive off-site impacts including pollution, noise, vibration, odors, and glare.
- D.** Limit conflicts between existing business areas and housing caused by traffic and parking, noise, and signage.

Commentary

Policies and objectives 4.7 through 4.10 focus on the goal of expanded *household opportunity*. These policies also focus on issues of disinvestment in neighborhoods that result in fewer housing opportunities, as well as economic and racial segregation. Broadly stated these policies should frame the city's response to questions such as: *Are housing opportunities available for protected classes throughout the city and the region? Are households that are in a protected class at a disadvantage relative to others due to discrimination? Are some neighborhoods inaccessible to some segments of the population because of inadequate transportation, lack of services, lack of information etc.? Do neighborhoods have a mix of housing types and income levels that can support schools, neighborhood commercial districts, and community livability? Do low-income households have access to housing that will enhance family stability and promote economic opportunities so they can be economically self-sufficient?*

Policy 4.7, Balanced Communities, and its objectives reflect the desires of most residents for communities with economic diversity; a mix of housing types and tenures; and ability to support public schools and neighborhood commercial facilities.

Policy 4.8, Regional Housing Opportunities, and its objectives recognize that the City of Portland is part of a regional housing market and that the action or inaction of local jurisdictions has regional impacts.

Policy 4.9, Fair Housing, and its objectives reflect fundamental community values that all people must have equal access to housing free from discrimination.

Policy 4.10, Housing Diversity, and its objectives focus on creating diverse neighborhoods with a variety of housing types and tenures so that people have choices about where to live throughout the city.

POLICIES AND OBJECTIVES - HOUSING OPPORTUNITY

4. 7: Balanced Communities: Strive for livable mixed-income neighborhoods throughout Portland that collectively reflect the diversity of housing types, tenures (rental and ownership) and income levels of the region.

Objectives:

- A.** Achieve a distribution of household incomes similar to the distribution of household incomes found citywide, in the Central City, Gateway Regional Center, in town centers, and in large redevelopment projects.
- B.** Maintain income diversity within neighborhoods by 1) allowing a mix of housing types and tenures, including houses, houses on smaller lots, small houses, duplexes, attached housing, accessory dwelling units, multi-dwelling housing, and mixed-use developments; and 2) ensure that income diversity is maintained over the long-term.
- C.** Promote the development of mixed-income housing that may include a mix of housing types.
- D.** Encourage housing opportunities for extremely low and very low-income households (below 50% MFI) in all neighborhoods to avoid their concentration in any one area.
- E.** Actively encourage the dispersal of housing with on-site social services throughout the city.
- F.** Support public and private actions that improve the physical and social environment of areas that have experienced disinvestment in housing, that have a concentration of low-income households, or that lack infrastructure.
- G.** Encourage the development and preservation of housing that serves a range of household income levels at locations near public transit and employment opportunities.
- H.** Improve the balance in the city's population by attracting a proportionate share of the region's families with children in order to encourage stabilized neighborhoods and a vital public school system.
- I.** Expand homeownership opportunities for existing residents in neighborhoods with homeownership rates lower than the regional average.
- J.** Expand multi-dwelling and rental housing opportunities in neighborhoods with homeownership rates higher than the regional average.
- K.** As neighborhoods evolve, discourage the involuntary displacement of low-income residents from their community, while expanding housing opportunities to create more balanced communities.

4.8: Regional Housing Opportunities: Ensure opportunities for economic and racial integration throughout the region by advocating for the development of a range of housing options affordable to all income levels throughout the region.

Objectives:

- A.** Advocate for the development of a regional “fair share” strategy for meeting the housing needs of low, moderate, and higher-income households and people in protected classes in cities and counties throughout the region.
- B.** Support regulations and incentives that encourage the production and preservation of housing that is affordable at all income levels throughout the region.
- C.** Work with Metro and other jurisdictions to secure greater regional participation in addressing the housing needs of people who are homeless, low-income or members of protected classes.

4.9: Fair Housing: Ensure freedom of choice in housing type, tenure, and neighborhood for all, regardless of race, color, age, gender, familial status, sexual orientation, religion, national origin, source of income or disability.

Objectives:

- A.** Support programs that increase opportunities for minorities, low-income people, and people in protected classes to gain access to housing throughout the region.
- B.** Prohibit discrimination in selling, renting, leasing, or subleasing residential real estate on the basis of an individual’s race, color, age if over 18, gender, marital status, familial status, sexual orientation, religion, national origin, source of income, or disability.
- C.** Reduce barriers to the siting of housing for the elderly or people with disabilities at residential locations throughout the city that have access to needed social services and transit while recognizing that different populations have different needs.
- D.** Ensure the development of housing accessible to people with physical limitations, and the adaptation of existing homes to improve accessibility for people with disabilities.

4.10: Housing Diversity: Promote creation of a range of housing types, prices, and rents to 1) create culturally and economically diverse neighborhoods; and 2) allow those whose housing needs change to find housing that meets their needs within their existing community.

Objectives:

- A.** Keep Portland inviting to households with children by ensuring through public and private action the availability of housing that meets their needs throughout the city.
- B.** Support homeownership opportunities in new multi-dwelling housing by encouraging the creation of condominiums, cooperatives, mutual housing associations, and limited equity cooperatives.
- C.** Accommodate a variety of housing types that are attractive and affordable to potential homebuyers at all income levels.
- D.** Encourage the production of a range of housing types for the elderly and people with disabilities, including but not limited to independent living, assisted living, and skilled nursing care facilities.
- E.** Support opportunities for renter households by providing a range of housing types, sizes, and rent levels throughout the city.
- F.** Increase the school population in Portland, preventing widespread school closures, and the consequent underutilization of public facilities.

Commentary

Policies and objectives 4.11 through 4.15 address housing *affordability* for the entire income distribution. Housing affordability policies are interdependent with policies 4.1 through 4.10. Housing affordability is dependent in particular on maintaining an adequate housing supply. These policies are intended to provide guidance for housing program development; help define the roles of the public and private sectors, both non-profit and for-profit; and provide a framework for coordination. Many of these policies are aspirational since they reflect an ideal situation, a long-term vision, or require additional funding to fully implement.

Broadly stated, these policies and objectives should frame the City's response to the following questions: *Can households at all income levels choose housing they can afford to live in? Are jurisdictions and housing providers planning and coordinating housing to meet the needs of all income levels? What are the impacts of City-imposed regulations and fees on the cost or availability of housing?*

Policy 4.11, Housing Affordability, and its objectives focus on the promotion and development of housing that is affordable to people across a range of income levels.

Policy 4.12, Housing Continuum, and its objectives, reflect the need to plan and provide opportunity for housing from emergency shelter to permanent housing, for renters and owners, and for people at different income levels or at different stages in the housing market.

Policy 4.13, Humble Housing, and its objectives, recognize that smaller housing is an option that can promote affordability and reduced resource consumption, as well as respond to changing household size.

Policy 4.14, Neighborhood Stability, and its objectives focus on the many aspects of housing that can affect neighborhood stability: diversity, affordability, housing security and tenure, and gentrification and displacement.

Policy 4.15, Regulatory Costs and Fees, and its objectives focus on the relationship of city regulations and fees on housing cost and affordability.

POLICIES AND OBJECTIVES - HOUSING AFFORDABILITY:

4.11: Housing Affordability: Promote the development and preservation of quality housing that is affordable across the full spectrum of household incomes.

Objectives:

- A.** Include strategies and actions that encourage the provision of housing affordable to all income levels in neighborhood, and community plans, and other area plans that pertain to housing.
- B.** Ensure the availability of housing that meets the needs of all Portland households.
- C.** Encourage the development and use of housing construction technologies that streamline the housing construction process, reduce development costs and environmental impacts, and produce sound and durable housing.
- D.** Promote conservation programs and energy-efficient practices and programs that reduce housing operating costs for energy, sewer, and water usage.
- E.** Work in partnership with the Housing Authority of Portland to preserve its portfolio of federally assisted housing at rents levels affordable to extremely and very low-income households.
- F.** Pursue adequate financial resources to develop, maintain and preserve housing and housing assistance programs for households whose needs are not met by the housing market.
- G.** Narrow the gap between housing costs and income.

4.12: Housing Continuum: Ensure that a range of housing from temporary shelters, to transitional, and to permanent housing for renters and owners is available, with appropriate supportive services for those who need them.

Objectives:

- A.** Plan and coordinate the provision of housing opportunities for households-whose needs are not met by the private for-profit market.
- B.** Promote the preservation and development of a sufficient supply of transitional and permanent housing affordable to extremely low-income individuals and households with children in order to reduce or prevent homelessness.
- C.** Provide opportunities throughout the city for emergency shelters and transitional housing for people who are homeless.
- D.** Stimulate production of a variety of housing types that are affordable and responsive to the needs of very low, low, moderate, and middle-income households.
- E.** Expand opportunities for first-time homebuyers.

4.13: Humble Housing: Ensure that there are opportunities for development of small homes with basic amenities to ensure housing opportunities for low-income households, members of protected classes, households with children, and households supportive of reduced resource consumption.

Objectives:

- A.** Ensure that regulations facilitate the option of development of small homes.
- B.** Reduce barriers to the development and finance of small homes.

4.14: Neighborhood Stability: Stabilize neighborhoods by promoting: 1) a variety of homeownership and rental housing options; 2) security of housing tenure; and 3) opportunities for community interaction.

Objectives:

- A.** Promote and maintain homeownership options within neighborhoods.
- B.** Promote housing opportunities that build a sense of community, civic involvement and neighborhood pride.
- C.** Protect, preserve, and restore the City's single-room occupancy (SRO) and low-income housing.
- D.** Encourage the retention of existing rental housing at rent levels affordable to area residents.
- E.** Increase opportunities for construction, acquisition, or preservation of housing affordable to area residents in locations where rising property values and gentrification contribute to their involuntary displacement.
- F.** Require the property owner to assist in the relocation of low-income residents whenever multi-dwelling buildings are converted to condominiums.
- G.** Promote good neighbor relationships between housing developers and their neighbors.
- H.** Enable people who are elderly to remain in their own neighborhoods as their needs change by supporting shared housing, accessory dwellings, smaller homes, adult foster homes, and other assisted residential living arrangements.
- I.** Allow the city's housing to be adapted to enable households to remain in the same home or neighborhood through all their different life cycles.
- J.** Preserve existing mobile home parks.
- K.** Enhance the quality of the design of new infill residential development.

4.15: Regulatory Costs and Fees: Consider the impact of regulations and fees in the balance between housing affordability and other objectives such as environmental quality, urban design, maintenance of neighborhood character, and protection of public health, safety, and welfare.

Objectives:

- A.** Improve housing affordability by imposing the lowest permit fee, or system development charge necessary to recover cost of city services delivered in a cost effective manner.
- B.** Achieve greater predictability in project decision timelines, outcomes, and costs.
- C.** Allow reduced parking requirements for housing where the parking demand is reduced and impacts are minimal.

SECTION III. POLICIES, OBJECTIVES AND STRATEGIES

The policies and objectives of the Comprehensive Plan are broad statements that reflect the City's vision and values. The city implements its housing policy through the Comprehensive Plan Map, through building and zoning code regulations, and through public and private programs. Public comment identified a perceived "disconnect" between city housing policy and city programs. In this section policies and objectives are linked to strategies, both existing and potential, to show how the broad vision is turned into action. **The Commentary and the strategies were not adopted as part of the Comprehensive Plan.**

Periodic evaluation and update to strategies are needed to keep the city's Housing Policy a living document. Section III is a starting point because it brings policy, strategies, and programs together into one document. Strategies must change with housing market conditions, people's housing needs, and resource availability and constraints. New strategies must be developed to respond to new problems, challenges and opportunities. The identification of existing strategies is illustrative rather than exhaustive. Most of the existing strategies are currently implemented in zoning code regulations or existing housing programs. Some potential strategies are also identified for further study.

City Council accepted these strategies by resolution as representative of the linkage between policies and objectives, and strategies. ***The inclusion of strategies in this document, either existing or potential does not commit the City to adopt them or commit funds for their implementation.*** The explicit linkage of strategies to policies provides a basis for future evaluation and feedback on the policies.

Because public comment raised questions about potential conflicts between policies when it comes to setting priorities for implementation, the Planning Commission formulated a statement about how they understood the policies and objectives would be used to guide decision making and implementation. The Planning Commission provided this preamble to City Council along with their recommendation on the policy.

"The recommended goal represents the broadest statement of the community's vision to provide housing opportunities and choice for all its residents of various income levels, now and in the future. The fifteen policies are organized around four sets of housing issues – housing supply and availability; housing safety and quality; housing opportunity; and housing affordability. Each policy is a broad statement that sets a preferred direction in response to a particular set of issues. Even though each policy articulates or defines a more focused vision, each is inter-related, and in combination, all support the overall goal.

Under each policy is a set of objectives that provides more detail on the direction necessary to support the related policy. The objectives will guide the development of strategies during the life of this policy document. Not every objective is relevant, plausible, or desirable in every circumstance. There may be conflicts within the housing policies and objectives, particularly when they are applied to a smaller subarea within the larger city. To cite an example, the housing policy supports the expansion of both homeownership opportunities and rental housing opportunities. It is conceivable that both policies could be achieved at the citywide level if the overall supply of housing were increased accordingly. When these same policy objectives are applied to a smaller geographic area they must be weighed carefully against the circumstances of the particular area, the local housing market, and economic conditions. In these cases certain policy objectives will have priority over others.

Most of the provisions of the comprehensive plan are considered "balancing," that is, decisions must be made based on the cumulative weight of policy language and direction. Decision-makers – Hearings Officers, Planning Commissioners, and City Council – are often required to weigh and balance policies and objectives in order to make decisions to implement strategies. The balancing of policies is more than a numerical tally. Decisions must be made based on a careful analysis of the appropriateness and applicability of policies to the specific circumstances and facts under consideration.

In order to implement the recommended housing policies and objectives, the city needs to maintain an array of tools beyond the traditional tools of zoning and the comprehensive plan map. Other tools include planning regulations, design guidelines, financial incentives, and community-based or area specific planning efforts.

The proposed goal, policies, and objectives provide a long-term policy framework for the entire city and for all income levels. Citywide and area specific implementation plans provide the fine-tuning needed to prioritize and apply broad policies and objectives to specific areas, and to specific income groups.

The Planning Commission is a policy body, and as such has a limited role in implementation. The Planning Commission does expect that implementing agencies will consider the prioritization and application of the housing policies and objectives when they develop and implement strategies. It is our hope that in combination, city housing strategies support the overall goal of housing choice for all residents, over time."

Commentary

The City's Role in the Provision of Housing. The city provides regulatory protections to residents through land use regulation, environmental protections, and protection of tenants and consumers. As a regulator the city has a major impact on housing and must ensure that its regulations are clear and provide certainty to housing developers and consumers. They should not be so restrictive as to make housing development economically unfeasible to meet the needs of low and middle-income people. At the same time they must ensure the public interest is served. The city has other roles: as coordinator, as service and infrastructure provider, and as a lender or grantor of funds. The city also stimulates housing production and rehabilitation through property tax abatements and non-cash tools. In its roles as planner and regulator, the city influences the location and amount of housing supplied by allocating land for residential uses, and by adopting development regulations and standards. In its role as coordinator and provider of public services, the city influences both the cost and timeline for development by providing infrastructure (roads, sewers, water and services). The city is not a direct provider of housing in that it does not build or own housing, although the Housing Authority of Portland, a public non-profit agency chartered by the city, does.

The terms "private market" and "private sector" are used throughout this document. Over the past 50 years governmental programs, such as federal mortgage insurance programs, and publicly subsidized freeway and infrastructure programs, have been instrumental in allowing the "private market" to operate, so some suggest that the distinction between a public and a private market is artificial. For purposes of this document we will continue to make the distinction, but try to be more precise about distinctions between private for-profit and non-profit developers. For-profit developers are not tax exempt – their goal is to profitably develop housing that responds to market preferences. Non-profit developers are tax exempt organizations with a mission to provide housing for the most vulnerable sections of the housing market that the for-profit sector cannot profitably serve: the low to extremely low-income households, and some elderly and people with special needs. The public sector includes all levels of government as well as the Housing Authority of Portland, a public non-profit developer. The public sector has a special responsibility to meet the housing needs of those whom the private for-profit sector cannot serve.

Policy 4.1: This policy reflects requirements of Goal 10 of the *Statewide Planning Goals and Guidelines* for local jurisdiction to ensure broad housing availability. In 1978 the City adopted the current objective (4.3, J.) of setting annual goals for production, between 2000 and 2500 units. The rate of housing production has varied, with average production of 1700 units per year for the last 8 years. Some new demand is met by existing vacant housing and some by doubling up or shared housing. Extended periods of low vacancy rates without adequate production increases housing prices for both new and existing housing.

A. This objective reflects the vision of the city's strategic plan, *Portland Future Focus* that called for maintenance of a compact urban form to ensure the city's (and region's) future livability and economic vitality. *Future Focus* called for the city to accommodate a minimum of 20 percent of expected regional growth, exclusive of Clark County. This objective is consistent with the *Region 2040 Growth Concept* and the *Urban Growth Management Functional Plan*, which states: "as a matter of regional policy, each city and county must contribute its fair share to increasing the development capacity of land within the UGB." The region is expected to grow an average of 1.6 percent per year through 2015.

B. This objective is intended to provide clear signals that, while housing production is a private, rather than a public sector responsibility, market conditions and affordability needs require public sector intervention or public/private partnerships. Objective B provides support for public intervention in the event that market conditions do not stimulate housing production consistent with local plans within a reasonable time period. That objective also recognizes that local government's ability to ensure broad availability for very low- income households has been jeopardized by federal cutbacks and retargeting of federal funds to housing programs that serve higher income households.

POLICIES AND OBJECTIVES - HOUSING SUPPLY

Policy 4.1: Housing Availability: Ensure that an adequate supply of housing is available to meet the needs, preferences, and financial capabilities of Portland's households now and in the future.

Objectives:

- A.** Designate sufficient buildable land for residential development to accommodate Portland's share of regional household growth to reduce the need for urban growth boundary expansions.

Existing Strategy 4.1 (A): (BOP)

1. Review and update the City's *Comprehensive Plan* map through the Periodic Review process.
2. Periodically assess housing needs and market preferences through a range of techniques including surveys, workshops, data analysis.
3. Develop a strategy to accommodate a minimum of 20 percent of projected regional growth.
4. Adopt 80% minimum density requirements in residential zones in Title 33, Planning and Zoning Code, and Title 34, Land Division Code, in compliance with requirements of the *Urban Growth Management Functional Plan*.

- B.** Develop new relationships and mechanisms that increase private investment in, and production of, housing.

Existing Strategy 4.1 (B):

1. Provide clear and accurate information to housing developers regarding development regulations and processes. **(BOP/PDC)**
2. Evaluate the effect of regulations on the private sector's ability to implement them. **(BOP/PDC)**
3. Develop public/private partnerships necessary to facilitate development to meet public objectives. **(PDC/BHCD)**

Potential Strategy:

4. *Develop coordinated strategies, which are periodically evaluated and updated, to: a) Attract developer interest and investment in projects consistent with policy and plans; b) Attract private investment in segments of the housing market the City wishes to encourage; c) Develop greater City and State financial resources available to provide incentives to finance critical projects. (BOP/PDC/BHCD/HAP)*
5. *Periodically evaluate private lender participation in providing capital to the development of affordable housing. (BHCD/HCDC/OFA)*

Commentary

C. Objective C is intended to address the public sector's responsibility to coordinate its efforts with the private sector (for-profit and non-profit) to maximize and leverage resources and production.

D. This objective recognizes that the maintenance of an adequate housing supply is a function of both new production and retention of existing housing. The creation of new housing units through the internal conversion of existing housing allows the efficient and economical use of the existing housing stock and infrastructure. According to the *1996 American Community Survey*, 65 percent of the city's housing stock is single dwelling, and about 45 percent of Portland's housing stock contain three or more bedrooms. Internal conversion, and the addition of accessory dwelling units are methods to increase housing supply in existing neighborhoods in a manner that is less intense, less expensive, and more likely to respect the scale and character of an established area. For example, the average cost of converting interior space to an accessory dwelling is estimated to be about one-third the cost of constructing a comparable new unit.

E. This objective is consistent with Goal 11, Public Facilities, Policy 11.4, Capital Efficiency, which calls for maximum use of existing public facilities and services through the development of vacant land within presently developed areas. It is also supported by the findings of *Growing Better: A Report to the Planning Commission on Phase I of the Livable City Project* (BOP, 1993) that compatibility of new infill development with the desired scale, use, and design of the area is essential. Many adopted community and neighborhood plans call for compatible infill development. The city's challenge is to balance the desire for quality design through regulations and guidelines with the desire for a more streamlined and cost effective development process. Housing design is a critical component of neighborhood livability. Some workshop participants thought quality of design was more important than compatibility of design. Goal 12: Urban Design, includes a number of policies that complement those in the housing policy, specifically Enhancing Variety (12.5), Preserve Neighborhoods (12.6) and Design Quality (12.7), that address some of the design concerns raised.

F. In addition to developing base zone design guidelines that will apply citywide the City designates areas of particular historic or design significance. This objective supports developing and implementing historic design standards that guide development in these areas.

G. In certain areas, surface parking lots are incompatible with the goal of creating a high-density, pedestrian-oriented environment. In these areas redevelopment should meet multiple objectives such as housing, parking, and neighborhood retail. This objective is supported by findings in the *Central City Transportation Management Plan* and the *Downtown Community Association Residential Plan*. In its *Report and Recommendations for Allocating Housing Tax Increment Funds for Urban Renewal Districts* (1998), the Portland Development Commission recommended a coordinated strategy for better use of surface parking lots in the Central City. In addition the *Metro 2040 Growth Concept* calls for more compact development as a means to encourage more efficient use of land, promote non-auto trips and protect air quality. The federally mandated air quality plan relies upon reducing vehicle trips per capita and reducing the related need for parking spaces. Public comment identified concerns that policies that support transit-oriented, mixed-use development are based on assumptions that new models of development will change people's behavior. Regional traffic models indicate that without changes in behavior there will be increased traffic congestion and pollution. Public policy at all levels – from federal to local, support the coordination of transportation and land use. By creating opportunities for mixed-use and transit oriented developments the city is also creating opportunities for those wishing to change aspects of their behavior.

- C. Consider the cumulative impact of regulations on the ability of housing developers to meet current and future housing demand.

Existing Strategy 4.1 (C):

1. Ensure input by all types housing investors, developers, builders, and users of housing prior to adoption of new regulations. **(BOP/BOB)**

Potential Strategy:

2. *Monitor and evaluate the cumulative impact of regulations (zoning and building codes), and required infrastructure on the ability of the market to meet housing demand at different price levels. (BOP/BOB)*

- D. Encourage the efficient use of existing housing.

Existing Strategy 4.1 (D):

1. Currently implemented by Title 33, Planning and Zoning Code, regulations. (e.g. 33.203, Accessory Home Occupations; 33.205, Accessory Dwelling Units; 33.212 Bed and Breakfast Facilities; 33.405, Alternative Design Density Zone; and 33.445 Historic Resource Protection Overlay Zone, Albina Community Plan District). **(BOP)**

Potential Strategy:

2. *Review City Housing Assistance Programs to ensure compatibility of programs with policy. (BOP/PDC/BHCD)*

- E. Encourage the efficient use of infrastructure by focusing well-designed new and redeveloped housing on vacant, infill, or under-developed land.

Existing Strategy 4.1 (E):

1. Currently implemented by Title 33, Planning and Zoning Code, regulations, (e.g. Alternative Development options in Single Dwelling zones; 33.405, Alternative Design Density Overlay Zone; and 33.420, Design Overlay Zone).
2. Develop Base Zone Design regulations. **(BOP)**

- F. Encourage housing design that supports the conservation, enhancement, and continued vitality of areas of the city with special scenic, historic, architectural or cultural value.

Existing Strategy 4.1 (F):

Currently implemented by regulation, Title 33, Planning and Zoning Code (Historic Resource Protection Overlay Zone, 33.445 and Design Overlay Zone, 33.420). **(BOP)**

- G. Facilitate the redevelopment of surface parking lots zoned for residential and mixed-uses to accommodate housing and mixed-use development.

Existing Strategy 4.1 (G.):

Identify barriers and develop strategies to encourage development of surface parking lots in the Central City into residential or mixed-use projects. **(PDC)**

Commentary

H. This provides the policy foundation for the City's demolition delay requirement (Section 24.55.200), which requires advance notice of demolition of housing to allow time for interested parties to acquire or move the structure proposed for demolition. The regulation applies to residential structures on sites with a residential *Comprehensive Plan* map designation. Demolition delay does not apply if a building permit has been issued to replace the existing housing; demolition ordered for public hazard; or for historic resources that are subject to other requirements.

I. This objective will vary in importance depending on economic cycles and market conditions. It provides support for public action to stimulate the market or to prevent "slum and blight." Nonregulatory barriers to residential or mixed-use development can include small parcels that are not economically feasible for development, lack of infrastructure for development, or lack of private financing. In these instances, the City may choose to initiate public action to stimulate development. Under-utilized land can have a chilling effect on local market conditions by reducing property owners' and investors' willingness to invest in an area. This objective does not mean that the city should reduce barriers to development that serve other public purposes (e.g. land bank for parks or open space).

J. This objective is consistent with Goal 2, Urban Development, Policy 2.14, Industrial Sanctuary, which encourages the preservation of the city's industrial land that generates new income for the region, employment opportunities, and export and consumer goods. The purpose of limiting residential development in these areas is to reduce potential conflicts between industrial and residential uses.

- H. Create alternatives to the demolition, without replacement, of structurally sound housing on residentially zoned property.

Existing Strategy 4.1 (H):

1. Enforce the City's demolition delay requirement (Section 24.55.200) which requires advance notice to allow time for interested parties to acquire or move housing while recognizing a property owner's right to develop or redevelop property. **(BOB/BOP)**
2. Encourage agreements that result in replacement or other means of preservation of existing housing. **(PDC/BHCD)**

- I. Reduce nonregulatory barriers to the development of vacant residentially zoned sites.

Existing Strategy 4.1 (I):

1. Assist in land assembly to create developable parcels. **(PDC)**
2. Acquire land for future development or to demonstrate new models. **(PDC)**
3. Coordinate infrastructure plans to support development. **(PDC/Development Bureaus)**
4. Assist in development of public/private master plans or implementation strategies. **(PDC/BOP)**
5. Assist with environmental remediation of "brownfield sites." **(PDC)**

- J. Limit residential development in areas designated as industrial sanctuaries.

Existing Strategy 4.1 (J): Currently implemented by regulation, Title 33, Planning and Zoning Code. **(BOP)**

Commentary

Policy 4.2: This policy, which was incorporated into the *Comprehensive Plan* in 1990 by Ordinance No. 163608 as Policy 4.8, is intended to maintain zoned residential capacity, while providing a way to allow the expansion of small businesses that provide jobs or needed services in the neighborhood. It was developed based on the recommendation of the Periodic Review Housing Density Task Force to ensure that the city was in compliance with the Metropolitan Housing Rule that requires the city to maintain a housing capacity of 10 units per net buildable acre of vacant land.

B. The Bureau of Planning maintains the housing pool credit system.

Some concerns have been raised that residential development on commercially zoned land reduces commercial development potential that may be a critical component of an area revitalization strategy. Residential development is an allowed use in all commercial and employment zones. In general, residential development in these zones is limited by economic feasibility and market appraisals. Concerns have been raised that subsidized housing development on NE Martin Luther King Jr. Boulevard has reduced the area's commercial viability. In the Albina Community Plan, the corridor was designated for a mixture of uses to increase flexibility for all types of desired development. Many sites were zoned to allow the market to determine the use pattern. Zones were used that allowed a range of commercial or light industrial activity or housing. The Albina Community, and Martin Luther King Jr. Boulevard have many available sites zoned to accommodate business development as the market responds to increased demand. PDC is re-evaluating its strategies for this target area through its 5-Year Business Plan.

Policy 4.2: Maintain Housing Potential: Retain housing potential by requiring no net loss of land reserved for, or committed to, residential, or mixed-use. When considering requests for amendments to the *Comprehensive Plan* map, require that any loss of potential housing units be replaced.

Objectives:

- A. Allow the replacement of housing potential to be accomplished by such means as:
 - 1) rezoning (and redesignating) existing commercial, employment, or industrial land to residential;
 - 2) rezoning (and redesignating) lower density residential land to higher density residential land; and
 - 3) rezoning to the CM zone; or
 - 4) building residential units on the site or in a commercial or employment zone if there is a long term guarantee that housing will remain on the site.

- B. Allow for mitigation of the loss of potential housing units with a housing pool credit system.

<p>Existing Strategy 4.2 (A and B): 1. Currently implemented in Title 33, Planning and Zoning Code (33.810.050 and 33.810.060), regulations. (BOP)</p> <p>Potential Strategy: 2. <i>As part of Portland’s next Periodic Review, evaluate actual housing production data by zone (residential, commercial, and employment categories) to determine effectiveness of policy in ensuring compliance with the Metropolitan Housing Rule and Urban Growth Management Functional Plan. (BOP)</i></p>

Commentary

Policy 4.3: This policy incorporates the concept of "sustainability" that City Council adopted under the following goal: *The City of Portland will promote a sustainable future that meets today's needs without compromising the ability of future generations to meet their needs. City Council also adopted Sustainable City Principles that call for linking land use and sustainable principles. Policy 4.3 reflects the following sustainable city principle: Use resources efficiently and reduce demand for natural resources, like energy, land, and water, rather than expanding supply.*

A. This objective, which recognizes the significance of the health of the Central City to the City's ability to sustain itself over the long term, is supported by findings of the adopted *Central City Plan* and *the Central City Transportation Management Plan*. Both plans incorporate the goal of developing at least 15,000 new units of housing to take advantage of existing infrastructure to provide the option for living within a compact Central City neighborhood, and to support the state's largest employment base. The River District and North Macadam are two large parcels with potential to accommodate a share of the targeted units. The University and Goose Hollow Districts also include goals for increased residential development. The *Central City Plan* area includes a number of urban renewal districts. Each renewal district has an adopted plan with multiple objectives, including housing.

B. This objective complies with the *Region 2040 Growth Concept* design types as a focus for mixed-use developments. Metro describes the design types as follows:

- **Central City** -- *Downtown Portland is the Central City which serves as the major employment and cultural center for the metropolitan area;*
- **Regional Centers**--*Nine regional centers will become the focus of compact development and redevelopment with high quality transit service and multimodal street networks . (Gateway is the only designated regional center in Portland);*
- **Station Communities**--*These are nodes of development centered approximately one-half mile around a light rail or high capacity transit station and feature a high quality pedestrian environment;*
- **Town Centers**--*Local retail and services will be provided in town centers with compact development and transit service (Lents, Hollywood/Sandy, West Portland Park, Hillsdale, and St. Johns);*
- **Main Streets**--*Neighborhoods will be served by main streets with locally oriented retail and service developments served by transit; and*
- **Corridors**--*Along good quality transit lines, corridors feature a high quality pedestrian environment, convenient access to transit, and somewhat higher than current densities.*

This objective is also supported by findings from the city's Livable City Project that resulted in similar growth principles: Central City, Transit Stations, Main Streets, and Neighborhood Infill.

C. This objective is consistent with Goal 11, Public Facilities, Objective 11.4, Capital Efficiency, because it encourages the use of existing public facilities and services. Locating higher density multi-dwelling housing near schools, parks, and transit service supports households with children by increasing convenience for working parents and by reducing commuting time and expense. The public involvement process for the Livable City Project identified adequate open spaces as supportive of new development.

Policy 4.3: Sustainable Housing: Encourage housing that supports sustainable development patterns by promoting the efficient use of land, conservation of natural resources, easy access to public transit and other efficient modes of transportation, easy access to services and parks, resource efficient design and construction, and the use of renewable energy resources.

Objectives:

A. Place new residential developments at locations that increase potential ridership on the regional transit system and support the Central City as the region’s employment and cultural center.

<p>Existing Strategy 4.3 (A):</p> <ol style="list-style-type: none">1. Promote the construction of at least 15,000 new housing units in the Central City by the year 2010. (PDC/BOP)2. Form public-private partnerships to plan, coordinate and implement development. (PDC) <p>Potential Strategy:</p> <ol style="list-style-type: none">3. <i>Design and adopt a process to authorize public investment in infrastructure to support housing guided by principles of sound financial management and analysis; an open public process; and thorough evaluation of projects/proposals against City Council goals and City Policies. (Inter-Bureau)</i>
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B. Establish development patterns that combine residential with other compatible uses in mixed-use areas such as the Central City, Gateway Regional Center, Station Communities, Town Centers, Main Streets, and Corridors.

C. Encourage the development of housing at transit-supportive densities near transit streets, especially where parks or schools are present, to ensure that the benefits of the public’s investment in those facilities are available to as many households as possible.

<p>Existing Strategies 4.3 (B and C):</p> <ol style="list-style-type: none">1. Implement through area or legislative plans. (BOP)2. Review City housing incentive programs (property tax exemption and housing finance) to ensure compatibility of programs with policy. (PDC/BOP/HCDC)

Commentary

D. This objective reflects the need to protect the city's environmental resources while allowing property owners site development flexibility. This objective provides support for cluster housing, planned unit developments, and environmental overlay zones to protect designated wetlands, forests, rivers and streams, and unstable slopes.

E. Recycled materials and resource efficient technologies are becoming increasingly significant in the housing industry. This objective lends support to keeping abreast of technological change, ensuring that the city supports and encourages new cost-effective construction practices.

- D. Foster flexibility in the division of land and the siting of buildings, and other improvements to reduce new development's impacts on environmentally sensitive areas.

Existing Strategy 4.3 (D): (BOP)

1. Currently implemented by regulation, Title 33, Planning and Zoning Code (33.216 Cluster Housing, 33.430 Environmental Zone), and Title 34, Land Division Code.
2. Continue to provide alternative options through on- or off-site transfer of development rights, or other flexible development opportunities.

- E. Use resource efficient technologies and materials in housing construction that increase the useful life of new and existing housing.

Potential Strategy 4.3 (E):

1. *Explore feasibility of adapting City housing programs for consistency with adopted Sustainable City Principles. (PDC)*
2. *Promote housing construction with recycled materials (plastic timber, aluminum studs, etc. (BES)*
3. *Develop incentives to encourage reuse and recycling of resources (e.g. capturing stormwater for irrigation, laundry, cooling water, etc. consistent with City Greenscan initiative, and creative design solutions such as roof gardens for stormwater management. (BES)*

Commentary

LINKS: Housing is one of the twelve goals that contribute to the city's Comprehensive Plan. The key related goals include citizen participation, urban development, neighborhoods, transportation, economic development, energy, public facilities, and urban design. It is difficult to disassociate issues of housing from other issues such as public safety, transportation, cultural and recreational facilities, quality schools, and good jobs. In combination, all of these issues affect neighborhood livability and household choice about where to live. Participants at community workshops expressed the desire that the city's housing policy address issues broader than housing. In fact, the city's Comprehensive Plan does address most of these through the twelve goal areas that complement each other to support the prevailing city goal of livability.

The intent of including the "Links" is to identify those Comprehensive Plan goals and policies that directly relate to policies 4.1 through 4.3.

Relevant Housing Programs: The city funds a number of housing programs that implement the policies and objectives included in 4.1 through 4.3. Existing programs will be reviewed to ensure consistency with adopted policy and objectives. Adoption of the Comprehensive Plan does not, however, result in the direct funding of housing programs, which are considered in light of City Council's budget priorities and funding cycles.

LINKS: This list refers to goals and policies in the City's *Comprehensive Plan* that complement the proposed policies and objectives 4.1 through 4.3.

Goal 2: Urban Development:

- Policy 2.1: Population Growth
- Policy 2.9: Residential Neighborhoods
- Policy 2.10: Downtown Portland
- Policy 2.11: Commercial Centers
- Policy 2.12: Transit Corridors
- Policy 2.14: Industrial Sanctuaries
- Policy 2.17: Transit Stations and Transit Centers
- Policy 2.18: Transit Supportive Density
- Policy 2.19: Infill and Redevelopment
- Policy 2.20: Utilization of Vacant Land
- Policy 2.21: Existing Housing Stock
- Policy 2.22: Mixed Use

Goal 3: Neighborhoods

- Policy 3.4: Historic Preservation

Goal 5: Economic Development

- Policy 5.1: Urban Development and Revitalization

Goal 6: Transportation

- Policy 6.9: Transit-Oriented Development

Goal 7: Energy

- Policy 7.3: Energy Efficiency in Residential Buildings
- Policy 7.4: Energy Efficiency through Land Use Regulations

Goal 8: Environment

Goal 9: Citizen Involvement

Goal 11: Public Facilities

- Policy 11.4: Capital Efficiency

Goal 12: Urban Design

- Policy 12.6: Preserve Neighborhoods
- Policy 12.7: Design Quality



Relevant City Housing Programs:

Property Tax Exemption Programs:

- For Residential Rehabilitation and New Construction of Single-Unit Housing in Distressed Areas
- For New Multi-Unit Construction
- For Transit-Supportive Residential and Mixed-Use Development

Housing Finance Programs:

- Housing Development Finance
- Credit Enhancement
- Bond Allocation

Demolition Delay: (Title 24.55.200)

Commentary

The City's Role in Ensuring the Safety and Quality of Housing: In 1897, the city recognized its responsibility to ensure the safety of its citizens by adopting a building code that established minimum standards for materials and techniques used in new construction. In 1919, the City adopted its first housing code. For over 100 years the City has regulated and enforced health, safety and welfare standards to ensure that citizens have safe, sanitary, and structurally sound housing. In recent years the City has taken on new roles - that of educator, trainer, advocate and, sometimes funder, in order to respond to new environmental and technological challenges.

Policy 4.4: The city assumes the responsibility for enforcement of a variety of State statutes when it chooses to administer its own construction code program. State law governs the building, mechanical, plumbing, and electrical codes; subsurface sewage disposal; mobile homes and mobile home parks; and recreational vehicle parks. This policy recognizes the contribution that enforcement of building and safety standards makes to improve neighborhood conditions by extending the useful life of housing. The older the city's housing, the more important it is to enforce building and safety codes. Once housing is about 25 years old, it begins to need more costly upkeep and structural improvements. Since 70 percent of the city's housing was built before 1969, we can expect that there will be an increasing need for housing maintenance.

A. The city ensures housing safety regardless of household income, but recognizes that the burden of home repair may fall more heavily on low-income households, especially elderly and low-income homeowners and residents of older single-room occupancy buildings in the Central City. In general, the housing code is a complaint driven process. The city also supports targeted inspections and financial assistance programs to assist low-income owners and residents to bring housing up to code. As the city's housing ages, there may be a need for a more systematic method of reviewing housing conditions, and GIS technology may provide a cost-effective way to analyze housing conditions citywide. This objective also recognizes that environmental hazard from building materials, paints, appliances, etc. create new challenges for the city to address. Competitive federal and state grant programs may be available to respond to these issues.

B. Economic downturns can lead to housing abandonment and tax -foreclosure. Under current robust market conditions, the city no longer maintains the vacant and abandoned building list, which at one point in the late 1980s contained over 2000 properties. Even though this objective may not appear relevant to today's housing market, it is important to articulate and retain this objective in recognition that the economy is cyclical. The city and county developed programs to encourage the return of abandoned housing to occupancy, primarily through the County's Affordable Housing Development Program that transfers some vacant properties to nonprofit organizations for rehabilitation.

POLICIES AND OBJECTIVES - SAFETY AND QUALITY

Policy 4.4: Housing Safety: Ensure a safe and healthy built environment and assist in the preservation of sound existing housing and the improvement of neighborhoods.

Objectives:

A. Ensure safe housing for Portland's citizens of all income levels.

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| <ol style="list-style-type: none">1. Existing Strategy 4.4 (A):2. Administer a construction code program and enforce State statutes that pertain to building, mechanical, plumbing, and electrical code; subsurface sewage disposal, mobile homes and mobile home parks, and recreational vehicle parks. (BOB)3. Do systematic residential inspection of rental properties in target areas or for "at-risk" multi-dwelling housing for early intervention. (BOB)4. Collaborate with neighborhood response teams and others to ensure coordinated and comprehensive response to housing or nuisance issues. (Police/BOB)5. Provide grants and low-interest loan programs to ensure safe housing on a targeted or citywide basis as funding allows. (BHCD)6. Support programs that address and mitigate health hazards in housing caused by harmful building materials such as asbestos, carbon monoxide from improperly installed and vented appliances, and industrial pollutants. (BOB/Energy Office)7. Administer the Lead Hazard Control Program to mitigate the risk of lead poisoning due to existing lead in the housing stock. Support future legislative agendas regarding comprehensive regional lead issues. (BHCD/PDC)8. Enforce the Property Maintenance Code to discourage health and safety risks involved with overcrowding. (BOB) <p>Potential Strategy:</p> <ol style="list-style-type: none">9. <i>Develop a strategy to systematically inspect substandard housing that violates the minimum requirements of Title 29, Property Maintenance Code. (BOB/BHCD)</i> |
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B. Encourage the return of abandoned housing to useful and safe occupancy.

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| <p>Existing Strategy 4.4 (B):</p> <ol style="list-style-type: none">1. Encourage the transfer of abandoned tax-foreclosed properties, consistent with Multnomah County transfer policies, to nonprofit organizations for rehabilitation or redevelopment. (BHCD) <p>Potential Strategy:</p> <ol style="list-style-type: none">2. <i>Develop procedure for the transfer of abandoned properties with excessive city liens to nonprofit corporations. (Auditor/BOB)</i> |
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Commentary

C. Ensuring public safety requires that the city have adequate enforcement tools. The city can cite building owners and levy fines for code violations. After due process the city can also order demolition or initiate receivership of properties exhibiting long-standing code violations. Since its inception the receivership program has been effective in encouraging property owners to rehabilitate unsafe housing.

- C: Ensure the safety of the general public by requiring owners to repair substandard housing or as a last resort, demolish dangerous housing.

Existing Strategy 4.4 (C): (BOB)

1. Enforce the “dangerous” buildings code by requiring owners of buildings that meet certain “dangerous” criteria to either repair or demolish the building.
2. Continue to administer the receivership program that implements the Oregon Housing Receivership Act (ORS 105.420) when necessary to abate chronic violations of City codes and transfer the property to one of the following receivers: Housing Authority of Portland, a city bureau, an urban renewal agency, or a private nonprofit corporation.

Commentary

Policy 4.5: This policy recognizes that the maintenance of existing housing contributes to desired neighborhood character and livability. The city's housing is a significant asset that must be maintained. The policy reflects the concern for conservation that is reflected in many adopted community and neighborhood plans. This policy also recognizes that not all housing can or should be preserved. In some cases, the cost of maintenance and preservation is prohibitive. In some areas, the desired neighborhood character calls for a mixture of uses or more intense development to support other public objectives and local plans.

A. This objective supports investment in housing as a significant physical asset, and sends a clear signal that it is the property owner (or investor), rather the public sector, who has primary responsibility to maintain existing stock. The significance of the objective reflects changing economic conditions. With the increase in housing values experienced over the last few years, there has been significant private investment in housing maintenance and rehabilitation. Public comment raised concern that enforcement of the city's housing code on older structures would result in higher prices and rents and displacement of low-income households. The city's housing code does require that housing be kept in a safe, sound, and sanitary condition. The code does not require costly upgrades since the property needs to be maintained according to the construction code in effect at the time of the original construction. If the property has not been maintained, the State of Oregon building code will require that all repairs requiring permits be done in accordance with Uniform Building Code. If property owners apply for permits to do upgrades they are required to update according to the current code. Tenant rights organizations have asked the city to enforce the housing maintenance code vigorously in order to keep housing safe, and have sought protection from eviction for reporting housing code violations.

B. Some buildings outlive the use that they were intended for, but can remain as assets to the community because they contribute to an area's scale, desired character, or sense of history. This objective recognizes the challenges that can be encountered in extending the life of such buildings and supports strategies to facilitate conversion to new uses when appropriate. The Belmont Dairy is a good example of a building that had outlived its usefulness as a dairy plant, and had stood vacant for many years. It had other qualities that made it a candidate for what turned out to be a good example of adaptive reuse as a mixed-use development with ground floor retail, and mixed-income housing. The reuse reinforced a sense of place while supporting public objectives for transit-supportive housing and mixed-use development.

Policy 4.5: Housing Conservation: Restore, rehabilitate, and conserve existing sound housing as one method of maintaining housing as a physical asset that contributes to an area's desired character.

Objectives:

- A.** Require owners, investors, and occupants, to be responsible for maintenance of the housing stock.

Existing Strategy 4.5 (A):

1. Enforce the Housing Maintenance Code to ensure early intervention. **(BOB)**
2. Develop partnerships with private sector to ensure that private financing is available for rehabilitation and restoration throughout the City. **(PDC/Fannie Mae)**
3. Continue to fill the financial gap not met by the private sector for low and very low-income households through grants or loans (tied to affordability covenants for rental housing). **(PDC)**
4. Support programs that provide education and technical assistance on maintenance and repair techniques. **(BHCD/BOB)**
5. Support community-based self-help and volunteer efforts. **(BHCD)**
6. Evaluate and monitor compliance by private lenders with Community Reinvestment Act (CRA) requirements to ensure access to capital for low-income areas. **(BHCD)**
7. Develop tools to increase asset management capabilities of non-profit housing owners. **(BHCD/PDC)**

- B.** Encourage the adaptive reuse of existing buildings for residential use.

Existing Strategy 4.5 (B):

Advocate for revisions to technical codes (statewide), or adopt administrative procedures or interpretations if possible to make adaptive reuses economically feasible. **(BOB)**

Commentary

Policy 4.6: The City enforces housing safety regulation that set minimum standards of structural soundness. This policy supports programs that enhance the quality of housing to improve livability for residents and neighbors. The Bureau of Buildings is charged with administering and enforcing technical building codes, which are usually adopted statewide. In recent years the Bureau of Buildings, the Energy Office, the Bureau of Environmental Services, and the Police Bureau have taken on a larger role in the area of education, training, and coordination of programs that improve housing conditions beyond minimum standards.

A. This objective supports programs that improve, for the most part, interior housing conditions. Implementation of this objective is not through enforcement of an existing code, but by education and incentives or support for model demonstration projects. The city often forms partnerships with other public agencies and the private sector to do this. One of the issues of improving housing quality is the incremental up-front cost for value-added improvements versus the savings accrued over the "life-cycle" of the structure.

B. Improved rental housing conditions benefit many parties: the residents of safe housing; their neighbors, and the owners in the form of extended economic life. Promoting responsible rental ownership, management and residency enhances the lives of residents and the neighborhood environment.

C. The Bureau of Buildings is responsible for enforcing the regulations that implement this objective.

D. Zoning code regulations by their nature are intended to reduce conflicts between uses. Land uses are categorized according to average or characteristic impacts from noise, traffic, parking, odor, etc. The city has also adopted regulations that deal with landscape buffers and traffic/driveway access. Some individual uses do generate more noise, traffic, odor, etc. than average. In those cases the city has established other means to help mitigate the problem. The city has also adopted nuisance ordinances for both residential and business properties, and has adopted a noise ordinance. The Neighborhood Mediation and the District Coalition or Neighborhood Association also function as mediators and problem solvers in situations that have broad or significant impacts.

Policy 4.6: Housing Quality: Encourage the development of housing that exceeds minimum construction standards.

Objectives:

A. Promote housing that provides air quality, access to sunlight, and is well protected from noise and weather.

Existing Strategy 4.6 (A):

1. Currently implemented by Title 33, Planning and Zoning Code (33.120.265, Amenity Bonus), regulations that provide a density bonus for sound insulation, energy-efficient buildings, and solar water heating.
2. Support programs that provide education, incentives, or examples of quality housing. **(BOB/Energy Office)**

B. Ensure that owners, managers, and residents of rental property improve the safety, durability, and livability of rental housing.

Existing Strategy 4.6 (B):

1. Currently implemented by Title 33, Planning and Zoning Code (33.120.265, Amenity Bonus), regulations that provides a density bonus for outdoor recreations facilities, larger than required outdoor recreation space, children’s play areas, crime prevention features, and interior storage areas. **(BOP)**
2. Encourage project designs that reduce the opportunity for crime. **(Police/BOP)**
3. Support education and training programs that increase awareness of landlord and tenant rights and responsibilities. **(BOB/BHCD)**

Potential Strategy:

4. *Encourage developers to provide enhanced security features (door bracing, strike plates, etc.) as outlined in Appendix Chapter 10 of the Oregon Structural Specialty Code. (Police/BOB/PDC)*
5. *Use enhanced security features as appropriate in City-assisted multi-dwelling housing developments and collect data on cost/benefit. (PDC)*
6. *Explore feasibility of adopting Chapter 41 for citywide use. (Police/BOB/PDC)*

C. Protect housing from excessive off-site impacts including pollution, noise, vibration, odors, and glare.

Existing Strategy 4.6 (C): Currently implemented by Title 33, Planning and Zoning Code (33.262, Off-Site Impacts), regulations, and enforced by BOB. **(BOP/BOB)**

D. Limit conflicts between existing business areas and housing caused by traffic and parking, noise, and signage.

Existing Strategy 4.6 (D): The base zones and other regulations of Title 33, Planning and Zoning Code, take into account characteristic impacts of uses and provide buffering and transitions between uses. **(BOP)**

Commentary

LINKS: Housing is one of the twelve goals that contribute to the city’s Comprehensive Plan. The key related goals include citizen participation, urban development, neighborhoods, transportation, economic development, energy, public facilities, and urban design. It is difficult to disassociate issues of housing from other issues such as public safety, transportation, cultural and recreational facilities, quality schools, and good jobs. In combination, all of these issues affect neighborhood livability and our choice about where to live. Participants at community workshops expressed the desire that the City’s housing policy address issues broader than housing. In fact the city’s Comprehensive Plan does address most of these through the twelve goal areas that complement each other to support the prevailing City goal of livability.

The intent of including the “Links” is to identify those Comprehensive Plan goals and policies that directly relate to policies 4.4 through 4.6.

Relevant Housing Programs: The city funds a number of housing programs that implement the policies and objectives included in 4.4 through 4.6. Existing programs will be reviewed to ensure consistency with adopted policy and objectives. Adoption of the Comprehensive Plan does not, however, result in the direct funding of housing programs which are considered in light of City Council’s budget priorities and funding cycles.

LINKS: This list identifies goals and policies in the city's Comprehensive Plan that are related to the proposed policies and objectives 4.4 through 4.6.

Goal 3: Neighborhoods

Policy 3.1: Physical Conditions

Goal 7: Energy

Policy 7.3: Energy Efficiency in Residential Buildings

Goal 9: Citizen Involvement



RELEVANT CITY HOUSING PROGRAMS:

Property Tax Exemption Programs:

- For Low-Income Housing Held by Charitable Non-Profit Organization
- For Residential Rehabilitation and New Construction of Single-Unit Housing in Distressed Areas

Housing Finance Programs:

- Housing Development Finance

Homeowner Programs

- Neighborhood Housing Preservation

Building Safety and Quality Programs

- Code Compliance
- Combination Inspections
- Neighborhood Inspections
 1. Basic Housing Code Enforcement
 2. Basic Dangerous Building
 3. Nuisance and Illegal Dumps
 4. At-Risk Multi Family Inspection
- Receivership Program
- Mini Housing Rehabilitation Programs
- Lead Hazard Control Program
- **Landlord and Tenant Education Program**
- **Multnomah County Affordable Housing Development Program** (tax-foreclosed transfer program administered by Multnomah County)

Commentary

The City's Role in Ensuring Housing Opportunity. The city plays numerous roles in ensuring housing opportunity. In the area of regional housing opportunities and fair housing, the city acts as an advocate for enforcement of federal and state laws, and an active participant in the creation of regional policies and programs. The city promotes housing opportunities and neighborhood livability through political leadership and its use of regulatory and funding tools to support opportunity for all citizens.

Policy 4.7: This policy reflects the desire of most residents for "balanced" communities with enough diversity of incomes to support viable commercial areas. Ideally a "balanced" community would be an inclusive, rather than an exclusive, community, offering a range of housing types attractive to a range of households: corporate CEOs and executives, families with children, singles, elderly households, and couples. The range of housing options would include housing affordable to people of different income levels, and people in protected classes. A "balanced" community would also offer both rental and ownership options in both single dwelling detached, attached and multi-dwelling housing. Integration of low-income households throughout the city, rather than concentration in just a few neighborhoods is an important part of this policy. Over time the income mix in the city would be similar to the region as regional growth management strategies are implemented with a regional transportation system, and an equitable access to job opportunities. This policy relates to Policy 4.8, Regional Housing Opportunities, and its Objective A that calls for a regional "fair share" strategy. Both policies are supported by the research of Myron Orfield, David Rusk, and Anthony Downs, who call for using regional growth management tools to reduce the economic disparities between central cities and the balance of the metropolitan area. The success of regional growth management depends on a strong and vital central city with all the functions that entails.

A. This objective reflects the policy that served as a foundation for the River District Housing Implementation Strategy. More and more neighborhoods or stakeholder groups are coming up with their own definition of "balanced." Rather than that approach, which could leave the lowest income group out entirely this objective provides a standard against which to measure development. Objective A focuses on areas of greater potential development rather than on all existing and built up neighborhoods, because of the greater likelihood that the objective could be achieved over time with increased development.

B. In her classic work, *The Death and Life of Great American Cities*, Jane Jacobs wrote about the vitality and livability generated by the diversity inherent in her Greenwich Village neighborhood. She wrote about the importance of creating "seams" of neighborhoods - places where diversity is most likely to happen, and places that knit neighborhoods together. Mixed-use design areas are potentially "seams" to knit together largely residential areas to foster such diversity. A diversity of housing types is necessary to foster income diversity. Maintaining income diversity over the long-term is a challenge because neighborhoods go through cycles of revitalization, equilibrium, and sometimes disinvestment. Each cycle brings a different challenge. Neighborhood revitalization may attract residents from outside the area, often of higher income levels. Disinvestment on the other hand can lead to an exodus of residents from what they perceive as a declining neighborhood. The city has encouraged community-based strategies for revitalization. In the Albina Community Plan and Outer Southeast Plan, for example, specific policies and objectives encouraged non-profit and CDC ownership of housing as part of a long-term strategy to accomplish revitalization while maintaining long-term affordability for existing residents. The overall objective in both efforts was to reduce the displacement that would result from the successful revitalization of the area. In 1997 over 3,100 rental housing units received property tax abatements under the *Charitable Non-Profit* property tax exemption program. The units, which serve households with incomes below 60 percent MFI, are predominately located in north, northeast, and inner and outer Southeast Portland. In 1985-1986, the first year that the program was available, 432 units received tax abatements. The increase in the number of units eligible for the abatement is a measure of the support the city has given non-profit housing developers to revitalize and stabilize neighborhoods.

POLICIES AND OBJECTIVES - HOUSING OPPORTUNITY

Policy 4. 7: Balanced Communities: Strive for livable mixed-income neighborhoods throughout Portland that collectively reflect the diversity of housing types, tenures (rental and ownership) and income levels of the region.

Objectives:

- A.** Achieve a distribution of household incomes similar to the distribution of household incomes found citywide, in the Central City, Gateway Regional Center, in town centers, and in large redevelopment projects.

Existing Strategy 4.7 (A):

1. Develop area plans and implementation strategies that take into account housing needs of citywide-income distribution. **(BOP/PDC/BHCD)**
2. Ensure that area-specific implementation plans include strategies to achieve that income mix. **(BOP/PDC/BHCD)**
3. Administer tax abatement programs (Central City, distressed area) to encourage housing production for low, moderate and market rate housing.
4. Coordinate the delivery of non-housing programs (e.g. park, transportation, infrastructure, public safety, school improvement) that improve neighborhood conditions to make area attractive for market rate housing development

Potential Strategy:

5. *Explore preservation and replacement strategies similar to River District Housing Implementation Strategy in other areas. (PDC/BHCD)*
6. *Develop strategies to encourage private investment in housing the City wishes to encourage to achieve a balance. (PDC?BHCD)*
7. *Evaluate tax abatement programs periodically to determine if a balance of household incomes is produced. (BOP)*

- B.** Maintain income diversity within neighborhoods by 1) allowing a mix of housing types and tenures, including houses, houses on smaller lots, small houses, duplexes, attached housing, accessory dwelling units, multi-dwelling housing, and mixed-use developments; and 2) ensure that income diversity is maintained over the long-term.

Existing Strategy 4.7 (B):

1. Implement through legislative and area plans. **(BOP)**
2. Support non-profit ownership of housing to ensure long-term affordability for a portion of area's housing inventory. **(BHCD)**

Potential Strategy:

3. *Explore feasibility of offering incentives for development of accessory dwelling units. (BHCD/BOP)*

Commentary

C. There is increasing public support at the federal and local level for mixed-income housing since it can provide economic diversity within a particular development or within a neighborhood. Encouraging mixed-income housing through incentives or regulations is one strategy to reduce concentrations of low-income households in any one area of the city. The Urban Growth Management Functional Plan may require cities to consider incentive-based inclusionary zoning to encourage the production of housing affordable to low and moderate income households. The city has included incentives for mixed-income housing in the Housing Investment Fund program, and in the Transit-Supportive Residential or Mixed-Use Development tax abatement program.

D. The concentration of low-income households in any one area can discourage investment in neighborhood commercial services and facilities, and can adversely affect school enrollment and quality. Quality jobs are often lacking in such areas, resulting in fewer economic opportunities for low-income households. Low-income households who have opportunities to locate in higher income areas may benefit from expanding social networks that lead to better jobs and opportunities. This objective is supported by recommendations from the Task Force on Strategies for Fair Housing and is implemented by the city's *Subsidized Housing and Shelter Policy*. The *Subsidized Housing and Shelter Policy* limits direct City funding for housing in census tract block groups that are identified as "impact areas." An "impact area" is defined as census tract block groups where more than 50 percent of the households are below 50 percent of area median income, or where more than 20 percent of the existing housing units are identified as "public and assisted." In the identified impact areas mixed-income housing is encouraged.

Some public comment indicated that the draft policy to discourage concentration the of very low-income households by providing opportunities throughout the city was not sufficient and that the city also needed policies, strategies and programs to support the creation of middle and upper-income housing in neighborhoods that are disproportionately low-income. Policies 4.7, Balanced Communities and 4.10, Housing Diversity, support economic diversity and mixed-income communities. In terms of strategies and programs the city has administered property tax abatement programs to stimulate housing production for specific geographic areas. Within the Central City area the *New Multiple Unit Housing Program* has provided property tax abatements to over 2,543 units of housing since its inception, much of it for middle-income households. The city also authorizes property tax abatements in designated distressed areas for single-unit housing that is priced up to 120 percent of the median sales price in the city. Over 674 units of housing, mostly in inner northeast and outer southeast Portland, have received 10-year property tax abatements through this program. Tax increment funds have also been used to finance middle-income housing in urban renewal areas. Non-housing funds are used to support parks, transportation improvements, public safety programs, and other amenities that enhance neighborhood livability and encourage the private sector to invest in middle and upper income housing.

- C. Promote the development of mixed-income housing that may include a mix of housing types.

Existing Strategy 4.7 (C): (BOP)

1. Currently implemented by Title 33, Planning and Zoning Code (Elderly and Disabled High Density Housing; Central City Housing Bonus FAR, Duplexes and Attached Houses on Corners, Transitional Sites; Multi-dwelling Amenity Bonus, Historic Preservation Incentive), regulations.
2. Provide incentives for mixed-income housing developments through funding mechanisms and tax abatement programs (HIF, Transit-Supportive and Mixed-Use Development).

Potential Strategy:

3. *Explore option of adding a density bonus for mixed-income housing developments.*
4. *Ensure compliance with potential Metro provisions for regional inclusionary housing program.*
5. *Develop other strategies to encourage mixed-income (e.g. inclusion of smaller units among mix in multi-dwelling projects.)*

- D. Encourage housing opportunities for extremely low and very low-income households (below 50% MFI) in all neighborhoods to avoid their concentration in any one area.

Existing Strategy 4.7 (D): (BHCD/PDC)

1. Enforce the city's *Subsidized Housing and Shelter Location Policy*.
2. Provide information and technical assistance to developers regarding the City's housing policy, the demographics of the city, and target area or impact area designations that are based on housing conditions, or concentrations of low-income people.

Potential Strategy:

3. *Allocate city-controlled housing subsidy resources in a manner that increases opportunities for low-income households to locate throughout the city.*
4. *Review city housing programs to 1) identify and remove barriers that discourage mixed-income development; 2) identify new mechanisms to encourage or require mixed-income housing developments (or communities). (HCDC)*
5. *Encourage developers and funders to develop and locate housing for extremely low and very low-income people and housing with supportive services throughout the city and the Portland metropolitan area.*
6. *Explore feasibility of developing regulatory incentives such as a density bonus for development of mixed-income housing. (BOP)*

Commentary

E. This objective supports both mixed-income communities and widespread availability of housing with on-site social services. This objective must be weighed with Policy 4.9 Fair Housing, Objective C, which recognizes that some populations are better served by access to particular social services and public transit, so dispersal may not be a realistic option in all cases.

F. The city provides special assistance to geographic target areas. These areas are called by a variety of names: target areas, urban renewal districts, distressed areas, enterprise communities, and through a variety of programs they become eligible for specialized assistance. This objective supports City intervention to improve housing conditions in these areas. Some reviewers of the discussion draft were critical of the city's neighborhood revitalization strategies because the city often does not acknowledge the potential for gentrification and displacement of existing residents. The city's neighborhood housing revitalization strategies have focused on support for non-profit and community development corporations to acquire rehabilitate and build housing affordable to very low to low-income households. Non-profit developers of rental housing own and manage housing to ensure long-term affordability. In target areas the city also provide grants and low-interest loans to very low to moderate-income homeowners for housing rehabilitation. Recent first-time homebuyers programs supported with city-controlled funds have required subsidy retention so that home ownership opportunities remain available for low-income households over the long-term.

G. The city's property tax exemption program for Transit Oriented Residential and Mixed-Use Development encourages housing that serves households at a range of income levels near transit stations. Tri-Met encourages a mix of market and below-market rate housing built near transit to encourage ridership among those who might not otherwise choose to use public transit. Many households that can afford to pay market rate rents or prices for housing own more than one car. Housing options near transit may allow these households to give up one of their cars.

Access to public transit and employment is particularly critical for low and moderate-income households who are often dependent on public transit to get to and from their work. Locating low-income housing near transit and employment supports balanced communities in two ways: potentially decreasing the share of household income spent on transportation, freeing more discretionary income for food, clothing, medical care, and recreation; and increasing a family's income potential.

- E. Actively encourage the dispersal of housing with on-site social services throughout the city.

Existing Strategy 4.7 (E):

1. Provide information and technical assistance to state and county social service funders and other providers. **(BHCD/HCDC)**

Potential Strategy:

2. *Support city-county process to develop social service siting policies. (Council)*

- F. Support public and private actions that improve the physical and social environment of areas that have experienced disinvestment in housing, that have a concentration of low-income households, or that lack infrastructure.

Existing Strategy 4.7 (F): (BOP/BHCD/PDC)

1. Designate “distressed areas” for eligibility for tax abatement for single-dwelling housing production and rehabilitation **(BOP)**
2. Designate “urban renewal areas” and develop plans to eliminate slum and blight. **(PDC/Council)**
3. Provide an integrated menu of services in target areas. **(PDC/BHCD)**
4. Support “asset-based” neighborhood assessments as the criteria for targeting community-organizing assistance to eligible low-income areas. **(BHCD)**
5. Support non-profit ownership and management of rental housing to ensure long-term affordability and to reduce displacement. **(BHCD)**
6. Support first-time homebuyer programs. **(BHCD/PDC)**

Potential Strategy:

7. *Coordinate geographic targeting to ensure maximum leverage of tools and resources, and to avoid confusion and overlap. (BHCD/BOP/PDC)*
8. *Develop a monitoring and evaluation plan for performance and completion. (BHCD/PDC/BOP).*

- G. Encourage the development and preservation of housing that serves a range of household income levels at locations near public transit and employment opportunities.

Existing Strategy 4.7 (G):

1. Periodically evaluate existing tax abatement and incentive programs to determine the income level actually served and the level of affordability. **(BOP/PDC/HCDC)**
2. Administer Transit-Oriented Abatement program and Housing Investment Fund to encourage innovative housing (mixed-income, transit-oriented) and housing affordable to households below 60 percent area median income). **(PDC/BOP)**

Commentary

H. Attracting a proportionate share of households with children is essential to maintaining a vital public school system that in turn contributes to neighborhood stability and livability. This objective carries forward the concept of maintaining families in the city, one of the foundation policies of the city's 1978 Housing Policy.

I,J. The Planning Commission added these two objectives to reflect the policy intent to expand housing opportunities necessary to create balanced communities. The objectives reference a regional benchmark as a method of analyzing balance. These objectives are intended to reflect a long-term or gradual transition in the mix of housing opportunities available in a particular area.

K. This objective focuses on issues of involuntary displacement. Even though the city cannot regulate all of the market factors that lead to displacement, the Planning Commission's intent is to encourage the evolution of neighborhoods to achieve a balance through the introduction of new housing opportunities rather than the involuntary displacement of people from their communities caused by a decreasing stock of affordable housing.

H. Improve the balance in the city’s population by attracting a proportionate share of the region’s families with children in order to encourage stabilized neighborhoods and a vital public school system.

Existing Strategy 4.7 (H): City-School Liaison coordinate city policies and programs with public school programs.

I. Expand homeownership opportunities for existing residents in neighborhoods with homeownership rates lower than the regional average.

Potential Strategy 4.7 (I): Review City housing programs and private lending programs for geographic eligibility criteria to determine if gaps or barriers exist. (PDC/BHCD)

J. Expand multi-dwelling and rental housing opportunities in neighborhoods with homeownership rates higher than the regional average.

Potential Strategy 4.7 (J): Implement through legislative and area plans. (BOP)

K. As neighborhoods evolve, discourage the involuntary displacement of low-income residents from their community, while expanding housing opportunities to create more balanced communities.

Existing Strategy 4.7 (K): Support non-profit, and community-based ownership of a share of the existing rental housing to reduce displacement. (BHCD)

Commentary

Policy 4.8: This policy recognizes that the City of Portland operates within a regional housing market and that housing opportunities for different income groups must be available throughout the region to promote a balanced region.

A. The Metro Council is an elected regional government. The adopted *Regional Urban Growth Goal and Objectives* (RUGGOs) sets the framework for regional cooperation and planning for housing. RUGGO 17 requires that Metro adopt a "fair share" strategy for meeting the housing needs of the urban population in cities and counties based on a subregional analysis. A "fair share" strategy will include:

1. a diverse range of housing types available within cities and counties inside the UGB;
2. specific goals for low and moderate rate housing to ensure that sufficient and affordable housing is available to households of all income levels that live or have a member working in each jurisdiction;
3. housing densities and costs supportive of adopted public policy for the development of the regional transportation system and designated centers and corridors; and
4. a balance of jobs and housing within the region and subregions.

Racial and other special needs, integration, while not an expressed objective of Metro, is more likely to happen if housing opportunities are available in balance with job opportunities. Metro's Affordable Housing Technical Advisory Committee is charged with developing a program to achieve the Metro goals.

B. Because the housing market is regional, housing policies, regulations, or incentives in one jurisdiction may be ineffective if not applied consistently throughout the region. This objective provides support for implementation of tools such as inclusionary zoning, or replacement housing strategies on a regional basis to ensure a level playing field among jurisdictions. The City Council adopted a resolution supporting inclusionary zoning as an important regional tool to ensure housing availability for low and moderate-income households throughout the region. Public comment was divided on whether Portland should take the lead in the region by considering inclusionary zoning independent of other jurisdictions. Some felt that Portland has to consider impacts on a regional basis, while others felt Portland should lead by example. To date, City Council has expressed support for strong regulatory tools to encourage affordable housing at a regional level.

C. This objective is supported by findings contained in the *Central City Plan, Future Focus, and Recommendations from the Task Force on Strategies for Fair Housing*. It suggests going further than planning, by actually crafting regional solutions to housing needs, particularly for low-income or special needs housing. Other regions have adopted some form of regional resource sharing to meet regional needs.

Policy 4.8: Regional Housing Opportunities: Ensure opportunities for economic and racial integration throughout the region by advocating for the development of a range of housing options affordable to all income levels throughout the region.

Objectives:

- A.** Advocate for the development of a regional “fair share” strategy for meeting the housing needs of low, moderate, and higher-income households and people in protected classes in cities and counties throughout the region.
- B.** Support regulations and incentives that encourage the production and preservation of housing that is affordable at all income levels throughout the region.

Existing Strategy 4.8 (A and B):

1. Provide technical support to Metro’s Affordable Housing Technical Advisory Committee. **(BOP)**
2. Participate in development and implementation of new regional strategies. **(BOP)**
3. Advocate for adoption of regionally consistent regulations and incentives that have been proven effective through local implementation. **(BOP)**
4. Pursue regional models of permanent affordability and retention/recapture of public subsidy in homeownership programs. **(BHCD/HCDC)**
5. Evaluate impacts of proposed regulatory tools such as replacement ordinance, and inclusionary zoning in regional context. **(BOP)**

Potential Strategy:

6. *Develop strategies that support residential mobility for low-income households (e.g. portability of Section 8 certificates, technical assistance for non-profit developers outside the City of Portland).*

- C.** Work with Metro and other jurisdictions to secure greater regional participation in addressing the housing needs of people who are homeless, low-income or members of protected classes.

Potential Strategy 4.8 (C): *Explore feasibility of developing regional revenue options to support housing and services for populations whose needs cross jurisdictional boundaries. (BHCD/OFA)*

Commentary

Policy 4.9: This policy reflects fundamental community values. Fair housing and equal access to housing for all citizens is a key regional issue, particularly as economic and job growth has been suburbanized. Welfare reform with its focus on job attainment makes it even more important that historically disadvantaged populations have choices about where they live and work.

A. Equal access to housing is closely related to greater opportunities in education and employment. According to *the Fair Housing Plan: Analysis of Impediments and Strategies to Address Them*, adopted by the Multnomah County Consortium: *a single jurisdiction cannot effectively address impediments to fair housing nor the issue of jobs/housing balance because of the existence of a regional housing market and a regional labor market.* Section 8 certificates and vouchers issued by the Housing Authority of Portland can be used in other cities and counties in the region. The U.S. Department of Housing and Urban Development is encouraging more portability of Section 8 certificates and vouchers across the jurisdictional lines, both city and state, to encourage mobility and opportunity for low-income households.

B. This objective reflects the city's Civil Rights Ordinance (No. 164709). The State Attorney General's Office enforces the ordinance on behalf of the City. The ordinance exempts Section 8 certificate recipients from protection based on "source of income," because the Section 8 program was developed as a voluntary program. In the past two years the turnback rate from recipients who were unable to locate a landlord who would accept the certificate within the 120-day period has ranged from 23 to 30 percent. Some rental classified ads also contain the statement "no Section 8." Refusal to rent to a Section 8 holder may be based on a generalized discriminatory attitude toward a particular class, or to administrative requirements of the program. The ordinance does require landlords to send a written explanation to the City Attorney's Office when they reject a Section 8 voucher or certificate holder. The Housing Authority of Portland meets with a Landlord Advisory Committee to identify administrative barriers to Section 8 acceptance.

Policy 4.9: Fair Housing: Ensure freedom of choice in housing type, tenure, and neighborhood for all, regardless of race, color, age, gender, familial status, sexual orientation, religion, national origin, source of income or disability.

Objectives:

- A.** Support programs that increase opportunities for minorities, low-income people, and people in protected classes to gain access to housing throughout the region.

Existing Strategy 4.9 (A):

1. Periodically review and update progress in implementation of strategies in *the Fair Housing Plan: Analysis of Impediments and Strategies to Address Them*, adopted by the Multnomah County Consortium (Portland, Gresham, and unincorporated county). **(BHCD/HCDC)**
2. Advocate for regional fair housing strategies. **(HCDC)**

Potential Strategy:

3. *Develop residential “mobility” strategies (e.g. promote Section 8 portability, consider technical assistance to non-profits and CDCs outside the city).*

- B.** Prohibit discrimination in selling, renting, leasing, or subleasing residential real estate on the basis of an individual’s race, color, age if over 18, gender, marital status, familial status, sexual orientation, religion, national origin, source of income, or disability.

Existing Strategy 4.9 (B):

1. Enforce fair housing laws and the City’s Civil Rights Ordinance. **(City Attorney)**
2. Provide fair housing education and outreach to landlords and tenants about rights and responsibilities (Landlord-Tenant Law). **(BHCD)**
3. Develop strategies to reduce barriers to the acceptance of Section 8 certificates and vouchers by private landlords throughout the region. **(HAP)**
4. Enforce Civil Rights Ordinance requirement for written statement containing the reason that a private landlord refuses to contract with the Housing Authority for a Section 8 voucher. **(City Attorney)**

Commentary

C. This objective reflects recommendations from the Task Force on Strategies for Fair Housing for community integration, rather than concentration, of housing for people with special needs. Allowing opportunities throughout the city for housing for the elderly and people with disabilities provides more choice for those households, and reduces pressure to concentrate in any one area. The Fair Housing Amendments Act of 1988 was adopted by Congress to reduce zoning barriers or other special requirements that have historically limited housing opportunities for people with disabilities.

D. With the increase in elderly and disabled households living in the community, there is more demand for physically accessible housing. Also, since the majority of Portland's existing housing stock is older, it predates current standards, accessibility adaptations such as wheelchair ramps may become increasingly necessary.

- C. Reduce barriers to the siting of housing for the elderly or people with disabilities at residential locations throughout the city that have access to needed social services and transit while recognizing that different populations have different needs.

Existing Strategy 4.9 (C): (BHCD/BOP/ONI/Multnomah County)

1. Develop and support process to encourage communication, accountability, and if necessary, mediation and problem solving among neighborhood and business associations, and special needs providers and their clients.
2. Support increased funding for public and private agencies to develop special needs housing fully integrated throughout the community.
3. Encourage and assist in a comprehensive community education program to better inform all citizens regarding the social and economic benefits of providing neighborhood based housing and services for people with special housing needs.
4. Encourage broad-based planning (e.g. neighborhood and business associations, providers, local and state government representatives, providers, and consumers of social services and supported housing) and consensus building regarding siting issues through a community involvement process.

- D. Ensure the development of housing accessible to people with physical limitations, and the adaptation of existing homes to improve accessibility for people with disabilities.

Existing Strategy 4.9 (D):

1. Ensure that accessibility needs are taken into account when design guidelines are developed. **(BOP)**
2. Support programs that provide physical adaptation of homes to improve accessibility. **(BHCD)**
3. Enforce the Oregon Structural Specialty Code that requires all buildings (except townhouses) of 4 or more units to be designed to federal accessibility standards. **(BOB)**

Commentary

Policy 4.10: This policy acknowledges the importance of a variety of housing types that support diverse neighborhoods and allow households to stay in their neighborhoods as their needs change. One of the most consistent values expressed at community workshops was people's attachment to "place." This is conveyed as a desire to stay where family or social networks are established.

A. The Portland Public School District projects that school enrollment will remain stable at 56,000 students over the next 20 years. Portland's existing housing stock is over 60 percent single dwelling, and much of that has three or more bedrooms, it is suitable for accommodating households with children. Much of this housing is located in older established neighborhoods with infrastructure to support the housing (e.g. schools, parks, shopping and services). As new areas are developed, appropriate infrastructure must also be considered to support a range of household types. In 1996, 16 percent of Portland's households were married couples with children, while an additional 7.4 percent were female-headed households with children. The balance of households consists of single individuals, couples, or households that increasingly live together by choice or by economic necessity. This range of household types within the city suggests a need for diverse housing since there is no "one size fits all" solution for today's families. While most households with children may prefer a single dwelling detached house with a yard, not all families with children can afford to own or rent a detached house. Multi-dwelling options must be available to accommodate lower income households with children. Implementation of this objective must work in tandem with other city goals and policies that ensure public safety, support quality education, and provide cultural and recreational opportunities to ensure that Portland provides a high quality of life for traditional and non-traditional households alike.

B. This objective supports homeownership alternatives in *Region 2040* mixed-use design types. There is a strong sentiment to support homeownership throughout the city. In mixed-use and higher density residential developments this will require alternative forms of homeownership. Currently condominiums make up only three percent of Portland's housing. With a median sales price of \$102,500 in 1997, most condominiums provide a more affordable ownership option for low to moderate-income households than detached houses. Public comment indicated concerns that support for condominium ownership conflicts with policies to discourage displacement of low-income households by condominium conversion. This objective speaks to homeownership opportunities in *new* multi-dwelling housing. There is also a proposed strategy to develop tools to assist low-income households purchase condominiums.

Policy 4.10: Housing Diversity: Promote creation of a range of housing types, prices, and rents to 1) create culturally and economically diverse neighborhoods; and 2) allow those whose housing needs change to find housing that meets their needs within their existing community.

Objectives:

- A.** Keep Portland inviting to households with children by ensuring through public and private action the availability of housing that meets their needs throughout the city.

Existing Strategy 4.10 (A):

1. Coordinate legislative and area plans with school districts' plans. **(BOP)**
2. Provide a set-aside of housing funds as needed to stimulate the development of housing for very low-income households with children. **(BHCD/PDC)**
3. Support amenities and public services that keep neighborhoods attractive (safety, recreation) and support efforts by school districts to improve school quality) **(City Council/Mayor's Liaison/BOP)**
4. Currently implemented by regulation, Title 33, Planning and Zoning Code, Amenity Bonus, which provides a density bonus for three bedroom or larger units suitable for households with children, and for children's play areas on site. **(BOP)**

Potential Strategy:

5. *Consider impacts on public schools in design and evaluation of City housing programs (e.g. tailor homebuyer programs to boost enrollment in school enrollment area).* **(BOP/BHCD/PDC)**
6. *Identify gaps in private sector production of housing appropriate for households with children and develop strategies to address these gaps.* **(BHCD/PDC)**

- B.** Support homeownership opportunities in new multi-dwelling housing by encouraging the creation of condominiums, cooperatives, mutual housing associations, and limited equity cooperatives.

Existing Strategy 4.10 (B):

1. Encourage the private sector (for-profit and non-profit) to develop products to encourage new forms of homeownership in multi-dwelling housing. **(PDC)**
2. Review city homeownership and property tax exemption programs to ensure compatibility with multi-dwelling models. **(BOP/PDC)**
3. Encourage development of ownership options in mixed-use design areas such as Central City, Gateway Regional Center, Station Communities, Town Centers, and in other mixed-use design type areas. **(BOP/PDC)**

Potential Strategy:

4. *Work with lenders to develop financial tools to assist low-income households become owners of units converted to condominiums.* **(BHCD/PDC)**

Commentary

C. The city's homeownership rate is about 56 percent, higher than the nation's average of 49 percent for central cities. At 39 percent the rate of homeownership among minorities is significantly less than that of the city as a whole. The city's homeownership rate dipped in the 80s and early 90s, but has returned to the 1970 rate. Homeownership provides benefits to owners in the form of tax advantages and a vehicle for saving, and to communities in terms of neighborhood investment. The predominant ownership model in Portland is single dwelling detached and attached housing. The market for condominiums is on the rise with more demand generated by "empty-nesters." Recent changes in assessing capital gains tax liability is expected to shift some demand from single dwelling to multi-dwelling ownership. In addition to condominiums, there are owner-occupancy options for duplexes and triplexes, cooperatives, land trusts, and co-housing which may provide viable homeownership opportunities for all income groups. Some neighborhoods (e.g. Buckman, Kerns, Eliot, Northwest, and Downtown) have a high proportion of multi-dwelling housing. Introducing more alternative and affordable ownership models in these areas may address community objectives for more balance between owner and renter occupancy. Condominium conversions occur in gentrifying areas when property values and rent levels increase. Conversion can lead to displacement of low-income households. Displacement must be mitigated by notice, relocation payments, and development of programs to assist low-income tenants become owners, either as individuals or as part of a tenant cooperative.

D. Within the next 10-25 years we will see a dramatic increase in the number of elderly households as baby boomers age. According to the *American Community Survey* in 1996 about 38 percent of Portland's population was between the ages of 35 and 64. According to Metro's *Housing Needs Analysis*, by the year 2015 the share of elderly (65 years and older) will rise to 14.9 percent from the 1990 rate of 11.9 percent. Institutional reform and public policy have shifted to support more community-based housing rather than institutional settings for both elderly and disabled people. This objective supports a range of housing options for elderly and disabled households. Since 1982 the city has allowed additional housing density for elderly and disabled housing. For the purposes of Chapter 33.229, Elderly and Disabled Housing, a disabled person is *a person who has a condition of physical or mental disability which substantially limits one or more major life activities as stated in Section 504 of the Federal Rehabilitation Act of 1973 and state law*. The additional density has made such housing more affordable to develop and has allowed more households to be served. This objective supports existing regulations.

E. For at least the past 40 years from 40 to 50 percent of Portland's households have been renters. In 1996 the *American Community Survey* indicated that about 44 percent of households rented their homes. Rental is a form of tenure; it represents how a household secures housing. Rental housing is not a housing type, although most multi-dwelling housing in Portland is rented rather than owner-occupied. On average renter households occupy about 10 percent of the city's detached and attached housing. Public comment on the housing policy raised concerns about a perceived bias against rental households even though they make up almost half the households in the city. Since some households prefer renting to owning, and many households are unable to afford homeownership, this objective reiterates support for a range of choices for renter households throughout the city.

- C. Accommodate a variety of housing types that are attractive and affordable to potential homebuyers at all income levels.

Existing Strategy 4.10 (C):

1. Periodically assess market preference and ownership rates for different types of housing (e.g. detached, attached, lofts, multi-dwelling condominiums, duplex and triplexes, manufactured housing). **(BOP)**
2. Promote homeownership programs (public and private) that reduce barriers to homeownership for low and moderate-income households. **(BHCD/PDC)**
3. Develop affirmative marketing strategies to ensure that minority households have access to homeownership **(PDC/BHCD)**

- D. Encourage the production of a range of housing types for the elderly and people with disabilities, including but not limited to independent living, assisted living, and skilled nursing care facilities.

Existing Strategy 4.10 (D): Currently implemented by Title 33, Planning and Zoning Code (33.229, Elderly and Disabled High Density Housing), regulations. **(BOP)**

- E. Support opportunities for renter households by providing a range of housing types, sizes, and rent levels throughout the city.

Existing Strategy 4.10 (E): Currently implemented by Comprehensive Plan map designations for multi-dwelling residential zones throughout the city. **(BOP)**

- F. Increase the public school population in Portland, preventing widespread school closures, and the consequent underutilization of public facilities.

Potential Strategy 4.10 (F): *Encourage City Council and City-School Liaison to review the City School Policy adopted 1979.*

Commentary

LINKS: Housing is one of the twelve goals that contribute to the city's Comprehensive Plan. The key related goals include citizen participation, urban development, neighborhoods, transportation, economic development, energy, public facilities, and urban design. It is difficult to disassociate issues of housing from other issues such as public safety, transportation, cultural and recreational facilities, quality schools, and good jobs. In combination, all of these issues affect neighborhood livability and our choice about where to live. Participants at community workshops expressed the desire that the city's housing policy address issues broader than housing. In fact, the city's Comprehensive Plan does address most of these through the twelve goal areas that complement each other to support the prevailing City goal of livability.

The intent of including the "Links" is to identify those Comprehensive Plan goals and policies that directly relate to Policies 4.7 through 4.10.

Relevant Housing Programs: The city funds a number of housing programs that implement the policies and objectives included in 4.7 through 4.10. Existing programs will be reviewed to ensure consistency with adopted policy and objectives. Adoption of the Comprehensive Plan does not, however, result in the direct funding of housing programs which are considered in light of City Council's budget priorities and funding cycles.

LINKS: This is a list of goals and policies in the City's Comprehensive Plan that complements the proposed policies and objectives 4.7 through 4.10.

- Goal 2: Urban Development
 - Policy 2.2: Urban Diversity
 - Policy 2.15: Living Closer To Work
- Goal 3: Neighborhoods
 - Policy 3.3: Neighborhood Diversity
- Goal 5: Economic Development
- Goal 9: Citizen Involvement
- Goal 11I: Public Facilities, School Goal & Policies



RELEVANT CITY HOUSING PROGRAMS:

Property Tax Exemption Programs:

- For Residential Rehabilitation and New Single Unit Construction in Distressed Areas
- For New Multi Unit Construction
- For Transit-Supportive Residential and Mixed-Use Development
- For Low-Income Housing Held by Charitable Non-Profit Organizations

Housing Finance Programs:

- Housing Development Finance
- Credit Enhancement
- Bond Allocation

Home-Owner and Home Buyer Programs:

- Neighborhood Housing Preservation Program
- First -Time Home Buyers

Fee Waivers:

- Transportation and Parks SDC
- Development Fee
- Building Code Enforcement

Fair Housing Education and Enforcement (Contracted Programs)

- Portland Housing Center
- Fair Housing Council of Oregon
- Multnomah County Legal Aid Service
- State of Oregon Civil Rights Division

Commentary

The City's Role in Ensuring Affordable Housing. In its role as regulator the city affects overall housing affordability to the extent that land use regulations and the development process influence the cost of housing. When the private for-profit sector does not produce or provide housing that is affordable to lower-income households the city's role is to ensure through planning, regulation, coordination, funding, and advocacy that housing is available and affordable across the income spectrum. All levels of government - federal, state, and local - have a role to play in addressing housing market gaps.

Policy 4.11: The accepted definition of "affordable housing" is the cost of housing (rent or mortgage plus utilities) for which a household pays no more than 30 percent of its income. Home prices in Portland have increased on average ten percent per year for the past eight years, driving housing prices out of the reach of many households. According to the 1990 Census 60 percent of households earning less than 30 percent of median income paid over 50 percent of their income for housing. (See p. 105 for Federal Income Guidelines, and p. 107 for Glossary of Terms). Housing affordability is a concern across the income spectrum because a bottleneck in one rung of the housing ladder has wider impacts. When households cannot move into homeownership, or cannot move to larger (or smaller) housing to meet their needs because of a lack of choice, or because of high housing costs, that housing they currently occupy remains unavailable to other households. This policy supports actions to provide housing that is affordable to all households who wish to live in the city.

A. The city updates the Comprehensive Plan map through community and area plans. Since housing affordability for all income levels is a contributing factor to overall city livability this objective reinforces the importance of including affordability goals and strategies in plans.

B. Different strategies are needed to ensure housing affordability for different income levels. To meet this objective the public and private sectors must develop strategies and define their respective roles. For example, the Housing Authority of Portland has identified its role and niche as follows: "*The Housing Authority of Portland (HAP) owns and operates housing that serves people below 80 percent of median income. HAP's first priority is to preserve housing that serves the poorest Portlanders and those with special needs. In order to assure its continued ability to serve this priority, HAP will develop housing for households with incomes to 80% of MFI when such housing meets HAP's long term financial interest, and complements rather than competes with activities of other nonprofit or for-profit developers.*"

POLICIES AND OBJECTIVES - HOUSING AFFORDABILITY:

Policy 4. 11: Housing Affordability: Promote the development and preservation of quality housing that is affordable across the full spectrum of household incomes.

Objectives:

- A.** Include strategies and actions that encourage the provision of housing affordable to all income levels in neighborhood and community plans, and other area plans that pertain to housing.

Existing Strategy 4.11 (A): Implement through legislative and area plans. **(BOP)**

- B.** Ensure the availability of housing that meets the needs of all Portland households.

Existing Strategy 4.11 (B): (BOP/PDC/BHCD)

1. Participate with Metro and other jurisdictions in establishment of regional fair share targets.
2. Administer housing finance programs that provide grants and loans for housing development.
3. Develop subsidy guidelines consistent with *Consolidated Plan* Principle III that states “there should be a direct relationship between the amount of public subsidy and the number of units affordable for a minimum of 60 years.”
4. Administer property tax abatement programs that encourage housing production and rehabilitation by area (distressed, central city, transit-oriented) or for households below 60 percent MFI.

Potential Strategy:

5. *Develop strategies to ensure sufficient housing available for households at each income niche along the housing spectrum.*
6. *Collaborate with other public and private sector entities to define respective roles, and to develop the menu of tools necessary to encourage housing development for each income target.*
7. *Develop public and private financing strategies to ensure that affordability targets for all income groups are met and maintained over time.*

Commentary

C. This objective acknowledges that changes in technology often outpace the regulatory environment that governs building codes. This objective supports necessary changes of statewide codes. It also supports adaptation and interpretation of administrative procedures or regulations over which the City has local control.

D. Housing affordability can be enhanced by reduced operating costs. New construction and rehabilitation practices can reduce ongoing energy consumption. With the deregulation of public utilities there is some concern that utility companies will not provide assistance to help consumers reduce their costs. The City is concerned about protecting the City's consumers and will seek opportunities to continue weatherization and energy savings programs. Water and sewer bills are expected to increase 30 percent by the time the Combined Sewer Overflow program is complete.

- C. Encourage the development and use of housing construction technologies that streamline the housing construction process, reduce development costs and environmental impacts, and produce sound and durable housing.

Existing Strategy 4.11 (C): Monitor improvements to building technologies and advocate if necessary for modifications to technical codes to facilitate development. **(BOB/IGA)**

- D. Promote conservation programs and energy-efficient practices and programs that reduce housing operating costs for energy, sewer and water usage.

Existing Strategy 4.11 (D):

1. Ensure compliance with residential energy codes in new construction, home remodeling and home renovation. **(BOB)**
2. Promote home weatherization, energy efficient appliances and the use of renewable energy resources through education and local and regional energy programs. **(Energy Office)**
3. Support “public purpose” funding from gas, oil and electricity users to develop consumer-oriented programs for energy efficiency, low-income weatherization and bill paying assistance. **(Energy Office)**
4. Support self-help and volunteer efforts to educate consumers about conservation and energy efficient practices. **(Energy Office/BHCD)**

Potential Strategy:

5. *Encourage cost effective weatherization when homes are sold. (Energy Office)*
6. *Designate cost effective weatherization as a “minor code improvement,” eligible for funding under City housing repair and renovation programs. (BHCD/PDC)*
7. *Develop strategy to ensure long-term energy efficiency of housing financed with public funds. (BHCD/PDC)*

Commentary

E: Over 50 years ago the city recognized that there were housing needs that the private market could not meet. To respond to the compelling need, the City Council created the Housing Authority of Portland as a public nonprofit municipal corporation to "provide safe, decent and affordable housing to low-income people." The Housing Authority of Portland (HAP), though created by the city, has received the bulk of its financial support for development and operations from the federal government. Now the federal government is deregulating public housing authorities so that they can choose to serve higher income populations. This objective provides guidance to the Housing Authority on local preferences (i.e., priority access to housing). It also provides policy guidance to the city in the event that federal subsidies are reduced and local operating subsidies are required. On average, the 8000 households in HAP's public housing and Section 8 programs have incomes of about \$625 per month. Some 60 percent of these households are families with children. The Housing Authority has been able to serve these very low-income households because they have received an operating subsidy from the federal government. Those subsidies may be declining significantly and public housing authorities are under pressure to establish local preferences to serve higher income households. Since Portland is already experiencing a critical shortage of housing affordable to very low-income households, it is important to support the Housing Authority in its mission of serving very low-income households as well as maintaining its fiscal stability.

F. Historically the federal and state governments have taken more responsibility than local governments for providing resources to serve the lowest income households that the private market does not serve. Local governments often lack the resources to meet the housing needs of very poor people. Pressure to cut federal budgets and reduce the federal deficit has resulted in cutbacks in federal programs such as public housing that has historically been targeted to households below 50% MFI. This objective recognizes that the city does not have adequate resources to meet housing needs of very low-income households without assistance from higher levels of government so continued advocacy for resources is necessary.

G. Housing affordability is measured by the relationship of housing costs to income. The Portland Metro area has recently been ranked as one of the least affordable housing markets in the country. This ranking has less to do with the absolute cost of housing here, than it does with the fact that average income in the Portland Metro area has lagged behind housing price increases. Reducing housing costs is one avenue to increase housing affordability, while increasing household income is another. This objective provides policy support for developing programs to increase household income by providing opportunities for work, or by encouraging housing near employment. A "family wage" job is defined by Metro as "a permanent job with an annual income greater than or equal to the average annual covered wage in the region." In 1996 a family wage" was estimated to be \$14.59 per hour, \$2530 per month. Minimum wage workers currently earn \$6 per hour, which places them below the federal poverty level. Full-time minimum wage workers earn 36 percent of area median income and are categorized as very low income by federal income categories. At that level their income is too low to achieve housing affordability, even in most low-income housing built with federal tax credits. At the same time, most minimum wage earners cannot access public housing because of the demands on that program. Service sector workers, who represent a growing share of the regional economy, earn on average about 56% of median family income. The federal Low Income Housing Tax Credit Program has stimulated multi-dwelling housing production for households at this level.

- E.** Work in partnership with the Housing Authority of Portland to preserve its portfolio of federally assisted housing at rents levels affordable to extremely and very low-income households.

Existing Strategy 4.11 (E):

1. Continue to reduce the operations and maintenance cost of existing public housing and Section 8 programs. **(HAP)**
2. Acquire and develop rental housing affordable to households up to 80 percent of MFI to generate subsidy to maintain housing affordable to households below 30 percent of MFI. **(HAP)**
3. Ensure that homeownership programs for scattered site housing retains affordability over time. **(HAP)**
4. Advocate with Congress for continued operating subsidies to support public housing for extremely low-income households. **(GR)**

- F.** Pursue adequate financial resources to develop, maintain and preserve housing and housing assistance programs for households whose needs are not met by the housing market.

Existing Strategy 4.11 (F):

1. Advocate for federal and state legislation, programs, and funding to support housing assistance programs. **(GA)**
2. Encourage the state, Metro, and local governments to develop stable funding sources to support housing assistance programs. **(BHCD/PDC/BOP)**

- G.** Narrow the gap between housing costs and income.

Existing Strategy 4.11 (G): (PDC)

1. Encourage the retention and recruitment of “living wage” jobs to increase people’s ability to pay for housing.
2. Encourage employers to develop programs to assist employees to purchase and finance housing near their work site, or convenient to public transit.
3. Provide incentives (e.g. tax abatement) to support mixed-income housing near transit and employment to reduce household transportation costs.
4. Develop strategies to ensure that affordable and convenient worker housing is available or is developed in conjunction with public redevelopment or funding of large new employment centers or projects.
5. Support efforts to increase self-sufficiency and earnings of public housing and Section 8 recipients through Moving to Work Initiatives. **(HAP)**
6. Support “living wages” for City contractors (Living Wage Ordinance). **(Council)**

Commentary

Policy 4.12: The concept of a housing continuum (with or without services) that ranges from emergency shelter through transitional housing to permanent housing, either rental or homeownership, has been the foundation of much of the recent housing planning for low-income households (*CHAS, Consolidated Plan, Shelter Reconfiguration*).

A. The 1991 CHAS recommended countywide interjurisdictional planning and delivery systems through the establishment of the Housing and Community Development Commission to provide policy advice on resource allocation and other strategies to Portland, Gresham, and Multnomah County. In addition, the Housing Authority of Portland was expanded to a countywide agency. Most federal entitlement programs require that jurisdictions coordinate their planning. For example, the City of Portland is the lead city for a six-county consortium for planning for Housing Opportunities for People with Aids. Most other programs such as the Emergency Shelter Grant Program, the HOME Program, and the Supportive Housing for the Homeless require planning and coordination that cross jurisdictional boundaries. This objective supports these interjurisdictional efforts.

B. This objective was developed through *the Strategies for Fair Housing*, and has been implemented by regulation. Multnomah County administers certification standards for operation and client oversight.

C. The federal government requires cities and counties that receive federal funds to develop a "Continuum of Care for the Homeless" as part of the *Consolidated Plan for Funding*. The Portland/Multnomah County Consortium updates this plan annually based on an assessment of needs and strategies.

Policy 4.12: Housing Continuum: Ensure that a range of housing from temporary shelters, to transitional, and to permanent housing for renters and owners is available, with appropriate supportive services for those who need them.

Objectives:

- A.** Plan and coordinate the provisions of housing opportunities for households whose needs are not met by the private for-profit market.

Existing Strategy 4.12 (A):

1. Support countywide housing planning and policy coordination function of the Housing and Community Development Commission. **(BHCD)**
2. Support countywide operation of the Housing Authority of Portland. **(Council)**
3. Work in partnership with other jurisdictions in the County and region to plan, coordinate and fund housing opportunities that transcend jurisdictional boundaries. **(HCDC)**
4. Implement principles, priorities, and strategies identified in the *Consolidated Plan*. **(BHCD/PDC)**
5. Coordinate with Multnomah County, the State of Oregon, and other providers for housing development with the provision of supportive services (childcare, drug and alcohol treatment, skilled nursing care, etc). **(BHCD/HAP)**

- B.** Promote the preservation and development of a sufficient supply of transitional and permanent housing affordable to extremely low-income individuals and households with children in order to reduce or prevent homelessness.

Existing Strategy 4.12 (B):

1. Assess the need for homeless facilities and services in the annual update of the *Consolidated Plan* by monitoring occupancy and the demand. **(BHCD/HCDC)**
2. Implement strategies identified in annual update of the *Continuum of Care for the Homeless* included in the Portland/Multnomah County Consortium's *Consolidated Plan*. **(BHCD/HCDC)**
3. Collaborate with religious institutions to provide short-term or emergency shelter. **(BHCD)**
4. Collaborate with Multnomah County to develop financing strategies to ensure resources are available to maintain existing housing and services as well as develop new housing and programs for people who are homeless. **(BHCD/PDC)**

- C.** Provide opportunities throughout the city for emergency shelters and transitional housing for people who are homeless.

Existing Strategy 4.12 (C):

1. Currently implemented by Title 33, Planning and Zoning Code (Emergency Shelters, 33.285; Religious Institutions, 33.920.470), regulations. **(BOP)**

Commentary

D. In its role as regulator the city affects affordability by allowing diverse housing types that make more efficient use of a finite supply of land. In general, the private for-profit sector is more likely to address the needs of middle and high-income households without public assistance. Public action may be necessary to stimulate higher-end housing production in areas such as the Central City where development costs are high or there are other perceived risk factors. In those areas, the City may have a role in reducing risk. Housing for extremely low and very low-income households generally requires a combination of subsidies to make it affordable. Extremely low-income renters are generally the most vulnerable population, although in recent years affordability has become an issue for moderate and middle-income households as well.

E. Bottlenecks in the housing continuum have ripple effects up and down the housing ladder. While the city's homeownership rate of 56 percent is higher than the average for central cities, minorities and low-income households have lower homeownership rates. Lack of a downpayment, and poor credit history can be barriers to homeownership. Public and private actions may be necessary to provide opportunities for first-time homebuyers. Extended periods of low mortgage interest rates have increased affordability for many homebuyers, despite the increase in housing costs. The high homeownership rate overall can be attributed in part to strong partnerships between the public and private sector.

Public comment raised concerns that a city policy to encourage homeownership programs has an adverse impact on low-income renter households, and that the city does not acknowledge that impact. The city supports expansion of renter opportunities as well as opportunities for first-time homebuyers. Private lenders have developed new products and services to make homeownership affordable to low and moderate income households.

- D.** Stimulate production of a variety of housing types that are affordable and responsive to the needs of extremely low, very low, low, moderate, and middle income households.

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| <ol style="list-style-type: none">1. Existing Strategy 4.12 (D):2. Implement through legislative and area plans by ensuring opportunities for small homes on small lots, clustered and attached housing, zero-lot line, duplexes, and multi-dwelling housing. (BOP)3. Encourage public/private partnerships to develop affordable housing prototypes. (PDC/BOP)4. Develop strategies for use of surplus public land for housing that serves a range of income levels. (BOP/BHCD/PDC)5. Administer property tax abatement programs that encourage production. (PDC)6. Provide operational support and technical assistance to non-profits and CDC who develop, own, and manage property for households not served by the for-profit sector. (BHCD)7. Develop housing strategies in urban renewal areas (where housing is appropriate) for use of tax increment financing. (PDC) |
|---|

- E.** Expand opportunities for first-time homebuyers.

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| <p>Existing Strategy 4.12 (E):</p> <ol style="list-style-type: none">1. Support homeownership education and counseling programs. (BHCD)2. Develop partnership with the private sector to reduce barriers to homeownership (e.g. credit, downpayment). (PDC/BHCD) <p>Potential Strategy:</p> <ol style="list-style-type: none">3. <i>Explore options for implementing Community Land Trusts and other shared-equity homeowner models. (BHCD/PDC)</i>4. <i>Explore feasibility of public/private partnership to offer a "location-efficient" mortgage. (PDC/BHCD/PDOT)</i> |
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Commentary

Policy 4.13: Not only have housing prices increased rapidly over the past few years so has the average size of newly constructed single dwelling units. Average house size increased 64 percent from 1945 to 1995 in the Portland metropolitan area despite the fact that household size is trending downward. This policy supports the market niche that may prefer a smaller house with fewer amenities (one bath, no bonus room, a carport or parking pad rather than garage). This policy does not suggest that all housing should be small with few amenities, rather that the city should not erect barriers to their production when a market response is evident. There is a small but growing movement of people committed to concepts of sustainability and reduced resource consumption. Public comment identified concerns about a potential conflict between this policy, which focuses on basic amenities, and the Amenity Bonus provision of Title 33, the Planning and Zoning Code. This policy is not intended to discourage improved quality of housing; it does convey the concept that housing size does not equate to housing quality.

A. This objective supports reduction of regulatory barriers to small lots with small homes. It is important to note that "small homes" need not be limited to singles and couples. Families with children may be interested in options that reduce the cost of a house by eliminating a double-car garage in favor of an additional bedroom; or elimination of a master suite in favor of two smaller bedrooms.

B. This objective speaks to development and financial barriers to small homes. For example, some financial institutions require minimum mortgages, or may have different underwriting standards for small homes with few amenities. Some developments include covenants that require homes to be of a minimum size to ensure similar housing values in an area. This type of restriction can encourage "overbuilding" housing beyond a household's needs or preferences.

Policy 4.13: Humble Housing: Ensure that there are opportunities for development of small homes with basic amenities to ensure housing opportunities for low-income households, members of protected classes, households with children, and households supportive of reduced resource consumption.

A. Ensure that regulations facilitate the option of development of small homes.

Existing Strategy 4.13 (A):

1. Currently implemented by Title 33, Planning and Zoning Code, (33.405, Alternative Design Density Overlay Zone, Albina Community Plan District regulations (e.g reduced parking requirements). **(BOP)**

Potential Strategy:

2. *Explore feasibility of setting a maximum house size in some residential zones. (BOP)*

B. Reduce barriers to the development and finance of small homes.

Potential Strategy 4.13 (B):

1. *Encourage financial institutions, underwriters of loans and mortgages, and state housing agencies to identify and eliminate barriers in the real estate finance process that inhibit the development of modest homes. (PDC)*
2. *Provide information to the development community on needs and preferences of small households and/or low-income households. (BOP/PDC)*
3. *Discourage developers from stipulating minimum housing sizes in subdivision covenant, codes, and restrictions. (BOP)*

Commentary

Policy 4.14: The best measure of neighborhood stability is the “turnover” rate which is dependent on many factors: homeownership rates, housing prices, housing diversity, quality of schools, perceptions of safety, and residents’ sense of community or belonging. Age and lifestyle also affect turnover rates and stability. Older residents, whether renters or owners, move less often than do young singles, whether renters or owners. Low-income elderly homeowners tend to have the lowest turnover rate. Low-income renters have high turnover rates if they are subject to frequent rent increases. Higher-income renters may move more frequently as they establish careers or new households form. Middle-aged homeowners in management or executive positions tend to move fairly frequently so some higher income neighborhoods can experience fairly high turnover rates. This policy does not suggest there is just one method to support stability, rather that different options must be available to support people’s ability to make choices to stay in an area.

A. Homeownership contributes to neighborhood stability in many ways, particularly in areas where people engage in civic and neighborhood improvement activities. It also contributes to household stability since homeowners tend to have more control over their housing costs than do renters.

B. This objective reflects physical design as well as the less tangible qualities of a good neighborhood. Gated communities discourage connections to the broader community and reduce opportunities for civic interaction. In contrast, some housing opportunities are developed to consciously support resident interaction by including shared facilities or common open space.

C. In 1978 the city adopted the *Downtown Housing Policy*. Among the recommendations was one to maintain the stock of SRO (single-room occupancy) housing at the level that existed in April 1978. At the time there were 5183 units of housing serving low-income households in downtown Portland. In 1998 there are just over 4000 units of SRO housing despite significant efforts to preserve and replace housing lost to redevelopment. One strategy developed during the *Central City Plan* process, which also called for maintenance of the existing SRO housing, was a “transfer of density” option. A number of strategies are suggested that call for re-examining the goals of the *Downtown Housing Policy*. This may involve expanding the boundary; establishing some inclusionary housing requirements in the Central City area; or revising the goal to reflect the current stock. Some advocates have suggested that the City should preserve existing SRO housing, but should not build new SRO units. Instead SROs that are lost to demolition or conversion should be replaced with studio units.

Policy 4. 14: Neighborhood Stability: Stabilize neighborhoods by promoting: 1) a variety of homeownership and rental housing options; 2) security of housing tenure; and 3) opportunities for community interaction.

Objective:

A. Promote and maintain homeownership options within neighborhoods.

Existing Strategy 4.14 (A): (BHCD/PDC)

1. Strengthen partnerships with lenders, realtors, and community organizations to ensure that homebuyer options are available to serve different market niches (e.g. downpayment assistance, credit counseling, etc.)
2. Support programs that assist homeowners to maintain their homes.
3. Support community land trusts and other homeownership models that retain affordability.
4. Support programs that educate homeowners about eviction prevention, and provide them information to protect them from fraudulent or deceptive mortgage or equity loan offerings.

B. Promote housing opportunities that build a sense of community, civic involvement and neighborhood pride.

Existing Strategy 4.14 (B):

1. Prohibit gated streets and communities. **(PDOT/BOP)**
2. Encourage co-housing, community land trusts, mutual housing associations, and tenant-owned and management housing. **(BOP/PDC/BHCD)**

C. Protect, preserve, and restore the City's single-room occupancy (SRO) and low-income housing.

Existing Strategy 4.14 (C):

1. Regulatory incentive to preserve SROs is included in Title 33, Planning and Zoning Code, (33.510.200 E, SRO housing transfer of floor area). **(BOP)**
2. Maintain at-risk housing inspection and repair programs for SROs. **(BHCD/BOB)**
3. Maintain commitment to replace SRO housing lost to redevelopment (Hamilton II) **(PDC/HAP)**
4. Coordinate strategies with periodic update and implementation of *PDC Five-Year Plan*. **(PDC)**

Potential Strategy:

5. *Develop a strategy to preserve the existing stock (4021 units) of downtown's low-income housing units threatened by demolition, conversion or redevelopment (PDC)*
6. *Re-examine the Downtown Housing Policy's goal of maintaining 5183 low-income units in the downtown (the number that existed in 1978) in light of current level and market conditions, e.g. expand from downtown to Central City; replace SRO with studio or larger unit; set targets for replacement in mixed-income developments. (PDC/BHCD)*

Commentary

D. As areas experience housing price appreciation and gentrification there are concerns about displacement of existing residents, particularly very low-income residents who have a difficult time locating equivalent housing. Existing housing is generally more affordable than new construction. Since private for profit owners and investors have little incentive to maintain rents at a level below market demand, a proactive way to preserve housing at affordable rents is to support acquisition by nonprofit organizations, or community ownership. Providing renters the security of tenure in their housing by ensuring long-term affordability is essential to individual and household stability.

One current threat to neighborhood stability is the potential turnover of close to 2400 units of privately owned housing that have expiring Section 8 certificates. If the owners choose not to renew their federal contracts rents at some locations could rise to market levels that are unaffordable to the existing residents. The residents are likely to be long-term residents of a neighborhood, who if unable to pay market rents, would be forced to move out of the neighborhood. Based on the documented history of relocation in downtown from 1986 to present, 48 percent of the residents displaced were elderly; 20 percent were disabled, and over 34 percent of existing residents had lived in the downtown community for over 15 years. The preservation of "expiring use" properties was originally identified as a priority strategy for the city in the *Comprehensive Housing Affordability Strategy* (CHAS, 1991). City Council will be considering a number of strategy options to preserve housing for residents in similar circumstances. Some public comment indicated that in some cases allowing rent levels to increase to market levels may be an appropriate strategy to bring economic diversity to an area. Other comments focused on the vulnerability of the population at risk of displacement and the lack of other affordable housing options.

E. The City supports neighborhood revitalization strategies to improve neighborhood conditions. Private market forces and public intervention strategies can result in increased investment in an area and increased property values. While this generally has positive outcomes that meet resident and City objectives, increased housing values often results in displacement of low-income households. Low-income homeowners may face higher property tax bills and renters may experience rental increases beyond their ability to pay. This objective tries to balance two competing goals - that of improving neighborhoods by encouraging investment and that of ensuring that existing residents benefit from the improvements. Over the past 8 years the city has provided operating support and technical assistance to non-profits and CDCs to develop, rehabilitate housing as part of a neighborhood revitalization strategy. Rental housing owned by non-profits provides permanent affordability in neighborhoods experiencing gentrification. There are currently over 3000 units of housing under non-profit ownership or management for households below 60 percent MFI. More recently the city has adopted mechanisms to recapture and retain affordability in first-time homebuyer programs to ensure continuing affordability.

F. Conversion of low-cost multi-dwelling units to condominium ownership can create hardships for low-income households. The rate of condominium conversion is correlated to rapid housing price appreciation. Condominium conversion can result in displacement and relocation of existing renters, unless they are able to buy their unit. In response to the problems created by a significant number of condominium conversions in 1979 and 1980 (over 1000) the city adopted a Condominium Conversion Ordinance (No. 157039) that requires developers to provide 120 day notice of conversion, as well as the payment of relocation expenses to tenants who are within HUD Section 8 income levels. A recent report and evaluation of condominium conversion recommended that the ordinance be codified in city code to ensure enforcement.

While the city encourages condominium ownership as an appropriate and often affordable option for many households, this objective reflects policy support for reducing the hardship caused to low-income residents who are displaced by conversion. The development of financial tools to assist low-income renters who wish to buy their unit if converted would be one way to achieve multiple objectives.

- D.** Encourage the retention of existing rental housing at rent levels affordable to area residents.

Existing Strategy 4.14 (D): (BHCD/PDC)

1. Support acquisition by nonprofits, community land trusts, tenants, or tenant organizations, of existing affordable housing susceptible to redevelopment, thereby protecting housing from upward pressure on prices and rents.
2. Develop mechanism to designate affordable units in projects receiving direct City-controlled financial assistance designed to create or preserve rental housing affordable at or below 80 percent of MFI for a of minimum 60-years (in process).
3. Support land trusts, cooperatives, co-housing, and mutual housing associations that provide permanent housing affordability.
4. Promote long-term leases and/or rental agreements in existing rental housing units owned by private non-profit or for-profit organizations that receive city subsidies.
5. Develop and implement a strategy to preserve privately owned and federally subsidized project-based Section 8 housing.

- E.** Increase opportunities for construction, acquisition, or preservation of housing affordable to area residents in locations where rising property values and gentrification contribute to their involuntary displacement.

Existing Strategy 4.14 (E): (PDC/BOP/BHCD)

1. Support nonprofit and CDC acquisition and ownership of a share of the single and multi-dwelling housing stock to ensure permanent affordability.
2. Ensure that City-funded homebuyer programs have provisions to retain affordability or recapture subsidy on resale.
3. Develop strategies to support mixed-income housing to ensure low-income households have access to permanent affordable housing within a mixed-income community.

- F.** Require the property owner to assist in the relocation of low-income residents whenever multi-dwelling buildings are converted to condominiums.

Existing Strategy 4.14 (F):

1. Codify and enforce the provisions of the City's Condominium Conversion Ordinance for property owners to give advance notice of conversion and pay relocation for tenants at HUD Section 8 income limits. **(BOB/BOP)**

Potential Strategy):

2. *Develop financial tools to assist low-income households become owners of units converted to condominiums. (BHCD/PDC)*

Commentary

G. The development of new housing often creates concerns about neighborhood stability and livability. Siting concerns are not limited to housing for low-income people or people with special needs, although housing for those populations tend to generate the most concern. Higher density housing and different models of housing also create concerns. The city has supported good neighbor relationships, sometimes formalized in good neighbor agreements, as ways to build neighborhood relationships and contribute to long-term stability.

H. According to the 1990 Census there were over 100,000 noninstitutionalized elderly living in Multnomah County, of which 36 percent were estimated to need some sort of service. Some elderly individuals need limited assistance to allow them to stay in their own homes. Others need more structured care such as that provided in adult foster homes. Assisted living facilities and nursing homes are other common options. With the aging of the people born between 1946 and 1964 (the *baby boomers*) there will likely be new options developed that we may not anticipate today.

I. Over 60 percent of the city's housing is single dwelling. Close to 45 percent of the housing stock consists of three or more bedrooms. At the same time, over 70 percent of the city's households consist of one or two persons. In comparison in 1970 just over 60 percent of households were 1 and 2 person. The trend over the past 30 years has been toward smaller households. In Portland, household size has declined somewhat from 2.7 in 1970 to 2.15 in 1996. There are indications that there is a slowing in the decline of household size. Nationally the divorce rate is dropping.

Oregon and Portland are becoming more culturally diverse. There has been significant in-migration to the Portland area in the last ten years by Russian, Hispanic, and Southeast Asian families who tend to have larger families and to live with extended family. There is also evidence that more people are sharing housing for economic reasons. Adult children are staying home with their parents longer and often elderly parents are moving in with grown children for economic or care-related reasons.

J. Mobile homes and parks are primarily located in East Portland. They are an important source of affordable housing for households below the median income. In the *Outer Southeast Plan*, a policy was adopted to preserve existing parks by retaining residential zoning or changing zoning from commercial to residential to reduce redevelopment pressure. New mobile home parks are allowed in R2 and R3 zones. It is important to distinguish mobile homes from manufactured housing. Mobile homes are not constructed in accordance with federal manufactured housing construction and safety standards established in 1976. Manufactured housing is allowed consistent with development standards in all zones that allow single-dwelling housing.

K. Quality design has been identified as a key factor that contributes to the acceptance of new infill residential development in established neighborhoods.

- G.** Promote good neighbor relationships between housing developers and their neighbors.

Existing Strategy 4.14 (G): Provide technical assistance to neighborhoods and housing providers to facilitate good neighbor agreements when requested.

- H.** Enable people who are elderly to remain in their own neighborhoods as their needs change by supporting shared housing, accessory dwellings, smaller homes, adult foster homes, and other assisted residential living arrangements.

Existing Strategy 4.14 (H):

1. Currently implemented by regulation, Title 33, Planning and Zoning Code. **(BOP)**
2. Consider needs of elderly in legislative and area plans. **(BOP)**
3. Review zoning code periodically to ensure that new form of elderly housing can be sited as a permitted use in the appropriate zones. **(BOP)**
4. Support County's property tax deferral program for low-income elderly homeowners.

- I.** Allow the city's housing to be adapted to enable households to remain in the same home or neighborhood through all their different life cycles.

Existing Strategy 4.14 (I): (BOP)

1. Implement through legislative and area plans.
2. Consider when developing design guidelines.
3. Currently implemented by regulation, Title 33, Planning and Zoning Code, through provisions for home day care, accessory dwelling units, bed and breakfast, and home occupation.
4. Support "shared housing" programs that match homeowners with tenants. **(BHCD)**
5. Support programs that provide physical adaptation of homes to improve accessibility. **(BHCD/PDC)**
6. Ensure that accessibility needs are considered in the development of design standards for housing.

- J.** Preserve existing mobile home parks.

Existing Strategy 4.14 (J):

1. Consider rezoning mobile home parks in commercial zones to residential zones that allow mobile home parks (currently R2 and R3). **(BOP)**
2. Provide technical assistance to take advantage of existing state programs. **(PDC)**

- K.** Enhance the quality of the design of new infill residential development.

Existing Strategy 4.14 (K): (BOP)

1. Include design requirements in Title 33, Planning and Zoning Code.
2. Distribute voluntary design guidelines.
3. Requiring design review at key locations.

Commentary

Policy 4.15: Housing affordability is influenced in part by regional and local land use policies, development regulations, permit processes and development fees. Policies, regulations and regulatory processes should be designed to maintain overall housing affordability, while meeting other goals such as maintaining desired neighborhood character and preserving the environment. This policy reflects the need to balance regulations and development fees by factoring housing affordability with other public objectives.

A. This objective is intended to balance the price of necessary city services with the costs of providing them. It also recognizes that the city must seek ways to ensure that it is providing services in a cost-effective manner. The city waives zoning and building fees and Parks and Transportation SDCs in certain circumstances. A review of that process is underway.

B. This objective supports more certainty in the development process, while also providing a mechanism for flexibility. The Bureau of Planning has implemented this by establishing a two-track system development review where appropriate.

C. City and regional policies encourage lower off-street parking requirements for residential development as a way to use land more efficiently, to encourage alternative transportation modes, and to reduce development costs. The cost of structured parking has been identified as a significant deterrent to the development of higher density housing. The Office of Transportation (PDOT) has noted increasing problems related to on street parking due to increased congestion. Requests for parking adjustments based on low-income housing tenancy are increasing, but there is no clear policy on which to base approval. PDOT has recommended that mitigation measures be in place, e.g. agreements between tenants and management not to own a car while living in the unit; monthly or annual transit passes provided to all tenants; shared vehicle arrangements; shared bikes and facilities; pedestrian amenities to access transit; and location efficient mortgages. (Location-efficient mortgages are a relatively new concept being developed in Seattle, Chicago, and San Francisco to encourage homeownership among low and moderate-income households who live in higher density areas with access to transit. The mortgage product uses a higher loan to value ratio and long term debt ratio than normal based on the assumption that transportation expenses are a smaller share of household expenses.)

Policy 4.15: Regulatory Costs and Fees: Consider the impact of regulations and fees in the balance between housing affordability and other objectives such as environmental quality, urban design, maintenance of neighborhood character, and protection of public health, safety, and welfare.

Objectives:

A. Improve housing affordability by imposing the lowest permit fee, or system development charge necessary to recover cost of city services delivered in a cost-effective manner.

Existing Strategy 4.15 (A):

1. Waive system development charges (SDCs) for rental housing developed by non-profit organizations or HAP that is affordable to households at or below 60% MFI, or owner occupied housing affordable at 100% MFI. **(PDOT, Parks)**
2. Provide housing pool credit system for for-profit developers who provide open space. **(Parks)**
3. Waive development permit fees for housing developed by non-profit, non-governmental organization, providing homeownership at 80% or less MFI, or rental housing with at least 51% units targeted to 60% or less MFI. **(PDC/BOB/BOP/BHCD)**
4. Evaluate current SDC waiver policy for improvements and modification. **(Commissioner Sten's Office)**

B. Achieve greater predictability in project decision timelines, outcomes, and costs.

Existing Strategy 4.15 (B): (BOP/BOB)

1. Identify and implement innovative ways to reduce the per unit cost of new regulations.
2. Identify and implement procedures that reduce the time and cost of the permitting process.
3. Adopt clear and objective development standards that may be met as an alternative to discretionary land use review procedures when policy issues are not involved.

Potential Strategy:

4. *Develop permitting process incentives for housing being developed to serve people at or below 80 percent of area median income (per Urban Growth Management Functional Plan)*

C. Allow reduced parking requirements for housing where the parking demand is reduced and impacts are minimal.

Existing Strategy 4.15 (C):

1. Support transportation demand management programs (e.g. car sharing, transit passes for tenants, shared bikes and facilities, pedestrian amenities to access transit). **(PDOT)**
2. Establish maximum parking requirements consistent with *Region 2040* mixed-use design requirements through area or legislative plan. **(BOP)**

Commentary

LINKS: Housing is one of the twelve goals that contribute to the city's Comprehensive Plan. The key related goals include citizen participation, urban development, neighborhoods, transportation, economic development, energy, public facilities, and urban design. It is difficult to disassociate issues of housing from other issues such as public safety, transportation, cultural and recreational facilities, quality schools, and good jobs. In combination, all of these issues affect neighborhood livability and household choice about where to live. Participants at community workshops expressed the desire that the City's housing policy address issues broader than housing. In fact the City's Comprehensive Plan does address most of these through the twelve goal areas that complement each other to support the prevailing City goal of livability.

The intent of including the "links" is to identify those Comprehensive Plan goals and policies that directly relate to Policies 4.11 through 4.15.

Relevant Housing Programs: The City funds a number of housing programs that implement the policies and objectives included in 4.11 through 4.15. Existing programs will be reviewed to ensure consistency with adopted policy and objectives. Adoption of the Comprehensive Plan does not, however, result in the direct funding of housing programs which are considered in light of City Council's budget priorities and funding cycles.

LINKS: This list includes goals and policies in the city’s Comprehensive Plan that complements proposed policies and objectives 4.11 through 4.15.

- Goal 5: Economic Development
- Goal 9: Citizen Involvement
- Goal 11: Public Facilities
 - Policy 11.5: Cost Equitability
- Goal 12: Urban Design
 - Policy 12.6 Preserve Neighborhoods
 - Policy 12.7 Design Quality

RELATED CITY HOUSING PROGRAMS:

Property Tax Exemption Programs:

- For New Multi-Unit Construction
- For Transit-Supportive Residential and Mixed-Use Development
- For Low-Income Housing Held by Charitable Non-Profit Organizations
- For Residential Rehabilitation and New Construction of Single Unit Housing in Distressed Areas

Housing Finance Programs:

- Housing Development Finance
- Credit Enhancement
- Bond Allocation
- Equity Gap Investment (nonprofit)
- Predevelopment Loan (nonprofit)

Home-Owner and Home Buyer Programs:

- Neighborhood Housing Preservation Program
- First -Time Home Buyers

Fee Waivers:

- Transportation SDC
- Development Fee
- Building Code Enforcement

Housing Authority of Portland:

- Section 8 Program
- Rent Assistance Program
- Low Rent Public Housing
- Special Needs Housing
- Affordable Housing Development
- Self-Sufficiency Program
- Moving To Work
- Scattered Site Homeownership

Energy Saving Programs

- Block-by-Block Weatherization
- Multi-dwelling Weatherization
- Community Energy Project

Appendix

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Ordinance No. 172954

Amend Goal 4, Housing, of the Comprehensive Plan, by replacing Policies 4.1 through 4.9 and with Policies 4.1 through 4.15. (Ordinance; amend 150580, 163608, 163530)

The City of Portland Ordains:

Section 1. The Council finds:

1. In 1978 the City adopted a Housing Policy (Ordinance 145472) to direct all housing-related actions in the City. The housing policy contained six elements: Fair Housing, New Housing Production, Housing Choice and Neighborhood Stability, Lower Income Assisted Housing, Existing Housing Maintenance, and Existing Housing Major Rehabilitation.
2. In 1980 the City incorporated the Housing Policy as Goal 4 of the City's Comprehensive Plan (Ordinance 150580).
3. In 1990 the City amended the Comprehensive Plan to add Policies 4.8, Maintain Housing Potential (Ordinance 163608), and 4.9 Vacant and Abandoned Housing and Community Revitalization (Ordinance 163608).
4. In October 1997 the City Council authorized the Citywide Housing Policy Update project to review and update Goal 4 to ensure that it reflects the new policy direction that has emerged from adopted community and neighborhood plans, the Region 2040 Growth concept and Urban Growth Management Functional Plan, the State Transportation Planning Rule, and from plans such as the Comprehensive Housing Affordability Strategy, and its successor, the Consolidated Plan.
5. In December 1997 Commissioner Gretchen Miller Kafoury established a Housing Policy Steering Committee to guide the process for the review and update of the Housing Policy.
6. On November 10, 1998, the Planning Commission recommended to City Council adoption of the Comprehensive Plan Housing Policy by replacing the current Goal 4 with the new Goal 4 attached as Exhibit A of this Ordinance.
7. The amendments are the result of a collaborative process involving the Housing Authority Board, the Portland Development Commission, and the Housing and Community Development Commission, which provided advice to the Planning Commission on the recommended policy language contained in the recommended Goal 4.

NOW, THEREFORE, the Council directs:

- a. Amend Ordinance No. 150580, which adopted Portland's comprehensive Plan, by deleting the current housing goal, policy and objectives (Goal 4), and replacing them with a new Goal 4 Housing, with its associated policies and objectives as listed in Exhibit "A".
- b. Incorporate the findings and commentary included in Exhibit "B", as further findings supporting the enactment of this ordinance and the replacement of the Comprehensive Plan's Housing Goal with a new goal, policies and objectives.

Passed by the Council,

December 16, 1998

Commissioner Gretchen Miller Kafoury
Cathey Briggs
December 2, 1998

BARBARA CLARK
Auditor of the City of Portland
By
Deputy

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RESOLUTION No. 35748

Accept Section III (Policies, Objectives and Strategies) of the Comprehensive Plan Housing Policy Report to City Council from the Planning Commission and accept the Preliminary Recommendations from the Housing Policy Steering Committee on Housing System Improvements. (Resolution).

WHEREAS, the Housing Policy Steering Committee, including citizen representatives from the Planning Commission, Portland Development Commission, Housing Authority Board, and the Housing and Community Development Commission, led an interdepartmental effort by the Bureaus of Planning and Housing and Community Development, the Housing Authority of Portland, and the Portland Development Commission to review and update the City's Comprehensive Plan Housing policy;

WHEREAS, the Housing Policy Problem Statement identified the need for a document that summarizes the city's housing policy and links it to city housing strategies;

WHEREAS, additional public comment generated by the Housing Policy Update project identified the need for the city to increase the efficiency, effectiveness, and accountability of the city's housing delivery system;

WHEREAS, the housing policy itself is adopted by ordinance as a part of the Comprehensive Plan, the identified strategies and programs referenced in Section III of the Comprehensive Plan Housing Policy Report and Recommendation to City Council from Planning Commission are not part of the Comprehensive Plan;

WHEREAS, the housing policy is intended to provide guidance over the long term, the Draft Problem Statement identified the need to monitor, evaluate, and periodically update city strategies in response to changing market conditions;

WHEREAS, the identification of strategies and programs, either existing or potential, does not obligate the City to commit funds for their implementation;

WHEREAS, the Planning Commission has provided to City Council advice on how conflicts within the policies and objectives should be resolved (Exhibit D);

WHEREAS, the Planning Commission advises that in order to implement the housing policy the City needs to maintain an array of tools beyond the traditional tools of zoning and the Comprehensive Plan Map;

WHEREAS, the adopted Housing Policy provides a long-term policy framework for the entire city and for all income levels, the Planning Commission advises that citywide and area specific plans provide the fine-tuning needed to prioritize and apply broad policies and objectives to specific areas and to specific income groups;

WHEREAS, the Planning Commission is a policy body, and as such has a limited role in implementation, it expects implementing agencies to consider the prioritization and application of housing policies and objectives when they develop and implement strategies;

WHEREAS, the Housing and Community Development Commission voted to support the recommended housing policy, and expressed concern about the prioritization of policies to guide decision-making for implementation, and expressed interest in participating in further steps with other community partners to develop and evaluate strategies for implementation;

WHEREAS, the Housing Authority Board voted to support the recommended Housing Policy and, adopted a resolution urging City Council to provide a schedule for consideration of strategies to carryout the Policy, assign administrative responsibility for policy implementation, coordination, and analysis; and develop periodic updates as the market and other factors change;

WHEREAS, the Portland Development Commission adopted a resolution to support the proposed housing policy and as an implementer of city housing policy has participated in the development of existing and potential strategies;

WHEREAS, the City Council will adopt the Recommended Housing Policy as part of the City of Portland Comprehensive Plan;

WHEREAS, the Housing Policy Steering Committee developed preliminary recommendations intended to improve housing policy implementation and resource development, through increased housing system coordination, accountability, and citizen involvement;

NOW, THEREFORE, BE IT RESOLVED that City Council accepts Section III of the Comprehensive Plan Housing Policy Report to City Council as representative of the linkage of housing strategies to housing policies, attached as Exhibit "C" to Ordinance 172954;

BE IT FURTHER RESOLVED that City Council accepts the Preliminary Recommendations from the Housing Policy Steering Committee on Housing System Improvements, attached as Exhibit "E" to this resolution.

BE IT FURTHER RESOLVED that the City Council authorizes and directs the Housing Policy Steering Committee to finalize its recommendations to City Council to increase the effectiveness, efficiency, and accountability of the City in implementing, monitoring, and evaluating its housing policy.

BE IT FURTHER RESOLVED that City Council authorizes the Housing Policy Steering Committee to continue its interdepartmental and inter-agency effort to improve housing coordination as follows:

- a. Expand its membership to include representatives from the Bureau of Buildings, and the Office of Finance and Administration;
- b. By March 1, 1999, develop a final recommendation on housing system improvements to City Council that includes a detailed implementation plan and budget;
- c. Develop a Housing Action Plan that recommends to City Council 2-year priorities, key strategies, and goals tied to the 1999/2000 budget;

BE IT FURTHER RESOLVED that the City Council supports the Mayor's designation of a City Commissioner with functional responsibility for Housing to replace Commissioner Kafoury as Chair of the Housing Policy Steering Committee.

Adopted by the Council,
December 10, 1998
Commissioner Gretchen Miller
Kafoury
Cathey Briggs; 12/2/98

BARBARA CLARK
Auditor of the City of Portland
By Deputy

**COMPREHENSIVE PLAN
HOUSING POLICY UPDATE:**

**HOUSEHOLD, HOUSING, AND
AFFORDABILITY DATA**

REVISED NOVEMBER, 1998

Compiled by Mike Saba, Portland Planning Bureau
Assisted by Peter Mye, Student Intern, Portland State University

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BACKGROUND DATA FOR THE COMPREHENSIVE PLAN HOUSING POLICY UPDATE 1998

The following tables were compiled as an aid for discussion during the four community workshops on the Housing Policy Update project. Workshop participants were invited to review this information before, during, or after the workshops and suggest other useful data that would inform community dialogue as the Housing Policy was revised to reflect current and projected conditions.

This document is divided into three Sections:

Section I, Characteristics of City's Households. These tables provide a brief demographic description of City households (the demand) through the last few decades. Characteristics selected are those which may influence the housing market in the coming years.

Section II, Characteristics of the City's Housing Stock. These tables describe some aspects of the City's housing stock (the supply) including size, age, and price.

Section III, Indicators of Housing Affordability. These tables relate the demand to the supply in order to offer some idea of the current affordability of the City's housing stock as well as some national comparisons.

SECTION I: CHARACTERISTICS OF THE CITY'S HOUSEHOLDS

Table 1
City Share of Metropolitan Population

Year	Portland	Metropolitan Area	City Share of Metropolitan Area
1940	305,394	501,275	61%
1950	373,628	704,829	53%
1960	372,675	821,897	45%
1970	382,619	1,007,130	38%
1980	365,051	1,242,594	29%
1990	437,319	1,412,344	31%
1996	445,319	N.A.	N.A.

*Multnomah, Washington, Clackamas, and Clark (WA) Counties

Source: U.S. Census and American Community Survey, 1996 which carries the following disclaimer:
"Data are based on a sample and are subject to sampling variability."

Table 2
Average Household Size in Portland

Year	Persons Per Household
1960	2.70
1970	2.56
1980	2.25
1990	2.35
1996*	2.15

Source: 1990 Census Data Information obtained from the January 1993 Office of Neighborhood Associations & Center for Urban Studies (Portland State University) publication entitled *Portland Neighborhood Information Profiles*.

*Calculated from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

Table 3
Household Size Distribution by Percent in Each Size Group

Persons in Household	1970 Number of Households (Percent)	1980 Number of Households (Percent)	1990 Number of Households (Percent)	1996 Number of Households (Percent)
1	42,815 (29.6%)	56,298 (35.6%)	65,363 (34.9)	71,866 (36.7%)
2	47,485 (32.8%)	53,052 (33.5%)	61,833 (33%)	66,470 (33.7%)
3	20,430 (14.1%)	21,695 (13.7%)	26,502 (14.2%)	26,402 (13.4%)
4	15,632 (10.8%)	15,371 (9.7%)	19,987 (10.7%)	19,502 (9.9%)
5	9,422 (6.5%)	6,838 (4.3%)	8,199 (4.4%)	7,845 (4%)
6+	9,127 (6.2%)	4,977 (3.2%)	3,140 (1.7%)	5,002 (2.5%)

Source: U.S. Census

*The 1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

Table 4
Selected Household Type Distribution By Percent

Household Type	1970	1980	1990	1996
Married couple with children under 18	37,136 (25.6%)	29,093 (18.3%)	33,526 (17.9%)	31,564 (16%)
Female head with children under 18**	7,118 (4.9%)	9,221 (5.8%)	11,592 (6.2%)	14,558 (7.4%)
Non-family household	N/A	69,518 (43.8%)	82,270 (43.9%)	93,551 (47.5%)

Source: U.S. Census

*The 1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

**Persons in female headed households are the most likely demographic group to be chronically poor according to the summary findings contained in *Poverty In Multnomah County: A Descriptive Report* (July, 1996) noted at the end of these tables.

Table 5
Age Distribution of the Population by Percent, 1960 to 1990

Age Group	1960	1970	1980	1990	1996
Less Than 5 years	8.7%	7.0%	6.5%	5.7%	6.4%
5-19 years	23.6%	24.6%	18.6%	15.2%	17.7%
20-34 Years	15.5%	20.5%	31.4%	28.7%	24.0%
35-64 years	38.0%	32.9%	28.2%	34.7%	38.3%
65 years and Over	14.2%	14.8%	15.3%	14.4%	13.6%

Source: U.S. Census

*The 1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

Table 6
Ethnic Composition by Percent of City Population

Ethnic Status	1970	1980	1990	1996
White	92.2%	85.3%	85.4%	84.5%
Black	5.6%	7.5%	7.2%	6.8%
Native American, Eskimo, and Aleut	N.A.**	.8%	1.3%	1.2%
Asian and Pacific Islander	N.A.**	2.9%	5.1%	6.0%
Other Race	2.2%	1.4%	1.0%	1.4%
Hispanic (Any Race)	N.A.**	2.1%	3.0%	4.0%

Source: U.S. Census

*Except as noted, the 1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

**Different ethnic categories were used during this Census period.

Table 7
Median Household Income (Not Adjusted for Inflation)

	1980	1990	Percent Change
Portland/Vancouver PMSA	\$18,739	\$31,259	66.8%
City of Portland	14,526	25,592	76.2%
Multnomah County	16,078	26,298	63.6%
Washington County	21,572	35,554	65.8%
Clackamas County	21,177	35,419	67.2%
Clark County	18,959	31,800	67.7%
Yamhill County	16,874	28,303	67.7%
Columbia County	18,562	29,507	59.0%

Source: U.S. Department of Commerce, Bureau of the Census; Metropolitan Service District

Table 8
1996 Household Income Distribution

	Portland	% Share	Cumulative %
Less than \$5,000	8,564	4.35%	4.35%
\$5,000 to \$9,999	18,085	9.18%	13.52%
\$10,000 to \$12,499	9,491	4.82%	18.34%
\$12,500 to \$14,999	7,689	3.90%	22.24%
\$15,000 to \$17,499	8,761	4.45%	26.68%
\$17,500 to \$19,999	7,926	4.02%	30.71%
\$20,000 to \$22,499	9,768	4.96%	35.66%
\$22,500 to \$24,999	8,485	4.31%	39.97%
\$25,000 to \$27,499	7,821	3.97%	43.93%
\$27,500 to \$29,999	6,734	3.42%	47.35%
*\$30,000 to \$32,499	8,758	4.44%	51.80%
\$32,500 to \$34,999	6,286	3.19%	54.98%
\$35,000 to \$37,499	6,810	3.46%	58.44%
\$37,500 to \$39,999	5,861	2.97%	61.41%
\$40,000 to \$42,499	6,519	3.31%	64.72%
\$42,500 to \$44,999	5,384	2.73%	67.45%
\$45,000 to \$47,499	5,556	2.82%	70.27%
\$47,500 to \$49,999	4,388	2.23%	72.50%
\$50,000 to \$54,999	9,349	4.74%	77.24%
\$55,000 to \$59,999	6,546	3.32%	80.56%
\$60,000 to \$74,999	14,701	7.46%	88.02%
\$75,000 to \$99,999	12,100	6.14%	94.16%
\$100,000 to \$124,999	5,114	2.59%	96.76%
\$125,000 to \$149,999	2,328	1.18%	97.94%
\$150,000 or more	4,063	2.06%	100.00%

Source: 1996 American Community Survey

*Median Income= \$31,396

Table 9
Owner and Renter Occupancy, 1960 to 1990

Tenure Status	1960	1970	1980	1990	1996
Owner Occupants	83,121 (62%)	81,781 (56%)	84,358 (53%)	106,190 (53%)	107,584 (55%)
Renters	51,630 (38%)	63,130 (44%)	73,873 (47%)	93,014 (47%)	89,503 (45%)
Total Occupied Units	134,571	144,911	158,231	199,204	197,097
Vacant Units (Available and Unavailable)	8,184	6,948	8,949	11,616	8,998
Total Units	142,935	151,869	167,180	210,820	206,095

Source: 1990 Census Data Information obtained from the January 1993 Office of Neighborhood Associations (City of Portland) & Center for Urban Studies (Portland State University) publication entitled *Portland Neighborhood Information Profiles*.

*Except as noted, the 1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

Table 10
**Homeownership Rate:
 Portland And Selected Cities**

City	% Homeowners among All Households (rank order)	% Homeowners among Related Households from 50-95% Median Family Income (rank order)	% Homeowners among Minority Households (rank order)
Phoenix	60.8 (1)	52.1 (2)	46.2 (2)
Minneapolis-St. Paul	54.8 (2)	64.5 (1)	28.6 (9)
Portland	53.7 (3)	50.5 (3)	39.5 (4)
Sacramento	53.3 (4)	44.6 (6)	46.4 (1)
Salt Lake City	53.2 (5)	48.6 (4)	35.9 (8)
Las Vegas	52.3 (6)	42.6 (7)	37.0 (6)
San Diego	49.4 (7)	35.7 (8)	38.5 (5)
Seattle	49.2 (8)	46.7 (5)	39.8 (3)
San Francisco	35.6 (9)	34.2 (9)	36.8 (7)

1990 Census, from *Prototype Analysis of Housing Availability, Affordability, Adequacy, and Accessibility*, Urban Land Institute, July 1994

Table 11
**October Enrollment History for
 Portland School District No. 1**

Year	Enrollment
1960 - 61**	79,097
1970 - 71**	74,949
1980 - 81**	56,567***
1990 - 91**	58,205***
1997**	60,079***

*Includes Kindergarten through Grade 12.

**These numbers do not represent the portion of Portland residents who attend schools within the David Douglas and Centennial School Districts. The David Douglas School District falls within the City boundaries. The Centennial School District serves Gresham and unincorporated parts of the county. Nevertheless, a large percentage of the school population comes from Portland. Since April 1, 1996 the Centennial School District has broken down the enrollment according to the residency status of the student. This breakdown is not updated yearly. Apparently the fluctuation is not strong enough to warrant yearly updates.

***Includes students from the Parkrose School District after East County annexations.

SECTION II: CHARACTERISTICS OF THE CITY'S HOUSING STOCK

Table 12
Distribution Of Housing Stock By Number Of Units In Structure

Unit Number	1970*	1980**	1990**	1996**
1	101,506 (66.9%)	106,844 (63.7%)	127,633 (64.3%)	133,660 (64.9%)
2	7,742 (5.1%)	7,374 (4.4%)	9,001 (4.5%)	8,575 (4.2%)
3-4	6,552 (4.3%)	8,157 (4.9%)	9,510 (4.8%)	11,120 (5.4%)
5-49	25,901 (17.1%)	31,596 (18.8%)	37,482 (18.9%)	35,542 (17.3%)
50+	10,123 (6.7%)	13,444 (8%)	11,665 (5.9%)	15,299 (7.4%)
Mobile Home & Trailer	N.A.	461 (.3%)	1,547 (.8%)	1,557 (.8%)
Boat, RV, Van, etc.	N.A.	N.A.	1,481 (.8%)	332 (.2%)
Total	151,839	167,874.999	198,318	206,083.998

Source: U.S. Census

* the single unit includes detached and attached single family structures as well as mobile or trailer.

** the single unit includes only detached and attached single family structures.

**Table 13
Distribution Of Housing Stock By Number Of Bedrooms
In Structure**

# of Bedrooms	1980	1990	1996*
No Bedrooms	11,443 (6.8%)	10,938 (5.5%)	11,167 (5.4%)
1	33,970 (20.2%)	35,161 (17.7%)	36,745 (17.8%)
2	57,813 (34.4%)	65,306 (33%)	67,631 (32.8%)
3	41,885 (25%)	58,032 (29.3%)	59,831 (29%)
4	17,925 (10.7%)	23,070 (11.6%)	24,364 (11.8%)
5+	4,840 (2.9%)	5,812 (2.9%)	6,347 (3.1%)
Total	169,855	198,319	206,084

Source: U.S. Census

*Except as noted, the 1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

**Table 14
Age Of Housing Stock**

Decade Starting In	1996* (Percent Share)
1990 or later	6,275 (3.0%)
1980-1989	12,531 (6.1%)
1970-1979	23,474 (11.4%)
1960-1969	23,232 (11.3%)
1950-1959	32,078 (15.6%)
1940-1949	28,570 (13.8%)
1939 or earlier	79,925 (38.8%)

*1996 data are from the American Community Survey which carries the following disclaimer: "Data are based on a sample and are subject to sampling variability."

Table 15
Average House Size Portland Tri-County Area

Year Constructed	Square Footage	Percent Change
1945	1,378	
1950	1,492	8.3%
1955	1,487	-0.3%
1960	1,614	8.5%
1965	1,747	8.2%
1970	1,891	8.2%
1975	1,841	-2.6%
1980	1,780	-3.3%
1985	1,937	8.8%
1990	2,237	15.5%
1995	2,263	1.2%
1945 - 1995		64.2%

Source: *Affordable Housing Cost Study*, Housing Development Center, September, 1997 (Data from Metro Data Resource Center)

Table 16
Acreage in City by General Comprehensive Plan Designation

General Plan Designation	Approximate Acreage (Percent)
Institutional Campus	216 (0.2%)
Farm and Forest	2,649 (2.9%)
Single Dwelling (Attached or detached allowed on lots ranging from 2 acres to 2000 sq. ft.)	34,941 (38.6%)
Multi-Dwelling (Ranging from 14.5 to 125 units per acre)	8,963 (9.9%)
Commercial	6,073 (6.7%)
Industrial and Employment	21,908 (24.2%)
Open Space	15,826 (17.5%)

Source: Planning Bureau GIS

*Most of these categories allow mixed-use development with the exception of the Farm and Forest and Industrial Sanctuary Designations.

The City is in the process of calculating the capacity for new residential units under existing Comprehensive Plan Map designations in order to comply with Metro's recently adopted Functional Plan. In the draft *Urban Growth Management Functional Plan Compliance Evaluation* (August 1998), the City estimates that it could accommodate approximately 68,200 new units through new construction, redevelopment, and accessory units on vacant and buildable land.

Table 17
Building Permit Activity in Portland
(Residential New Construction)

Year	Single Family	Multi-Family	Total
1990	729	594	1,323
1991	673	299	972
1992	820	333	1,153
1993	829	355	1,184
1994	979	219	1,198
1995*	1,242	894	2,136
1996*	1,206	1,601	2,807
1997*	1,238	2,035	3,273

Source: *Real Estate Report for Metropolitan Portland, Oregon*

*From Portland Bureau of Buildings

Table 18
Condominium Conversion and Construction in Multnomah County*

Year	Converted Units	New Units	Total
1971-1978**	380	1,051	1,431
1979	552	559	1,111
1980	381	523	904
1981	288	271	559
1982	54	169	223
1983	16	144	160
1984	0	75	75
1985	26	450	476
1986	0	58	58
1987	0	94	94
1988	0	7	7
1989	0	6	6
1990	159	90	249
1991	11	9	20
1992	8	26	34
1993	75	145	220
1994	153	177	330
1995	210	14	224
1996	113	148	261

*As registered with the State Real Estate Agency (not necessarily completed or sold)

**Within City of Portland

Note: According to the 1996 American Community Survey, approximately 3,815 or 3.5 percent of occupied housing units in Portland are condominiums.

Table 19
**Median Price of New Single
 Family Homes In the Portland Metro Area**

Year	Price
1970	\$23,000
1975	\$44,000
1980	\$62,900
1985	\$61,500
1990	\$79,700
1995	\$128,000
1997	\$150,000*

Source: *Real Estate Report*, except where noted

*Source: *Market Action*, Realtors Multiple Listing Service

Table 20
**RMLS Sales Trends
 Detached Housing And Townhouse/Condominium Sales
 Portland Metropolitan Area Residential Subregions
 (2nd Quarter 1996 And 2nd Quarter 1997)**

Residential Detached-Housing Sales

Subregion/ Submarket	Average Sales Price 2Q-96	Average Sales Price 2Q-97	Percentage Change
Close-in Eastside	\$119,970	\$134,259	11.9%
North Portland	\$94,287	\$104,623	11.0%
Northeast Portland	\$129,399	\$145,445	12.4%
Southeast Portland	\$119,790	\$135,042	12.7%
West Portland (All Single Family)	\$213,900	\$244,100	14.1%

Residential Attached-Housing Sales

Subregion/ Submarket	Average Sales Price 2Q-96	Average Sales Price 2Q-97	Percentage Change
Close-in Eastside	\$108,291	\$116,798	7.9%
North Portland	\$87,888	\$90,800	3.3%
Northeast Portland	\$121,448	\$125,500	3.3%
Southeast Portland	\$102,761	\$118,200	15.0%

Source: Adapted from RMLS and Hobson Johnson & Associates

Table 21
Metro Area House Prices: 1991-1996 (1989 Dollars)

	Peak Since 1975	
	Year	Level
Total U.S.	1989	92,509
Portland	1996	107,342
Denver	1983	109,492
Phoenix	1979	100,974
Seattle	1990	124,759
Houston	1979	109,456
West Region	1990	132,444
San Francisco	1990	246,008
San Diego	1990	173,809
Sacramento	1991	131,458
Los Angeles	1990	187,850

	1991	1992	1993	1994	1995	1996	% Change
Total U.S.	88,623	88,395	87,785	88,166	89,004	90,376	2.0
Portland	79,704	83,746	87,669	94,504	100,982	107,342	34.7
Denver	81,463	84,173	88,407	96,790	101,363	104,327	28.1
Phoenix	77,405	77,405	76,896	78,422	81,559	84,187	8.8
Seattle	123,276	123,041	121,792	122,410	122,417	123,119	-0.1
Houston	66,760	67,265	66,760	65,307	63,791	63,665	-4.6
West Region	129,573	127,180	123,640	121,534	121,534	122,013	-5.8
San Francisco	231,501	223,102	212,107	202,334	197,753	193,935	-16.2
San Diego	166,495	160,210	150,611	141,584	137,127	133,128	-20.0
Sacramento	131,458	124,817	117,001	108,595	103,804	99,938	-24.0
Los Angeles	177,951	170,265	156,289	140,101	132,182	127,407	-28.4

Source: House Prices are the 1990 median sales price of existing single-family homes determined by the National Association of Realtors, indexed by the Conventional Mortgage Home Price Index and the Weighted Repeat Sales Index by Freddie Mac, and deflated by the Bureau of Labor Statistics Consumer Price Index (CPI-UX) for All Items.

Table 22

**House Sales Price Distribution of New Single Family Construction:
1995-1996 Portland Metro Area**

House Sales Price	Frequency	% Share
\$74,999	2	0.1%
\$89,999	31	0.8%
\$109,999	105	2.7%
\$124,999	273	6.9%
\$149,999	958	24.3%
\$174,999	811	20.6%
\$199,999	626	15.9%
\$224,999	397	10.1%
\$249,999	240	6.1%
\$274,999	147	3.7%
\$299,999	127	3.2%
\$349,999	95	2.4%
\$350,000 or more	130	3.3%

Median Sales Price \$168,556*

Source: Metro Housing Needs Analysis

*The median sales price of \$168,556 is for *newly* constructed single-family houses only and not existing houses. The median sales price of existing houses and new houses is \$144,000.

SECTION III: INDICATORS OF HOUSING AFFORDABILITY

Table 23

What Is Affordable To Whom?

One Person Household			Four Person Households		
Annual Income	Hourly Wage	What Is Affordable?	Annual Income	Hourly Wage	What Is Affordable?
30 Percent of Median Income					
\$10,410/Year	\$6.26/Hour	\$260/Month	\$14,880/Year	\$7.15/Hour	\$372/Month
Childcare worker with two years experience who works 32 hours per week.			Head preschool teacher with five years experience with three children who need child care.		
50 Percent of Median Income					
\$17,350/Year	\$8.34/Hour	\$434/Month	\$24,800/Year	\$11.92/Hour	\$620/Month
Landscape maintenance worker with three years experience.			Entry level human resource administrative assistant for software high tech company with three children.		
80 Percent of Median Income					
\$27,760/Year	\$13.35/Hour	\$694/Month	\$39,680/Year	\$13.17/Hour and \$16.00/Hour	\$992/Month
Full-time accounting assistant for local college			Two wage earners: Full-time accountant in pulp and fiber company and half-time English As Second Language instructor at local community school with two children.		
100 Percent of Median Income					
\$34,700/Year	\$16.68/Hour	\$868/Month	\$49,600/Year	\$13.00/Hour and \$10.85/Hour	\$1,240/Month
Full-time second year computer software engineer at high tech software company			Two wage earners: Full-time machinist for a walk-in refrigerator manufacturing company and full-time manager of a dry cleaner business with two children.		

Source: Terry Duffy, ROSE CDC Notes:

1. Affordability defined as a maximum expenditure of 30% gross income for housing costs (including utilities).
2. Fair market rent in the Portland Metropolitan area for a one bedroom apartment is \$504; for a two bedroom apartment is \$621; for a three bedroom apartment is \$864; and a four bedroom apartment is \$938 as of October 1997.
3. The median area family income as annually determined by HUD for a family of four persons is \$49,600 as of January 1998.

Table 24
Relative Housing Affordability Key West Coast Markets
First Quarter 1997

Metropolitan Area	Median Household Income	Median Home Price	Affordable Share of Housing for Median Income	Home Price Escalation 96-97
San Jose	\$70,200	\$260,000	39.4%	9.7%
San Francisco	\$64,400	\$288,000	23.0%	4.7%
Orange County	\$63,200	\$194,000	56.4%	3.2%
Oakland/East Bay	\$60,100	\$199,000	49.7%	2.1%
Seattle	\$55,100	\$159,000	60.6%	3.9%
San Diego	\$48,600	\$165,000	46.9%	1.2%
Sacramento	\$48,400	\$134,000	65.3%	-0.7%
Los Angeles	\$47,800	\$158,000	50.2%	0.0%
Salt Lake City	\$47,700	\$147,000	49.1%	7.3%
Portland	\$46,300	\$147,000	30.8%	10.5%
Las Vegas	\$46,100	\$121,000	72.1%	2.5%
Riverside	\$44,800	\$110,000	73.2%	-1.8%
United States Average	\$43,500	\$120,000	66.5%	2.6%

1/ The Affordability Share is the percentage of homes sold that were affordable to households earning the median income at the prevailing mortgage interest rate.

Source: National Association of Home Builders and Hobson Johnson & Associates

Table 25
Relative Rates Of Change: Wages, Housing Prices, And Rents
1984-1994

Year	Wages ¹		Home Prices ²		Rents ²	
	Average Weekly State Wage	Annual Rate of Change	Average Annual Home Sales Price	Annual Rate of Change	Average Annual Rent	Annual Rate of Change
1984	\$334.60		\$71,300		\$311	
1985	343.28	2.6%	70,600	-1.0%	331	6.4%
1986	352.19	2.6%	72,300	2.4%	349	5.4%
1987	363.22	3.1%	73,300	1.4%	395	13.2%
1988	377.62	4.0%	76,200	4.0%	425	7.6%
1989	390.20	3.3%	85,000	11.6%	456	7.3%
1990	410.02	5.0%	96,000	12.9%	489	7.2%
1991	429.86	4.8%	111,300*	15.9%	520	6.3%
1992	452.25	5.2%	116,300	4.5%	523	0.6%
1993	463.32	2.4%	123,400	6.1%	539	3.0%
1994	477.00	2.9%	134,200	8.8%	563	4.4%
1995			145,700	10.6%	591	4.7%
1996			158,900	9.1%	617	4.4%
	Rate of Change from 1984 to 1994 42.5%		Rate of Change from 1984 to 1994 88.2%		Rate of Change from 1984 to 1994 81.0%	

*8 months of data (conversion to RMLS)

Source: Oregon Employment Division, Real Estate Report, McGregor Millette and Associates, Inc.

¹ The average annual nominal wage rate for all industries in Oregon (including supervisory wages, tips, bonuses, profit-sharing, commissions, and other lump sum payments). The Metro area average wage is typically higher than the overall state average. However, for this time period, the difference is assumed to be constant so that the rate of change represents the metro rate of change.

² Average annual sales price and market rent for housing in Multnomah, Clackamas, and Washington Counties.

Table 26
Rental Units Affordable to Low-Income Households
Low-Income Renters in Portland

Income Category	Number of Units Affordable to Income Category	Number of Households in Income Category	Difference
0- 30% MFI	10,418	19,580	-9,162*
0 - 50% MFI	46,495	35,208	11,287
0 - 80% MFI	86,499	55,362	31,137

Source: 1993 CHAS Community Profile/Needs Assessment (1990 Census)

*Indicates "affordability gap" for this population.

Table 27
Owner Units Affordable to Low-Income Households
Low-Income Owners in Portland

Income Category	Number of Units Affordable to Income Category	Number of Households in Income Category	Difference
0- 30% MFI	4,296	7,293	-2,997*
0 - 50% MFI	28,576	16,090	12,486
0 - 80% MFI	67,439	33,277	34,162

Source: 1993 CHAS Community Profile/Needs Assessment (1990 Census)

*Indicates "affordability gap" for this population.

Table 28
Cost Burden for Low-Income Renter and Owner Households

	Renters	Owners
Number at 0 to 30% Median Family Income	19,580	7,293
% Cost Burden > 30%	77%	80%
% Cost Burden > 50%	60%	49%
Number at 31 to 50% Median Family Income	15,628	8,797
% Cost Burden > 30%	76%	45%
% Cost Burden > 50%	19%	14%
Number at 51 to 80% Median Family Income	20,154	17,187
% Cost Burden > 30%	29%	29%
% Cost Burden > 50%	2%	4%

Source: 1993 CHAS based on 1990 Census

Table 29
Estimates of Subsidized Dwelling Units by Region

Region/Year	Subsidized Rentals	% of Rental Stock	Subsidized Mortgages	% of Owner Stock	% Total Stock Subsidized
Portland (1990)	22,000*	9.89%	49,200	13.9%	12.3%
Kansas City (1990)	25,400	12.6%	18,400	4.6%	7.2%
Seattle/Tacoma (1991)	33,900	8.9%	24,400	3.7%	5.7%
Phoenix (1989)	23,500	8.4%	15,400	3.0%	4.9%
San Francisco/Oakland (1993)	70,300	10.7%	19,500	2.5%	6.2%
Houston (1991)	61,500	11.3%	35,600	4.9%	7.7%
Atlanta (1991)	46,100	11.9%	27,600	4.0%	6.8%
L.A. / Long Beach (1989)	160,100	11.0%	72,700	5.0%	7.8%
San Jose (1993)	17,400	8.0%	10,100	3.2%	5.1%
San Diego (1991)	33,100	8.3%	21,100	4.4%	6.2%
Salt Lake City (1992)	13,100	11.0%	18,500	7.4%	8.6%

*Of these, approximately 2400 units are subsidized by Federal programs whose affordability requirements may soon expire.

Source: *Metro Housing Needs Analysis, Final Draft*, December 18, 1997, U.S. Bureau of Census & HUD. *American Housing Survey*. (various regions & years)

Metro's Housing Needs Analysis notes that "additional data by the [American Housing] Survey notes that Portland subsidizes the largest share of total housing stock when compared to other cities in the west and selected cities elsewhere in the United States. In Portland, 13.9% of owner mortgages are subsidized and 9.8% of rental stock are subsidized. The high percentage of subsidized mortgages is due in part to the Veteran Home Loan programs--not a means-tested subsidy."

For the above and the following tables, the definition of "subsidized" or "assisted" housing is rental housing that has restrictions imposed due to publicly funded housing assistance from local, state, or federal programs.

Table 30
Publicly Assisted Affordable Rental Housing by Jurisdiction
Portland Metropolitan Area, January 1, 1998

Jurisdiction	Number of Units	Percent of Total
Clackamas County	1,932	9.1%
Clackamas	294	1.4%
Gladstone	11	0.1%
Lake Oswego	60	0.3%
Milwaukie	384	1.8%
Oregon City	599	2.8%
Wilsonville	336	1.6%
Unincorporated Clackamas County	248	1.2%
Washington County	4,450	20.8%
Beaverton	624	2.9%
Cornelius	35	0.2%
Durham	210	1.0%
Forest Grove	308	1.4%
Hillsboro	598	2.8%
Sherwood	134	0.6%
Tigard	873	4.1%
Tualatin	100	0.5%
Unincorporated Washington County	1,568	7.3%
Multnomah County	14,962	70.1%
Fairview	525	2.5%
Gresham	1,194	5.6%
Troutdale	205	1.0%
Portland	12,951	60.7%
Unincorporated Multnomah County	87	0.4%
Three County Total	21,344	100.0%

Source: Marge Ille, Housing Authority of Portland

In addition to the above tables, the following findings are noted from *Poverty in Multnomah County: A Descriptive Report*, July 8, 1996, (Department of Community and Family Services):

- County-wide, the highest number of people in poverty are living in the Outer East, followed by Southeast, Northeast, and North.
- People in female-headed families are over-represented among the poor and homeless populations of the county.
- African-Americans, Hispanics, and Native Americans are over-represented among the poor and homeless in the county.
- Fourteen percent of all children in the county are poor, and children constitute at least 29% of those who are homeless in the county.
- Real wages (adjusted for inflation) have stagnated, and neither minimum wage jobs alone nor income assistance benefits pull people out of poverty.
- Unemployment is higher for people of color than for the county as a whole, as are dropout rates.
- Low-income people are faced not only with rents that have outpaced inflation, but with low vacancy rates as well.
- About half of those who request emergency food assistance in the county are members of families, 40% are people with disabilities, and one-third are working poor.

Glossary of Housing Terms:

(For updates to definitions specific to zoning and land use refer to Title 33, Planning and Zoning Code)

This glossary provides definitions for specialized terms used to discuss housing policy and programs.

Assisted Rental Housing: Rental housing is defined as “assisted” if it has received some type of subsidy from a public source, i.e. the federal, state, local government. Subsidies include grants, tax credits, lower rates of interest, bonds, tax abatement, etc. This inventory includes only housing in which subsidies are tied to the project. It does not include housing in which the tenant may receive a subsidy, such as Section 8 rental assistance.

Affordability: Affordability describes a relationship between household income, housing costs, and an established standard of affordability. The standard of affordability used by HUD and most government housing programs is that housing costs including utilities do not exceed 30% of household income. The term “Affordable housing” is used primarily to refer to rental housing targeted for households with incomes below 80 percent of median income.

Below-Market Rate

Assisted Housing: Housing where subsidies are provided in order to achieve below-market rents in order to make housing affordable to a targeted income group (usually below 80% MFI). Subsidies can be directed at reducing development costs or operating costs, or both.

CDBG (Community Development Block Grant): The CDBG program was created in 1974 by combining a number of categorical federal grants used by urban counties and cities to revitalize neighborhoods and assist low- and moderate-income residents. CDBG funds can be used for a wide variety of purposes including housing rehabilitation, home ownership assistance, economic development, social services and physical improvements such as streets, sewers and parks. *The funds must benefit low- and moderate-income persons (below 80 percent MFI) or geographic areas (as identified by census data or neighborhood surveys), or eliminate slums and blight or meet an urgent need.*

Community Development Corporation (CDC): A community development corporation is a non-profit organization that develops, owns, and manages housing in a geographically defined area. CDCs often emerge from community

and neighborhood-based activism to improve housing and neighborhood conditions for low-income households and neighborhoods.

Community Land Trust (CLT): A CLT is a private non-profit organization created to acquire and hold land for the benefit of a community and provide secure affordable access to land and housing for community residents. A CLT acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases, and transfers ownership of any structural improvements located on such leased parcels to the lessees, and retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low and moderate income families in perpetuity.

Comprehensive Housing Affordability Strategy (CHAS): A joint strategy of the city of Portland and Multnomah County for providing a variety of different housing choices for a range of income levels, especially low income.

Comprehensive Plan: The current adopted Comprehensive Plan of the city of Portland. A comprehensive plan is a generalized, coordinated land use map and policy statement of the governing body of a local government that interrelates all functional and natural systems and activities relating to the use of lands, including but not limited to sewer and water systems, transportation systems, educational facilities, recreational facilities, and natural resources and air and water quality management programs. The term “comprehensive” means all-inclusive, both in terms of the geographic area covered and functional and natural activities and systems occurring in the area covered by the plan. The term “general nature” means a summary of policies and proposals in broad categories and does not necessarily indicate specific locations of any area, activity or use. A plan is “coordinated” when the needs of all levels of governments, semi-public and private agencies and the citizens of Oregon have been considered and accommodated as much as possible. The term “land” includes water, both surface and subsurface, and the air. *Source: Oregon Revised Statutes (ORS) 197.015 (5);*

The Comprehensive Plan of the city of Portland, was adopted in 1980 and is continuously updated. It includes District Plans and Neighborhood Plans. The city's Zoning Code is a major implementation tool of the Comprehensive Plan, but it is not a part of the plan.

- District (Community) Plans - Multi-neighborhood plans that encompass a large area and address land use and related issues in a single planning and implementation study.
- Neighborhood Plans - Individual neighborhood plans that seek to preserve and reinforce stability and diversity and improve the city's residential quality and economic vitality.

- Area Plans (e.g. Sub-area Studies) - May be undertaken in industrial/commercial areas in response to development activity.

Comprehensive Plan Land Use Designation Map: The Comprehensive Plan Map designates the zoning for the entire city of Portland. These designations set forth zoning that complies with the needs for future development in Portland. Zoning and Comprehensive Plan Map designations are the same on most properties. When there is a difference, the Comprehensive Plan Map designation is of a greater intensity or higher density. In these situations an applicant may seek a zone change in compliance with the Comprehensive Plan Map. The request is approved if services to the site are adequate to support the more intensive use.

Condominium: Arrangement under which tenants in a multi-dwelling structure or multiunit dwellings hold full title to their own units and joint ownership in the common grounds.

Consolidated Plan: The Consolidated Plan replaced the CHAS as the planning document required by the U.S. Department of Housing and Urban Development for all cities and counties entitled to receive CDBG, HOME, ESG, and HOPWA block grants. The Consolidated Plan is a 5-year plan with annual updates and performance reports.

Cooperative: Ownership form in which a single property is divided into several portions, with each user owning stock in a corporation that owns the property.

Cost burden is the relationship between the household's gross housing costs (rent and utilities) and its gross income. When housing costs exceed 30 percent of the household's income, the cost burden is **substantial**. When the housing costs exceed 50 percent of the household's income, the cost burden is **severe**.

Density: The average number of persons, households, or dwellings per acre of land.

Design Guidelines: A set of design criteria for development that apply within a Design "d" overlay zone. The guidelines are adopted public statements of intent and are used to evaluate the design acceptability of a project. There are design guideline documents developed to address the special design characteristics of different areas of the city. Examples: Central City Design Fundamentals and Albina Community Plan Design Guidelines.

Displacement: Household is forced to move from its residence by conditions which affect the dwelling or its immediate surroundings and which: 1) are beyond the household's reasonable ability to control or prevent; occur despite the household's having met all previously-imposed conditions of occupancy; and 3) make continued occupancy by that household impossible, hazardous or unaffordable; 4) occurs as a result of neighborhood investment or upgrading, through higher rents, conversion to condos, eviction for renovation in creases in property taxes; 5) results in a neighborhood with tenants or owner-occupants of higher socioeconomic status, as measured by income, educational attainment, or occupation than before.

Distressed Area: A residential area of the city that the Planning Commission designates for special assistance programs (e.g. limited property tax exemption) by virtue of the deterioration or the housing stock.

Downzoning: A change from the current zoning classification of land to reduce the intensity or density of development permitted. The opposite is upzoning.

Equity: The "after-value," or if not documented, the "as is" value of the property less all indebtedness secured by the property.

Fair Housing Laws: This includes the Fair Housing Act (Title 8, Civil Rights Act of 1964); Fair Housing Amendments Act of 1988 (added disability and familial status), and Americans with Disability Act, and state and local laws that provide for fair housing.

Fair Market Rent (FMR). Annually HUD establishes FMRs for various bedroom sizes for states and metropolitan areas. FMRs are set at the fortieth percentile of rents on units occupied by recent movers. The FMR is based on gross rent (rent plus utilities).

Gentrification: A term that represents the "filtering up" of housing from lower-income to higher income households. Nationally the term has been associated with the rehabilitation of older, inner city neighborhoods.

Geographical Information System (GIS): An information system that is designed to work with data referenced by specific location or geographic coordinates. It is a database system with specific capabilities for spatially referenced data. GIS provides specific information to planners in map form.

Gross rent: Household's total housing costs including rent and utilities.

Handicapped: The Fair Housing Act Amendment of 1988 defines “with respect to a person, a physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such impairment. The act further defines terms used in this definition.

Historic District: An area containing a number of lots, blocks and buildings that has special historical, architectural or cultural significance as part of the heritage of the city. In Portland, these districts are identified by the Historical Landmarks Commission.

HOME: The HOME program was created in 1990 as part of the Cranston-Gonzales Affordable Housing Act to expand the supply of housing affordable to low-income households. It is a much smaller program than CDBG and can only be used for eligible activities that include new construction, rehabilitation, home ownership assistance, assistance to community housing development organizations. Funds must benefit households at or below 80 percent MFI and *rental housing assistance must primarily benefit households at or below 60 percent MFI.*

Household: One or more persons related by blood, marriage, legal adoption or guardianship, plus not more than 5 additional persons, who live together in one dwelling unit; or one or more handicapped persons as defined in the Fair Housing Amendments Act of 1988, plus not more than 5 additional persons, who live together in one dwelling unit. (Title 33 Planning and Zoning Code) The federal definition of household for the CDBG program is “all persons who occupy a housing unit. The occupants may be a single-family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.

Housing and Community Development Commission (HCDC): A 15 person citizen commission appointed by the Cities of Portland and Gresham, and Multnomah County, to serve in an advisory capacity to elected officials on housing and community development issues. The HCDC monitors the development and performance of the Consolidated Plan for federal entitlement funds (CDBG, HOME, etc.)

Housing Authority of Portland (HAP): the City of Portland established The Housing Authority in 1941. HAP owns and manages the Low Rent Public Housing Program, Section 8 Voucher and Certificate Programs, and an Affordable Housing Development Program. A 9-person board of citizens appointed by Portland City Council governs it. The Housing Authority of Portland serves all of Multnomah County.

Housing Capacity (Theoretical): The theoretical housing capacity of an area reflects the number of housing units which could be built given some economic and non-site specific constraints. These constraints include:

- A market factor: the need for choices in the land market, and
- An underbuild factor: an allowance for fewer units being developed on each site than is allowed by code.

This number does not predict the number of housing units that can or will be built. It is for comparison between different development patterns only. It does not take into account site-specific constraints, such as lot configuration, existing improvement values and environmental constraints.

Housing Investment Fund (HIF): The first time the City of Portland allocated general funds for housing was in 1995 (\$6 million). In 1996 Portland allocated \$24.6 million to create the Housing Investment Fund (HIF). Council added an additional \$3.4 million in 1997. The HIF is used in conjunction with the city's HOME and CDBG housing resources, as well as the LIHTC, state funds, and bonds.

Housing Opportunities for Persons with AIDS (HOPWA): The HOPWA program is an entitlement administered by the City of Portland for a 6-county area. The target population is persons with HIV/AIDS whose incomes are at or below 50 percent MFI. HOPWA can fund supportive services, but locally funds are used primarily for housing development and rental assistance.

Housing Tenure: Describes how people secure their housing, through rental, or ownership.

Housing Unit

Affordability: Compares housing cost to local area HUD Area Median Family Income (HAMFI). For rental units, gross rent is compared to 30 percent of area median income categories to determine affordability. Owner units are affordable if the unit's value is less than 2.5 times the household income threshold for the area. (e.g. affordable to low income owner would be 2.5 times 80% HAMFI).

HUD: The Department of Housing and Urban Development is the federal entity that administers a variety of federal housing and community development programs.

Impact Area: A census tract block group in which 50% of the households are categorized as very low income (below 50% MFI) or 20% or more of the housing units are categorized as public and assisted. The City's Subsidized Housing and Shelter Location Policy is applied to "impact areas."

Income Categories: Most federal, state, and local government housing programs target resources to different income levels. The definitions are not always consistent, even within the own federal agency. These definitions are intended to be standard definitions for use in City Housing Programs.

- **Extremely Low-Income:** Household income from **0** to **30% HUD** Area Median Family Income (HAMFI).
- **Very Low-Income:** Household income from **31** to **50% of HAMFI**.
- **Low-Income:** Household income from **51** to **60% of HAMFI**.
- **Moderate-Income:** Household income between **61** and **80% of HAMFI**
- **Middle-Income:** Household income is between **81** to **150% HAMFI**.
- **Upper (or High)-Income:** Household income is over **150% of area median**

Inclusionary Zoning: Mandatory requirement for developers to provide something to serve the community, usually a requirement that a certain portion of the housing units must be affordable to low or moderate income households. Incentive-based inclusionary zoning is not mandatory and provides a density bonus, or some other financial incentive in return for a designated public benefit.

Incentive: Any benefit (economic, regulatory, policy, etc.) that influences or encourages a desired action or behavior.

Industrial Sanctuary: The industrial sanctuary designation is intended for areas where city policy is to reserve land for existing and future industrial development. A full range of industrial uses are permitted and encouraged. Non-industrial uses are limited to prevent land use conflicts and to preserve land for industry. The corresponding zones are General Industrial 1 (IG1), General Industrial 2 (IG2), and Heavy Industrial (IH).

Infill: Infill development is the construction on scattered vacant lots in developed neighborhoods as opposed to building on large parcels of vacant land in relatively undeveloped areas.

Infrastructure: The utilities and basic services, such as roads and sewers, essential for the development, operation and growth of a city.

Intensity: The type or level of such things as traffic, pedestrian activity, number and height of structures or noise generated by a land use. The more activity, the greater the intensity of use.

Land Use: The way in which land is used. Land use is generally described in terms of such things as the size of the lot, the size and location of the structure

on the lot and the activities that take place within the structure. Activities not directly associated with land, such as housing construction, population growth, traffic flow and job development are influenced by the way land is used.

Land Use Inventory: A record that describes how a site is used. Land use is generally described in terms of such things as the size of the lot, the size and location of the structure on the lot, and the activities that take place within the structure.

Legislative Action: Establishment of laws, regulations, or procedures that have a broad applicability. City Council adopts legislation for the City of Portland. State and federal legislation is adopted through state and federal bodies.

Light Rail Line: A public rail transit line that usually operates at grade level and that provides high capacity, regional level transit service.

Market Housing: Housing produced by the private sector with no direct or indirect public subsidies and no restrictions on price or rent. (Homeowner may still have indirect subsidy if he/she claims mortgage interest or property tax deductions).

Market Rate Assisted Housing: Housing that requires development or operating subsidies in order to achieve a rent or price at the prevailing market price. May not have rent or resale restriction if project meets other public objectives.

Market Rent: Rent that could be obtained by renting a property on the open market (no restrictions or limitations other than what individuals are willing to pay.)

Median Family Income (MFI). Each year HUD establishes the median family income for states and metropolitan areas. As of January 1, 1998, the median income for a family of four in the Portland metropolitan area was \$49,600. The MFI is adjusted for household size. Publicly funded rental housing programs usually are targeted to a specific income level.

Metropolitan Service District (METRO): A directly-elected regional government, the first of its kind in the nation, responsible for metropolitan aspects of land use planning and other regional services.

Mixed-Income housing: Housing targeted to serve different income groups. There is not one generally accepted formula for mixed income housing. Examples of some program requirements in the Portland area:

- at least 20 percent of the units must be affordable to households below 60% MFI
- at least 50 percent of the units must be affordable to households below 50% MFI.

The rents for the balance of the units not designated for a particular income level are allowed to fluctuate according to the market.

Mixed-Use: The combination on a site of residential uses with commercial or industrial uses.

Nonconforming Residential Density:

A residential use that is an allowed use in the zone and that was constructed at a lawful density, but which subsequently, due to a change in the zone or zoning regulations, now has greater density than is allowed in the zone.

Non-Profit: A private organization that is legally established as tax exempt under federal and/or state law because they serve a public purpose.

Overlay Zones: Overlay zones are a special “supplementary” restriction on the use of land beyond the requirements in the underlying zone. A parcel of land may have more than one overlay zone.

Pedestrian-Oriented Development: Development that is designed with an emphasis primarily on the street sidewalk and on pedestrian access to the site and building, rather than on auto access and parking areas. The building is generally placed close to the street and the main entrance is oriented to the street sidewalk. There are generally windows or display cases along building facades that face the street. Typically, buildings cover a large portion of the site. Although parking areas may be provided, they are generally limited in size and they are not emphasized by the design of the site.

Portland City Council: The City Council is composed of the Mayor and four Commissioners. This body is responsible for adopting Portland's Comprehensive Plan after a series of public hearings.

Portland City Planning Commission (PDC): The Planning Commission is composed of nine citizen members appointed by the Mayor and approved by City Council. The Commission's role is advisory to the City Council.

Primary Metropolitan Statistical Area (PMSA):

A United States Census Bureau term describing a geographic area consisting of one or more cities of 50,000 population or more and the contiguous counties which are economically and socially integrated with the county containing the central city. Portland is the central city for the PMSA consisting of Multnomah, Washington, Yamhill, Columbia and Clackamas counties in Oregon and Clark County in Washington.

Protected Class: An individual's membership in a protected class cannot serve as the basis for denying that person's effort to rent, purchase, or otherwise obtain or continue to reside in housing. Federal protected classes include race, religion, gender, national origin, familial status, disability, and color. State protected classes include all of the above with the addition of marital status. Within the City of Portland the following are also protected classes: age over 18, source of income, and sexual orientation.

Public and assisted housing usually is defined as rental housing subsidized through various federal, state, or local programs *for households with incomes less than 80 percent MFI*. Programs may target specific income levels, e.g. less than 50 percent MFI. The subsidy may be for acquisition, development, rehabilitation or other assistance that makes the housing affordable. Local jurisdictions also may indirectly subsidize projects by granting fee waivers and tax abatements. Programs restrict tenant income, rent levels, typically require periods of affordability, and may impose resale conditions.

Public and assisted rental housing subsidies are *project-based*. Housing units are not considered assisted rental housing which are:

- *Occupied by tenants who receive tenant-based rental assistance* (such as through the Section 8 program, e.g. certificate or vouchers);
- *Adult foster care, group homes, nursing homes, treatment facilities, etc., which receive operating funds from a public source*. However, if the facility received public assistance as defined above, i.e. for acquisition, development, rehabilitation or other assistance which makes the housing affordable for households below 80 percent MFI, it is considered assisted housing.
- *Rental housing for income groups above 80 percent of median* that receives a direct or indirect public subsidy.

Quasi-Judicial Action: The application of discretionary standards to a specific property in a land use review.

Region 2040 Growth Concept: A concept that establishes a general policy direction for managing growth in the metropolitan region through the year 2040. It states the preferred form of the regional growth and development, including where and how much the urban growth boundary (UGB) should be

expanded, what densities should characterize different areas, how to protect open spaces and natural resources, and how to maintain air and water quality. The growth concept was adopted by the METRO Council in December 1994 and will serve as a guide for developing the 2040 Framework Plan.

Region 2040 Framework Plan: This plan is mandated by the voter-approved 1992 METRO Charter. Its focus is to develop strategies for implementing the Region 2040 Growth Concept. METRO Council adopted the Framework Plan in December 1997.

Region 2040 Growth Concept Design Types: A common set of regional “design types” used to describe the Region 2040 Growth Concept and illustrate it in the form of a map.

- **Centers:** Concentrations of employment and housing that provide access to a variety of goods and services, creating an intense business and social climate. The growth concept recognizes three types of centers, distinguished by size and accessibility.
- **Central City:** The downtown and adjacent portions of Portland that serve as a major business, employment, social, and cultural hub for the metropolitan region. It is the center for the local, regional, state, and federal governments, financial institutions, commerce, the center of arts and culture, and visitors to the region.
- **Regional Centers:** Nine regional centers will become the focus of compact development and redevelopment with high quality transit service and multimodal street networks. (Gateway is the only regional center in Portland).
- **Town Centers:** Serving tens of thousands of people, these are areas of mixed residential and commercial use with transit service. They provide local shopping and employment opportunities within a local market area and will be designed to provide local retail and services..
- **Station Communities:** Nodes of housing and employment development centered around a light rail or high capacity transit station that feature a high quality pedestrian environment. They provide for the highest density other than that found in the regional centers. The station community encompasses an area approximately one half mile from a station stop.
- **Main Streets:** Neighborhood shopping areas along a main street or at an intersection, sometimes having a unique character that draws people from outside the area.
- **Corridors:** Key transportation routes for people as well as goods. Corridors are not as dense as main streets and are located along good transit lines. Corridors may be laid out in a linear or circular pattern. Each provides an opportunity for densities that are somewhat higher than today and features a high quality pedestrian environment and convenient access to transit.

Neighborhoods: Residential neighborhoods are a key component of the *Region 2040 Growth Concept* and fall into two basic categories.

- Inner Neighborhoods: Areas in Portland and other older suburbs that are primarily residential, close to employment and shopping areas, and have small lot sizes of about 5,720 square feet and higher population densities than outer neighborhoods.
- Outer Neighborhoods: Areas in the outlying suburbs such as Forest Grove, and Sherwood, that are primarily residential, farther from employment and shopping areas, and have larger lot sizes of about 7,560 square feet and lower population densities than inner neighborhoods.

Employment Areas: Areas set aside for industrial activities and other supporting uses as well as mixed use employment and residential areas with convenient transportation access.

Region 2040 Urban Growth Management Functional Plan: The Urban Growth Management Functional Plan establishes specific actions local governments must take to adhere to regional growth management policies. The functional plan is the first regional planning tool that has behind it the force of law. The METRO Council adopted the Urban Growth Management Functional Plan by Ordinance 96-647C on November 21, 1996. Local governments will have until February of 1999 to implement the requirements of the functional plan.

Regional Transportation Plan (RTP): The Portland metropolitan area 20-year transportation framework plan, developed by regional consensus and managed by METRO.

Residential Home: A residence for five or fewer physically or mentally disabled persons, and for staff persons. The residence may provide residential care alone, or in conjunction with training or treatment. This definition includes the State definition of Residential Home.

Residential Structure Types

- **Accessory Dwelling Unit.** A second dwelling unit created on lot with a house, attached house, or manufactured home. The second unit is created auxiliary to, and is always smaller than the house, attached house, or manufactured home.
- **Attached Duplex.** A duplex, **located on its own lot**, that shares one or more common or abutting walls with one other duplex (for a total of 4 dwelling units). The common or abutting wall must be shared for at least 50 percent of the length of the side of the dwelling.

- **Attached House.** A dwelling unit, **located on its own lot**, that shares one or more common or abutting walls with one or more dwelling units. The common or abutting wall must be shared for at least 50 percent of the length of the side of the dwelling. An attached house does not share common floor/ceilings with other dwelling units. An attached house is also called a rowhouse or a common-wall house.
- **Duplex.** A structure that contains two primary dwelling units on one lot. The units may share common walls or common floor/ceilings.
- **Dwelling Unit.** A building, or a portion of a building, that has independent living facilities including provisions for sleeping, cooking, and sanitation, and that is designed for residential occupancy by a group of people. Buildings with more than one set of cooking facilities are considered to contain multiple dwelling units unless the additional cooking facilities are clearly accessory, such as an outdoor grill.
- **Group Living Structure.** A structure that contains sleeping areas and at least one set of cooking and sanitary facilities that is used as a residence for Group Living uses.
- **House.** A detached dwelling unit located on its own lot.
- **Houseboat Moorage.** A facility that provides moorings for houseboats.
- **Mobile Home.** A dwelling unit constructed off of the site and which is not constructed to the standards of the uniform building code. Mobile homes include residential trailers and manufactured homes.
 - **Manufactured Home.** A manufactured home is a mobile home constructed in accordance with federal manufactured housing construction and safety standards (HUD code) in effect after June 15, 1976.
 - **Residential Trailer.** A mobile home that was not constructed in accordance with federal manufactured housing construction and safety standards (HUD code), in effect after June 15, 1976. This definition includes the State definitions of residential trailers and mobile houses, as stated in Oregon Revised Statutes (ORS) 446.
- **Multi-Dwelling Development.** A grouping of individual structures where each structure contains 1 or more dwelling units. The land underneath the structures is not divided into separate lots. A multi-dwelling development project may include an existing single-dwelling detached building with 1 or more new detached structures located to the rear or the side of the existing house. It might also include a duplex in front with either 1 or more single-dwelling houses behind or 1 or more duplex units or multi-dwelling structures behind. The key characteristic of this housing type is that there is no requirement for the structures on the sites to be attached.
- **Multi-Dwelling Structure.** A structure that contains three or more dwelling units that share common walls or floor/ceilings with one or more units. The land underneath the structure is not divided into separate lots. Multi-dwelling includes structures commonly called garden

apartments, apartments, and condominiums. (Title 33 Planning and Zoning Code definition). In commercial financing there is a distinction between residential and commercial housing, with commercial housing defined as 5+units.

- **Single Room Occupancy Housing (SRO).** A structure that provides living units that have separate sleeping areas and some combination of shared bath or toilet facilities. The structure may or may not have separate or shared cooking facilities for the residents. SRO includes structures commonly called residential hotels and rooming houses.

Restricted Residential Unit: A housing unit in a PDC funded project which is restricted as to affordability and rent limitations for a specified time period according to a written affordability agreement.

Statewide Planning Goals and Regulations: The goals constitute the framework for a statewide program of land use planning. There are Statewide Policies on land use, resource management, economic development, and citizen involvement. There are 19 goals: Goal 1: Citizen Involvement; Goal 2: Land Use Planning; Goal 3: Agricultural Land, Goal; 4: Forest Land; Goal 5: Open Spaces, Scenic and Historic Areas, and Natural Resources; Goal 6: Air, Water and Land Resources Quality; Goal 7: Areas Subject to Natural Disasters and Hazards; Goal 8: Recreational Needs; Goal 9: Economic Development; Goal 10: Housing; Goal 11: Public Facilities and Services; Goal 12: Transportation; Goal 13: Energy Conservation; Goal 14: Urbanization; Goal 15: Willamette River Greenway; Goal 16: Estuarine Resources; Goal 17: Coastal Shorelands; Goal 18: Beaches and Dunes; and Goal 19: Ocean Resources.

Subsidized Housing: This term is usually used to refer to publicly-assisted rental housing that is targeted to households with incomes below 80% MFI. Other income groups receive direct or indirect public subsidies for housing, so a more accurate definition would include all housing, regardless of resident income, where the unit or the tenant receives a direct or indirect public subsidy that reduces their housing cost or tax liability. The largest subsidy for housing is given to homeowners in the form of tax deductions for mortgage interest and property taxes. One half of the tax subsidy goes to homeowners with incomes over \$100,000 annually. Only 7% of homeowners with incomes between \$20,000 and 30,000 claim these deductions.

Target Areas: Geographic areas designated for special city assistance to achieve specific public objectives. PDC identifies target areas through its 5-Year Plan. BHCD identifies target areas through a competitive process that focuses on community organizing and community assets in CDBG eligible areas.

Tax Exempt Bonds: Tax exempt bond financing is authorized by the federal government through the Internal Revenue Code, with a cap placed on the amount of tax-exempt bond financing for each state. The purpose is to create sufficient financial incentives for private investors to produce rental housing for low-income persons. The bonds are issued by a governmental agency (PDC, HAP) and sold to private investors. The investors receive tax-exempt income from the bonds, and the developer receives the bond proceeds at an interest rate that is below the taxable market rate. The proceeds are used to finance development and the developer agrees to reserve either

- *20 percent of the units for persons at 50 percent of the area median income or less, or*
- *40 percent of the units for persons at 60 percent of the median income or less.*

Tax Increment Financing: Urban renewal taxes are the taxes raised by the increase or “increment” in total property values in the urban renewal areas from the time the urban renewal area is first established. Urban renewal taxes must be used to repay debt (bonds, notes, contracts) that is issued to carry out the urban renewal plan.

Transit Center: A location where a number of transit lines converge for the purpose of transferring from one line to another or for accessing a number of potential lines. Transit centers may include park-and-ride facilities.

Transit-Oriented Development (TOD): A mix of residential, retail, and office uses and a supporting network of roads, bikeways and walkways focused on a major transit stop and designed to support a high level of transit use. The key features of transit-oriented development include:

- A mixed-use center at the transit stop, oriented principally to transit riders and pedestrian and bicycle travel from the surrounding area;
- High-density residential development proximate to the transit stop sufficient to support transit operation and neighborhood commercial uses within the TOD;
- A network of roads, bikeways and walkways to support high levels of pedestrian access within the TOD and high levels of transit use;
- A lower demand for parking than auto-oriented land uses.

Transportation Demand Management: Actions designed to change travel behavior in order to reduce single-occupant vehicles, improve performance of transportation facilities, and reduce the need for additional road capacity. Methods may include, but are not limited to, the use of alternative modes, ridesharing and vanpool programs, parking management, and trip-reduction ordinances.

Transportation Planning Rule (TPR): The TPR is a state administrative rule that requires all jurisdictions in Oregon to reduce the amount of vehicle miles traveled by 20% over the next 30 years.

Transit Street: Under the TPR, any street that has public transit service with peak hour headways of 20 minutes or less is a transit street.

Upzoning: A change from the current zoning classification of land to increase the intensity or density of development permitted. The opposite is downzoning.

Urban Growth Boundary (UGB): A line that delineates the future development of the urban area. Within the boundary, all the facilities and services necessary for urban development will be provided; outside the boundary, service extensions will be restricted and development restricted in intensity. Statewide Planning Goal 14 requires all incorporated cities in Oregon establish such urban growth boundaries.

Urban Renewal District (URD): The City Council approves URDs along with a plan that sets goals and describes projects designed to foster the economic health of that district. The overall goal is to leverage public funds to stimulate private sector investment. Urban renewal authorizes tax increment financing to pay for redevelopment projects.

Zoning: In general, the demarcation of a city by ordinance into zones and the establishment of regulations to govern the use of the land and the location, bulk, height, shape, use and coverage of structures within each zone.