HOUSING STRATEGY

Endorsed by Portland Development Commission
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ACKNOWLEDGEMENTS

The Interstate Corridor Urban Renewal Area Housing Strategy represents the work of many community residents and members, local organizational representatives and City staff.

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The Interstate Corridor Urban Renewal Area (ICURA) covers over 3,700 acres and parts of ten neighborhoods in North and Northeast Portland. It is a community of predominantly single-family neighborhoods, older housing stock, underdeveloped commercial and transit corridors, and a diversity of residents.

The Interstate Corridor Urban Renewal Plan adopted by the Portland City Council in August 2000 directed PDC to develop and implement a housing strategy to guide housing-related funding decisions within the ICURA.

The Strategy will serve as the guiding policy document for all housing expenditures administered by the Portland Development Commission within the urban renewal area, including tax increment resources.

**Housing Strategy Goals**

The Interstate Corridor Housing Working Group developed the Interstate Corridor Urban Renewal Housing Strategy which establishes the 20-year goals for housing in the ICURA. The following goals will provide the framework for urban renewal housing activity in the district:

Goal #1. Preserve and maintain existing sound housing stock

Goal #2. Increase the total housing stock by at least 4,000 housing units by the Year 2020 to increase the availability of rental and ownership housing opportunities for current and future residents, and to support expanded services, businesses and employment opportunities

Goal #3. Ensure an adequate supply of housing is available and affordable (costs 30% or less of gross income) to people of all income levels living in the ICURA in the Year 2000

Goal #4. Ensure housing options for households of different sizes and needs

Goal #5. Increase opportunities for homeownership, prioritizing opportunities for existing residents

Goal #6. Increase the housing stability of existing residents and protect them from involuntary displacement caused by gentrification, increases in housing costs and loss of housing choices

These goals reflect the priorities of the community and the City to have new housing development that serves a wide range of households needs and is compatible with the existing neighborhoods, while also ensuring that low-income households continue to have opportunities to remain in the community. An overriding goal of the Housing Strategy is to stabilize housing for existing residents. PDC will seek new ways to ensure that existing residents reap the benefits of housing activity in the urban renewal area, through new development, homebuyer programs, and innovative partnerships with city bureaus and community organizations.
Urban Renewal Housing Budget and Program Priorities

The Interstate Corridor Urban Renewal Advisory Committee (ICURAC) established a general budget allocation for the estimated tax increment funds that will be available over the life of the urban renewal plan. The following chart represents the ICURAC budget recommendation for the 20-year life of the urban renewal area. Based on projections for tax increment within the urban renewal area, an estimated $50 million will be available for housing programs and development.

The Housing Strategy also establishes the budget and program priorities for the first five years of the urban renewal area. The Housing Working Group reviewed the goals in the context of the current social, economic and market conditions. As the cost of both rental and ownership housing continues to outpace increases in local residents’ incomes, the immediate concerns in the district are to minimize the risk of displacement for existing community residents.

The Housing Working Group recommends that in the first five years tax increment funds be focused in five main strategies:

- Preserve existing rental housing stock serving low-income households
- Develop new rental housing for low-income households within mixed-income projects
- Stabilize existing homeownership (through home repair)
- Increase homeownership opportunities for low- and moderate income residents
- Market available programs and housing to existing residents

Annual monitoring and evaluation by PDC and the Interstate Corridor Urban Renewal Advisory Committee will provide the basis for ongoing budget recommendations and priorities.
Partnerships and Leverage of Resources

Tax increment resources alone cannot achieve all of the goals outlined in the Housing Strategy. Partnerships with public and private entities will be necessary, as will ensuring that urban renewal funds are leveraged with other public and private resources to the fullest extent possible.

Increased private investment will be necessary to meet the aggressive new development goals, and the goals for the preservation of existing residential properties. In addition, public agencies will need to continue to commit funding to the Interstate Corridor to ensure that low-income households are not displaced from the community. Current public resources should remain available for projects and residents in the Interstate Corridor, and new resources should be explored to provide a broader range of programs and resources for people at risk of displacement.
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Overview

The Interstate Corridor Urban Renewal Area (ICURA) Housing Strategy has been developed to guide urban renewal investments in the ICURA in the next 20 years. The Strategy will serve as the guiding policy document for all housing expenditures administered by the Portland Development Commission within the urban renewal area, including tax increment resources.

The Interstate Corridor Urban Renewal Advisory Committee established four Working Groups (Housing, Economic Development, Transportation and Community Livability) to develop urban renewal strategies that refine the urban renewal goals, outline implementation strategies and provide a basis for budget recommendations.

The Housing Working Group comprised over 20 members including local residents and neighborhood representative, local housing and service providers, and other city partners. The Working Group and the Portland Development Commission, led a 15-month community planning process which included meetings that were open to and regularly attended by the community. Following an open dialogue with the community and review of the report on the Bureau of Housing and Community Development's Anti-Displacement Outreach Project, the Housing Working Group developed the Housing Strategy establishing the 20-year goals for in the ICURA.

The Introduction is organized to introduce the framework upon which urban renewal housing activities and the Strategy must be based. This section includes a discussion of relevant housing policy and past planning efforts, a summary of the current economic and social conditions in the Interstate Corridor, and an explanation of the role the public sector, through the Portland Development Commission, will play in supporting development and redevelopment in the urban renewal area.

The Recommendations section states the goals of the Housing Strategy, the intended impact of the underlying strategies on the Interstate Corridor community, and specific activities and programs for the implementation and administration of the Strategy. The goals and strategies have been developed to directly address many of the policy directives established in the Interstate Corridor Urban Renewal Plan and other city plans, and to have a positive impact on economic and social conditions in the Interstate Corridor.

The Budget Section provides a summary of the tax increment resources projected for the urban renewal area for 20-year life of the district. The Strategy also establishes the funding priorities for the first five years of the district and provides a framework for how future funding allocations and priorities will be made.

The Summary of Implementation Tools provides a description of many of the financial and technical assistance programs that will be utilized to meet the goals of the Housing Strategy.
Housing Policy Background

The policy directives established in state, regional, city, the urban renewal and neighborhood plans influenced the development of the Interstate Corridor Urban Renewal Housing Strategy. The following is a summary of those plans that were most relevant to housing activities in the urban renewal area.

The Interstate Corridor Urban Renewal Plan

The Interstate Corridor Urban Renewal Plan (ICURA Plan) was adopted in August of 2000 after an extensive community planning process that began in the Fall of 1999. The Interstate Corridor Urban Renewal Plan has several overriding principles, goals and objectives that are relevant to all its planning areas. General Principles were established, as well as specific principles in the areas of Housing, Economic Development, Transportation, Revitalization, Urban Design/Historical Preservation, Parks and Open Space and Community Facilities/Public Buildings/Infrastructure. All of the ICURA General Principles and principles by topic area are listed in Appendix A.

The ICURA Plan’s Housing Principle #12 directs that a housing strategy be prepared and implemented to guide housing-related funding decisions within the ICURA.

Throughout the development of the Housing Strategy, General Principle #2: Benefit Existing Residents has been emphasized. This principle states that "the Interstate Corridor URA will primarily benefit existing residents and businesses within the urban renewal area through the creation of wealth, revitalization of neighborhoods, expansion of housing choices, creation of business and job opportunities, provision of transportation linkages, protection of residents and businesses from the threats posed by gentrification and displacement, and through the creation and enhancement of those features which enhance the quality of life within the urban renewal area.” It also states that “special emphasis will be placed on providing timely benefits to groups most at risk of displacement (e.g. the elderly, people of color, small businesses, low-income people and the disabled.” The principle to benefit existing residents is reflected in many of the housing preservation, retention and development goals and activities articulated in the Strategy.

In addition to the General Principles, the Interstate Corridor Urban Renewal Housing Principles guided the development of the Housing Strategy. They are summarized as follows:

- **Displacement** - Develop and implement programs that address potential displacement of current residents (renters and homeowners), including non-citizens, so that they may remain in their homes and neighborhoods
- **Home Ownership** – Increase equity building homeownership opportunities, especially for existing renters
- **Compatible Infill** – Assure that infill housing is compatible with established neighborhoods in terms of scale, density, design and range of affordability
- **Seniors/Single Parents/Disabled** – Facilitate the retention and creation of affordable housing opportunities for seniors, single-parent households, the low income and working poor and those with disabilities
- **Housing Balance** - Provide a mix of housing opportunities consistent with the range and choices that existed within the Urban Renewal area in the Year 2000
- **Preservation** – Preserve and rehabilitate the existing housing stock and maintain its affordability
- **Housing For Workers** – Provide ample housing for people who work in the area
- **Design Review** – Encourage developers to seek neighborhood/community feedback on the design of new residential projects
- **Support Services** – Support efforts to assure those necessary services are available to support current and new residents
- **Income Diversity** – Assure that an adequate supply of housing is available to people of all income levels throughout the district
- **Transit Supportive Housing** – Support mixed-use, mixed-income housing projects along major transit corridors including Interstate Avenue

The General Principles, as well as the Housing and other topic area principles, require ongoing collaborations among many partners, including residents, business owners, community-based organizations, public agencies, private developers and investors.

**The Comprehensive Plan**

The goals and policies of the City's Comprehensive Plan (Comp Plan) provide the context for land use planning, guidance for major capital projects and other funding decisions, and the policy direction for the City's housing assistance programs. State law requires major developments and urban renewal plans to be consistent with the Comp Plan. Portland City Council updated and adopted in the Comprehensive Plan Housing Policy in January of 1999. Goal #4 of the City's Comp Plan now reads:

*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 residents.*

The Comp Plan goals and objectives highlighted in the Housing Strategy include:

- Ensure an adequate supply of housing is available
- Provide housing of different types, tenures, costs, locations
- Restore, rehabilitate and preserve existing housing
- Strive for livable, mixed-income neighborhoods
- Preserve opportunities for economic and racial integration through a range of housing options
- Stabilize neighborhoods by promoting a variety of homeownership and rental options
- Discourage the involuntary displacement of low-income residents
- Increase ownership opportunities
- Retain and create affordable housing
- Encourage the development of housing at transit-supportive densities

**Albina Community Plan**

The Albina Community Plan, adopted by City Council in 1993 and revised in September 2000, is the area specific update of the Comp Plan, encompassing all of the ICURA except the Portsmouth Neighborhood. It is the framework plan for the Interstate Corridor Urban Renewal Area. The ACP was developed through an extensive community planning process that included many of the same long-standing community residents, organizations, and business representatives who have participated in the Interstate Corridor URA planning. The Albina Community Plan housing goal is:

"Increase housing opportunities for current and future residents by preserving and rehabilitating housing stock, constructing appropriate infill housing in residential neighborhoods and building higher density housing near business centers and major transit routes. Stimulate new housing investment by emphasizing the Albina Community's central location, established public services, and quality housing stock."

Several ACP objectives are reflected in the Interstate Corridor Urban Renewal Housing Implementation Strategy. They include:

- Provide opportunities for homeownership for all income levels
- Increase the amount of housing units by 3,000 units
- Preserve and rehabilitate existing sound housing stock
- Create a portion of housing stock as permanent affordable rental housing
- Provide a variety of housing types for households of all sizes and incomes
- Emphasize infill development that is compatible with the surrounding neighborhood
- Seek reductions in displacement due to rising property values

A complete list of Albina Community Plan housing objectives can be found in Appendix B.

**Consolidated Plan**

The Consolidated Plan (Con Plan) adopted in May 2000, is a combined housing and community development plan, as well as an application for federal funds available to the City of Portland, City of Gresham and Multnomah County. The Con Plan Principle I states the priority for federal funds "should focus on developing and preserving housing for those with the greatest needs." Principles III states "there should be a direct relationship between the amount of public investment and the number of units affordable." And, Principle V is "to make the best use of existing resources, a continuum of services must be available to assist individuals and families locating, obtaining, and maintaining decent, affordable housing."
While these principles are not directly related to the governing policies and objectives of the ICURA, they have informed the development of the Housing Strategy. The Con Plan provides valuable information regarding current housing market trends and demographic information highlighting the needs of the most vulnerable residents in the urban renewal area.

**Metro 2040 Framework Plan**

The Metro 2040 Framework Plan (2040 Plan) was adopted December 1997, establishing a 50-year growth management plan and policy for the Portland metropolitan region. The 2040 Plan requires that sufficient affordable housing is made available to all households of all income levels and at the appropriate densities. The 2040 Plan directs cities and counties to provide a range of housing types with specific goals for low, moderate and market rate units to ensure that sufficient and affordable housing is available to all households. The 2040 Plan also emphasizes that housing densities support the development of the regional transportation system and a jobs-housing balance. Like the Con Plan, the 2040 Plan provides a broader context in which to shape the role of all urban renewal activities within larger regional planning efforts.

**Area Specific Plans**

In addition to planning policy affecting the region, the city and the entire urban renewal area (URA), there are certain sub-areas within the URA which have been, or will be, the subject of focused redevelopment strategies. These include the Interstate MAX Station Areas, the Vancouver-Williams Corridor, Mississippi Avenue, the Killingsworth and Lombard "main streets," and Downtown Kenton. Each of these strategies has some housing-related component which provides a specific direction to the physical design and, in some cases, the programming of housing and mixed-use development.
Summary of Demographic, Economic and Housing Data

Through the planning and visioning process for the Interstate Corridor Urban Renewal Area, the community has discussed how they want to see the ICURA develop over the next 20 years, but they have also discussed what they don't want to see change. New investment in commercial and residential development, and parks and open space are desired, but in a manner that ensures that existing residents and businesses realize benefits, such as increased stability, wealth creation, broadening of housing choices and increased livability.

To develop effective strategies it is important to understand where the Interstate Corridor currently is and where the community wants it to go. The following section provides a summary of:

- Who currently lives in the Interstate Corridor (Population)
- What type of housing currently exists in the Interstate Corridor (Housing Stock)
- How much housing currently costs in the Interstate Corridor (Economics)

Preliminary information about the demographic, economic and housing profile of the Interstate Corridor can be found in the Interstate Corridor Urban Renewal Area Base Data and Trends Report, updated September 2001 prepared by the Portland Development Commission. This report was reviewed and informed the development of the Housing Strategy goals and strategies.

Population

An estimated 28,692 people live within the boundary of the Interstate Corridor Urban Renewal Area. Persons under the age of 18 years currently comprise 25% of the total population in the Interstate Corridor, but the number of children in the Corridor continues to decline. Of the total number of family households with children, 62% are unmarried-parent households. Persons over the age of 64 years currently represent 9% of the total population in the Interstate Corridor, and as consistent with citywide trends, the number of seniors continues to decline (decreasing by 24% between 1990 and 2000).

Based on the 2000 Census, non-white populations comprise 40% of the total population. Compared to the entire City of Portland, the Interstate Corridor has a much higher concentration of Black/African American residents, as well as residents of Hispanic Origin. The Black/African-American population in the close-in North/Northeast neighborhoods of Boise, Eliot, Humboldt and King represents 40% to 60% of the total population in these neighborhoods.

<table>
<thead>
<tr>
<th>RACE/ETHNICITY</th>
<th>INTERSTATE CORRIDOR</th>
<th>CITY OF PORTLAND</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>60%</td>
<td>78%</td>
</tr>
<tr>
<td>Black/African American</td>
<td>22%</td>
<td>7%</td>
</tr>
<tr>
<td>American Indian/Alaskan Native</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Asian/Hawaiian/Pacific Islander</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Other Race</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Two Races</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Hispanic Origin*</td>
<td>11%</td>
<td>7%</td>
</tr>
</tbody>
</table>

*US Census calculates Race and Hispanic Origin separately resulting in a "double counting"
The Interstate Corridor has historically been populated by low-income households. Based on 1996 American Community Survey (ACS) data, over 20% of the people in the Interstate Corridor live in households with incomes below the federal poverty level. This is significantly higher than the 15% poverty rate for the City of Portland. The poverty rate among minority households is even greater with rates over 30%. The poverty rate among families with children in the Interstate Corridor is twice the citywide rate for the same population.

Estimates project that in 2000, 28% of the total Interstate Corridor households made less than $15,000 a year, while over 45% made less than $25,000 a year. The neighborhoods of Boise, Eliot, Humboldt, King and Portsmouth have the highest proportion of low-income households in the Interstate Corridor. Updated 2000 Census data on household income is anticipated to be available in late 2002.

**Housing Stock**

The PDC Housing Inventory estimates over 11,500 total housing units were in the Interstate Corridor in the Year 2000. Approximately 7,500 were single-family homes, while the majority of multi-family residential buildings were duplexes, tri-plexes and four-plexes.

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Number of Buildings</th>
<th>Total Number of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Homes</td>
<td>7,543</td>
<td>7,543</td>
</tr>
<tr>
<td>2 - 4 Multi-Family Units</td>
<td>490</td>
<td>1,233</td>
</tr>
<tr>
<td>5 - 9 Multi-Family Units</td>
<td>57</td>
<td>389</td>
</tr>
<tr>
<td>10 - 19 Multi-Family Units</td>
<td>40</td>
<td>454</td>
</tr>
<tr>
<td>20 - 49 Multi-Family Units</td>
<td>22</td>
<td>690</td>
</tr>
<tr>
<td>50 - 99 Multi-Family Units</td>
<td>6</td>
<td>421</td>
</tr>
<tr>
<td>100 + Multi-Family Units</td>
<td>4</td>
<td>799</td>
</tr>
<tr>
<td><strong>Total Building/Units</strong></td>
<td><strong>8,162</strong></td>
<td><strong>11,529</strong></td>
</tr>
</tbody>
</table>

PDC Interstate Corridor Housing Inventory, 2000

Over 70% of all residential buildings, were built before 1950. The majority of units in multi-family buildings have one- and two-bedrooms, while the majority of single-family homes in the Interstate Corridor are smaller two- and three-bedroom homes built before 1950.

It is estimated that in the Year 2000, 5,600 units were owner-occupied and 5,925 units were rentals in the Interstate Corridor. Using estimates based on the 1996 ACS, 26% of all single-family homes in the Interstate Corridor are rentals (1,900 homes), a decrease from 30% in 1990. This indicates that rental homes are being purchased and converted to owner-occupied units, in effect diminishing the rental housing stock of many of the family-sized rental units. It is anticipated that the 2000 Census will confirm this trend.

Based on Census data and the PDC Interstate Corridor Housing Inventory, the overall homeownership rate for housing within the Interstate Corridor Urban Renewal Area boundary is estimated as 49%, increasing since 1990 as mortgage loan activity doubled. This is lower than the citywide rate of 55.8% reported in 2000. The homeownership rates in the neighborhoods of Boise, Eliot, Humboldt and Portsmouth ranging from 40% to 48%, while increasing, remain much lower than the citywide rate of 55.8%.
**Economics**

In the last decade, the median sales price in the Interstate Corridor has increased annually at rates between 8.6% to 22.6%. The median sales price as of June 2000 was $119,500, considerably lower than the metropolitan region median of $165,000. Mortgage loan activity doubled between 1992 and 1996. While loan activity increased among all racial groups, only 21% of the total loans approved were to minority applicants in the Interstate Corridor.

As the ownership market is slowing regionally, the market is expected to remain strong in the Interstate Corridor as public and private investments are made and homebuyer opportunities under $140,000 continue to be available.

Housing affordability and stability is a major concern of current residents. Currently, more than one-third of all households in the Interstate Corridor pay more than 30% of their income on housing costs and 17% pay more than 50% of their income. The ratios are even greater among renter households with over half of all renters paying more than 30%, and 29% paying 50% or more. This translates into an estimated 3,220 renter households paying 30% or more of their income for rent, of which an estimated 1,700 pay 50% or more. These numbers indicate that the existing housing stock is not currently affordable (as defined by HUD) to many Interstate Corridor residents.

In the Interstate Corridor Urban Renewal Area, 1,400 units are either public or non-profit owned, or have federal or local contracts requiring income or rent restrictions. This stock represents nearly 25% of the total rental housing stock in the district. Eight properties within the urban renewal area have Section 8/202 contracts with a total 307 subsidized units. All but two of these properties are either owned by a nonprofit housing provider or the Housing Authority of Portland.

Updated rent information for the Year 2000 will be available once complete 2000 Census data is released. Based on an initial sample of rents in properties that do not have income restriction, some general highlights about rent affordability include:

- Less than one-third of the rental housing stock with three or more bedrooms was affordable to households at or below 60% MFI.
- Less than 15% of the single family rentals (fewer than 250 houses) are affordable to low-income households with incomes at or below 60% MFI.
- All of the units affordable to households at or below 30% MFI are either owned by public or non-profit housing providers, or have federal contracts requiring income or rent restriction.

**2000 Census Data**

The 2000 Census data will be necessary for establishing the baseline economic, demographic and housing conditions at the time the urban renewal area was created. The census summaries in *Interstate Corridor Urban Renewal Area Base Data and Trends Report* will be updated once complete census information is released, and this information will serve as the baseline from which progress on Interstate Corridor Urban Renewal goals will be measured.

PDC anticipates complete 2000 Census data will be released by the end of 2002.
Role of the Portland Development Commission and the Public Sector in Housing Programs and Development

The Portland Development Commission led a public process, in concert with other public agencies, community members and organizations, to establish a long-term vision for stable and vital neighborhoods in the Interstate Corridor.

Role of The Portland Development Commission

As the designated urban renewal agency for the City of Portland, PDC is responsible for implementation of urban renewal plans and stewardship of urban renewal resources. The Interstate Corridor Urban Renewal Plan outlines priorities for public action. It is PDC's responsibility to ensure that urban renewal investments:

- Benefit existing residents and businesses
- Are coordinated with the efforts of other public, private and non-profit entities
- Optimize light rail investment
- Are fairly distributed throughout the entire urban renewal area
- Attract private investment and generate tax increment dollars (return on investment)
- Strategically leverage other public and private resources

To this end, PDC is charged with implementing the Housing Strategy, as well as all related urban renewal strategies (Economic Development, Community Livability, Transportation, and area-specific plans such as the Station Area Revitalization Strategy) in a coordinated manner that responds to community needs, stimulates quality and sustainable development, and strategically and effectively leverages other public and private investment.

PDC will work with partners in the public and private housing development community to implement the Housing Strategy by 1) soliciting public and stakeholder input and participation in carrying out strategic actions, 2) coordinating the development and allocation of resources needed to meet outlined objectives, 3) monitoring, measuring and reporting strategic outcomes, and 4) making necessary adjustments to the strategy and priorities in order to meet the goals of the Urban Renewal Plan.

PDC will generally focus resources in areas that are not traditionally supported by the private financial and development community, either because the private sector is unable to recoup an acceptable return on their investment or is unwilling to take the risk in an uncertain market.

Other Public Sector Partners

While PDC is responsible for overall coordination of urban renewal activities, success is greatly dependent on partnerships with the many public agencies, non-profit organizations, the private financial and development community, and local residents and property owners involved in housing development, services and finance.
Public partners include, but are not limited to, the Bureau of Housing and Community Development, Housing Authority of Portland, Office of Sustainable Development, Multnomah County, Oregon Housing and Community Services, U.S. Department of Housing and Urban Development and Fannie Mae. These organizations can provide important leadership and financing to enhance urban renewal resources for housing development, programs and services. Public partners will also be critical in providing resources and services for those programs and activities that are outside the scope of urban renewal (i.e. non-tax increment eligible activities).

Housing activities will also be supported by partnerships with the Portland Parks and Recreation and the Portland Office of Transportation as their activities enhance overall livability in the community. The Bureau of Planning will provide support and the regulatory infrastructure to guide new quality and sustainable housing and mixed-use development.

**Private Sector Partners**

The private housing development community will be involved in many areas of implementation of the Housing Strategy. Private for-profit and non-profit developers will be responsible for the rehabilitation and construction of housing. These developers and partners include local community development corporations, non-profit housing developers such as HOST and Habitat For Humanity, large and small for-profit housing developers, landlords and individual property owners throughout the neighborhoods. Other organizations such as the Portland Community Land Trust and The Portland Housing Center provide additional services, education, and financial resources to residents.

Since private lending institutions will provide the bulk of financing for housing development, rehabilitation and home purchase, it will be important to develop strong relationships and partnerships with these organizations to increase commitment to Interstate Corridor neighborhoods and residents.

All of these organizations are integral players in the success of the Housing Strategy. PDC, as the urban renewal agency and primary implementing body of the Urban Renewal Plan will strive to enhance existing relationships and seek new partnerships to achieve the goals outlined in the Housing Strategy.
To benefit those living in the Interstate Corridor Urban Renewal Area now and to support long-term community stability, vitality and choices, the urban renewal housing efforts will be successful if:

- The housing situation of existing residents is stabilized, decreasing the threat of involuntary displacement from their community due to market pressures and public actions
- Existing housing stock is preserved and new housing units are added, maintaining and increasing the overall supply and range of housing opportunities and choices
- Permanent or long-term affordable housing opportunities and choices are available to existing low-income residents
- New housing units are added and a range of housing choices are provided in new mixed-income developments in a manner that preserves and strengthens the existing character of neighborhoods
- The diversity and assets of existing and new residents are valued and respected and together contribute to the vitality of the community
- Urban renewal funds are leveraged to the fullest with other public and private resources to ensure housing preservation and development goals are achieved and concerns related to the involuntary displacement of existing residents are effectively addressed.

Through the planning process, the community was able to build upon the work of the Albina Community Plan and further frame what successful urban renewal will mean for housing in the district. Building upon the general principles articulated in the Interstate Corridor Urban Renewal Plan, the community developed six specific housing goals that will drive the implementation of housing programs and projects.

Goal #1. Preserve and maintain existing sound housing stock

Goal #2. Increase the total housing stock by at least 4,000 housing units by the Year 2020 to increase the availability of rental and ownership housing opportunities for current and future residents, and to support expanded services, businesses and employment opportunities

Goal #3. Ensure an adequate supply of housing is available and affordable (costs 30% or less of gross income) to people of all income levels living in the ICURA in the Year 2000

Goal #4. Ensure housing options for households of different sizes and needs
Goal #5. Increase opportunities for homeownership, prioritizing opportunities for existing residents

Goal #6. Increase the housing stability of existing residents and protect them from involuntary displacement caused by gentrification, increases in housing costs and loss of housing choices

Goal #6 was established as an overriding goal statement to guide how success is measured for the other five Goals. In the implementation of urban renewal funds and activities, emphasis will be placed on supporting projects and administering programs that will "increase the housing stability of existing residents," linking social, people-based goals with the physical revitalization goals of urban renewal.

The Goals set forth the priorities for all housing activity (both publicly and privately initiated and financed), and in some instances set specific 20-year targets for which PDC and the community will evaluate the overall success of urban renewal housing projects and programs. Each Goal has a number of underlying strategy statements defining the various elements within the Goal and how PDC will work with housing partners to achieve the Goal. More specific information on various housing programs and financial resources is available in the Summary of Implementation Tools section of the Housing Strategy.

While many of the Goals and related strategies establish numeric development targets that will be easy to measure, other Goals such as those pertaining to who benefits from urban renewal activities, will be more difficult to quantify and measure. The Monitoring and Evaluation section will further describe the responsibility of PDC to evaluate the effectiveness of urban renewal programs, and establishes the process by which PDC will report on housing activity within the Interstate Corridor Urban Renewal Area and how the community will be involved in the monitoring and evaluation. PDC will continue to work with the Bureau of Housing and Community Development, the Interstate Corridor Urban Renewal Advisory Committee and community groups to identify new methods for evaluating the impact of urban renewal efforts.
Goal #1. Preserve and maintain existing sound housing stock

The Interstate Corridor URA includes several well-established historic neighborhoods with a rich supply of structurally sound housing. The character of the district is enhanced by many single-family homes and multi-family structures that, if preserved, will remain desirable options for current and future residents to own or rent. Many of these older structures are in need of some level of rehabilitation to preserve their longevity.

Currently, the ICURA is estimated to have over 11,500 total housing units in predominantly low-density residential buildings. There are over 7,500 single-family homes and one-third of all multi-family housing units are in duplexes, tri-plexes or four-plexes. Many of the single-family homes also serve as rental housing stock.

Improving the condition of existing housing supports community revitalization goals, and extending the useful life of existing housing preserves the residential character of existing neighborhoods and maintains a diversity of housing options. The following strategies will contribute to the preservation of the existing housing stock.

a. Preserve single family ownership housing

The Portland Development Commission and its partners will provide financial and technical assistance to homeowners and new homebuyers to rehabilitate existing single family housing. Programs will assist existing homeowners to stay in their homes and current renters to purchase homes in their neighborhood.

Financial Assistance

Tax increment funds will be leveraged with other public and private resources to provide a variety of loan products, including low-interest loans and market-rate repair loans to assist existing homeowners to make repairs to their home, and new homebuyers to purchase and make repairs to their home. PDC will offer refinance products that help homeowners finance repairs and restructure mortgage debt to make it more affordable for the homeowner to make necessary repairs and remain in their home.

Current programs designed to preserve single-family ownership housing include:

- PDC Home Repair Loan Programs for homeowners
- Fannie Mae HomeStyle Loan for homebuyers
- Interest Rate Buydown Loan for homebuyers
- State Residential Loan Program/Shared Appreciation Mortgage for homebuyer

PDC will also provide specialized assistance to homeowners and homebuyers accessing these loan programs in determining repair and renovation needs, helping coordinate with the contractors, and monitoring to ensure the work is done satisfactorily.
As programs are monitored and evaluated over time and new resources are identified, existing homeowner programs may be altered or new programs developed to more effectively meet the needs of residents. PDC will explore ways in which urban renewal funds can support other community-based volunteer and grant programs to assist residents with home repairs.

**Maintain City Resources**

The Bureau of Housing and Community Development (BHCD) administers other city and federal resources that fund citywide programs, such as the PDC Home Repair program. The Housing Strategy recommends that residents in the Interstate Corridor remain eligible for these programs and citywide resources. Tax increment funds will be used to augment (not replace) citywide resources and provide a larger funding pool available in the Interstate Corridor for the PDC Home Repair Loan program. Homeowners accessing or inquiring about PDC home repair assistance will also be referred to other home repair and weatherization programs offered in the community.

**Outreach and Education**

As part of the urban renewal efforts, PDC will explore ways in which a greater number of existing residents have timely knowledge of and access to the home repair and homebuyer programs available in the Interstate Corridor. PDC and local housing partners will educate homeowners and homebuyers on resources available for rehabilitation and repairs, and the impact of rehabilitation activities on housing stability, home values, property taxes and safety.

PDC will work with BHCD and other housing service providers and assistance to develop outreach and education programs to increase awareness of actions that could lead to displacement, such as predatory lending and speculative buying practices, and how they might be avoided. Explore how refinance products, such as those offered by PDC and others, can assist residents at risk of foreclosure or predatory lending. Work with existing service providers and lenders to link residents to longer term mortgage assistance and foreclosure prevention programs. Continue to seek additional resources and community partners to provide financial assistance, education and case management services to residents in need.

b. **Preserve existing single family rental housing, and**

c. **Preserve existing small multi-family rental housing stock (2 to 4 units)**

Small multi-plexes and single-family homes comprise the bulk of rental housing in the Interstate Corridor. These units, specifically single-family homes, play an important role in the rental housing market providing family-sized housing and a diversity of housing options for renters.

PDC in conjunction with funding partners will provide direct financial assistance or other financial incentives to rental property owners for repairs or rehabilitation of single-family homes and small multifamily properties that have fewer than five units (duplexes, triplexes and four-plexes) and that are maintained as affordable rentals.
Financial Assistance

Tax increment funds will be used to provide a variety of loan products, including low-interest loans, refinance loans, and equity gap contributions to help rental property owners make repairs to affordable small rental properties (including single-family homes) that will be maintained as affordable rental properties. Funding may also be available to assist with the purchase and rehabilitation of affordable small rental properties.

Currently, PDC provides two primary avenues of financial assistance in the preservation of single-family and small multi-family rental housing:
- Small Rental Property Rehabilitation Loan
- Rental Housing Request For Proposals (RFP)

The Small Rental Property Rehabilitation Loan Program was developed in response to community concerns about the disrepair of many smaller rental properties and single-family homes. Recognizing that small rental projects to often do not fare well in the competitive RFP process, this loan program provides a non-competitive open application process for property owners interested in rehabilitating rental properties with fewer than five units, including single-family homes, and who are willing to maintain affordable rents.

Property owners can also assemble various sites scattered throughout the Interstate Corridor and apply for financial assistance through the competitive Rental Housing Request For Proposals process. Developers and property owners receiving direct financial assistance will be required to provide rental housing for low- and moderate-income households and retain long-term affordability.

d. Preserve multi-family rental housing stock (5 or more units)

PDC in conjunction with other public and private partners and funders will provide direct financial assistance or other financial incentives to rental property owners for repairs or rehabilitation of larger rental properties with five or more units. PDC will prioritize the acquisition and preservation of rental properties with expiring subsidy restrictions (such as Section 8/202, low-income housing tax credit, and other financing requirements), and properties that have been identified as experiencing poor management and are in disrepair.

Financial Assistance

Tax increment funds will be used to provide a variety of loan products, including low-interest loans, refinance loans, and equity gap contributions to rehabilitation rental properties. Tax increment and other funding sources will also be used to assist with the purchase and rehab of existing rental properties.

Funds may be distributed through the rental housing development and rehabilitation competitive RFP process, or may be allocated outside of the RFP process to take advantage of an immediate opportunity identified as meeting urban renewal goals. PDC will seek community input on all
housing projects. Interstate stakeholders will participate in RFP selection committees and provide input on other project concepts.

PDC will also administer the existing property tax abatement, fee waiver, and system development charge exemption programs to provide additional incentives for housing rehabilitation.

As part of all housing rehabilitation projects, PDC will provide financial and technical assistance to homeowners and developers for the containment of lead-based paint contaminants providing information on new standards and regulations, as well as best practices. PDC will also work with property owners to minimize displacement of existing tenants while the rehabilitation work is being conducted.

In support of economic development and wealth creation urban renewal goals, PDC will explore opportunities for increasing the use of local and minority contractors in the property rehabilitation work, and encouraging the training and hiring of local residents.
Goal #2. Increase the total housing stock by at least 4,000 housing units by the Year 2020 to increase the availability of rental and ownership housing opportunities for current and future residents, and to support expanded services, businesses and employment opportunities

It is necessary to increase the number of housing units in the Interstate Corridor to capitalize on the public investment in the new transit service along Interstate Avenue, to support employment and business growth throughout the entire district, and to achieve citywide population growth management objectives. New housing development is crucial in maintaining a balance of housing affordability and housing types. It can also serve to mitigate the risks of displacement often associated with revitalization efforts by providing additional new rental and ownership housing units affordable to a broad range of incomes, particularly low- and moderate-income households.

The goal of 4,000 new units will be achieved by projects that are publicly funded through urban renewal and other state and federal resources, as well as through the private market activity that requires no public assistance or public participation.

The following strategies are aimed at targeting new development in a manner that preserves the character of the single-family neighborhoods while capitalizing on opportunities for increased housing production, and provides a broader range of housing types. Urban renewal housing projects will seek to provide economic diversity within Interstate neighborhoods while maintaining affordable opportunities for existing residents.

a. **Support the development of infill housing on vacant lots and accessory dwelling units within Interstate neighborhoods to protect existing residents against displacement**

The Interstate Corridor has many vacant and underutilized parcels scattered throughout the existing residential neighborhoods. Compatible infill will provide new housing opportunities, in a manner complementary with the lower-density neighborhoods.

The Portland Development Commission will provide direct financial assistance or other financial incentives to property owners and housing developers for the construction of infill housing and accessory dwelling units. PDC will target development to revitalize vacant property and limit the risk of displacing existing local residents and tenants of commercial structures.

Financial Assistance

Tax increment funds will be used to provide a variety of loan products, including low-interest loans, refinance loans, and equity gap contributions for the development of infill housing in the
Interstate Corridor. Financial assistance for smaller infill development will likely be disbursed through the existing Rental Housing Request For Proposals process.

Other options for providing additional infill housing include adding units to existing rental properties and accessory dwelling units to single-family homes. The Small Rental Property Rehabilitation Loan Program can leverage tax increment funds with other private resources to provide a variety of loan products to help property owners add units to existing small rental properties. PDC will also explore loan products and other incentives to encourage the development of accessory dwelling units, including possible use of the existing Home Repair and Small Rental Property Rehabilitation loan programs.

b. **Support the development of medium-density, mixed-use and mixed-income housing along transit corridors in a manner compatible with the surrounding neighborhood**

Since low-density, single-family neighborhoods surround the transit corridors and streets in the Interstate Corridor, increased density is anticipated to be mostly through medium-density projects of 3 to 4 stories in height. Direct financial assistance or other financial incentives will be provided by PDC and other partner agencies to fund the construction of medium-density, mixed-use housing along transit corridors, with emphasis on the Interstate Max light rail line, and highly-serviced transit streets.

PDC will focus new development on vacant and highly-underutilized land to minimize displacement impacts on existing residents and businesses, and prioritize projects that:
- Provide mixed-income housing opportunities
- Serve special need populations (including low-income households, seniors, people with disabilities, etc.)
- Include transit supportive amenities, such as child care centers, computer centers, bike facilities, and other community services and increased access to services
- Meet other urban renewal goals (such as job creation, business/entrepreneurship opportunities, open space/recreation, community facilities, urban design, transportation, etc.)
- Mix rental and ownership within larger developments

**Financial Assistance**

Tax increment funds will be used to provide a variety of loan products, including low-interest loans, market-rate loans, and equity gap contributions to help finance mixed-use and mixed-income housing development, as well as predevelopment expenses necessary for exploring possible transit-oriented developments. PDC will assess new development based upon the goals outlined in this strategy and the financing needs of the developer to determine the level of financial participation. PDC staff will also be available to provide technical assistance to housing developers.

Tax increment funds and other available resources will also be used to acquire (or provide financing to local housing partners to acquire) property along the Interstate MAX light rail line.
and transit streets identified as key infill sites for mixed-use housing development. The degree to which individual projects receive assistance will be dependent on their consistency with the goals and priorities established in this Strategy.

Funds for new housing development and property acquisition will be distributed through various processes:
- Rental Housing Request For Proposal
- Site-Specific Request For Proposal
- Site-Specific Acquisition or Development Opportunity

The rental housing competitive RFP process may include sites in which the developer is able to exhibit site control, or for sites owned or controlled by PDC. Funds may also be allocated outside of the RFP process to take advantage to an immediate opportunity that meets urban renewal goals. PDC will seek input from community stakeholders on housing and mixed-use development projects along the Interstate Corridor.

PDC will also administer the existing property tax abatement, fee waiver, and system development charge exemption programs for new housing development projects deemed eligible. These programs provide additional incentives and benefits to developers of projects that are consistent with city and urban renewal goals.

c. Support the development of sustainable housing that has increased environmental performance and durability and is physically compatible with the surrounding neighborhood

PDC will work with the development community to ensure housing is sustainable and compatible with the existing neighborhoods within the urban renewal area. In cooperation and coordination with other city partners, PDC will provide education, incentives and financial assistance to ensure that developers incorporate sustainable practices when feasible and provide opportunities for community input on the project designs.

Green Building and Sustainable Practices

PDC will require that all housing developments receiving financial assistance must attain at least minimum standards of green building and sustainable practices, and use quality, durable materials. In conjunction with the Office of Sustainable Development, PDC will provide education and incentives to housing developers to achieve an increased use of quality, durable materials and green building and sustainable practices beyond minimum requirements.

Open and Green Spaces

As densities increases within the district, it will be critical to the overall livability of residents that households within multifamily structures have access to outdoor areas. PDC will encourage the incorporation of open space or green space in the design of high-density housing developments that do not have immediate access to local parks and open space, especially housing for families, seniors and persons with disabilities.
Design Review and Community Feedback

All residential and mixed-use developments receiving PDC assistance will be subject at minimum to PDC design review to ensure that housing development is compatible with the established neighborhoods in terms of scale, density, architecture, materials and general design.

PDC will require developers of larger housing developments to seek neighborhood association and community feedback on the design of new residential developments when tax increment or other PDC administered funds are provided. PDC will also encourage all developers, regardless of funding, to seek community feedback on designs of medium- and high-density residential developments.

d. Increase opportunities for local business and workforce participation in housing construction and rehabilitation projects

Housing development activity can directly support economic development goals of local wealth creation and workforce development by increasing contracting and employment opportunities in both new construction and rehabilitation projects.

Local and Minority Contractors

PDC will work with developers to establish goals for the use of local and minority-owned contractors in all PDC-assisted developments and coordinate with local organizations to encourage the use of local- and minority-owned contractors in all housing development, regardless of financing. PDC will identify opportunities to provide education and training for local- and minority-owned contractors in development practices that may increase their ability to be competitive in contract bidding (such as green building/sustainable practices, lead containment and abatement, etc.), and work with larger established contractors to create opportunities for mentoring emerging small businesses.

Workforce Development

PDC will work with local partners to explore opportunities for increasing local workforce participation in housing and mixed-use development projects. PDC will seek options for linking the existing network of workforce development and training providers to the local development community and housing development related trades.

PDC will work with local housing and service providers to identify opportunities for linking residents of affordable housing to employment training and financial management programs to foster the increased income and financial security of existing residents.
Goal #3. Ensure an adequate supply of housing is available and affordable (costs 30% or less of gross income) to people of all income levels living in the ICURA in the Year 2000

Neighborhoods in the Interstate Corridor Urban Renewal Area are home to many of Portland’s most vulnerable citizens. In 1996, 23% of Interstate households had incomes at or below the federal poverty level (compared to 15% citywide), and nearly 30% of households received some form of public assistance. Interstate has a larger percentage of children and the poverty rate for family households is nearly double the citywide rate. The ICURA also has a larger percentage of people with disabilities that prevent them from working than the overall City of Portland.

Other data on population growth, housing supply, and housing costs in the Interstate Corridor indicate the area is experiencing significant change and growth. The total population increased 7% between 1990 and 2000, and the number of family households with children doubled. These households are already having difficulty finding affordable housing as is evidenced by the increase in the number of households (renters and homeowners) paying more than 30% of their income on housing. In 1996, almost 40% of the total households (over 54% of renter households) were paying more than 30% of their income on housing costs, and 18% were paying over half of their income on housing (29% of renter households).

The median sales price of homes has increased annually at rates between 8.6% and 22.6%, while the homeownership rate increased by 5% between 1990 and 2000. As homeownership increases, fewer single-family homes are available as rental housing. Since approximately one-third of the rental stock is single-family detached housing, these trends suggest a significant loss of affordable rental housing options for Interstate families, many of whom have low incomes.

The Interstate Corridor URA is expected to continue to attract new businesses and homeowners bringing new investment, energy and vitality to the various neighborhoods and retail centers. The strategies outlined below are designed to encourage this new investment and revitalization while maintaining a range of affordable and attractive housing options for current residents in all Interstate neighborhoods.

a. **Prioritize urban renewal funds for the development and preservation of housing affordable to people most at risk of displacement, including households with incomes below 60% MFI, seniors, disabled, and families**

The Interstate Corridor has seen an increase of investment in recent years. Home sales have remained strong providing affordable homeownership opportunities for first-time homebuyers in the middle-income bracket. It is anticipated that as new public investments are made and new markets emerge, private interests will develop rental and ownership housing opportunities for moderate- and middle-income households. While these new investments will contribute to the revitalization, job growth and business growth within the district, it will likely put increased pressures on the affordability of housing for those people with lower incomes.
Through the community planning process, at-risk persons have been identified to include people with incomes below 60% MFI, seniors, the disabled and families. Because it is anticipated that the private market will provide housing opportunities for households above 60% MFI, urban renewal funds will be prioritized for the development and preservation of housing affordable to people most at risk of displacement.

Urban renewal housing funds will be prioritized for the:
- Preservation of existing rental units serving these populations
- Development of new rental units serving these populations
- Home repair for low-income households
- Homeownership, when possible, for low-income families and disabled persons

Affordable housing for those households most at risk will be integrated into a larger mixed-income program providing balanced housing development and economically diverse neighborhoods. Individual buildings will have a mix of market and affordable units when economically feasible. Affordable housing projects will be targeted to increase the mix of available housing in specific neighborhoods. PDC will also work to ensure that larger multi-faceted projects combine renter and ownership housing serving a range of household incomes.

b. **Maintain the existing 1,400 rental units in the ICURA that are subsidized and have affordability requirements at current or greater levels of affordability.**

In the Year 2000, the ICURA had an estimated 1,400 rental units that were either owned by a public or non-profit entity, or were privately-owned with affordability restrictions due to local, state or federal financing agreement (such as Low-Income Housing Tax Credits and project-based Section 8 and Section 202 contracts). Tax increment funds will be used to retain the benefit of initial public subsidies by ensuring the long-term affordability of the units is maintained.

**Financial Assistance**

PDC will leverage tax increment funds with other public and private resources to help finance the acquisition, rehabilitation, refinance and replacement of existing subsidized housing serving low-income households within the ICURA.

In the case of properties in which the property owner chooses not to renew existing Section 8 contracts, PDC will attempt to acquire the property, or facilitate the acquisition of the property by a local public or nonprofit housing provider committed to maintaining the Section 8 contract and federal rent subsidy.

PDC will work with local housing partners to ensure that existing subsidized affordable housing stock is maintained as affordable and, when appropriate, will reassess projects to see if they can serve lower income households and support lower rent levels. In instances when units are not able to be preserved, PDC will work with housing developers to ensure the units are replaced within the district at comparable or lower rent levels.
c. **Reduce the number of households paying more than 30% of their gross income on housing costs, by adding at least 2,000 rental units in the ICURA affordable to households at various ranges between 0 - 60% MFI which have long-term affordability requirements by the year 2020.**

While the Interstate Corridor currently provides a large stock of rental housing affordable to low- and moderate-income households, much of the stock is privately-owned and has no restrictions to ensure affordable rents are maintained over the long-term. The Portland Development Commission will partner with public, private and nonprofit housing providers and housing developers to increase the number of rental housing units that are permanently affordable or have long-term affordability restrictions.

PDC will increase the number of rental units affordable to households at or below 60% MFI with long-term affordability requirements through either the:

- Preservation of existing rental properties in which new affordability requirements are attached to existing rental units (Small Rental Property Rehabilitation Loan Program and Rental Housing Loan Products), or
- Development of new rental units that have affordability requirements

**Financial Assistance**

Tax increment resources will fund a variety of loan products, including low-interest loans, market-rate loans, and equity gap contributions to help finance the development and preservation of low-income housing units affordable to households at or below 60% MFI. These loans and other forms of financial assistance will carry affordability agreements requiring units to be maintained as affordable for a predetermined period of time. The structure and length of time of affordability agreements is dependent on the type of financing accessed. PDC will also administer the existing property tax abatement, fee waiver, and system development charge exemption programs to increase the feasibility of housing preservation and new development projects that are eligible for these programs.

To ensure that low-income households have access to housing and that additional housing assistance is leveraged, PDC will require that housing providers receiving financial assistance not discriminate against households accessing tenant-based rent subsidies, such as Section 8 vouchers.

PDC will also seek opportunities to acquire vacant or underutilized property identified as potential sites for low- and mixed-income housing that serves households at or below 60% MFI. PDC will either acquire these properties, or provide financial assistance to local housing partners to acquire them, for affordable and mixed-income housing development.

**Maintain City Resources**

BHCD currently administers other city and federal resources that fund affordable housing development and rehabilitation throughout the city. The Housing Strategy recommends that projects located within the Interstate Corridor remain eligible to compete for these citywide...
resources through the RFP process, especially during the early years of the district while tax increment resources are scarce.

Explore Other Resources

PDC, in conjunction with other City Bureaus and housing providers, will continue to explore other financial mechanisms and incentives for providing long-term affordable housing in the Interstate Corridor.

d. **Ensure a mix of units affordable to households of various income levels (especially in larger projects) to reduce the concentration of any one income level in any particular neighborhood**

The Portland Development Commission will support housing projects throughout the urban renewal area to ensure that a range of housing options affordable to various income levels are available in all Interstate neighborhoods.

PDC will work with all project sponsors receiving financing assistance to determine the appropriate mix of units within housing developments to ensure neighborhood diversity and reduce the concentration of any one income level in any particular neighborhood, as well as project feasibility and sustainability. PDC will consider the degree to which individual projects contribute to neighborhood diversity, in terms of the type of units proposed, the size of units and the populations targeted, and the tenure of units (homeownership or rental).

PDC will assess projects based on their proximity to existing concentrations of publicly subsidized low-income rental housing, and encourage the development of new affordable housing units within neighborhoods that have not historically provided many affordable housing options.

e. **Provide ample housing options affordable to people who work in the area**

PDC will pursue opportunities to establish new employer assisted housing programs with local businesses located with the Interstate Corridor, and work with existing programs to increase use by employees currently living in the Interstate.

**Employer Assisted Housing Programs**

PDC, in partnership with Fannie Mae, will provide information and technical assistance to employers interested in developing employer assisted housing programs that provide financial assistance to employees for homebuying costs, such as down payments, closing costs or buying down interest rates.

PDC will also work with existing employer assisted housing programs to explore methods to increase the participation of qualified Interstate residents. Some of the larger employers offering homebuyer assistance include:
New Development

PDC will support new housing development near or easily accessible to existing and emerging employment centers within the Interstate Corridor. PDC will also encourage a mix of housing types and affordability to ensure housing options are available to employees at various income levels and with varying household needs.
Goal #4. Ensure housing options for households of different sizes and needs

As the housing market changes in the Interstate Corridor, providing a range of housing types will be critical to maintaining the diversity of the existing neighborhoods. Providing housing opportunities for households with varying and changing needs will be necessary to allow existing residents the option of remaining in the community.

In the Year 2000, it is estimated that nearly 2,000 of the 7,500 single-family homes in the Interstate Corridor were rentals. These single-family homes provide the majority of rental opportunities for households needing three or more bedrooms. As these homes are sold and become owner-occupied units, family-sized units will be lost from the available rental market. In addition, shifts in the market induce property owners to convert small multi-plexes with larger units into condominiums or higher rent properties. These trends indicate efforts should be made to maintain adequate rental housing options for families.

Other households, such as those with seniors or people with disabilities, may be facing changes that require better accommodation of their physical needs in terms of accessibility, as well as services. Some households may need to have their homes modified to meet changing or permanent physical conditions of family members, while others may need a greater connection between housing and support services in order to maintain independence or be as self-sufficient as possible.

The strategies outlined below will help maintain the housing choices that make the Interstate Corridor neighborhoods inviting to families with children, provide community-based housing options for elderly, disabled and special needs households, and allows residents whose housing needs change to find appropriate housing within their existing community.

a. **Encourage the diversity of housing types and tenures (rental and homeownership) to address the variety of needs and preferences of individuals within the ICURA**

PDC will support a variety of housing projects within the Interstate Corridor to ensure that a mix of housing options and opportunities are available for area residents and their diversity of needs. When reviewing project proposals, PDC will consider the composition of the neighborhood, the needs of different resident populations, and how the proposed project will ensure neighborhood diversity.

When appropriate and feasible, PDC will seek projects that have a mix of unit sizes and types so as to serve a diversity of household sizes. At larger redevelopment sites, PDC may encourage that projects include a mix of owner and rental housing. In all cases, PDC will work with project sponsors receiving financial assistance to ensure projects are appropriate in terms of scale, unit type and mix, population and income levels served, and that projects are financially feasible.
b. **Preserve and support the development of large units with two, three or four bedrooms to accommodate family housing needs**

Many of the homes in the Interstate Corridor are older houses and small multi-plexes. Over half of the total rental and ownership units have fewer than three bedrooms. Of the housing with three or more bedrooms that would accommodate larger families, over 90% are located in single-family homes. Based on recent homebuying trends, these will be the first to be lost from the rental housing stock, thereby decreasing rental housing options for households with children and multi-generational households.

PDC will prioritize the preservation and development of family-sized housing units, and seek innovative housing types to accommodate various family types. When appropriate and feasible, PDC will require that housing projects, with the exception of senior and special needs housing developments, include some family-sized housing units that can provide adequate housing for families with young children, families with older children, and extended families. Housing development aimed at families with younger children should be sited in locations that can accommodate on-site open space, or in locations that strengthen access to existing open space and parks.

**Financial Assistance**

PDC will fund a variety of financial assistance products, including low-interest loans, refinance loans, and equity gap contributions to preserve and develop larger housing units with two or more bedrooms.

The two main programs by which financial assistance can be accessed are Small Rental Property Rehabilitation Loans and the Rental Housing Request For Proposals as described earlier in the Housing Strategy. Developers and property owners receiving direct financial assistance will be required to provide rental housing for low- and moderate-income households and retain long-term affordability.

**Family Amenities and Services**

Housing rehabilitation and new development projects funded through PDC will be encouraged to provide design elements that address the needs of children, such as secure play areas, adequate lighting and other safety features, and are within reasonable proximity to support services such as day care, schools, community centers, social services and transit service. PDC will also explore housing projects designed to accommodate multi-generational families as needs are identified by the community.

c. **Support the development of housing designed to meet the changing needs of senior and disabled residents within the community, including the incorporation of accessibility and universal design standards**

The needs of senior and disabled households are often heightened because of the combination of fixed-incomes, mobility constraints and medical needs, as well as the scarcity of adequate and
appropriate housing. Many senior and disabled residents have mobility limitations that make it difficult to live independently in conventional homes or apartments. Others require support services to remain in independent housing, such as housekeeping and personal care, or need even greater levels of support, such as on-site health care services or meal preparation.

It will be important to provide a range of housing that accommodates the varied physical needs of senior and disabled residents, and provide access to services that will enable them to remain in the community. Currently, there is a shortage of adequate housing stock, as substantiated by the Consolidated Plan assertion that three out of four people with a disability are not in subsidized housing although their income would qualify them.

The need for senior and disabled housing is acute in Interstate as the senior population declines at a faster rate than the city, and the number of working-age disabled persons grows. The community has expressed concern that the lack of affordable and accommodating housing is contributing to the loss of seniors living in the Interstate Corridor. The number of seniors 65 years or older declined by 24.4% between 1990 and 2000. In converse, the total number of persons in Interstate who are unable to work because of a disability has increased since 1990. Interstate saw a dramatic increase of 50% in the number of men under the age of 65 years who are disabled and unable to work, an increase far exceeding the citywide increase of 16%, posing new housing needs and challenges.

Financial Assistance

PDC will prioritize housing for senior and disabled residents, using tax increment funds to provide a variety of financing products, including low-interest loans, market-rate loans, and equity gap contributions to help finance the rehabilitation and development of housing that adequately accommodates the needs of senior and disabled residents. PDC funded activities may include:

- Assisting seniors and disabled residents modify their own homes to meet mobility needs
- Assisting single-family homeowners modify their homes to meet the needs of senior and disabled family members
- Developing accessory dwelling units that are accessible for seniors and disabled residents
- Developing rental and ownership housing that incorporate design elements and services appropriate for senior and disabled residents
- Developing housing for senior and disabled residents near transit and community services

Tax increment funds will be leveraged with other state and federal resources available for the development of housing for senior and disabled residents.

PDC will also ensure that publicly-financed projects provide affordable options to existing residents, and include access to services that will reduce barriers to independent living by senior and disabled residents.

d. Support the development of housing throughout the district for residents with special needs
The Consolidated Plan has identified significant shortages in housing that accommodates residents with special needs. Special needs is a broad classification describing community members who are mentally or physically disabled, have behavioral disabilities, seniors, victims of domestic violence and other crimes, those fighting alcohol and drug addictions, those living with HIV/AIDS, and many other adults and youths. Many of these residents are currently in the Interstate community, but may not have adequate housing or access to services that would enable them to be successful.

Financial Assistance

PDC will leverage tax increment funding with other public resources for the development of special needs housing, and work with local service providers to ensure that newly developed housing is appropriately linked with support services.

PDC will encourage or require that special need housing providers receiving financial assistance work with neighborhood groups to provide accurate information to citizens and businesses and address concerns related to the siting and design of the housing. The City of Portland's Community Residential Siting Program is available to provide assistance to housing providers in developing outreach processes, when necessary.
Goal #5. Increase opportunities for homeownership, prioritizing opportunities for existing residents

A major goal of the Interstate Corridor URA is to increase equity-building and wealth creation opportunities for existing residents. Homeownership is the most common method of building wealth, and is also a means for increasing the stability of individual households, as well as the broader neighborhood. The Interstate Corridor URA offers many opportunities to increase the number of homeowners within the district and provide a continuum of homeownership opportunities for households of all sizes, race, ethnicity, and economic backgrounds.

The strategies listed below are intended to increase the number of homeowners in the URA to enhance neighborhood and resident stability, including opportunities for existing renters to purchase the homes in which they currently reside. Because of limitations on tax increment funding, the strategies and programs are focused on home-ownership opportunities that include either new development or rehabilitation of an existing home.

PDC will continue to work with the Bureau of Housing and Community Development to ensure that Interstate Corridor residents remain eligible for homeowner and homebuyer programs funded through other city and federal citywide resources. Urban renewal funds will augment these and other resources and fund new homebuyer programs to provide a broad spectrum of programs to serve Interstate residents.

a. Increase the purchase opportunities and buying power for first-time homebuyers, including assisting renters in purchasing the home they currently live in

While there are many single-family homes available for purchase in the Interstate Corridor, many of these homes are priced at levels out of reach for existing renters. In addition, the older housing stock often requires additional investment in repairs and rehabilitation. PDC will seek ways in which to increase the number of existing residents who have access to affordable homeownership, and focus resources on efforts to transition existing renters into first-time homeowners in the Interstate Corridor.

Financial Assistance

PDC has recently developed new homebuyer programs to increase access for existing residents to affordable homeownership, and to provide financing for the rehabilitation of the older housing stock in the Interstate Corridor. These pilot programs combine tax increment funds with private first mortgage financial funds to provide home purchase and rehabilitation financing to new homebuyers. Although most programs are targeted to households at or below 80% MFI, some products do not have income restrictions. These new programs include:

- Interest Rate Buydown Loan for purchase/rehab and refinance/rehab used in conjunction with the Fannie Mae HomeStyle Mortgage (maximum of $5,000-no income restrictions)
- State Residential Loan Program paired with a Shared Appreciation Mortgage
PDC can also combine homebuyer assistance programs in the financial package for new homeownership construction. For instance, PDC may provide construction financing to a multi-family housing developer that is later converted into homebuyer assistance for specific housing units, such as the Shared Appreciation Mortgage Program and the Portland Community Land Trust.

PDC will continue to administer, in conjunction with BHCD, homebuyer assistance programs funded with federal Community Development Block Grant and City General Fund allocations as funding is available.

Other Resources and Programs

PDC will work with local housing partners to explore new mechanisms and programs to increase homeownership among existing residents in the Interstate Corridor, such as the HUD Section 8 vouchers as mortgage payments for low-income homebuyers, rent-to-own programs, and other public and private first and second mortgage products.

PDC will also work with local housing organizations, financial institutions and developers to increase education and outreach to existing residents about available homebuyer programs. In addition, PDC will work with private and public lenders to increase their presence and activity in Interstate neighborhoods, and leverage resources to provide more home mortgage products available to and appropriate for Interstate residents.

In an effort to leverage additional resources for homeownership, PDC will pursue opportunities to establish new, and bolster participation in existing, employer assisted housing programs available to local employees as previously described in Goal #3.

b. Expand the stock and continuum of homeowner buying opportunities

Based on current market and development trends, it is anticipated that the private development community will provide new traditional single-family and rowhouse ownership opportunities for middle- and upper-income households to purchase in the district without public funding.

PDC assistance for new homeownership development will focus tax increment resources on providing options for low- and moderate income households below 80% MFI. PDC may also provide assistance for the development of new homeownership models in the Interstate Corridor Urban Renewal Area that serve non-traditional homebuyer markets, such as senior and disabled residents, single-parents, and emerging immigrant populations, or projects that serve as catalyst transit-oriented developments.
Financial Assistance

Tax increment funds may be used to provide low-interest and market-rate loans for the development of a range of ownership housing to meet the needs of the diverse population in the district. Innovative homeownership models that do not have affordability requirements but meet other urban renewal goals or provide opportunities for an under-served population may receive assistance in the form of site assembly or short-term, interest-bearing construction loans.

PDC will also administer the existing property tax abatement, fee waiver, and system development charge exemption programs for new homeownership development projects to defray some of the costs to the developer, as well as costs to the eventual homeowner.

Green Building and Sustainable Practices

PDC will require the use of quality, durable materials and green building and sustainable practices in new ownership housing development projects receiving financial assistance from PDC to:

- Promote quality housing development
- Increase energy efficiency
- Reduce ongoing maintenance and utility costs

PDC will continue to track the market in the Interstate Corridor and direct resources toward those areas where there is an identified gap and the market is not providing homeownership opportunities for specific income and household groups.

c. Increase the supply of permanent and/or long-term affordable homeownership housing stock

PDC will support the development of a housing stock that continues to be affordable to low- and moderate-income households even after the initial homebuyer sells the home. The land trust model and Habitat for Humanity are the primary programs in which homes are developed and/or preserved as affordable to homebuyers permanently or long-term. These programs provide opportunities for low- and moderate-income renters to purchase homes in which they can afford the mortgage responsibilities.

Financial Assistance

PDC will support the development of new ownership housing and rehabilitation of existing ownership housing that will be maintained as permanently or long-term affordable. Assistance may include land acquisition, short-term construction financing, fee waivers, tax abatements, or eligible homebuyer assistance (as described earlier in this goal).

PDC will continue to explore other mechanisms for maintaining long-term or permanently affordable homeownership in the Interstate Corridor.
d. **Increase the homeownership rate in neighborhoods that have homeownership rates below the city average**

The Interstate Corridor is made up of 10 diverse neighborhoods with a housing stock that is predominantly single-family homes. Many of the neighborhoods in the district (Arbor Lodge, Overlook, Piedmont, Kenton and Bridgeton) have homeownership rates well above the overall City of Portland average of 55.8%, with rates over 60% and 70%. Other neighborhoods, such as Eliot, Boise, King, Humboldt and areas of Portsmouth, have homeownership rates as low as 40%.

*Siting of New Development and Target Marketing*

PDC will work with developers to target new homeownership opportunities serving a range of incomes in neighborhoods with current low ownership rates. PDC will require that developers provide a plan for how new ownership opportunities will be marketed to existing residents. PDC, BHCD, and other housing partners will prioritize marketing of first-time homebuyer programs to existing residents in neighborhoods with low homeownership rates in an effort to increase the number of renters that are able to transition into homeownership within these neighborhoods, thereby increasing the number of homeowners within the neighborhood.

e. **Increase homeownership among existing residents, including current renters, people of color, limited and non-English speakers, and people with disabilities**

In addition to developing new homeownership housing and providing homebuyer programs to assist people become homeowners, it will be important to increase the existing residents' awareness of available services and programs.

*Marketing and Outreach*

PDC will actively market homebuyer assistance program that are available in the Interstate Corridor to existing residents. PDC will work with BHCD, and other partner organizations who administer other homebuyer assistance programs, to increase marketing, outreach and education to existing residents in the Interstate Corridor.

Marketing, outreach and education should be done in a manner that is culturally appropriate to the diverse populations within the Interstate Corridor to reach people of color and those residents who speak limited or no English. Techniques should include:

- Providing materials in languages represented by Interstate residents
- Outreach to local organizations who work with diverse populations
- Coordination among organizations administering homebuyer programs

PDC will continue to evaluate programs for their effectiveness in increasing homeownership among existing residents, and explore ways in which programs can more appropriately serve target populations. PDC will also work with partner organizations, developers and realtors to explore models for increasing marketing of available properties to local residents.
f. Increase the ability of new and existing homeowners to maintain their home for the long-term

Homeowners are not immune to being displaced from their community. It is important for existing homeowners to be able to make mortgage payments and keep up with the maintenance and repair needs of the home. It is also important for new homebuyers to be in a financial situation in which they can afford their mortgage payment as well as the ongoing upkeep needs once they purchase their home.

Financial Assistance

PDC administers the Home Repair Loan Program that leverages federal and tax increment funds with private resources to provide a variety of loan products, including deferred- or low-interest loans, market-rate loans and refinance loans to assist existing homeowners making repairs to their home. Low-interest loans are provided to eligible low-income homeowners.

Homebuyer and Homeowner Education

PDC will work with providers of homebuyer programs to ensure that new homebuyers are educated on the responsibilities of homeownership and financially positioned to be successful homeowners over the long-term.

PDC will work with other public and private organizations to develop and identify funding for programs to increase the stability of Interstate residents by educating homeowners and homebuyers on the risks associated with over leveraging personal resources, such as frequent refinancing, over extending credit, high interest mortgages and other high risk activities. PDC will explore how refinance products, such as those offered by PDC and others, can assist residents at risk of foreclosure or predatory lending and work with existing service providers and lenders to link residents to longer term mortgage assistance and foreclosure prevention programs.

Other programs may also highlight how homeowners can avoid speculative buying practices and ensure they receive a fair market price for their home if they choose to sell.
Goal #6. Increase the housing stability of existing residents and protect them from involuntary displacement caused by gentrification, increases in housing costs and loss of housing choices

Many residents with limited incomes live in the Interstate URA and face unstable housing situations because they can no longer afford the rising cost of rents and purchase price of homes in the area. Interstate has a large number of households paying more than 30% of their income on housing costs. This gap between people's incomes and the cost of housing, combined with other factors, may result in the involuntary displacement of residents from the area, including families who have lived in the area for generations.

Common factors that contribute to the displacement of both renters and homeowners include a shrinking supply of affordable housing (especially for large families), discriminatory housing practices, limited supply of appropriate housing for the elderly and disabled, lack of personal savings, and bad credit issues. In addition, many low-income renters are unable to meet stringent rental screening requirements (such as credit checks), can not afford the costs of application and move in fees (often non-refundable), and may face discriminatory and unfair rental practices.

Aspiring homebuyers also face barriers to purchasing a home, including lack of savings, limited access to affordable mortgages, and lack of awareness of homebuyer financial and educational resources. Other households may face barriers to maintaining the homes they currently own because they lack funds for general maintenance and repairs, or have gotten behind on mortgage payments.

A primary goal of the Interstate Corridor Urban Renewal Housing Strategy is to ensure that existing residents will benefit from urban renewal activities. While it is recognized that urban renewal resources cannot address all of the barriers to renting and homeownership, urban renewal can contribute to the development and preservation of housing for people who choose to stay in the community, and increase awareness and access to housing programs and opportunities.

The strategies below are intended to contribute to the stabilization of existing residents, and ensure the Interstate Corridor Urban Renewal Area will continue to the accommodate a diverse population. Many of the strategies have been articulated in previous goals and are included here to emphasize the importance of these anti-displacement measures.

   a. Explore and implement new models for prioritizing existing residents for housing programs or other mechanisms for ensuring that existing residents benefit from urban renewal housing activities

Within program development and program delivery, PDC will work with local housing partners and public agencies to identify ways to prioritize existing residents for housing programs.
PDC will explore the feasibility of different mechanisms and models that give preference to current and long-term residents of the Interstate Corridor, such as:

- Program eligibility requirements and intake processes,
- Marketing and outreach models to increase the number of existing residents accessing housing programs or projects,
- Developer incentives or agreements to increase existing residents’ access to new housing,
- Local contractor and resident participation in housing development, and
- Other new models.

PDC will implement new program delivery methods that are likely to increase resident participation and housing stability, and in which implementation is financially and programmatically feasible. PDC will also work with other housing program providers to increase the effectiveness of their program delivery to existing Interstate residents.

b. **Maintain the number of rental units (multi-family and single family) affordable to low-income people (at or below 60% MFI) currently living in the ICURA through preservation and/or replacement of units at current levels of affordability**

As stated in Goal #3, PDC will work with local housing partners to maintain the existing 1,400 rental units in the ICURA that are currently subsidized and serve local low-income households. Maintaining the existing affordability requirements of these units at current or greater levels of affordability will enable the city to leverage these critical past investments in the long-term preservation of low-income housing.

c. **Increase the supply of permanent and/or long-term affordable rental (0-60% MFI) and ownership housing (up to 80% MFI)**

Providing housing stock that will remain affordable to low- or moderate-income households permanently or over a long-term helps increase the stability of existing low- and moderate-income residents, and enable them to remain in the community as market forces continue to push rents and home prices upward. Permanent or long-term affordable housing ensures that residents do not have the threat of burdensome rent increases or unaffordable mortgage payments, and the affordability of the housing unit is retained for future households.

Affordable rental and ownership housing will be spread throughout the district and within mixed-income projects to increase neighborhood diversity while maintaining affordable housing options for existing residents.

**Affordable Rental Housing**

Goal #3 states that PDC will work with local housing partners and provide financial assistance to add at least 2,000 rental units in the ICURA by the year 2020 that are affordable to households between 0 - 60% MFI and have long-term affordability requirements. Coupled with the goal to maintain the existing subsidized housing, the net result will be an increase in the total number of units in the ICURA with stable rents for existing low- and moderate-income residents. PDC will
also work with housing partners to increase the number of residents in affordable units that are paying no more than 30% of their gross income of housing costs.

**Affordable Ownership Housing**

As stated in Goal #5, increasing the number of permanent or long-term affordable ownership housing provides opportunities for existing low- and moderate-income renters to become homeowners and begin building equity. After homes with permanent or long-term affordability restrictions are sold, they are available for another low- and moderate-income residents in the Interstate Corridor to purchase at affordable rates.

d. **Increase homeownership among existing residents, including current renters, people of color, limited and non-English speakers, and people with disabilities**

As discussed in Goal #5, the Portland Development Commission will explore new methods for increasing awareness of and access to available housing services and programs.

**Marketing and Outreach**

The Portland Development Commission will actively market homebuyer assistance programs that are available in the Interstate Corridor to existing residents and will work with BHCD, and other partner organizations to increase their marketing, outreach and education to existing residents in the Interstate Corridor. Marketing, outreach and education will be done in a culturally-appropriate manner to effectively reach the diverse populations living within the Interstate Corridor.

PDC will also work with local housing organizations, financial institutions and developers to increase education and outreach to existing residents about available homebuyer programs. In addition, PDC will work with private and public lenders to increase their presence and activity in Interstate neighborhoods, and leverage resources to provide more home mortgage products available to and appropriate for Interstate residents.

PDC will continue to evaluate homeownership programs for their effectiveness at serving existing residents. PDC will also work with partner organizations, developers and realtors to explore models for increasing marketing of programs and available housing to local residents.

e. **Assist households in the ICURA who are facing involuntary displacement find stable, affordable, safe housing in the area of choice**

Most of the goals and strategies articulated in this document are intended to address potential displacement of current residents by providing a number of resources to prevent displacement, including financial assistance, new affordable units, and rental and homeownership programs. Other strategies, such as relocation assistance, deal with tenants who will be displaced from their current housing, but who may be able to remain in the community if services are provided.
Financial Assistance

The Portland Development Commission will leverage tax increment funds with other public and private resources to lessen the risk of displacement from the community by:

- Assisting homeowners make necessary repairs to their home by providing low and no-interest loans, deferred loans and construction oversight
- Helping low- and moderate-income renters become homeowners by providing affordable homebuyer assistance as described in Goal #5.
- Providing affordable rental housing through rehabilitation and development of new units with long-term affordability restrictions as described in Goals #2, 3 and 4.

In all rental rehabilitation projects receiving public funding, PDC will work with housing providers to minimize the displacement of existing tenants while the rehabilitation work is being conducted and ensure residents have the opportunity to move back into units once the work is completed.

Relocation Assistance

In instances when tenants must be relocated, PDC will comply with existing the Tenant Displacement and Relocation Policy and provide assistance to renters to help them get into a new home. PDC will educate the residents of their housing options and choices, including using relocation assistance toward the purchase of a home.

PDC will also work with community partners to explore new methods in which relocation services can be provided beyond federal and state statute requirements, such as helping residents locate available housing and coordinating moving arrangements, as well as linking residents to other available services and streamlining the process for accessing these services. PDC will work with other city agencies and community partners to explore options and resources for providing relocation assistance to tenants in the Interstate Corridor who face involuntary displacement as a result of private market activity.

Monitoring Displacement

PDC will partner with BHCD, housing service providers and housing advocates to explore methods and resources for collecting data on residential displacement in the ICURA. Information will be used to analyze the extent of the problem, inform strategies and program development, and evaluate urban renewal and other public and private activities.

Income Stabilizing Strategies

PDC will work with local housing and service providers to identify opportunities for linking residents of affordable housing to employment training, education, financial management programs, affordable child care and other services that foster the increased income and financial security of existing residents.
f. **Expand outreach, marketing and technical assistance related to housing programs and opportunities in a manner that ensures residents at risk of displacement are aware of housing options and choices**

A primary method of ensuring timely benefits to existing residents will be informing people of the programs and housing opportunities that are available. Concern has been expressed by community members that those households most at need are often not aware of the services and programs available to them and therefore do not reap the benefits.

PDC will work with community organizations to identify barriers local residents face when trying to access housing programs and products, and explore ways in which these barriers can be removed. PDC will seek new avenues for disseminating information about housing programs to increase the awareness potential clients have about program availability, paying special attention to how to increase marketing and outreach to people of color, ethnic minorities and limited- or non-English speakers in a culturally-appropriate manner.

PDC will coordinate existing programs and resources to deliver services more effectively and efficiently to residents in the Interstate Corridor, including Spanish speakers and other emerging immigrant populations. In addition, PDC will increase its physical presence in the neighborhood, by exploring possibilities for locating staff within the neighborhood to promote rental and ownership programs available through PDC and other public and private providers.
The Interstate Corridor Urban Renewal Advisory Committee (ICURAC) established a general budget allocation for the estimated tax increment funds that will be available over the life of the urban renewal plan. Housing projects and program in the Interstate Corridor Urban Renewal Area will be implemented to the extent that the Portland Development Commission and project and program partners are able to leverage tax increment funds with the various other public and private resources available.

**Urban Renewal Budget Projections**

The following chart represents the ICURAC budget recommendation for the 20-year life of the urban renewal area based on projection for tax increment within the urban renewal area.

![Interstate Corridor URA Funding Allocations](chart.png)

Source: Interstate Corridor Urban Renewal Plan

Recognizing the need to dedicate resources in the early years toward efforts to minimize involuntary displacement the ICURAC recommended that a disproportionate amount of tax increment funds be dedicated to Housing and Economic Development projects and programs in the first two years. A draft Five Year Budget recommended by the ICURAC in January 2001 is summarized below. This budget provides a preliminary breakdown of urban renewal funding based on tax increment projections.
It is projected that only $5,420,000 tax increment dollars will be available for housing programs in the first five years of the urban renewal area.

**Five-Year Housing Budget and Priorities (FY 2002-06)**

It is clear that $5,420,000 tax increment resources alone will not be adequate to address all of the needs of low-income residents at risk of displacement, and implement other housing and mixed-use developments such as projects called for in the Station Area Revitalization Strategy. It will be critical in the first five years to leverage other public and private resources in projects and programs that support the goals of the Housing Strategy.

The following is a proposal for how to prioritize these limited resources for the first five years. *This budget proposal assumes that the City of Portland will maintain its current level of city and federal funding of housing programs citywide, and that Interstate projects and households will remain eligible for these resources.*

**First-Year Budget and Program Priorities**

The Housing Working Group recommended and the Interstate Corridor Urban Renewal Advisory Committee approved the budget priorities for the first year (FY 2001-02) of Housing tax increment funding in January 2001.

The Anti-Displacement Outreach Pilot Program *Neighbors MAXimizing Stability* administered by the Bureau of Housing and Community Development provided $1.5 million of City General
Fund resources to the 10 neighborhoods of the Interstate Corridor Urban Renewal Area. Of the total funds, $900,000 was to be used to increase homeownership opportunities for low- and moderate-income households. Consequently, the first year budget priorities for tax increment resources are focused on low-income rental opportunities.

The estimated $960,000 tax increment resources were allocated to housing programs as follows:

- **Rental Request for Proposal**  
  Up to $700,000
  A Request for Proposals was issued for new construction, rehabilitation, and/or acquisition/rehab with stated priorities for projects that serve very low- (0-50% MFI) and extremely low- (0-30% MFI) income households, families with children, and special need populations including seniors and people with disabilities.

  **Performance Estimate:** approximately 25-40 units developed or rehabilitated

- **Small Rental Property Rehabilitation Loan Program**  
  Up to $65,000
  Provide low interest loans for rehab and repair needs of rental properties with four or fewer units, including single family homes, with rents affordable to households at or below 60% MFI. Tax increment funds are leveraged with other resources to provide low interest loans in exchange for negotiated affordability agreements with the property owners.

  **Performance Estimate:** approximately 4-10 units rehabilitated

- **Owner-Occupied Rehabilitation/Repair Loan Program**  
  Up to $135,000
  Provide loans to households with incomes up to 80% MFI. Households below 50% MFI can qualify for a deferred loan to provide necessary repairs to their home. Other households may qualify for a 3-5% loan in which PDC leverages tax increment funds to lower the interest rate.

  Recommend that the City of Portland will maintain city and federal funding for the Owner-Occupied Rehabilitation/Repair Loan Program available in the Interstate Corridor Urban Renewal Area at current levels of 25 to 30 loans per year. Tax increment funds will augment these existing resources.

  **Performance Estimate:** approximately 10-15 loans to homeowners annually using tax increment dollars

This funding allocation represents the TIF portion of projects. These funds will be leveraged with other funding sources such as private lenders, low-income housing tax credits, developer equity, etc. An additional $60,000 was budgeted toward housing staff and administration costs associated with project implementation.
Budget and Program Priorities for Fiscal Years 2002-06

Recognizing that involuntary displacement due to continued increases in housing costs within the Interstate Corridor in the early years of the district is of highest concern to residents, the Housing Working Group recommends that tax increment funds be allocated to minimize the risk of displacement for existing community residents through five main strategies:

- Preserve existing rental housing stock serving low-income households (at or below 60% MFI)
- Develop new rental housing for low-income households within mixed-income projects
- Stabilize existing homeownership (through home repair)
- Increase homeownership opportunities for low- and moderate income residents
- Market available programs and housing to existing residents

Together these programs will help maintain affordable rental housing options in the neighborhood and increase housing stability and wealth creation among existing residents.

- **Rental Housing Rehabilitation and Development**  
  Up to $750,000 annually
  
  Provide financing and incentives for construction, rehabilitation, and/or acquisition/rehab of rental housing. Funding will be prioritized for rental housing development, but projects that include affordable homeownership units and meet other urban renewal goals may be considered.

  Funding for all housing expenditures will be prioritized for projects that:
  - Serve very low- (0-50% MFI) and extremely low- (0-30% MFI) income households, within mixed-income projects when appropriate and feasible
  - Serve families with children (special consideration for projects that provide family services: day care, on-site or access to playground, etc)
  - Serve special need populations including seniors and people with disabilities (special consideration for projects that increase accessibility and mobility of residents)
  - Leverage light rail investment or address other urban renewal goals (economic development, community livability, transportation, etc) within mixed-income and/or mixed-use developments

  PDC may combine resources for multiple years into one allocation to provide financing for larger mixed-income, mixed-use developments.

  **Performance Estimate**: approximately 25-40 units developed or rehabilitated annually

- **Small Rental Property Rehabilitation Loan Program**  
  Up to $75,000 annually
  
  Provide low interest loans for rehab and repair needs of rental properties with four or fewer units, including single family homes, with rents affordable to households at or below 60% MFI. Tax increment funds are leveraged with other resources to provide low interest loans in exchange for negotiated affordability agreements with the property owners.

  This program will be piloted in both the Interstate Corridor and Lents Town Center Urban Renewal Areas in FY 2001-2002.

  **Performance Estimate**: approximately 10-15 rehabilitated units annually
• **Homeownership Program for Existing Properties**  
  Up to $150,000 annually  
  Provide loans to homebuyers to purchase and rehabilitate existing homes. Combine tax increment funds with first mortgage funds to provide homeownership and rehabilitation financing. Home purchase must include rehabilitation of property. Programs are targeted to households at or below 80% MFI, although some products do not have income restrictions. Current programs include:
  - **Interest Rate Buydown Loan** for purchase/rehab and refinance/rehab used in conjunction with the Fannie Mae HomeStyle Mortgage  
    (maximum of $5,000-no income restrictions)
  - **State Residential Loan Program** paired with a Shared Appreciation Mortgage  
    (maximum of $30,000-households at or below 80% MFI)
  - **Portland Community Land Trust Buyer Initiated Program**  
    (maximum of $50,000-households at or below 80% MFI)

  **Performance Estimate:** approximately 5-10 loans to homebuyers annually

• **Owner-Occupied Rehabilitation/Repair Loan Program**  
  Up to $50,000 annually  
  Provide loans to households with incomes up to 80% MFI. Households below 50% MFI can qualify for a deferred 0% loan to provide necessary repairs to their homes. Other households may qualify for a 3-5% loan in which PDC leverages tax increment funds to lower the interest rate.

Recommend that the City of Portland will maintain city and federal funding for the Owner-Occupied Rehabilitation/Repair Loan Program available in the Interstate Corridor Urban Renewal Area at least through fiscal year 2006 at current levels of 25 to 30 loans per year. Tax increment funds will augment these existing resources.

  **Performance Estimate:** approximately 5-10 loans to homeowners annually

• **Other Housing Programs**  
  Up to $100,000 annually  
  Reserve funds for other housing development programs and activities that support the goals of the Housing Strategy, such as land acquisition, predevelopment assistance, relocation expenses, fee waivers, system development charges, housing project management and administration expenses.

The following table summarizes the above program and funding recommendations. Although the funds are allocated annually, multi-year funds for rental housing development may be combined in a single allocation to support the development of larger mixed-use, mixed-income developments or respond to development or acquisition opportunities as they arise.
**Interstate Corridor Urban Renewal Area**  
**Housing Tax Increment Funds FY 2001-2006**  
**Proposed Five Year Budget**

<table>
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<tr>
<th>ICURA Housing Program Area</th>
<th>FY 2001-02</th>
<th>FY 2002-03</th>
<th>FY 2003-04</th>
<th>FY 2004-05</th>
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The budget recommendation dedicates approximately 75% of the total tax increment funds toward rental housing development, 17% for homeownership and homebuyer programs, and the remaining 8% for general urban renewal housing activities in the first five years.

In addition to the $5,420,000 tax increment funds recommended for fiscal years 2001-2006, the Housing Working Group recommends that current City and Federal funds remain available in the Interstate Corridor Urban Renewal Area for rental housing development and rehabilitation, as well as the Owner-Occupied Rehabilitation/Repair Loan Program for this five year period.

**Ongoing Budget and Program Priorities**

Ongoing urban renewal budget and housing program priorities will be coordinated with PDC’s Five-Year Business Plan process and annual monitoring and evaluation of urban renewal activities described in the following section.

PDC Five Year-Business Plan process is aligned with the city budgeting process. Annually, PDC assesses the broad goals established for the urban renewal area and the specific housing goals articulated in this Strategy. In conjunction with the ICURAC or designated advisory body, PDC will monitor progress on the Housing Strategy goals and evaluate the effectiveness of programs in meeting these goals.

Every other year, PDC conducts a widespread, intensive outreach with community partners and interested citizens to ensure projects and programs are aligned with community needs and priorities. PDC will coordinate this biannual outreach through the Interstate Corridor Urban Renewal Advisory Committee or designated advisory body, to ensure opportunities for full community involvement and input.
MONITORING AND EVALUATION

Regular evaluation and monitoring of the Housing Implementation Strategy will be critical to its success, ensuring responsiveness to the needs, conditions and vision of the residents of the Interstate Corridor throughout the life of the urban renewal area.

An annual report prepared by the Portland Development Commission staff will detail how the year's activities contribute to the achievement of the established urban renewal goals, including progress on implementing specific projects and programs. The report will demonstrate how the selected projects and programs advance the guiding principles of the Interstate Corridor Urban Renewal Plan.

The Interstate Corridor Urban Renewal Advisory Committee (ICURAC) or advisory bodies designated by the ICURAC will be responsible for working with PDC staff in reviewing annual progress and making recommendations for funding priorities for the coming years.

Measurement Tools

The ICURAC or designated advisory bodies will evaluate progress on five levels:

- **Housing expenditures**: measure the level of tax increment spending, public and private funds leveraged, and average subsidy amounts

- **Housing units production/preservation**: report on unit targets by housing type, income level served and geographic location

- **Housing program performance**: customer loans made, income level served, demographic served (race/age/family size/special needs) and geographic location

- **Demographic and economic benchmarks**: measure long-term community impact through key benchmarks to include: homeownership rate (by race and neighborhood) and change in the number of homeowners (by race and neighborhood), number of households paying more than 30% of their gross income on rent (by race and neighborhood), rental housing affordability, overall housing development (market and PDC-assisted) and general neighborhood composition (race, income, household type).

- **Housing Availability**: measure and track the supply and level of affordability for both rental units and ownership purchase prices for available housing stock provided by the public, non-profit and market sectors.

PDC staff, in conjunction with the ICURAC or designated advisory body, will evaluate the effectiveness of the Housing Implementation Strategy and monitor progress on specific goals and strategies. Housing expenditure, housing unit production and preservation, and housing program
performance can be measured annually, while key demographic and economic benchmarks will be documented as reliable information is made available by the U.S. Census Bureau, either through the Decennial Census or the American Community Survey. PDC will track housing availability and affordability in the urban renewal area to monitor the housing spectrum and inform urban renewal development and program decisions.

All housing activities will also be measured in terms of their impact on mitigating the displacement of local residents from the Interstate Corridor, and increasing wealth creation among existing residents and businesses. As discussed in Goal #6, PDC will continue to work with the Bureau of Housing and Community Development and local advocacy organizations to find new means for tracking displacement in the Interstate Corridor.

**Evaluation Timelines**

The ICURAC or designated advisory body will review urban renewal housing activity in the Interstate Corridor on an annual basis. PDC staff will coordinate review of the Housing Implementation Strategy with established PDC processes for developing the Five Year Business Plan (i.e. budget and priorities) and ongoing technical updates. There will be opportunities annually for public input on housing performance and review of urban renewal activities.

The annual monitoring and evaluation will provide the foundation for establishing urban renewal housing program and budget priorities on a year to year basis, recommend changes to existing programs, and suggest new housing programs. The public will have the opportunity to provide recommendations on how urban renewal funds and programs are prioritized.

Recommendations from the ICURAC will be forwarded to the Portland Development Commission for approval, and then subsequently approved by the Portland City Council through the annual Five-Year Business Plan and budgeting process.

**Updates and Amendments**

The Interstate Corridor Urban Renewal Housing Strategy establishes a 20-year vision for the urban renewal area. The goals and strategies are developed to provide flexibility in funding prioritization as markets change, while always continuing to further the vision set forth in the Interstate Corridor Urban Renewal Plan and the Housing Strategy.

The ICURAC has the ability to recommend changes or amendments to the Housing Strategy if new needs and gaps are identified in the annual monitoring and evaluation process in so far as they are consistent with the ICURA Plan and the overall vision articulated in the Housing Strategy. All changes and amendments must be approved by the Portland Development Commission.
SUMMARY OF IMPLEMENTATION TOOLS

Below is a summary of the tools currently available to housing consumers and developers in the Interstate Corridor Urban Renewal Area. These tools include products and services offered by the Portland Development Commission, as well as financial products and services administered by other public and private organizations and institutions. Many PDC products and services are able to leverage tax increment resources with other public and private resources, while other resources are provided by community partners using different funding sources.

The ability to leverage resources and build strong partnerships between and among housing consumers and producers will be critical to effectively addressing housing needs. Ongoing efforts will work toward identifying new opportunities within the Interstate Corridor to leverage new resources or provide products that meet the needs of residents and housing providers and developers.

Available housing programs and resources are constantly evolving as new resources are identified and programs are altered to better meet changing and emerging needs. Complete and up-to-date information on specific tools and programs listed herein can be obtained from the administering agencies and organizations.

PDC Administered Tools and Programs

FIRST-TIME HOMEBUYER PRODUCTS

The following products are currently available directly to prospective homeowners. These products are designed to increase the purchasing power of new homeowners in the Interstate Corridor and provide assistance with the financing of necessary rehabilitation.

Please note that products evolve over time and the Portland Development Commission should be contacted for complete and up-to-date information.

- **Fannie Mae HomeStyle Loan** — These loans are amortized loans that can be used in two ways. Homeowners can refinance existing liens against their property and pay for home repairs with the same loan. They can also be used by a new homebuyer to purchase a home and pay for home repairs needed at the time of purchase. PDC provides the underwriting for this first mortgage product but does not provide the financing.

- **Interest Rate Buydown Loan** — PILOT PROGRAM — This loan reduces the interest rate on Fannie Mae HomeStyle mortgages by 1.0 to 1.5% to allow the borrower to finance a greater amount for necessary renovations. The maximum loan amount is $5,000 and is fully recaptured if the home is sold or refinanced within the first five years. This loan program is being piloted in the Interstate Corridor and Lents Town Center Urban Renewal Areas and assessed at the end of 2002. (TIF eligible expenditure)
• **State Residential Loan Program/Shared Appreciation Mortgage—PILOT PROGRAM—**
  This loan provides financing for acquisition and rehabilitation of existing properties to households with incomes at or below 80% MFI. The first mortgage is the State Residential Loan (which is underwritten by PDC and funded by the State) that is fully amortizing, below market rate, and has subsidy recapture provisions during the first nine years. It is combined with a non-amortizing Shared Appreciation Mortgage (SAM), which is a second mortgage product that reduces the principal of the first mortgage financing. The maximum SAM is $30,000 per property. This loan program is being piloted in the Interstate Corridor and Lents Town Center Urban Renewal Areas and assessed at the end of 2002. (TIF eligible expenditure if for new construction or rehabilitation)

• **Portland Community Land Trust Buyer Initiated Program—PILOT PROGRAM—**
  This program offers a cash grant that enables households at or below 80% MFI to purchase a home. In exchange for the cash grant the land in each purchase will be permanently held in trust by the Portland Community Land Trust. The amount ranges between $30,000 and $50,000 depending on the income and housing needs for a particular household. Part of the cash grant can by used to fund rehabilitation work. This loan program is being piloted in the Interstate Corridor and Lents Town Center Urban Renewal Areas and assessed at the end of 2002. (TIF eligible expenditure if for new construction or rehabilitation)

• **Limited Property Tax Abatement Program (ORS 308.450 & ORS 58.005)** — This is a ten-year tax abatement on the improvement value for new homes that meet the following criteria: a) the property is located within a Designated Distressed Area, b) the property is less than 2-years old (single family homes and condominiums are eligible), and c) the sales price must be no greater than $159,000 in 2001 (adjusted annually). The homeowner will not pay taxes on the assessed value of the new construction for 10 years. The homeowner will, however, continue to pay taxes on the assessed value of the land. There are currently no restrictions as to the income of the recipient, but changes to these restrictions are pending approval. (No direct TIF expenditure)

**HOMEOWNER PRODUCTS**

• **PDC Deferred Payment Home Repair Loans** — These are home repair loans offered at below market interest, which are due upon the sale or transfer of the property. Deferred payment loan funds may be used to remedy major and minor code violations and incipient conditions, and also may include funding for general property improvements. Eligible families may earn no more than 50% of median family income. Mortgage payments, property taxes, and insurance must be current. (TIF eligible expenditure)

• **PDC Amortized Home Repair Loans** — These loans are home repair loans upon which a customer makes a monthly payment. Amortized loan funds may be used to remedy major and minor code violations and incipient conditions, and general property improvements. There is a maximum of $5,000 for the general property improvements. Eligible families may earn no more than 80% of median family income. Interest rate varies between 3% to 6% and is determined on a sliding scale based on median income. Mortgage payments, property taxes, and insurance must be current. (TIF eligible expenditure)
RENTAL PROPERTY OWNER PRODUCTS

• **Small Rental Rehab Program— PILOT PROGRAM**— Provides low interest loans for rehab and repair needs of rental properties with four or fewer units, including single family homes, with rents affordable to households at or below 60% MFI. Tax increment funds are leveraged with other resources to provide low interest loans in exchange for a negotiated affordability agreement with the property owner. This loan program is being piloted in the Interstate Corridor and Lents Town Center Urban Renewal Areas. It will be assessed at the end of 2002. (TIF eligible expenditure)

HOUSING DEVELOPERS PRODUCTS

• **PDC Housing Development Loan Products**— PDC provides low-interest loans for use in property acquisition, refinancing, rehabilitation and new construction of rental and ownership housing units. Loans may be used for gap financing and/or bridging the temporary financial need between acquisition, construction, permanent loans and equity to fund total development costs. These loans are often subordinated to private construction and permanent financing. (TIF eligible expenditures) PDC accepts applications for these financial assistance products in two ways:

  - PDC issues Request for Proposals (RFPs) to solicit proposals from developers of projects that will provide public benefits as defined by city policy and Interstate Corridor Urban Renewal Area goals. Each RFP outlines the specific housing threshold criteria to be achieved and preference criteria that will guide in choosing between qualifying projects. The city may have site control or developers may select and demonstrate site control.

  - PDC also accepts applications for direct financial assistance. Developers with site control who are interested in developing a project that furthers the objectives outlined in city policy and the Interstate Corridor Urban Renewal Plan and strategies should contact PDC to discuss potential funding availability and application process. There could be cases where time is critical, a crisis needs to be averted, or where significant public benefit will be achieved and funds are allocated outside of the RFP process. PDC will reserve the right to allocate funding under these circumstances.

• **PDC Predevelopment Loans – (For Non-Profits)**— Non-Profit Predevelopment Loan Program- The PDC Housing Department, together with the Enterprise Foundation provides predevelopment financing for projects sponsored by eligible non-profit organizations through the loan program. These funds are available to fund technical and professional services necessary to explore the feasibility of low or moderate income, mixed use, mixed income housing development. Interest rates of the Predevelopment Loan are either 0% or a blend of low interests depending on the loan amount. Loans have a maximized term for 24 months, or the close of construction financing, whichever is sooner. Predevelopment loans are not intended for the purchase of property, except for option payments. (TIF eligible expenditure)
- **Non-Profit Acquisition Financing Loan**—PDC and the Enterprise Foundation offer non-profit acquisition financing loans to eligible non-profits to fund the acquisition of property or to fund a portion of the cost of a contract purchase. The property must be intended for the development of low or moderate income, mixed use and/or mixed income housing. The interest rate for the loan program is generally 6% and has a maximum term of 24 months or the close of construction financing, whichever is sooner. (TIF eligible expenditure)

- **PDC Predevelopment Loans (For-Profits)**—PDC provides direct loans for pre-development activities to projects located in the urban renewal areas which have tax increment financing available for housing. Loans are available to fund technical and professional services necessary to explore the project feasibility of rental housing, for-sale properties with multiple units or mixed-use developments that meet the programmatic objectives of the Urban Renewal Area or the special initiative of PDC. (TIF eligible expenditure)

- **PDC Direct Finance Acquisition Loans**—PDC provides loans to project sponsors to fund the acquisition of property for projects located in the urban renewal areas which have tax increment financing available for housing. Loan funds are available to fund the acquisition of property or to fund a portion of the cost of a contract purchase of property for rental housing, for sale properties with multiple units or mixed-use developments that meet the programmatic objectives of the Interstate Urban Renewal Area. (TIF eligible expenditure)

- **Limited Property Tax Abatement Program for New Rental Housing (ORS 307.600.PCC 3.104)**—The City of Portland has a limited property tax abatement program for qualifying multi-family rental new construction with ten or more units in urban renewal areas. Projects receiving the abatement are exempted from ad valorem taxes on the value of the improvement for a 10-year period. In return for the tax abatement, the developer must provide public benefits such as affordable housing, open space, day care, etc. (No direct TIF expenditure)

- **Limited Property Tax Abatement Program for Transit Oriented Development (PCC 3.103.005)**—The City of Portland has a limited property tax abatement program for qualifying transit oriented developments within one-quarter mile of a light rail stations. Projects receiving the abatement are exempted from ad valorem taxes on the value of the improvement for a 10-year period. The purpose of the tax exemption is to encourage the development of high density housing and mixed-use projects affordable to a broad range of households on vacant or underutilized sites near light rail or fixed route transit service. Eligibility is dependent on a variety of public benefits included in the project as outlined in the city code, including but not limited to affordable housing units, day care, ground floor commercial, community meeting space and transit amenities.

- **Charitable, Non-Profit Property Tax Abatement**—A low-income project under the ownership or control of a qualified non-profit agency, can receive property tax exemption on the value of land and improvements from the County Assessor, renewable annually, for the units occupied by households with incomes below 60% of the median family income for the area. Likewise, if ownership is held by the City of Portland (through the Housing Authority, for example) it will also be exempt from taxes. (No direct TIF expenditure)
- **PDC Development Fee Waiver Program**— This program is available to Non-Profit Affordable Housing projects in the City of Portland. It is intended to reduce development costs by waiving a portion of the development fees associated with rehabilitation or new construction of affordable housing units. The Fee Waiver benefit amount is derived from the number of affordable units created for any given project. Fee waivers are subject to the availability of PDC funds. Unless tax increment funds are made available, PDC will cease to issue funds when the annual allocation has been reserved and/or expended or when a non-profit organization has reserved up to their annual maximum of $50,000. (TIF eligible expenditure)

- **System Development Charge (SDC) Exemption Program** — New Development within the City of Portland generates the need for capacity increases for transportation systems, parks and recreation facilities and water works systems, and the System Development Charges (SDC) fund a portion these increases in capacity. SDC Exemptions are intended to reduce the development costs for residential units that are made affordable to first time homeowners and Low-Income renter households by exempting developers from paying SDC fees levied by the City of Portland. Only those units meeting the requirements will receive the exemption. PDC has been charged with the administration and monitoring of the SDC Exemption Program for Affordable Housing for the City’s Office of Transportation, Bureau of Water Works and Bureau of Parks and Recreation. PDC also administers a Parks Credit Pool which grants credits to projects that prove financial necessity and either satisfy the requirements of Innovative Design guidelines or receive target area team approval. (TIF eligible expenditure, except Parks SDC for which the source is PDC's credit pool)

- **City Light Revenue Bond Program** — The purpose of the City Lights Housing Program is to stimulate production of new housing units that are not currently being built due to market financial constraints. Its function is to demonstrate the viability of new forms of housing development in areas of the city which have been under-served by current development, and/or to produce housing which contributes to public purposes such as commercial revitalization and transit-oriented development. Types of projects developed with the program include middle and moderate income housing which is a gap in current housing development in the city, mixed-use development that is difficult to finance because few comparable projects exist, and housing development in parts of the city where it has been slow to occur. According to the Federal Tax Code, the City cannot lend its credit to a private entity and, therefore, must own any housing developed with this tool.

## Other Community Housing Products And Programs

- **Other Public and Foundation Financing Programs**— A variety of other local, state, and federal programs are available for housing serving low-income families, for example, the Oregon Affordable Housing Tax Credit for Low-Income Housing, Housing Trust Fund, Tax-Exempt Bonds, Elderly and Disabled and Private Activity Bonds and the Oregon Residential Loan Program. Many of these programs are only available to non-profit developers. They are administered by the Oregon Housing and Community Services Department, the Portland Development Commission, Multnomah County, and the Bureau of Housing and Community Development or HUD. There are also a number of federal grant programs and charitable
foundation opportunities for which non-profits may qualify. For example, local governments have reached agreements with the Enterprise Foundation to utilize the Foundation’s Smart Growth Fund.

- **Federal Low-Income Housing Tax Credit** — The Federal Low-Income Housing Tax Credit (LIHTC) provides a federal income tax credit for new construction and rehabilitation of residential units for low-income individuals. The credits are purchased by corporations with anticipated tax liabilities and are claimed for ten consecutive years following the date that the qualified property is placed in service. Projects must meet rent restrictions that require that either 20% of the units be occupied by households with incomes below 50% of the area’s median income or 40% or more of the units be occupied by household whose incomes do not exceed 60% of median. Residents in eligible units may not pay more than 30% or the applicable income limitation for rent and utilities. Generally, properties receiving tax credits must remain in compliance with the set-aside and rent restriction tests outlined above for an extended use period of at least 30 years, but commonly up to 50 years. The tax credit is either 9% or 4% of the eligible basis (i.e. qualified expenses) of the project. Using these credits is complex, but may be used to raise significant equity for a project. The complexity of the tool results in the use of consultants, attorneys, and accountants familiar with the process. The credits are awarded through an application process conducted by the Oregon Housing and Community Services Department. The process is a highly competitive one for most credits.

- **Private Financing** — The private financing community will continue to finance market rate housing projects and these projects will help to meet growth management goals for the area and serve to generally improve the area. Typically, with low-income projects, private financing is but one of many sources necessary to complete the funding package.

**Other Homeowner Resources**

- **Mortgage Foreclosure Assistance** — The Portland Housing Center provides Mortgage Foreclosure Assistance targeted for homeowners within the Interstate Urban Renewal Area. The program offers small, emergency, no interest loans as a last resort to prevent foreclosure, counseling services on ways to identify resources and strategies for resolving the problem, and assistance negotiating with lenders.

**Other Resources Available to First-Time Homebuyers**

- **Project 20 Percent** — PILOT PROGRAM — The Portland Housing Center provides a second mortgage loan product for first-time homebuyers to receive a loan of up to 20% of sales price at an interest rate of 3-7%. The property must be located within eligible neighborhoods and the borrower must meet residency eligibility within those neighborhoods. Ongoing funding for this program is uncertain at this time.

- **Project Down Payment** — This home purchase assistance program provides for down payment and closing cost assistance making the purchaser's first mortgage more affordable. Maximum assistance is $4,000. This is a five year second mortgage with an interest rate of 5%. It is
designed for first time homebuyers and borrowers must contribute a minimum of 2% of the sales price from their own funds. Eligible households must be at 100% of median income or less. The homebuyer completes an educational program through the Portland Housing Center. This is a revolving loan fund funded in large part by local lenders.

- **Portland Community Land Trust (CLT)** — A CLT is a community based nonprofit corporation that holds land for community benefit. It is primarily a homeownership model, in which the PCLT acquires land and/or buildings and sells the improvements (home) on the land at a price that is below market value. PCLT retains ownership of the land and when the homeowner is ready to sell, the home is then sold to another household of low to moderate income. Homeowners enter into a long-term lease (99 years) for the land that grants them secure and exclusive use of the land under their homes. Investment in the land ensures affordability of the housing is retained over time by restricting the price at which the home can be resold. When selling, the homeowner receives the amount that they have paid down on their mortgage, their down payment, and a share of the net appreciation, which is often around 25%.

- **Habitat for Humanity** – Portland Habitat for Humanity provides homeownership opportunities for low income families in Portland. Homes are built with volunteer labor and are sold to the families for $65,000 to $75,000. The homeowners are chosen according to current living conditions, ability to repay a no interest mortgage and a willingness to work closely with Habitat, contributing 500 hours of sweat equity toward their future home.

- **HUD's FHA Loans** – HUD insures mortgage loans to help people buy homes with a low down payment. Qualified homebuyers may be eligible for a down payment loan with an interest rate as low as 3 percent. Closing costs and fees can also be included in the mortgage. HUD-insured loan homebuyer loans are available through HUD-approved banks, mortgage companies, or savings and loan associations.

- **HUD Homeownership Section 8 Mortgage Subsidy**— If approved by the Housing Authority of Portland’s Board, this housing benefit may be available to first-time homebuyers. The program allows a person or family who is receiving HUD Section 8 assistance to use the subsidy toward home mortgage costs. Recent changes in the regulations bring no new funding of this program. Homeownership vouchers subsidy would require use of the existing supply of Tenant-Based vouchers.

**Other Resources Available to Renters**

- **Private Investors and Developers** — The largest stock of single and multi-family rental units affordable to people of most incomes who choose to live in the Interstate Urban Renewal Area are available through private landlords and developers.

- **Community Development Corporations** — Private non-profit organizations are a large provider of affordable housing in the Interstate Corridor Urban Renewal Area. One of their missions is to provide stable housing stock, both rental and ownership, that is affordable to low- and moderate-income households or specific populations with special needs. Some of the organizations active in the Interstate Corridor include the Portland Community Reinvestment, Inc. (PCRI), Albina Community Development Corporation, LIHNAPO,
Hacienda, and other nonprofit housing-related service providers. Most of these organizations are members of the Community Development Network which supports and organizes the CDC affordable housing providers throughout the region.

- **Tenant Based Section 8**—Renters apply for housing vouchers and search for a housing unit to rent from private or non-profit landlords. Landlords enter agreement with the Housing Authority of Portland (HAP). The landlord receives a subsidy rent payment from HAP, which allows low income people to pay no more than 30% of their monthly income on rent.

- **Project Based HUD Rent Subsidy**—This housing benefit, attached to the housing structure, is a fifteen year subsidy between an owner and HUD providing a stable source of funds for subsidizing rent. While recent changes in regulations brings no new funding to this program, project basing of subsidy would require HAP to use vouchers from its existing supply of Tenant-Based vouchers.

- **BHCD Housing Connections**—A one-stop housing center accessible through the Internet that assists Portland area low-income housing consumers who are facing barriers in accessing or retaining appropriate housing or shelter. This affordable housing locator, scheduled to be on-line in October 2001, will be used by staff at housing agencies who assist low-income housing consumers in securing and retaining appropriate housing and housing services. Service will be expanded in Spring 2002 to include a housing services database which will provide information and referral to services that people need in order to obtain and retain housing.

- **NE Workforce Center**—Housing-related assistance is being offered on a one-time basis to Inner Northeast area residents in imminent danger of displacement due to rising housing costs and limited housing choices. Limited financial assistance is provided on a first-come, first served until funds are exhausted. To receive assistance households must participate in financial management classes. This program was funded on a one-year allocation in 2001 and will operate until funding is depleted.

- **Community Alliance of Tenants Renter Rights Hotline**—The Community Alliance of Tenants is a grassroots, tenant-controlled, tenant-membership organization that provides information to renters about rights on issues such as evictions, repairs, deposits, rent increases and more.

- **Relocation Assistance Requirements**—PDC does not intend to involuntarily displace residential tenants, homeowners or businesses. In the event that a business or residential tenant is required to move as a result of a PDC-funded project, the tenants are protected by state and/or federal laws, and will be eligible to receive services and/or payments under PDC’s Relocation Policy. These policies and laws are specifically designed to protect the rights and interests of persons who are unwillingly adversely affected by public improvement projects. Every affected business and resident will be carefully assisted to ensure that the specific needs of those individuals are met. These benefits may include services, including help in finding a new location and assistance with the transition. Business, homeowners and renters can also receive cash payments to cover eligible moving costs, reestablishment expenses, rent differences, and/or down payments to help purchase another home.
Appendix A: Interstate Corridor Urban Renewal Plan Goals, Objectives and Principles

The goals and objectives of the Interstate Corridor Urban Renewal Area reflect considerable community involvement, including Advisory Committee deliberations, and many broad outreach efforts described in Section II of the Plan. The goals and objectives are divided into two categories, presented below. First are the “General Principles”, broad language which will apply to all decisions affecting the urban renewal area. Following the general principles are more specific principles organized around seven topic areas – housing, economic development/jobs, transportation, revitalization, urban design/urban form/historic preservation, parks and open space, and community facilities/public buildings/infrastructure. These topic areas, and the policy language within each, are based on the Albina Community Plan, adopted by City Council in 1993. They are also derived, to a considerable extent, from an extensive set of sources, generally described in the proceeding section on public involvement.

General Principles

1. Outreach. The planning and implementation of the Interstate Corridor Urban Renewal Area will be founded on a thorough, ongoing, and inclusive community involvement process. This process will build capacity within the community, by providing specific, consistent, and culturally appropriate opportunities for all community residents, businesses, and organizations to access and impact urban renewal decision-making, and by providing educational resources necessary to an informed decision. To assure accountability, an Advisory Committee will remain in place for the duration of the URA, with broad and diverse representation from the community. Information will be accessible to the community. Particular emphasis will be given to engaging those sectors of the community not typically involved in this type of project, including the elderly, and those who do not speak English. Communications will be in an accessible format where needed.

2. Benefit the Existing Community. The Interstate Corridor URA will primarily benefit existing residents and businesses within the urban renewal area, through the creation of wealth, revitalization of neighborhoods, expansion of housing choices, creation of business and job opportunities, provision of transportation linkages, protection of residents and businesses from the threats posed by gentrification and displacement, and through the creation and enhancement of those features which enhance the quality of life within the urban renewal area. A special emphasis will be placed on providing benefits to groups most at risk of displacement (e.g., the elderly, people of color, small businesses, low income people, the disabled).

3. Coordination. To optimize the effectiveness of urban renewal investments, the Commission will coordinate and integrate urban renewal efforts with the URA Advisory Committee.
Committee, TRI-MET, Oregon Department of Transportation, and other agencies, as well as the efforts of the private and nonprofit sectors.

4. **Stability/Sustainability.** Urban renewal efforts will strive to stabilize and revitalize the Interstate Corridor, building on the diverse cultural and historic assets of the area (both human and built). These efforts will strive for sustainability, as measured in the responsible use of limited resources and as measured in a commitment to the improvement in the lives of those who live, work, and play in the area.

5. **Albina Community Plan.** The Albina Community Plan and its associated neighborhood plans, adopted by City Council in 1993, will serve as the cornerstone for the Interstate Corridor Urban Renewal Plan. Specifically, the Albina Community Plan will be the framework plan for the urban renewal area, recognizing that the specific urban renewal implementation measures will be sufficiently flexible to evolve in response to new challenges and opportunities as they arise. For the Portsmouth neighborhood, a planning framework (e.g. neighborhood plan) will be created prior to any major capital expenditures occurring within Portsmouth.

6. **Optimize Light Rail Investment.** Recognizing this as a unique opportunity to link urban renewal to a major new transit facility, urban renewal will serve to optimize the public investment in the Interstate light rail line by ensuring that the entire area benefits from this investment, in particular through the creation of catalyst projects near light rail stations and other key locations.

7. **Focus Investment Along Interstate.** Areas immediately abutting the light rail line will bear the highest degree of impacts and opportunities associated with the light rail line, and therefore these areas will be an important focus of urban renewal investment.

8. **Distribution Of Resources.** It is essential that there be a fair distribution of urban renewal resources throughout the entire urban renewal area, so that all areas benefit from urban renewal.

9. **Return On Investment.** Consideration should be given to focusing tax increment dollars, especially in the early years of the urban renewal area, on projects which are likely to attract significant private investment which in turn will generate more immediate tax increment dollars using a return on investment (ROI) analysis. It is recognized, however, that some programs and projects may not provide a strong ROI but are nonetheless supportive of other goals and objectives of the urban renewal plan and therefore merit early funding.

10. **Strategic Use Of Resources.** Tax increment dollars should be used strategically; other sources (private investment, other agency funds, etc.) should be utilized to the maximum extent possible. To achieve the maximum efficiency in the use of tax increment funds, they should serve to leverage other investments whenever possible.

11. **Condemnation.** There will be no condemnation as part of the Urban Renewal Area until and if the Interstate Corridor URA Advisory Committee decides that it wants to amend the Urban Renewal Plan to include condemnation.

12. **Other Funding Sources.** The availability of funds should not cause other City programs or agencies to allocate resources which would otherwise be earmarked for north/northeast Portland to other parts of the City. Where appropriate, City programs or agencies should consider shifting resources away from capitol projects eligible for urban renewal funds, towards other north/northeast Portland community needs which are ineligible for urban renewal funding.


**Principles by Topic Area**

**HOUSING**

1. **Displacement.** Develop and implement programs that address potential displacement of current residents (renters and homeowners), so that they may remain in their homes and neighborhoods.

2. **Home Ownership.** Increase equity-building ownership opportunities (including a variety of housing options, e.g. condominiums and lofts), especially for existing renters, through programs such as shared appreciation mortgages, community land trust, down payment assistance, as well as more conventional financing methods. Educate existing residents about these programs with a thorough outreach program.

3. **Compatible Infill.** Assure that infill housing is compatible with established neighborhoods in terms of scale, density, design, and range of affordability, through design standards and design review. Encourage rigorous community outreach to residents of affected areas prior to making any zone changes that might result in significantly increased density, particularly in the portions of neighborhoods between I-5 and Interstate Avenue.

4. **Seniors/Single Parents/Disabled.** Facilitate the retention/creation of affordable housing opportunities for seniors, single-parent households, and those with disabilities. Where appropriate, incorporate accessibility design principles.

5. **Housing Balance.** Provide a mix of housing opportunities consistent with the range of choices that existed within the urban renewal area in the Year 2000. Encourage a mix of incomes among projects to reduce the concentration of any particular income level in any particular neighborhood.

6. **Preservation.** Preserve and rehabilitate the existing housing stock and maintain its affordability through the use of different financing tools and technical assistance.

7. **Housing For Workers.** Provide ample housing opportunities for people who work in the area (current and future employees).

8. **Design Review.** Encourage developers to seek neighborhood/community feedback on the design of new residential projects; require this feedback in the case of urban renewal-funded projects.

9. **Support Services.** Support efforts to assure that necessary services are available to support current and new residents: schools, transit, grocery and other retail, social services, childcare (especially for high density housing), parks and open space, etc.

10. **Income Diversity.** Assure that an adequate supply of housing is available to people of all income levels throughout the district.

11. **Transit Supportive Housing.** Support mixed-use, mixed-income housing projects along major transit corridors including Interstate Avenue.

12. **Housing Strategy.** Prepare and implement a comprehensive Interstate Corridor Housing Strategy to guide future funding decisions within the URA in accordance with the principles enumerated herein. The Strategy will assess the housing needs and availability for populations
at risk of displacement, as well as identify existing programs and develop new programs to address the issue of residential gentrification and involuntary displacement, affordability, increased ownership opportunities, etc. The development and ongoing monitoring of this Strategy will involve extensive involvement of residents of all types – renters, owners, long-term and more recent residents, upper income, middle income, lower income, etc.

**ECONOMIC DEVELOPMENT/JOBS**

1. **Wealth Creation.** Foster entrepreneurship and wealth creation within the community.
2. **Displacement.** Retain and support existing businesses by endeavoring that they benefit from the urban renewal program. Minimize the involuntary displacement of existing businesses in the Urban Renewal Area, through an assessment of the needs of businesses at risk of displacement. This assessment will identify existing programs and develop new programs and strategies (such as small business loans, storefront grants, technical assistance, etc.) intended to retain and support these businesses.
3. **Business Expansion.** Support expansion of existing businesses which offer family-wage employment opportunities within the community.
4. **New Development.** Identify sites with the potential for new development, including contaminated land suitable for productive reuse.
5. **Training Facilities.** Support the creation of job training facilities, resource facilities, and other workforce development facilities that serve to expand employment opportunities within the community, through community-based organizations and employment and training partnerships with area schools and employers.
6. **Family-Wage Jobs.** Prioritize maintaining and attracting family-wage jobs in the URA.
7. **Existing Residents.** Provide opportunities for current area residents to obtain new jobs and create wealth before, during, and after construction of the light rail line, in part by optimizing the utilization of area residents and businesses on all project phases and new developments within the URA.
8. **Positive Business Environment.** Recognizing that each area serves a different purpose and that all areas help enrich the fabric of the entire community, create an environment that supports existing businesses, increases profitability, creates jobs, and encourages the development of new complementary businesses and industries. Ensure compatibility between commercial, industrial, and residential areas for their mutual benefit. Improve the community’s economic capacity to support business. Create living-wage job opportunities within the community.
9. **Job Access.** Optimize access of area residents to employment opportunities outside of the URA.
10. **Child Care.** Support access to stable, quality child care through the development of child care networks. Focus on improvements in provider training, facilities improvements, transportation needs, and provider business development to free up other funds for subsidies to parents. Employers benefiting from urban renewal will be required to describe how they will assist workers with child care prior to receiving urban renewal support.
TRANSPORTATION

1. **Target Investments.** Target transportation/infrastructure investments to fulfill jobs, housing, and revitalization objectives of the Interstate Corridor. Give priority to transportation improvements which will enhance access to key employment areas.

2. **Coordination With Other Goals.** Coordinate and integrate transportation investments with other goals and objectives of the Urban Renewal Plan (e.g. parking to serve economic development objectives, housing, access to jobs, neighborhood services such as childcare, etc.).

3. **Access.** Assure that area residents and workers have access to a variety of transportation options to provide connections to jobs, services, community facilities, etc. This is especially critical with regard to east-west connections to light rail stations.

4. **Pedestrian Environment.** Create a pleasant and safe pedestrian environment, particularly in terms of enhancing pedestrian access to transit.

5. **Traffic Impacts.** Mitigate negative impacts on area streets resulting from traffic displaced from Interstate Avenue due to light rail, as well as other traffic impacts in the general area. Invest in infrastructure and signaling technology to coordinate traffic flow with light rail, maximize arterial effectiveness, and support economic development, job creation, and neighborhood livability.

6. **Transportation Modes.** Encourage alternatives to auto travel by improving facilities for pedestrians, bicyclists, and transit, while still accommodating auto travel in the area.

REVITALIZATION

1. **Focus Redevelopment.** Focus major redevelopment around light rail station areas and other key nodes within the Urban Renewal Area, such as intersections of main arterials, to maximize the leverage of public investment and to recognize that redevelopment is critical to the success of light rail.

2. **Main Streets.** Foster the development of mixed-use, medium and high-density projects at appropriate locations, e.g. at transit stations and along 2040 Main Street corridors. These projects would typically consist of one or more floors of residences over ground floor commercial/retail.

3. **Location Of High Density.** Locate high-density housing in appropriately zoned areas along major transit corridors.

4. **Mixed Uses.** Provide for a mix of uses (housing and commercial) along main street corridors, especially Interstate, with related support services such as day care.

5. **Mix Of Scales.** Public-sponsored redevelopment projects should be divided into small and medium scale components, where feasible, to increase opportunities for local, smaller scale developers and contractors, especially Minority/Women/Emerging Small Business contractors.

URBAN FORM/ URBAN DESIGN/HISTORIC PRESERVATION

1. **Target Street Improvements.** Target streetscape improvements to complement light rail use and to leverage appropriate private investment.
2. **Development Quality.** Promote high quality development that recognizes and builds on the existing architectural character and assets of the area and that uses high-quality, long-lasting materials that complement existing adjacent buildings.

3. **Historic Preservation.** Encourage historic preservation, as expressed in the built environment and in terms of the social/cultural heritage of the community, in providing direction to future growth and development.

4. **Design Review.** On urban renewal-funded projects, utilize a design review process, with community input, to assure that major new development is compatible with the existing character of the area.

5. **Heritage.** Recognize, honor, and preserve buildings, sites, and other features associated with the diverse cultural and social heritage of the area.

6. **Art & Parks.** Encourage development near light rail to incorporate public art and pocket parks. Where possible and appropriate, join TRI-MET in investing in public art and greenspaces and encourage private investment as well.

**PARKS & OPEN SPACE**

1. **Existing Assets.** Protect, maintain, and improve existing parks, school grounds, facilities and open space assets within the corridor.

2. **Linkages.** Enhance and extend pedestrian and bicycle linkages between area residents, jobs, and light rail, and parks and open spaces, including places such as the Columbia Slough and the Willamette River at Swan Island.

3. **New Development.** Incorporate suitable, high quality parks and open spaces within or near large-scale new development.

4. **Community Needs.** Meet the recreational and open space needs of the community.

5. **Preserve Natural Areas.** Preserve and enhance natural areas, such as the Columbia Slough.

6. **Pocket Parks.** Acquire vacant/abandoned sites for pocket parks, especially in areas that are underserved in terms of open space.

**COMMUNITY FACILITIES/PUBLIC BUILDINGS/INFRASTRUCTURE**

1. **Existing Facilities.** Maintain, enhance and connect existing community services and facilities to meet the needs of current and future residents.

2. **Location Coordination.** Coordinate the location and operation of community facilities with transportation and housing investments.

3. **Intergenerational.** Create new intergenerational community facilities, i.e. targeting youth, seniors, childcare, etc.

4. **Accessibility.** Provide facilities that are accessible to residents and employees and which enhance employment opportunities.
Appendix B: Albina Community Plan Housing Goals and Objectives

Policy V: Housing

Increase housing opportunities for current and future residents of the Albina Community by preserving and rehabilitating the existing housing stock, constructing appropriate infill housing in residential neighborhoods and building higher density housing near business centers and major transit routes. Stimulate new housing investment by emphasizing the Albina Community’s central location, established public services, and quality housing stock.

Objectives:

1. Improve the quality and quantity of housing for Albina residents. Provide a variety of housing types for households of all sizes and incomes.
2. Add 3,000 new housing units to the Albina Community Plan Study Area over the next twenty years.
3. Provide opportunities for home ownership for Albina residents. Emphasize infill development that accommodates owner-occupancy and is compatible with the surrounding neighborhood.
4. Preserve and encourage the rehabilitation of existing sound housing, especially rental housing.
5. Decrease the number of vacant and abandoned housing units by 50% over the first five years of the plan. Clear unsalvageable housing and build new housing in its place.
6. Discourage speculation that deters construction of housing on vacant land.
7. Market the Albina Community to housing developers and prospective home owners.
8. Improve the quality of rental housing by ensuring better management and property maintenance.
9. Revisit the issue of housing density in 10 to 15 years after Albina Community Plan neighborhoods have been stabilized. Seek opportunities for increasing housing density and accommodating a greater share of the region's growth.
10. Rehabilitate at least 100 housing units each year to provide affordable housing to low and moderate income households.
11. Create a portion of the Albina Community's housing stock as permanent affordable rental housing through ownership by nonprofit organizations.
12. Revisit the housing affordability issue in the Albina Community neighborhoods in 10 to 15 years after the Albina Community neighborhoods have stabilized. Seek to increase opportunities for affordable housing and reductions in displacement that might otherwise result from neighborhood stabilization and rising property values.
## Action Chart: Housing

<table>
<thead>
<tr>
<th>#</th>
<th>Action</th>
<th>Timeline</th>
<th>Implementors</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td>Completed</td>
<td>On-Going Next 5 Years 6 to 20 Years</td>
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<td>###</td>
<td><strong>PROJECTS</strong></td>
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<tr>
<td>H1</td>
<td>Foster the development of innovative housing types including attached single-dwelling and manufactured housing.</td>
<td>X</td>
<td>AIA, CDCs, NECDC, PVT, PCD</td>
</tr>
<tr>
<td>H2</td>
<td>Foster the use and acceptance of alternative ownership forms such as cohousing, limited equity cooperatives, community land trusts, lease-purchase programs and mutual housing associations to provide affordable housing.</td>
<td>X</td>
<td>NAs, Lenders, CDCs, PDC, PCLT, CDN, FM</td>
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<tr>
<td>###</td>
<td><strong>PROGRAMS</strong></td>
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<tr>
<td>H3</td>
<td>Encourage Albina Community employers to develop home ownership assistance programs for their employees that can be used as models by other area employers.</td>
<td>X</td>
<td>BHCD, FM, CDCs, PDC, NECD, PHC, PVT</td>
</tr>
<tr>
<td>H4</td>
<td>Provide information and referral on programs that encourage home ownership, maintenance and rental rehabilitation. Market the availability of BHCD/PDC home loan.</td>
<td>X</td>
<td>PDC, CDCs, PHC, NECD, BHCD, FM, PVT</td>
</tr>
<tr>
<td>H5</td>
<td>Establish and support awards programs that recognize design excellence, energy efficiency, cost containment, quality and compatibility in rehabilitation and new construction projects.</td>
<td>X</td>
<td>METRO, AIA, OSD, OPDR, NEADA, PCD</td>
</tr>
<tr>
<td>H6</td>
<td>Conduct workshops for first-time home buyers.</td>
<td>X</td>
<td>PHC, FM, NAs</td>
</tr>
<tr>
<td>H7</td>
<td>Maintain a database on vacant residentially zoned lots. Provide information on available financing and ownership to interested developers.</td>
<td>X</td>
<td>BOP, Lenders</td>
</tr>
<tr>
<td>H8</td>
<td>Establish neighborhood association committees which work with property owners, renters, real estate agents, lenders and community development corporations to market housing opportunities to current Albina residents and families.</td>
<td>X</td>
<td>NAs, REAs</td>
</tr>
<tr>
<td>H9</td>
<td>When feasible, move sound houses to more appropriate sites rather than demolish them, and reuse building materials from demolished houses in rehabs and new construction.</td>
<td>X</td>
<td>PVT, BHCD, CDCs</td>
</tr>
<tr>
<td>H10</td>
<td>Encourage the formation of programs which provide emergency repairs for properties owned or occupied by seniors or citizens with disabilities.</td>
<td>X</td>
<td>PDC, SHR, CA, PPB, CDCs</td>
</tr>
<tr>
<td>H11</td>
<td>Make information available regarding the state’s property tax deferral program for the elderly.</td>
<td>X</td>
<td>BOP, MC, EIA, NAs</td>
</tr>
<tr>
<td>H12</td>
<td>Create a pool of below-market rate mortgage money to build home ownership among low- and moderate-income households.</td>
<td>X</td>
<td>Lenders, PDC, BOA, ACB, FM, NAs</td>
</tr>
<tr>
<td>H13</td>
<td>Market loans and special home ownership programs to low to moderate income Albina neighborhoods</td>
<td>X</td>
<td>Lenders, NPF, PHC, FM, NAs</td>
</tr>
<tr>
<td>H14</td>
<td>Make information available regarding the ten-year property tax abatement for new construction and housing rehabilitation under the distressed area program.</td>
<td>X</td>
<td>BOP, OPDR, BHCD, PDC, NAs</td>
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<tr>
<td>H15</td>
<td>Provide rehabilitation loans to low to moderate-income home owners at below market interest rates and reduce the amount of equity needed to qualify for loans.</td>
<td>X</td>
<td>PDC, FM</td>
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<td>#</td>
<td>Action</td>
<td>Timeline</td>
<td>Implementors</td>
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<td>On- Going</td>
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<tr>
<td>H16</td>
<td>Identify means of reducing financing costs of housing rehabilitation loans.</td>
<td>X</td>
<td></td>
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<tr>
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<td></td>
<td>PHC, PDC, FM, Lenders</td>
</tr>
<tr>
<td>H17</td>
<td>Support the efforts of community development corporations and non-profit housing developers to rehabilitate housing for ownership by low to moderate income households.</td>
<td>X</td>
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<td>CDN, EF, BHCD, NPF, PDC</td>
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<tr>
<td>H18</td>
<td>Build the capacity of community development corporations and other non-profit housing developers to produce affordable housing by providing technical assistance.</td>
<td>X</td>
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<td></td>
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<td>PDC, BOP, BHCD, CDN, EF, NPF, HDC, NAs</td>
</tr>
<tr>
<td>H19</td>
<td>Build the capacity of private non-profit organizations that acquire and maintain affordable rental housing.</td>
<td>X</td>
<td></td>
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<td></td>
<td>PDC, BHCD, CDN, HAP, NPF</td>
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<tr>
<td>H20</td>
<td>Develop a permanent source of funding for housing education and inspection programs.</td>
<td>X</td>
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<td>OPDR</td>
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<tr>
<td>H21</td>
<td>Offer training for neighborhood associations to pursue vigorous code enforcement.</td>
<td>X</td>
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<td></td>
<td>OPDR, HHW, NECN</td>
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<tr>
<td>H22</td>
<td>Offer training for neighborhood associations and concerned citizens in resolving disputes with landlords that own or manage problem rental properties.</td>
<td>X</td>
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<td></td>
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<td></td>
<td>OPDR, HHW</td>
</tr>
<tr>
<td>H23</td>
<td>Continue to provide rental rehabilitation loans to property owners who keep their units affordable for low to moderate income tenants.</td>
<td>X</td>
<td></td>
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<td></td>
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<td>PDC</td>
</tr>
<tr>
<td>H24</td>
<td>Make available a rental information system to assist households in locating suitable rental housing. Provide information on larger rental homes which are available for extended families.</td>
<td>X</td>
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<td>PHC, BHCD, CDCs</td>
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<tr>
<td>H25</td>
<td>Provide more public housing assistance in the form of Section 8 certificates and conventional units.</td>
<td>X</td>
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<td></td>
<td>HAP</td>
</tr>
<tr>
<td>H26</td>
<td>Target substandard rental housing for inspection and correction of basic health, fire and safety violations. Prosecute chronic housing code violations in the Community Court.</td>
<td>X</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>OPDR, CCRT, BHCD, BW</td>
</tr>
<tr>
<td>H27</td>
<td>Maintain a system that facilitates contacting rental property owners about maintenance issues by code enforcement staff and neighbors.</td>
<td>X</td>
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<td></td>
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<td>OPDR, ONI, NECN, PPB, BHCD, BW</td>
</tr>
<tr>
<td>H28</td>
<td>Develop and implement a strategy to assure that affordable housing opportunities remain available for existing Albina community residents. Develop policies and programs to mitigate the impacts of gentrification and reduce the involuntary displacement of existing Albina residents.</td>
<td>X</td>
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<tr>
<td></td>
<td></td>
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<td>BHCD, HCDC, BOP, CDCs, NAs, PDC, CDN, NAs, NECDC</td>
</tr>
<tr>
<td>H29</td>
<td>Continue to implement the City’s “60 Year affordability” policy when making low income housing loans to developers and community development corporations.</td>
<td>X</td>
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<td></td>
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<td></td>
<td>BHCD, PDC</td>
</tr>
<tr>
<td>H30</td>
<td>Preserve home ownership through mortgage foreclosure prevention counseling for households at risk of losing their homes.</td>
<td>X</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>PHC</td>
</tr>
<tr>
<td>H31</td>
<td>Consider placing vacant residential lots in a community land trust. Where feasible, relocate threatened historically or architecturally significant buildings to these lots.</td>
<td>X</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>PCLT, NAs</td>
</tr>
<tr>
<td>H32</td>
<td>Encourage a diversity of incomes within new housing developments.</td>
<td>X</td>
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<td></td>
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<td></td>
<td>PDC, BHCD, PVT</td>
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</table>
### Action Chart: Housing

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<th>Timeline</th>
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<tr>
<td></td>
<td></td>
<td>Completed</td>
<td>On-Going Next 5 Years</td>
</tr>
<tr>
<td>H33</td>
<td>Inventory and monitor the city’s low income housing stock and work to ensure that low income housing opportunities are available throughout the city.</td>
<td>X</td>
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<tr>
<td></td>
<td><strong>REGULATIONS</strong></td>
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<tr>
<td>H34</td>
<td>Rezone areas near main arterials for multi-dwelling residential development taking into account existing uses and the effects on surrounding land uses.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H35</td>
<td>Establish zoning provisions in residential areas with significant infill opportunity that will foster the development of additional housing that will be compatible with the existing neighborhood.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H36</td>
<td>Enforce federal, state and local fair housing laws in the Albina Community.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H37</td>
<td>Include a portion of residentially zoned land on the southern end of King Boulevard in the Oregon Convention Center Urban Renewal Area so that high density housing projects can benefit from inclusion in the district.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H38</td>
<td>Pursue changes to state regulations to allow tax abatements for affordable owner-occupied multi-dwelling housing developments.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H39</td>
<td>Consider allowing historic structures threatened with demolition to be relocated during the demolition delay period.</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>H40</td>
<td>Review and consider reconciling differences between accessory dwelling unit regulations in Albina and those in the city as a whole.</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

1. The Portland City Council approved these action charts by resolution. The actions listed are a starting place. Actions are adopted with the understanding that some will need to be adjusted and others replaced with more feasible proposals.

2. Identified implementors have expressed interest and support with the understanding that circumstances may affect their ability to take action. Some implementors are entities that actually carry out one or more elements of the action, while other implementors advocate for the action.
1.0 INTRODUCTION

Purpose. These regulations constitute the polices and requirements of the Portland Development Commission with respect to making relocation payments.

1.2 Persons who are to be displaced are encouraged to contact or visit the Commission office. The regular Commission office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. By arrangement, appointments can be made at other than regular office hours and at the displaced person’s home or business. The Commission is anxious to consult with those expected to be displaced.

1.3 These regulations are intended to comply with the requirements of Oregon State Law ORS 281.045 to 281.105 governing relocation assistance to displaced persons.

2.0 DEFINITIONS

2.1 Displaced Person. Any person who moves or is required to move his or her residence and personal property located on the premises, or his or her business, nonprofit organization or farm operation and personal property located on the premises as a result of:

2.1.1 Acquisition of real property in whole or in part, by the Commission; or

2.1.2 The receipt of a written order by such a person from the Commission to vacate the property for public use.

2.2 Persons Not Displaced. A person, business or nonprofit organization or other entity does not qualify for relocation benefits as a “displaced person” if:

2.2.1 The person or entity has been evicted for serious or repeated violation of the terms of the occupancy agreement, violation of applicable law or other good cause and the Commission determines the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance.

2.2.2 The person or entity has no legal right to occupy the property (e.g. squatter).

2.2.3 The person or entity moves into the property after the date of acquisition by the Commission.
2.2.4 The person or entity will not be required to move and no unreasonable change in the character or use will be made to the property or improvements. The person or entity must receive notice that the person or entity will not be required to move and also receive notice of the terms and conditions for continued occupancy. The terms and conditions offered shall be reasonable and comparable to terms and conditions in the general market.

2.2.5 The person or entity is only required to move temporarily (not more than one year), provided that the person is reimbursed for reasonable additional out-of-pocket expenses and increased housing or rental costs. The terms of the temporary move must be reasonable, and the person must be provided the notice and information in section 2.2.4.

2.2.6 The person or entity is an owner occupant and the property acquisition by the Commission is a voluntary transaction which meets the following conditions:

A. No specific site or property needs to be acquired by the Commission.
B. The property to be acquired is not part of an intended, planned or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
C. The Commission will not acquire the property in the event negotiations fail to result in an amicable agreement and the owner is so informed in writing.

3.0 FILING A CLAIM FOR A RELOCATION PAYMENT

3.1 Time Limit for Submission of Claim. Any claim for a relocation payment shall be submitted to the Commission within 12 months after displacement of the claimant. Displacement occurs upon vacation by the claimant of the premises acquired. All work, expenses and conditions for a relocation claim must be completed within the twelve month period.

3.2 Documentation. Any claim for a relocation payment shall be in writing and supported by such documentation as may reasonably be required by the Commission to support expenses incurred, such as bids, bills, certified prices, appraisals, or other evidence of such expenses.

3.3 Move Required. No payments will be made until the displaced person has completely vacated the premises acquired except as necessary to avoid or reduce a hardship as determined by the Commission. An advance payment shall be subject to safeguards to ensure the objective of the payment is accomplished. The premises must be left in broom clean condition, with the exception of equipment required to be left by Section 6.7 or 6.11, or otherwise acquired by the Commission.

3.4 Hazardous Substances. If any substances declared to be hazardous or toxic under any law or regulation by any governmental authority were stored, deposited, spilled, discharged or otherwise released by the business or resident during the time the business or resident used or occupied the acquired premises, such substances must be abated or removed from the acquired premises in accordance with government laws and regulations before a relocation payment is made.

3.5 Approval of Claims. The Commission Relocation staff shall determine the eligibility and amount of all claims. Any claimant who is dissatisfied with a determination as to eligibility or the amount of payments may have the claim reviewed in accordance with the established Commission grievance procedure. The procedures for filing a relocation
claim grievance are specified in the “Portland Development Commission Relocation Hearing Rules of Procedure”. A copy is available upon request.

3.6 **Deductions.** The Commission may deduct from a relocation payment any amount the displaced person owes the Commission for or as a result of use of the property or for any other amounts owed to the Commission. The Commission shall not withhold any part of a relocation payment to satisfy an obligation to any other creditor of the displaced person, unless the Commission becomes responsible for such obligation.

3.7 **Waiver of Benefits.** A displaced person may waive payment of his or her relocation benefits by refusing to file a claim for the payment, by signing a waiver declining payment, or by indicating in writing that a claim will not be filed. The displaced person must be provided with a written description and explanation of the benefits and payments available for the waiver to be acceptable.

**4.0 RESIDENTIAL RELOCATION ASSISTANCE**

4.1 **Eligibility.** Individuals and families who are displaced persons and move from their permanent or customary and usual place of residence shall be eligible for relocation payments and assistance from the Commission. Assistance will be provided on a household basis. Individual members of a household moving separately will be entitled to a reasonable prorated share of a relocation payment.

4.2 **Payment Amount.** Relocation payments and assistance to individuals and families shall be made in the same amounts that relocation payments and assistance would be made available if the relocation payments and assistance were made by the Commission to individuals and families pursuant to sections 202, 203, 204, 205, and 206 of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended. Some payments require occupancy of the displacement dwelling for a specified period of time. In such cases the occupancy period will be calculated based on the date of acquisition (rather than the date of initiation of negotiations) in order to be consistent with the definition of a displaced person under ORS 281.045 and section 2.1 of these regulations.

4.3 **Federal Payment Amount Guidelines.** The Commission will be guided in making payments to families and individuals displaced from their permanent residence by the regulations published by the Federal Department of Transportation at 49 CFR Part 24 implementing sections 202, 203, 204, 205 and 206 of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act or 1970 as amended. Application and interpretation of these regulations shall be at the sole discretion of the Commission. If there is any discrepancy between the Commission’s regulations and the Department of Transportation regulations, the Commission’s regulations shall prevail.

4.4 **Notice To Move.** Residential occupants will be provided at least 90 days written notice prior to the date by which the move is required. Residential occupants will not be displaced until appropriate residential units are available within their neighborhood or area and within their financial means. A dwelling unit will be considered within the financial means of a tenant if the rent does not exceed 30 per cent of the gross household income after receiving relocation rental assistance payments.
## Appendix D: 2001 HUD Median Income Chart

### 2001 Median Income for a Family of Four:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>11,750</td>
<td>15,660</td>
<td>19,550</td>
<td>23,500</td>
<td>31,300</td>
<td>39,150</td>
<td>46,980</td>
<td>58,725</td>
</tr>
<tr>
<td>2</td>
<td>13,400</td>
<td>17,880</td>
<td>22,350</td>
<td>26,850</td>
<td>35,800</td>
<td>44,700</td>
<td>53,640</td>
<td>67,050</td>
</tr>
<tr>
<td>3</td>
<td>15,100</td>
<td>20,120</td>
<td>25,150</td>
<td>30,200</td>
<td>40,250</td>
<td>50,300</td>
<td>60,360</td>
<td>75,450</td>
</tr>
<tr>
<td>4</td>
<td>16,750</td>
<td>22,360</td>
<td>27,950</td>
<td>33,550</td>
<td>44,700</td>
<td>55,900</td>
<td>67,080</td>
<td>83,850</td>
</tr>
<tr>
<td>5</td>
<td>18,100</td>
<td>24,120</td>
<td>30,200</td>
<td>36,200</td>
<td>48,300</td>
<td>60,300</td>
<td>72,360</td>
<td>90,450</td>
</tr>
<tr>
<td>6</td>
<td>19,450</td>
<td>25,940</td>
<td>32,400</td>
<td>38,900</td>
<td>51,850</td>
<td>64,850</td>
<td>77,820</td>
<td>97,275</td>
</tr>
<tr>
<td>7</td>
<td>20,800</td>
<td>27,720</td>
<td>34,650</td>
<td>41,600</td>
<td>55,450</td>
<td>69,300</td>
<td>83,160</td>
<td>103,950</td>
</tr>
<tr>
<td>8</td>
<td>22,150</td>
<td>29,520</td>
<td>36,900</td>
<td>44,250</td>
<td>59,050</td>
<td>73,800</td>
<td>88,560</td>
<td>110,700</td>
</tr>
</tbody>
</table>

(Based on the HUD Portland Area Median Income as of December 31, 2000: $55,900 for a family of four. Figures are rounded to the nearest $50.00).

### 2001 Housing Affordability: Maximum Monthly Rent Including Utilities

by Median Family Income With a Housing Burden of 30%

<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Household Size</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>100%</th>
<th>120%</th>
<th>150%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grp Home</td>
<td>0.75</td>
<td>220</td>
<td>294</td>
<td>367</td>
<td>441</td>
<td>587</td>
<td>734</td>
<td>881</td>
<td>1,101</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
<td>294</td>
<td>392</td>
<td>489</td>
<td>588</td>
<td>783</td>
<td>979</td>
<td>1,175</td>
<td>1,468</td>
</tr>
<tr>
<td>1</td>
<td>1.5</td>
<td>314</td>
<td>419</td>
<td>524</td>
<td>629</td>
<td>839</td>
<td>1,048</td>
<td>1,258</td>
<td>1,572</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>378</td>
<td>503</td>
<td>629</td>
<td>755</td>
<td>1,006</td>
<td>1,258</td>
<td>1,509</td>
<td>1,886</td>
</tr>
<tr>
<td>3</td>
<td>4.5</td>
<td>436</td>
<td>581</td>
<td>727</td>
<td>872</td>
<td>1,163</td>
<td>1,453</td>
<td>1,743</td>
<td>2,179</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
<td>486</td>
<td>649</td>
<td>810</td>
<td>973</td>
<td>1,296</td>
<td>1,621</td>
<td>1,946</td>
<td>2,432</td>
</tr>
<tr>
<td>5</td>
<td>7.5</td>
<td>537</td>
<td>716</td>
<td>894</td>
<td>1,073</td>
<td>1,431</td>
<td>1,789</td>
<td>2,147</td>
<td>2,683</td>
</tr>
</tbody>
</table>
Appendix E: Interstate Corridor Urban Renewal Area Boundary Map
Appendix F: Outstanding Issues and Unmet Needs

Many issues were discussed in the Interstate Corridor Urban Renewal Housing Working Group that were not able to be adequately addressed within the confines of urban renewal activities and the Housing Strategy. Specific issues identified by the members of the Housing Working Group include:

- Current urban renewal resources are not adequate to meet the increasing demand for stable housing for low-income residents, including those currently paying over 30% of their income on housing, and therefore significant additional resources are needed especially in the early years of the ICURA
- Quality affordable housing is a regional issue that is broader than an one urban renewal district, and needs a regional solution coupled with local neighborhood and approaches
- Current resources are inadequate to meet the diverse housing needs of the district and its residents such as:
  -- general rent assistance and moving/relocation assistance for residents at risk of displacement due to rising rents in the neighborhoods
  -- mortgage assistance for low-income homeowners
  -- individual case management and intervention
- Need to implement a holistic approach to addressing self-sufficiency and stability, in which affordable housing is just one component
- Need better coordination of both public and private housing programs available within the district and throughout the city
- Fair housing requirements need to be enforced to ensure people have access to affordable housing, include access for residents with disabilities
- Housing and assistance programs may exclude people and families whose income exceed income restriction, but who have other debt and expenses that limit their available resources for housing, food, medical and other basic needs

The Interstate Corridor Urban Renewal Advisory Committee recognizes that these, and many other issues identified throughout the urban renewal planning processes, impact the ability to achieve and maintain and socioeconomic balance in the Interstate Corridor through increased housing, employment and educational opportunities, while also ensuring existing residents are able to remain in the community and benefit from urban renewal investments.