

MAY 2003



MAY 2003 GATEWAY REGIONAL
CENTER URBAN RENEWAL AREA
HOUSING STRATEGY

PORTLAND DEVELOPMENT COMMISSION

1900 SOUTHWEST FOURTH AVENUE, STE. 7000 • PORTLAND, OREGON

ACKNOWLEDGEMENTS

The Gateway Urban Renewal Area Housing Implementation Strategy represents the work of many community residents and members, local organizational representatives and city staff.

GATEWAY HOUSING STRATEGY COMMITTEE MEMBERS

Ted Gilbert	Gilbert Brothers Development, Developer
Anita Hively	Gateway URA Resident
Jerry Koike	Gateway URA Resident and PAC Member
Abby Kennedy	East County Elderly Services, Multnomah County
Arlene Kimura	Hazelwood Neighborhood Association, PAC
Diane Luther	Multnomah County/Special Needs Housing
Mary Maxwell	Port of Portland, Airport Employer
Norm Smith	Cherrywood Village, Manager
Dorene Warner	Human Solutions, Committee Chair
Dale Wendt	Adventist Hospital, Gateway Employer

CONTRIBUTING COMMITTEE MEMBERS

Tom Benjamin	Multnomah County
Allen Browning	David Douglas School District
Dick Cooley	Gateway Program Advisory Committee Chair
Steve Crowell	Hacienda Community Development
Brian Gabriel	Generation LLC, Developers
Tim Onsomu	Gateway Resident

PORTLAND DEVELOPMENT COMMISSION STAFF & CONSULTANTS

Jane Ediger	Housing Policy Manager
Angela Kremer	Housing Policy and Development Coord.
Kirby Pitman	Housing Policy and Development Coord.
Allyson Spencer	Housing Policy and Development Coord
Ethan Spoo	Intern, Gateway Housing Strategy
Jon Connor	Gateway Administrative Support Lead
Ann Griffin	Gateway Economic Development Coordinator
Sara King	Gateway URA Manager
Sloan Schang	Gateway Project Coordinator
Paul Peninger/Janet Smith-Heimer	Bay Area Economics Consultants

*Investing in
Portland's Future*



TABLE OF CONTENTS

Acknowledgements	i
Executive Summary	iv
Introduction	vi
Section 1: Overview of Policies/Plans	1
Gateway Regional Center Urban Renewal Area Plan	1
Metro Regional Framework Plan	2
City of Portland Comprehensive Plan	3
Outer Southeast Community Plan	3
Consolidated Plan 2000-2005	4
Section 2: Gateway as a Location for Housing	5
Gateway's Neighborhoods	5
Existing Resident Desires	6
Employment Base	8
Resident Employment Trends	10
Transportation Access	10
Regulatory Environment	10
Shopping and Services	12
Restaurants and Entertainment	12
Schools and Colleges	12
Parks	13
Libraries, Community Centers, Police and Hospitals	13
Urban Renewal Investments	14

Continued on page iii

Section 3: Existing Housing and Residential Profile	15
Population Trends	15
Housing Profile	16
Rental Housing	16
Recent Rental and Ownership Developments	17
Homeownership	18
Projected Housing Market Demand Findings	19
Current Development Planned and Under Construction	19
Section 4: Housing Implementation Strategy Recommendations	21
The Role of PDC	21
Public and Private Sector Partners	21
Vision and Goals	22
Goal 1: Adequate Supply and Affordability	22
Goal 2: Housing Diversity	25
Goal 3: Housing Livability	28
Goal 4: Increased Homeownership	30
Goal 5: Supporting Job Growth	32
Implementation and Monitoring	34
Monitoring and Evaluation	34
Measurement Tools	35
Appendices	36
Appendix A: Summary of Data Sources	36
Appendix B: Gateway Maps	38
Appendix C: Affordability	44
Appendix D: Summary of Implementation Tools	45

EXECUTIVE SUMMARY

The Gateway Regional Center Urban Renewal Plan adopted in 2001 envisions the Gateway Urban Renewal Area (URA, or “District”) as a vibrant, eastside hub of transit-supported housing and jobs. Already designated by the regional Metro Council as a “regional center” – an area of mixed residential and commercial uses serving 100,000 people that is easily accessible by different forms of transportation – Gateway is a prime example of how future growth will be handled within Metro’s 2040 Plan by creating housing densities in centers that support regional transportation. The Portland Development Commission (PDC) is charged with implementing the regional center vision by leveraging urban renewal funding to support the development of mixed-income housing, enhance job growth, and improve the area’s transportation and infrastructure.

This housing strategy lays out PDC’s role and the community vision for housing development in Gateway. It sets priorities for PDC and its partners for the next 20 years and defines specific strategies, tools and resources for near-term implementation. Developed with the extensive help of 10 Gateway residents and civic leaders (members of the Gateway Housing Committee), it offers an action plan for PDC’s involvement in both housing development and the infrastructure investments needed to attract investors. Background information included in the strategy provides substantial analysis about housing and neighborhood demographics, market dynamics and employment trends – information that will be updated periodically and used to guide long-term progress.

The strategy is designed to be flexible; with ongoing monitoring and involvement of the Gateway District’s Housing Committee, Program Advisory Committee (PAC) and the Housing and Community Development Commission. These advisory groups will review progress and recommend adjustments in PDC’s housing development strategies and funding priorities over the life of the District.

According to the strategy’s stated vision, new housing development should serve existing residents as well as attract new residents to the area.

GATEWAY HOUSING VISION

In the next 20 years, the Gateway District will emerge as a vibrant, mixed-income neighborhood offering rental and ownership options across the spectrum of incomes.

Housing will act as a catalyst for job creation, mixed-use commercial development, neighborhood-serving amenities, and multi-modal transportation throughout the District.

Increased homeownership within the District will strengthen neighborhood stability and offer wealth creation opportunities for residents.

Higher quality design and building materials will enhance the area’s livability.

Neighborhood-sensitive housing development will honor the transitions between single-family and mixed-use areas.

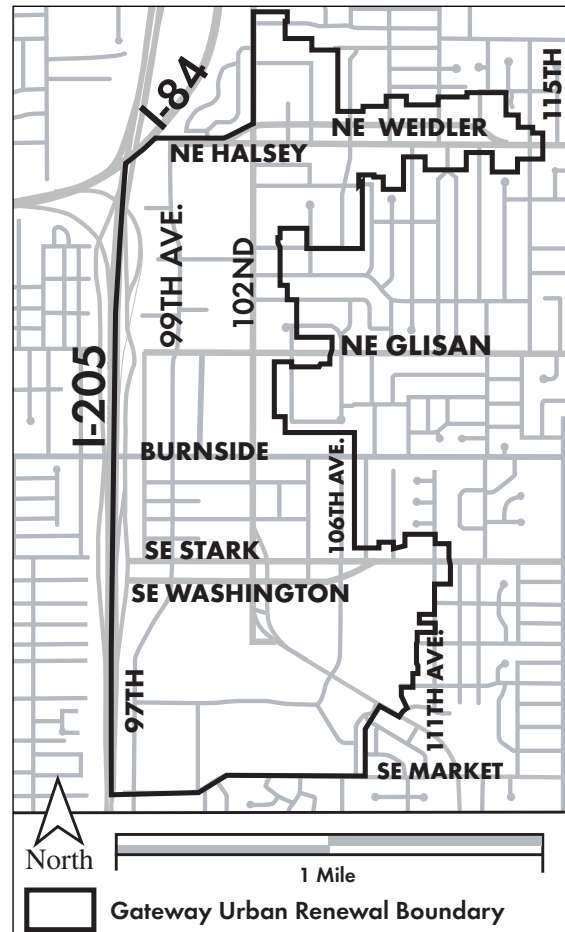
Building upon the general principles articulated in the Gateway URA Plan and this vision, the Gateway Housing Committee developed five specific housing goals to guide housing efforts:

- Goal 1.** The Gateway URA will include an adequate supply of housing that is available and affordable to people of all income levels.
- Goal 2.** Housing in the Gateway area will include housing of diverse types, sizes, and styles to accommodate the range of needs of current and future District residents.
- Goal 3.** Housing in the Gateway area will increase livability of the entire District by incorporating quality design, materials and techniques that enhance existing development and achieve the vision for a regional center.
- Goal 4.** Development in the Gateway area will encourage housing options for homeownership for a range of households and incomes.
- Goal 5.** The Gateway URA will support job growth by providing housing opportunities for employees working within the District and surrounding areas.

KEY IMPLEMENTATION TARGETS

The following objectives and strategies will be implemented by PDC using both direct and indirect tools and funding:

- Support the development of an additional 2,000 housing units within Gateway by 2020.
- Assist in the development of at least 800 to 1,000 of these units with at least 200 units built from 2003-2008; 300 units from 2009-2014; and 500 units from 2015-2020.
- Focus on meeting gaps in available housing that is affordable to a range of incomes – currently identified gaps are a lack of rental housing options for households with incomes below 50 percent and above 80 percent MFI.
- Strive to diversify the stock of housing through increased homeownership; innovative pilot projects; and housing for elderly and others whose options are currently limited by the types, sizes and range of affordability of area housing.
- Prioritize the needs of residents most at risk of displacement and of populations who currently lack housing options whenever possible.
- Ensure all new housing developments are challenged to implement the regional center vision by improving building design and adding amenities that enhance nearby neighborhoods.



INTRODUCTION

The Gateway Regional Center URA is located at a key strategic crossroads at the convergence of two major freeways (I-84 and I-205), two light rail systems including direct service to Portland International Airport and Downtown Portland, and four major arterial streets connecting Portland to Gresham. The Gateway URA Plan was adopted by Portland City Council in June 2001 with the purpose of fostering regional center development in the Gateway District. The “regional center” concept originates from Metro regional government and is generally defined as an area that “serves large market areas outside the central city, connected to it by high capacity transit and highways.” Gateway has long served as an east-side hub of services and transportation but through the URA Plan PDC will help to transform the area into a higher density center of employment and housing, served by transit, with compact areas of retail, cultural and entertainment amenities that are pedestrian friendly. The Gateway Housing Strategy and subsequent housing development will help transform Gateway into a regional center while honoring the history of the District and its surrounding neighborhoods.

The Gateway Housing Committee, composed of 10 members of the community, worked for more than a year to review data, understand citywide policy, and involve the wider community. Before developing recommendations, the committee asked questions that included:

- How much housing is needed and desired in Gateway over the next 20 years?
- What currently exists? Does Gateway’s housing offer appropriate and affordable options for people of all ages and incomes?
- Will existing and new housing attract workers who will live and work in Gateway or commute to areas such as downtown and the airport by light rail or car?
- What is the market for housing—which will choose to live here? What are the needs for housing—what amenities and housing options are needed in Gateway?

By reviewing housing policies, population trends, housing supply and market information, the Housing Committee developed recommendations for housing priorities. The urban renewal and other leveraged funds and resources will be used to implement the priorities.

Information will be updated over time, and priorities adjusted as needed. Companion

documents such as the 2000 Gateway URA Plan, the 2003 Base Data and Trends Report, the 2003 Gateway Housing Market Study and the current 2003-04 Gateway URA Budget provide additional background information and are available on the PDC Web site at www.pdc.us.



OVERVIEW OF RELATED POLICIES AND PLANS

As an urban renewal area strategy, all elements of the Gateway Housing Strategy must conform to policies laid out in existing state, regional, city and local plans that have precedence over the strategy. The following policies and plans have influenced and informed the Gateway Housing Strategy.

THE GATEWAY REGIONAL CENTER URBAN RENEWAL PLAN

Adopted in June 2001 after an extensive community process that began in 2000, the Gateway URA Plan provides the background and planning framework for the housing strategy. It is best summarized through its standing principle, guiding principles, goals and objectives:

Standing Principle: Establish the Gateway Regional Center

...The regional center, established by the Outer Southeast Community Plan in 1996, accommodates compact, mixed-use development that supports a range of travel options and multiple opportunities for community interaction and economic advancement. It is a center for housing, commerce, employment, cultural, and recreational amenities. It is home to people of all ages and income levels, including many longtime residents who located in the district prior to the regional center designation...



GOAL 9: EXPAND AND IMPROVE HOUSING OPTIONS

a. Housing Diversity. Plan activities should promote development and preservation of an adequate supply of quality housing that provides long-term affordability across the range of income levels of the region. Plan activities should promote the development of a diversity of housing types and tenures (rental and homeownership). Plan activities should encourage housing and job development that is mutually supportive, with new housing made available for workers in and around the regional center.

b. Balanced Communities. New housing development should balance current housing needs with policy objectives to provide a variety of housing product choices for new and existing residents and families of various sizes. Plan activities should encourage a mix of both homeownership and rental projects to serve residents at all life stages. Homeownership opportunities may be expanded through the use of condominiums, community land trusts, cooperatives, or mutual housing associations. Transit-oriented housing should be encouraged within a quarter-mile of light rail stations. In order to provide a continuum of housing within the District, plan activities should consider the production of new housing for the elderly and people with disabilities, including but not limited to independent living, assisted living, and skilled nursing care facilities, particularly near transit services.

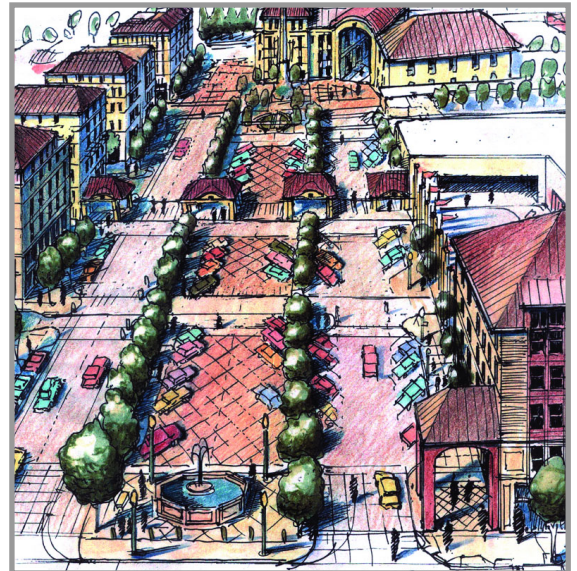
c. Housing Compatibility and Quality. The success of new housing investment must be measured in part by its contribution to the overall livability of the regional center and how

it complements existing housing and businesses. Housing activities should enhance the livability of the residential and business areas and complement the character of the area. Housing development has a definite and important impact on the experience of pedestrians and nearby residents through attractive and functional design, management of traffic and parking and property management. Implementation of a housing strategy for the regional center should promote investment in high quality design through sound construction and design guidelines. The Urban Renewal Advisory Committee, PDC, and City of Portland should consider the impacts and/or opportunities that new housing will create for local services including schools, grocery or retail, social services and parks.

d. Housing Strategy. To achieve the goals and objectives of this Plan, it will be important to prepare a comprehensive housing strategy that guides future funding decisions based on urban renewal housing goals. The strategy will consider the existing housing inventory, assess the housing needs of existing residents and incoming residents and provide for goals, objectives and tools to accomplish the housing goals. The strategy will involve citizens in both its development and implementation through annual reports to the Urban Renewal Advisory Committee and inclusion in the PDC Five-Year Plan and budget processes. The strategy will include measurable performance goals based on Plan housing goals and city and regional housing policies, and should address the goal of minimizing displacement of current residents.

METRO REGIONAL FRAMEWORK PLAN

Oregon land use policy requires compliance between regional and local jurisdictions in land use. Metro, the regional government for the Portland area, developed regional policies that govern land use, transportation, open space and housing during the regional 2040 land use planning effort that culminated in adoption of the 2040 Framework Plan in 1997. As part of Metro's 2040 Growth Concepts for the region, it named Gateway as one of nine "regional centers" – defined as an area of mixed residential and commercial uses that serves 100,000 people and is easily accessible by different forms of transportation. The Metro Growth Concept envisions growth being absorbed in a series of such centers scattered throughout the region. Gateway is a prime example of how future growth will be absorbed within the 2040 Plan by creating housing densities in centers that support regional transportation. The 2040 Plan also requires that sufficient affordable housing is made available to all households of all income levels and at the appropriate densities. It 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 CITY OF PORTLAND COMPREHENSIVE PLAN

The policies set in Portland's Comprehensive Plan (Comp Plan), most recently updated in 1999, provide context for land use planning, guidance for major capital projects and other funding decisions, and 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.

The Comp Plan's Housing Policy, Goal 4, reads as follows:

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.



Comp Plan goals and objectives highlighted in the housing strategy include: housing availability; sustainable housing; housing quality; housing diversity; affordability and neighborhood stability. The balanced communities' objective of the Comp Plan also specifies the importance of mixed-income neighborhoods and named Gateway as one of a few areas, along with the central city, that should strive to achieve a distribution of household incomes similar to the distribution of household incomes citywide as defined by census data.

OUTER SOUTHEAST COMMUNITY PLAN

The Outer Southeast Community Plan (OSECP) is the area-specific update of the city's Comp Plan. In 1996, when the Bureau of Planning began OSECP, it recognized the need to include Gateway as a regional center. The OSECP housing goal directs that the city "provide a variety of housing choices for outer Southeast community residents of all income levels by maintaining the existing sound housing stock and promoting new housing development." To implement the regional center vision, the city also adopted a Plan District overlay and boundary, defined roughly as the area along light rail east from Gateway to the city boundary and the area of the URA boundary. The purpose of the Plan District was to "provide for an intensive level of mixed-use development including retail, office and housing to support light rail transit stations and the regional center at Gateway." The Planning Bureau and the Gateway URA Design and Development Committee will be suggesting revisions to the Plan District, which are outlined in more detail in Section 3 of this document.

Most of the Gateway District falls within the Hazelwood neighborhood plan, which has a housing policy goal to "maintain and reinforce Hazelwood housing as affordable for families and individuals, which provides for a stable population of responsible homeowners and renters." The housing goal for the nearby Mill Park neighborhood states: "Preserve the character of the existing housing stock in Mill Park while emphasizing the continued development of single-family housing in area where they currently exist." Together these policies reflect the concerns of these adjoining neighborhoods and reinforce the need for transition between the regional center and nearby areas.

CONSOLIDATED PLAN 2000-2005

The Consolidated Plan (Con Plan) is a planning document required by the U. S. Department of Housing and Urban Development, prepared by the Housing and Community Development Commission, and adopted by City Council. The Con Plan establishes principles and priorities for housing and community development activities undertaken by the City of Portland, funded by or leveraged with federal funds. The first priority is for rental

housing to benefit very low-income persons with incomes below 50% percent MFI. Another priority addressed homeownership for low- and moderate income households. The Housing and Community Development Commission is an advisory body to the Portland Consortium (the City of Portland, the City of Gresham and Multnomah County) and uses the Con Plan to recommend housing and community development policy to the elected officials of the jurisdictions of the Portland Consortium.

SECTION 2 :

GATEWAY AS A LOCATION FOR HOUSING



Urban housing is built within the context of a regional market, meaning Gateway housing developments must compete for residents with other areas of the city and region. The housing strategy invites developers, owners, and current and future residents to invest in the area and facilitate change through physical redevelopment. Positioning Gateway within the regional housing market is important for meeting production goals. Gateway has an obvious advantage: its location in close proximity to eastside light rail and freeways. To attract new residents, developers estimate the particular housing products that will work in this location and gauge their ability to market the District to targeted market segments. Equally important to overall production is attracting non-profit or privately funded affordable housing developers that build high quality, well-designed, mixed-income housing. Beyond attracting these partners and proving new market opportunities, PDC also has a role to play in assisting with land acquisition and assembly, a challenge in a District that has multiple, small parcels with diverse land uses. (See Map 6, Appendix B.)

The Gateway area has several obvious strengths and some challenges as a neighborhood for housing development. As a historically commercial area, Gateway URA neighborhoods must become “housing friendly.” The concept of “housing friendly” can be broadly defined as the qualities of a place that make it enjoyable to live within, offering parks, services, access and identity that attract people. Potential residents must find Gateway attractive as an emerging urban neighborhood and choose to move to Gateway, despite its current patterns and drawbacks. The area already has many assets such as services and access that can be leveraged to attract residents. The housing strategy is not a neighborhood revitalization strategy but over time, through housing and urban renewal improvements, it strives to make Gateway more “housing friendly,” and transform the image of the area from a traditional commercial hub to a mixed-use urban center. Appendix B “Gateway URA Boundary” provides an orientation of the entire Gateway District including shopping areas and major institutions.

To acquaint developers and residents with Gateway’s assets and potential, this section summarizes current neighborhood conditions and amenities, including a description of neighborhood subareas in the District, and lists desired neighborhood improvements as articulated by residents in surveys and focus groups.

GATEWAY’S NEIGHBORHOODS

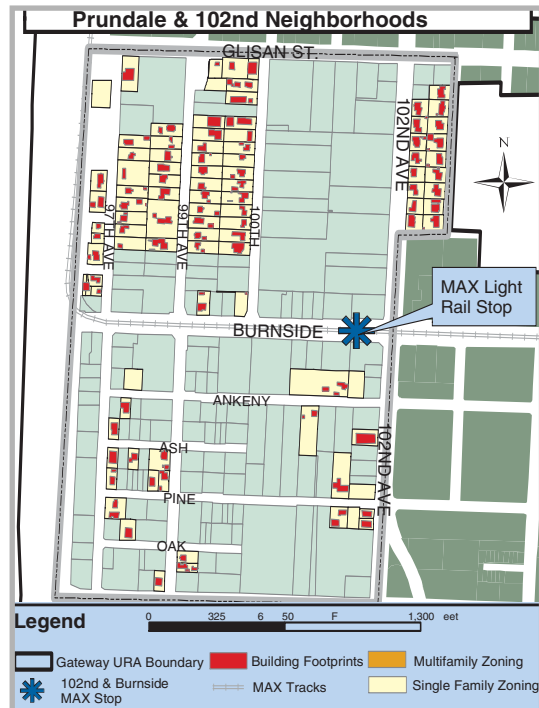
For the purposes of this strategy, Gateway URA can be roughly divided into three smaller housing subareas: 1.) the established single-family clusters along 102nd Avenue and older Prunedale area to the west of 102nd Avenue; 2.) the Burnside/102nd Avenue station area and Gateway Transit Center; and 3.) the housing clusters around the East Portland Community Center south of Stark/Washington streets between 106th and 116th. These subareas are either part of established neighborhoods or are a mix of older homes and new

multi-family developments where the neighborhood identity is being reconstituted through redevelopment. Over time, these subareas will offer new residents and developers distinctive places to consider expanding the housing stock of the area. Here is a brief look at each of these subareas.

EAST OF 102ND AND PRUNEDALE

From Halsey Street south to Burnside Street, several single-family neighborhoods abut the regional center east of 102nd Avenue. These homes are primarily single-family, smaller post-war developments, with some town home and rental housing infill among them, and represent some areas where the transition between the regional center and single-family homes will be an important design consideration.

The Prunedale area, defined as the area north of Stark Street and south of Glisan Street but west of 102nd Avenue, contains a smattering of single-family homes and a few apartments. These single-family rental and ownership homes are mixed in with large-lot commercial developments that include hotels, used car parts businesses, manufacturing and supply businesses and others. There are a few, older multi-family developments near the freeway bordered by a regional paved bike path along the freeway.



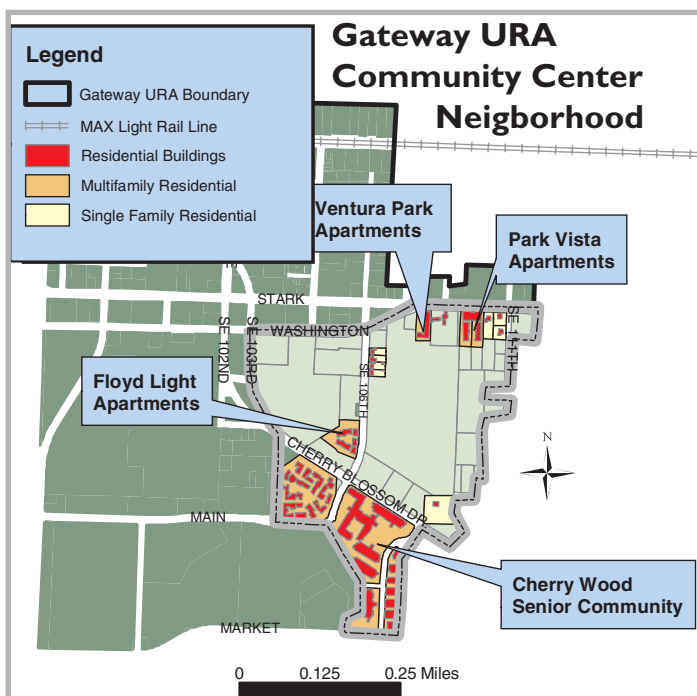
COMMUNITY CENTER NEIGHBORHOOD

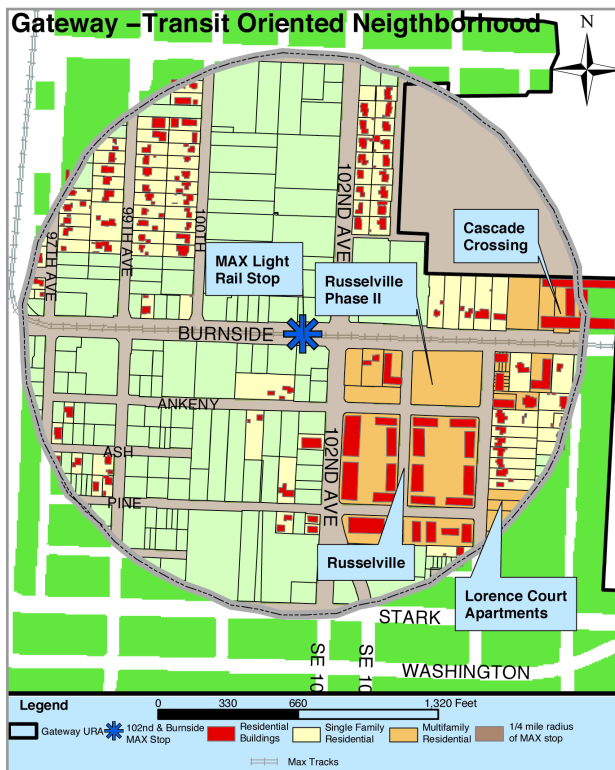
New housing development has created a small neighborhood hub near the east Portland Community Center taking advantage of the existing amenities of the Floyd Light Middle-School, East Precinct Community Policing Center, East Portland Community Center,

Adventist Hospital and Mall 205. Recently developed Cherrywood Village, which contains over 300 senior apartments and assisted-living units, joined the Floyd Light Apartments on 106th and Park Vista Apartments located on 109th and Stark Street to form a small neighborhood node off of 106th and Washington/Stark.

TRANSIT-ORIENTED DEVELOPMENT

The entire Gateway District qualifies as a transit-oriented district (TOD) due to the combination of bus lines and light rail stops along its major





arterials. Despite widespread transit access, most development has clustered near light rail station areas.

The density of new transit-oriented development has begun to create a critical mass of housing along Burnside and between Burnside and the Gateway Transit Center located on Glisan Street at 99th Avenue. Thus far, all new multi-family ownership housing has been developed within a few blocks of either the Gateway Transit Center or 102nd Avenue/Burnside Street light rail. Future development of the Gateway Transit Center likely will provide additional mixed-use housing development. The transit-oriented tax abatement programs, offered under city code and administered by PDC, have been a catalyst for housing development, offering financial incentives that will continue to attract private investment to areas near transit, particularly this subarea.

EXISTING RESIDENT DESIRES

PDC conducted four small focus groups with URA PAC members, senior citizens, immigrants, and David Douglas school district teachers and administrators, to produce a list of potential priorities for making Gateway more “housing friendly” and serving the needs of existing residents. Results included the following:

IMPROVEMENTS TO ATTRACT PEOPLE TO GATEWAY

- Sidewalks and storm drains;
- Better transportation connections to reduce traffic congestion;
- Parks and greenspace – increase supply for high-density development;
- Create livable spaces and housing developments;
- Adequate parking spaces and underground parking structures;
- Education centers and school support for children moving to the area; and
- Gyms and other recreational/exercise amenities to serve first-time homebuyers

RESIDENT IDENTIFIED HOUSING GAPS

- Housing that will help elderly stay independent longer.
- Condos for first-time homebuyers.
- Studios and one-bedroom apartments for students and young professionals.
- Housing that supports large families, such as some immigrant or extended families.



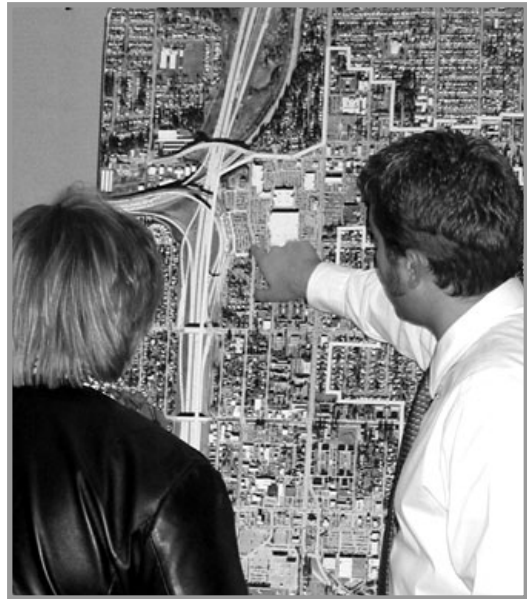
In addition to focus groups, PDC mailed a survey to some 9,200 residents living in zip codes 97220 and 97216, which overlap the Gateway URA boundary, in summer 2002. Although the response rate was only five percent, the data does provide some insight into why people move to the Gateway area and what they would like to see change. The majority of survey respondents were homeowners (78 percent). More than 60 percent pay less than \$750 per month for housing costs, with 42 percent of homeowners paying less than \$500 per month. Both renters and owners had similar response rates for why they live in Gateway and what they would like to see improved. Some of their responses are below.

Why do you live in your current neighborhood?

- Availability of services (grocery, shopping, medical services).
- Cost of housing.
- Access to transit.

What amenities would make the Gateway area a more appealing place to live?

- Parks and open space.
- Safer walking environment.
- More trees.
- Recreational facilities.



EMPLOYMENT BASE

According to this New Economy Observatory (NEO), an economic study tool developed at Portland State University, 1998 Oregon State employment data revealed that Gateway businesses employed approximately 8,200 wage workers. The most recent available State of Oregon estimates indicate the area grew by slightly more than 1,000 jobs from 1998 to 2000, with about 9,249 jobs in Gateway in 2000. In contrast, the state estimates the Gateway Study Area (Appendix B) contained more than 20,000 jobs in 2000.

The 1998 NEO study indicated that the three largest sectors make up 5,200 jobs or over 60 percent of the total 8,200 jobs. (Sector clusters are not available for 2000 data but are likely to follow these trends.) About one-third of jobs in these three clusters (36 percent) are in the health services cluster. Specialty retail (12 percent) and food stores and restaurants (15 percent) represent the other two major clusters. The following tables of specializations for Gateway illustrate the economic base supporting employment and the link to housing development. As an example of how wages relate to affordability, PDC has translated this average wage data into the affordable rent level needed for a one-person household. However, average wage data does not correlate employees' actual household income and composition, and therefore does not offer an expert gauge of employee housing needs.

Table 1. Principle Employment Specializations Gateway URA (1998 data)

Principle Specialization Sectors	Number of Gateway Employees	Average Wage	Approximate MFI for One-Person Household	Leading Firms in Gateway URA
Health Services	3,000	\$36,200	90 percent MFI	Adventist Medical Center
Specialty Retail	1,000	\$16,400	40 percent MFI	Ross Stores, Rite Aid, Food Stores and Tower Records
Restaurant	1,200	\$13,200	35 percent MFI	Danna Brothers, Denny's, Acapulco

Source: New Economy Observatory, Portland Metropolitan Studies Institute for Portland Development Commission, based on 1998 State Employment Data.

Comparing this average wage data to the 2002 Housing Inventory reveals that Gateway may not offer affordable options for many current employees. For example, the inventory identified that only 135 housing units would be affordable to single households earning the average wage of the food service and retail sector employees. In 2000, the area employed an estimated 2,200 people in these two sectors. Some of these employees living in the Gateway area may be paying more than 30 percent of their income for rent and may represent a portion of the rent-burdened households revealed in 2000 Census data (44 percent of Gateway Study Area renter households pay more than 30 percent of their income for rent.)

Although office development is an important goal of the URA Plan, Gateway currently lacks a concentration of jobs in the traditional office user sectors of finance, insurance and real estate. The 2000 URA Feasibility Analysis estimated that by the year 2020 urban renewal would create about 10,000 jobs within Gateway compared to the market baseline of about 3,000 jobs created in the same time period without urban renewal. Office and office flex (combines office and other uses) developments were estimated to create over 7,500 new jobs through urban renewal activities. The study largely assumes these jobs will be created by attracting Class A office to the area. Since this 2000 study, the regional office market and the national and local economy has experienced a downturn that has slowed office development in Gateway as it has throughout Portland. However, the newly opened Airport MAX connection to Gateway and Gateway's excellent freeway visibility should position the area for long-term office development.

Gateway is within a short commute to downtown or the future Cascade Station office and retail development near the airport. Existing workers in downtown and near the airport have already begun to move to Gateway's new apartments and condos and offer a potential market for future housing. The Port of Portland estimates that over 9,000 jobs are directly or indirectly connected to the Portland International Airport, according to the 1999 Aviation Impact Study. The Airport MAX currently links many airport workers to the Gateway area via a short commute to the Gateway Transit Center. Another potential worker market, Cascade Station, is a proposed office and retail development within the Airport Way Urban Renewal Area that was developed through a private-public partnership to link the airport with the MAX light rail system. Although Cascade Station's office development is on hold due to market concerns, Gateway is a convenient housing option for these future employees since no land is zoned residential within the Cascade Station area.

RESIDENT EMPLOYMENT TRENDS

According to the 2000 Census, residents in the larger study area worked primarily in services (35 percent), manufacturing (15 percent) and retail trades (13 percent). From 1990 to 2000, Gateway residents' employment dropped in a few categories—fewer residents were working in finance, real estate and insurance, transportation and warehousing, and retail. Employee survey results also shows that Gateway is not attracting many health services workers or airport-area workers via MAX at this time. Existing commute data from airport security badge holders and Adventist employees reveals the vast majority live outside of Gateway, many living in Gresham or Vancouver and Clark County and commuting to Gateway and the airport. A PDC review of Adventist employees' zip codes revealed that only 75 of more than 2,000 employees live within the Gateway URA zip codes. A review of airport badge holder resident data revealed that only 340 of 11,587 badged workers – less than three percent – live within the Gateway zip codes.

Issue: The majority of current study area residents are supported by low- to moderate-wage employment, reinforcing the immediate need for long-term affordable housing to provide stability for existing residents and neighborhoods.

TRANSPORTATION ACCESS

Gateway's first order of business will be to take advantage of its proximity to regional jobs and multiple forms of transit. One of the most accessible locations in the region, residents can get to job centers such as Gresham to the east or Lloyd District, downtown or even Hillsboro to the west by a short light rail, bus, car, or bike commute. The airport is a fifteen-minute commute by rail, and job centers in Vancouver or Clackamas County may be eventually be accessed by a potential South/North light rail line currently under study. While walking and bicycling are less well served as forms of transportation within the District, over time the regional center will feature better pedestrian connections and access. In addition, PDC has budget commitments and implementation plans underway for several local street improvements, including the transformation of 102nd Avenue to a boulevard; the physical realignment of 99th at Glisan; and the development of street standards for the entire District.

Issue: The excellent auto access to freeways and arterials that makes Gateway a transportation hub makes it a less desirable and safe place for pedestrians and bicyclists. PDC's infrastructure improvements currently underway focus both on pedestrians and efficient transportation access for local residents and regional users.



REGULATORY ENVIRONMENT

When Gateway was designated as a regional center in the Metro Framework Plan and Growth Concepts, the city chose to include it in the long-range area planning process, the 1996 Outer Southeast Community Plan (OSECP). The process recommended that special regulations be applied for the Gateway Plan District to increase density and support compact development. The result of the process was an OSECP area housing goal of accommo-

dating 20,000 new residents by 2015. The Plan estimates adding 14,000 new housing units within its 28-square-mile area, with the Plan District boundary defined by the URA boundary and the eastside MAX light rail corridor from Glisan to Stark and east to 162nd. The Gateway URA Design and Development Committee is reevaluating the densities and tools that were originally codified in 1996 to ensure they help achieve community goals. The current zoning map is Map 5 of Appendix B of this report.

By regulating what can be built on different sites according to height, use, and the footprint of development (floor-to-area ratios), zoning has a powerful effect on how housing looks and feels. Typical single-family housing has a zoning designation of R5 which means one residential unit per minimum 5,000 square-foot lot. Within Gateway, only Floyd Light Middle School property retained this designation in the Plan District. Some lower density residential zoning was replaced with moderate density zones such as R1, R2, and R3, allowing one unit per 1,000, 2,000 or 3,000 square feet of land; this results in no more than 10 to 22 units per acre. The net effect of this zoning was that neighborhoods of predominantly single-family homes began to see duplexes, four-plexes and town home development.

The major change was the use of Residential-High Density (Rh) zoning within the District, mostly located near the Gateway Transit District and the Burnside/102nd light rail stop. Rh is a multi-dwelling zoning that uses maximum floor area ratios and development standards to regulate units – allowing from 80 to 125 units per acre. These areas have experienced the most new higher density development, such as the Russellville Apartments, a 282-unit, three-story, market-rate rental development near 102nd and Burnside light rail station. The new zoning has sparked some controversy largely because existing residents object to the perceived increased traffic and resulting infill development.

The URA Design and Development Committee is in the process of making recommendations that would impact the future of housing in the Plan District. Proposals under consideration include:

- Creating an Rx (Central Residential) zone in the Rh area near the Transit Center,
- Further increasing density on these sites.
- Changing the Required Housing rule for larger CX zoned sites (Mall 205 and Gateway Shopping Center) because it is not improving the redevelopment of those sites. This change would trigger the No Net Loss housing rule and require replacing lost unit capacity elsewhere. Creating the Rx zone would mitigate this loss.
- Creating a “transition rule,” which would require developers of sites bordering single-family areas to step down to adjacent zoning and height. This addresses the concerns of residents adjacent to the regional center boundary by limiting the height of new development near their homes.
- Changing design overlay regulations to increase the level of design throughout the District.

Issue: *Planning regulations are designed to intensify the mix of uses within Gateway and to lead to compact urban form. The changes inherent in transforming the area to a regional center have been challenging to local residents. New housing development must be*

sensitive to livability impacts and strive to improve the overall livability of the area by adding amenities and services that can be used by new and existing residents.

SHOPPING AND SERVICES

Typically, residents want two kinds of retail within reasonable proximity: “local serving retail” such as groceries and services such as dry cleaners, hair salons, and video stores, and “specialty retail” such as coffee shops or book or gift stores. Currently, Gateway has few pedestrian shopping districts that support “specialty retail.” While Gateway’s older commercial core on Halsey/Weidler is more pedestrian-friendly and has served the local community for decades, the addition of the regional shopping center anchored by Fred Meyer changed the dynamic of this main street shopping area. Besides Fred Meyer, Gateway Shopping Center contains Starbucks, Mervyns and other “big boxes.” On the other end of the District, Mall 205 has recently been reconfigured by adding Home Depot, Target and 24-hour Fitness. (See Map 4, Appendix B). Some residents appreciate the regional focused retail because they offer competitive prices while others find the traffic they generate challenging and the ability to access them by foot daunting.



Issue: *While Gateway is well-served by stores that offer competitive prices, the District has few “placemaking” shopping districts that cater to residents wanting to walk to local-serving retail without the traffic challenges inherent in malls and “big box” discount stores. Some residents also would like smaller grocery stores that are friendlier and locally run, particularly elderly residents who desire service-oriented retail.*

RESTAURANTS AND ENTERTAINMENT

Currently most restaurants are owned by franchises, ranging from fast food to regional family chains that attract freeway traffic. There are also some smaller family-owned restaurants. The Gateway District itself does not have a movie theatre or public arts venue, the nearest movie theatre is within five miles. Gateway is also within a half hour light rail ride to Lloyd District attractions such as the Lloyd Mall, Lloyd Cinemas, and the Rose Garden Arena, as well as downtown attractions and Waterfront Park events.

Issue: *Gateway lacks many local and regional specialty restaurants for those who want unique Portland-based entertainment and restaurant options. This may be a challenge for attracting residents, particularly those who can afford to live in neighborhoods with better access to these amenities. Through urban renewal, the area expects to attract these kinds of businesses into mixed-use commercial developments and to create a pedestrian-friendly environment so people can enjoy walking to them.*

SCHOOLS AND COLLEGES

Public school students living in Gateway attend schools of the David Douglas School District, a well-rated school district that attracts residents to the area. The only public school located in the Gateway boundary is the Floyd Light Middle School. Elementary students who live within the boundary attend one of four nearby elementary schools: Cherry Park Elementary on 104th/Harrison; Mill Park Elementary on 117th/Maddison; Ventura Park at Stark/117th or Knott Elementary on 115th/Sacramento. The Adventist Academy is a private school located at the

south end of the District near the Adventist Hospital. The Oregon College of Oriental Medicine is also located within the District. The URA Education Committee has been actively seeking the development of an educational center within the District.

Within three miles of Gateway are four public post-secondary educational/job training facilities and six private post-secondary institutions, including Mt. Hood Community College Westside Campus and Portland Community College Southeast Campus. Other nearby institutions such as the International Refugee Center of Oregon, Lents Tech Center, and Apollo College offer specialized job training. Several private colleges and seminaries are scattered within the nearby area, including Cascade College and Multnomah Bible College.

Issue: *Future housing development will likely impact primary and secondary schools as families move into the area. Property managers of recent rental developments have described college students of local and regional institutions as part of the new wave of renters. These students constitute both a demand on school, resources, but also a housing market demand that the housing strategy attempts to address.*

PARKS

The presence of parks and trees within neighborhoods is attractive to those seeking housing, particularly families. The Gateway District's Floyd Light Park and Park 51 offer 5.5 acres of greenspace and urban plaza open space. The District is also in close proximity to larger community parks and an additional 20 acres of neighborhood parks. In 1999, an Open Space Analysis of Gateway indicated that Gateway needs a minimum of 17 acres to meet Portland's open-space to resident ratios (18.72 acres per 1,000 residents).

Issue: *Resident surveys reinforce the need for additional parks and open space and better access to existing resources. As density increases, the need for parks and open space will also increase. Access to these parks via safe sidewalks and crosswalks is also of prime importance as indicated in our housing surveys and interviews with property managers.*

LIBRARIES, COMMUNITY CENTERS, POLICE AND HOSPITALS

In the last decade, the Gateway District has gained two important civic amenities on its south end: it has the city's only community center east of I-205 – the East Portland Community Center – which is located across from the East Portland Community Policing



Center on 106th Avenue. The recently developed Multnomah County Midland Library is located just outside the District at 122nd and Stark. Adventist Hospital and Woodland Park Hospital, the District's two major medical facilities, are located near the south and north boundaries of the District, respectively. Some of the other social service providers within Gateway include the Office of Neighborhood Involvement, Multnomah County Aging and Disability Services, YWCA Mid-County District Center; Cherry Blossom Loaves and Fishes, and the International Refugee Center of Oregon.

URBAN RENEWAL INVESTMENTS

The urban renewal plan requires PDC to implement the regional center vision by increasing the efficiency and ease of local transportation within this regionally accessible district. In the near term, PDC has specific commitments to 102nd Boulevard, developing street standards and realigning 99th at Glisan. The design and development committee has been working for more than two years on recommended revisions to the Gateway Plan District and to adapt design standards to better meet the goals of the District. The parks committee and education committee are also initiating citizen-led efforts to improve the quality of life within the District through regional and local-serving parks and the potential of an education center in the District.



SECTION 3:

EXISTING HOUSING AND RESIDENTIAL PROFILE

More extensive information about the demographic, economic and housing profile can be found in the Gateway URA Base Data and Trends Report, January 2003 available on the PDC website, www.pdc.us. All census data within this sector and the report was collected for a geographic boundary larger than that of the URA boundary. See Appendix B for the three boundaries: the study area, the URA boundary, and the City of Portland boundary.

POPULATION TRENDS

The Gateway Study Area's population increased by 16 percent from 1990 to 2000 compared to a 21 percent citywide population increase and a 27 percent regional population increase (Clackamas, Clark, Multnomah and Washington Counties). Specific census data is not aggregated to the urban renewal boundary but it is estimated that the 2,135 housing units (2002 Housing Inventory) contain at least 4,000 residents based on the 2.6 person average household size. Census data for the larger study area reveal that Gateway's proportion of children (25 percent of population) and seniors (15 percent of population) is larger than the city's proportion and growing faster. From 1990 to 2000 the Gateway area senior population (65 and over) increased by six percent while the city as a whole lost population in this age range. Gateway also gained 2,654 children within the larger study area in that 10-year period.



Both family size and the number of family households increased within Gateway from 1990 to 2000. By 2000, 40 percent of Gateway Study Area households consisted of three or more people and average household size increased from 2.45 to 2.60. Both Gateway and the city experienced a decline in the number of married couples without children—an 11 percent drop in Gateway and 31 percent drop city-wide. The largest indicator of change has been the increase in two family member types: Other Relatives or Non-Relatives—which have increased by 136 percent and 74 percent respectively.

Gateway has historically been a middle-income neighborhood with strong homeownership. In the past decade, median incomes have declined compared to the city. In 2000, 14 percent of the households in the Gateway area earned less than \$15,000 per year (similar to the city's proportion) but 40 percent of households have annual incomes of less than \$25,000. The city had a higher proportion of households earning \$75,000 or more (19 percent) than the Gateway area (12 percent). Educational levels within the Gateway area are lower than the city as a whole—for over half of Gateway residents, a high school degree is the highest level of educational achievement, and only 16 percent have bachelor's degrees or higher.

HOUSING PROFILE

Gateway's housing market has grown significantly in the last four years—35 percent of the current 2,348 units were built since 1998, compared to four percent of units built between 1990 and 1997. From 1990 to 2000, the number of owners in the Gateway area increased by seven percent (26 percent increase citywide), and the number of renters increased by 12 percent. With an estimate of 522 new rental and ownership units built in the URA boundary from 1990 to 2000, the area absorbed 28 percent of the entire Gateway Study Area households growth of 1,857 households. In 2001, the Gateway area contained approximately 2,348 units with only 213 homeownership units.

The Gateway Rental Housing Inventory estimates there were more than 2,135 rental housing units in the Gateway URA boundary in 2002, of which 87 were single-family rental units and 2,048 multi-family units. Most multi-family housing units are within smaller buildings but about one-third of the units were in three buildings with 100 or more units. Slightly less than one-third were in eight buildings with 55 to 90 units.

RENTAL HOUSING

More than one-third of Gateway's rental stock are one-bedroom units and over half are two-bedroom units. The Gateway area offers few studios or larger units (four or more bedroom), though the addition of two family-oriented tax-credit developments has increased family-sized housing stock in recent years. In terms of price, Gateway is clustered in the middle of the market with a median rent of \$699 per month. Gateway average one-bedroom units rent at \$615 compared to \$713 citywide and Gateway two-bedrooms' average rent is \$708 compared to \$908 for two-bedrooms citywide. Gateway has at least three tax credit projects for a total of 184 tax credit funded units and one newly acquired Housing Authority of Portland apartment building that will keep its rents affordable over the long-term – for a total of 328 rent-restricted units, representing only 15 percent of total stock.

Currently there are few housing units available for those below 50 percent median family income (MFI) and above 80 percent MFI. For example, 73 percent of rental units were affordable to households earning between 51 and 80 percent (\$640 and \$1,050 for a two-bedroom). Table 2 illustrates that open market units are highly concentrated in two products: one-bedroom units (renting for \$650-\$850) and two-bedroom units (renting for \$640-\$775). Table 3 shows the largest number of two-bedroom units – 371 – are priced in the \$640-\$775 range; this represents over half of the 51-60 percent MFI units. The second most common price point is represented by the 304 one-bedrooms renting for \$650-\$850 per unit (half the 61-80 percent MFI units).

Table 2: Rental Housing Affordability

The City Comprehensive Housing Policy states that the regional center should strive to achieve a distribution of household incomes similar to the distribution of household incomes found city-

Table 2	Number of Bedrooms					Total	% of Total
	0	1	2	3	4		
0-30%				5		5	0%
31-50%	7	32	57	25	10	131	8%
51-60%	3	137	371	68	2	581	36%
61-80%		304	194	86	1	585	37%
81-100%			65			65	4%
101-120%			12			12	1%
121-150%	32	71	45			148	9%
151% +		24	44			68	4%
TOTAL	42	568	788	184	13	1595	100 %

wide. Table 2 compares the recent PDC Housing Inventory rent data (76 percent of Gateway URA units) with the most recent citywide distribution of income to reveal the areas where the housing strategy should focus its funding and development efforts.

Table 3: Total Housing Units Surveyed by Median Family Income Compared to Citywide Income Ranges (1990 Census) 2002 Rental Housing Inventory

Table 3									
Gateway URA	Ttl. Return Surveys	Median Family Income (MFI)							
		0-30%	31-50%	51-60%	61-80%	81-100%	101-120%	121-150%	151%+
# of units	1,554	5	131	581	585	65	12	148	68
% of Total Units*	76 %	<1%	8%	36%	37%	4 %	1%	9%	4%
1990 Income Distribution		0-30% MFI	31-50% MFI	51-80% MFI		81-120% MFI		121% MFI or more	
City of Portland		14%	13%	20%		20%		33%	

• Complete 2002 with 76 percent of rental units in Gateway URA. Does not include Gateway ownership units.



The lack of units above 80 percent MFI is likely due to lack of market feasibility—investors cannot be convinced that the market will pay these rents for Gateway products and location. Existing incentives such as the transit-oriented tax abatement are open-market incentives meant to help overcome these financing barriers and increase the range of housing developed. The housing strategy indicates the variety of tools that can be used to increase housing supply in the two market gaps and specifies the targets for the number of units PDC would like to add to the District by 2008. These gaps will be adjusted when PDC is able to gain access to new data – either through the updated 2000 Census data for citywide distribution expected to be released in 2003 or in updates of the Gateway Housing Inventory in 2007.

RECENT RENTAL AND OWNERSHIP DEVELOPMENTS

Tables 4 and 5 illustrate that the market is providing low- to moderately-priced rental and ownership options, with the exception of service-enhanced senior housing that is more costly. Developers of future Gateway market rate projects will need to convince lenders and potential residents that Gateway is a place that warrants rents competitive with the central city. Projects such as Russellville Apartments on Burnside and 102nd provide a positive market for the area and help dispel the historic rent ceiling. Despite some concern about design, the project has increased density and provided open space on-site. This transit-oriented development includes a variety of townhome style apartments and traditional flats, with a planned 154-unit senior development opening later in 2003. Russellville achieves rents of between \$.80 and \$1.08 per square foot (\$800 to \$1,000 for a 1,000-square-foot unit). This is accomplished through an aggressive web marketing and manage-

ment approach that includes amenities scaled for urban professionals such as controlled entry, community computers, fax and copy services, pool/hot tub and exercise facilities. Sales and occupancy have been average to strong, depending on the overall multi-family market, in this successful infill development.

Table 4: Gateway Multi-family Rental 1999-2001

Table 4						
Project Name	Year Built	Complex Amenities	Unit Mix	Price Range	% Occ.	Waiting List
Russellville	1999 283 units	Pool/Hot tub Fitness Center	1-3 bdrm.	\$600-\$1,070	99 %	1 bd.
Cascade Crossing	1999 74 units	Community Room and Day Care	1-3 bdrm.	\$531 to \$807	100 %	All units
Park Vista	2000 59 units	Playground Com. Room	Studio, 1, 2,3, 4 bd	\$351-\$706	100 %	All units
Cherrywood Village	1999 320 units	Wellness Center Chapel, Theatre	Studio/ Asst. Liv	\$1,400 -\$3,800	90 %	2 bdrm Duplex

HOMEOWNERSHIP

According to the 2002 Rental Housing Survey, the Gateway District itself contains only 213 ownership units, including 150 single-family and 63 multi-family units. The nine percent homeownership rate within the URA boundary is dramatically lower than surrounding neighborhoods in the study area, which recorded a 59 percent homeownership rate in 2000. In terms of homeownership by ethnic group, the 2000 homeownership rate among Asians was the highest at 68 percent, greater than the citywide rate of 57 percent for Asians. Caucasian residents had a homeownership rate of 62 percent, while Hispanic residents' homeownership rate was 26 percent.

Homeownership has historically remained affordable within Gateway due to its location amid commercial activities. Prospective homebuyers are faced with a market choice between single-family homes in surrounding neighborhoods and a few new condominium and townhomes clustered near transit. As indicated in Table 5, the diversity of these new homes is limited; few are studios or two-bedroom or larger units designed for families and few are accessible to seniors or older adults. However, in terms of affordability, all new condominiums built in the last few years are selling for less than half the regional median sales price of \$180,000 and even the new townhomes are far below this median sales price. The lower cost of these units reflects their smaller size and lack of parking facilities. Nonetheless, these units have sold quickly and offered some affordable homeownership options to new residents.



Table 5: Gateway Multi-family Ownership 1999-2001

Table 5			
Project Name	Year Built	Unit Mix	Price Range
Gateway Condos	1999	24 units– studios/1 bdrm	\$59,750 to \$69,200
Gateway Arbors Condos	2001	24 units– studio, 1,2 bdrm	\$60,950 to \$99,950
Townhomes 105TH/Burnside	1999	9 units 2 Bdrm/2.5 ba	\$112,000 to \$126,000

PROJECTED HOUSING MARKET DEMAND FINDINGS

Projected Portland household growth is 31,500 households between 2000 and 2010. The demand analysis completed in the 2002 Gateway Market Study estimates that Gateway can capture between five and 10 percent of this growth, or a total of 1,200 units by 2010. Demand would likely continue in current patterns, with a majority of units built in multi-family rental buildings (1,050 rental units) and only 150 units built in multi-family ownership buildings.

The Study identified the following demographic market segments that may be attracted to live in Gateway:

- Price-Sensitive Urban Dwellers – like the households drawn to Russellville, these households value the access and services associated with an urban location, but are relatively price-sensitive compared to renters in more central/expensive locations.
- Senior Households 75+ – Seniors over 75 will be attracted to the Gateway neighborhood given the right mix of independent living and assisted-living options.
- First-Time Homebuyers – Principally households with members aged 25 to 34, first-time homebuyers will be drawn to Gateway for condominiums and town homes priced less than \$150,000 and near transit and other urban amenities.
- “Empty Nester Households” –Principally households with members aged 55 to 64, these households will be especially sensitive to neighborhood and unit amenities.
- Recent Immigrant Households - Includes households attracted to the area for proximity to family and cultural/social amenities.
- Low-income Renter Households – There is significant pent-up demand for affordable housing throughout the City of Portland that could be captured by new development in the Gateway URA.

CURRENT DEVELOPMENT PLANNED AND UNDER CONSTRUCTION

New development in Gateway includes a 51-unit, three-story apartment complex located behind Russellville with a combination of town homes and flats. At rents of \$0.90 per square foot, the development follows a pattern of small, infill suburban-designed apartments that have characterized Gateway in the past. The strong leasing activity thus far on the

project indicates that Gateway continues to demand product in neighborhoods that offer reasonable rents. Another proposed development, Gateway Plaza Apartments located on Glisan and 99th, will also offer 51 apartments built over a parking podium. This project received tax abatement for units scheduled to be renting at less than \$0.80 a square-foot (about \$800 for a 1,000 square-foot two-bedroom unit).

This summary of the market information for Gateway provides limited background for the housing strategy recommendations. The Gateway Housing Market Study, April 2002, provides a more in-depth overview of the market data that supports the conclusions of this study.



SECTION 4:

HOUSING IMPLEMENTATION STRATEGY RECOMMENDATIONS

The PDC led a public process, in concert with other public agencies, community members and organizations, to establish a long-term plan for developing a vibrant mixed-income urban neighborhood within the Gateway Regional Center. The public and private sectors will each play important roles in implementation of the recommendations proposed in this strategy over the next 20 years of housing development.

THE ROLE OF PDC

As the designated urban renewal agency for the City of Portland, PDC is responsible for implementing urban renewal plans and being good stewards of urban renewal resources. PDC is charged with implementing the housing strategy, as well as all related urban renewal initiatives developed by committees focused on education, economic development, design and development, transportation and parks. PDC will implement these in a coordinated manner that responds to community needs and strategically leverages other public and private investment. PDC's participation in projects will depend on an assessment of public benefits gained through public expenditures and incentives offered to potential partners.

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, 2.) coordinating the development and allocation of resources, 3.) monitoring, measuring and reporting strategic outcomes, and 4.) making necessary adjustments to the strategy and priorities. 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.

PUBLIC AND PRIVATE SECTOR PARTNERS

Success of urban renewal incentives for housing development is greatly dependent on partnerships with many public and private entities. Public partners include, but are not limited to, the David Douglas School District, Tri Met, the Bureau of Planning and 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 FannieMae. These organizations provide leadership and financing to enhance urban renewal resources while improving the overall livability of the regional center.

In addition, private sector housing developers and landowners will be essential to meeting Gateway Housing Strategy production goals. Private for-profit and non-profit developers will be responsible for housing construction. Private lending institutions will provide the bulk of financing for housing development, rehabilitation and home purchase. All of these organizations are integral players in the success of the Gateway Housing Strategy.

VISION AND GOALS

Through an extensive planning process, the Gateway Housing Committee created a vision for what the Gateway District would look and feel like and developed a set of goals to implement the vision. Gateway's PAC and community members reviewed and endorsed the final work of this committee summarized in the following vision and goals. Specific objectives, strategies and actions directing PDC and its partners, contained in the following pages, describe how these goals will be accomplished.

HOUSING STRATEGY VISION

- In the next 20 years, the Gateway District will emerge as a vibrant, mixed-income neighborhood offering rental and ownership options across the spectrum of incomes.
- Housing acts as a catalyst for job creation, mixed-use commercial development, neighborhood-serving amenities, and multi-modal transportation throughout the District.
- Increased homeownership within the District will strengthen neighborhood stability and offer wealth creation opportunities for residents.
- Higher quality design and building materials will enhance the District's livability.
- Neighborhood sensitive housing development will honor the transitions between single-family and mixed-use areas.

HOUSING STRATEGY GOALS

- Goal 1.** The Gateway URA will include an adequate supply of housing that is available and affordable to people of all income levels.
- Goal 2.** Housing in the Gateway area will include housing of diverse types, sizes, and styles to accommodate the range of needs of current and future District residents.
- Goal 3.** Housing in the Gateway area will increase livability of the entire District by incorporating quality design, materials and techniques that enhance existing development and achieve the vision for a regional center.
- Goal 4.** Development in the Gateway area will encourage housing options for homeownership for a range of households and incomes.
- Goal 5.** The Gateway URA will support job growth by providing housing opportunities for employees working within the District and surrounding areas.

Goal 1. The Gateway Urban Renewal Area will include an adequate supply of housing that is available and affordable to people of all income levels.

The regional center vision emphasizes increased housing supply as a key aspect of building-out a transit-supportive, compactly developed area. The 2000 URA Feasibility Analysis, conducted to evaluate the feasibility of using urban renewal within Gateway, estimated the District would only add 1,140 dwelling units in 20 years without urban renewal compared to 3,790 with urban renewal. Considering this estimate and recent housing development trends, the housing committee set the objective of adding 2,000 additional housing units through both public and private efforts by 2020. PDC has set the objective of assisting in development of 800 to 1000 housing units by 2020 as part of meeting this larger goal.

PDC's housing development assistance must meet multiple objectives, including affordability, diversity and expansion of homeownership. Objective 2 below outlines how PDC will focus resources on adding at least 200 units from 2003 to 2008.

- Resources will be used to assist in meeting the gaps in affordability—rental units below 50 percent MFI and above 80 percent MFI. PDC will use both funds and incentives to accomplish unit production.
- Direct financial incentives will be focused on the areas of greatest need—in this case, increasing the supply of units that rent for \$530 or less for a one-bedroom (50 percent MFI) and increasing the range of affordability and diversity for those most in need, such as seniors, families and special-needs residents.
- Other incentives and infrastructure improvements will be leveraged to increase the supply of housing for residents above 80 percent MFI (paying \$1,000 in rent for two-bedroom apartments).

These gaps were identified by comparing the 2002 Rental Housing Inventory for the URA boundary to the 1990 Portland citywide household income distribution (page 17, Table 3). PDC expects the 2000 Census citywide income distribution to be available by the end of 2003. This new information will be used to analyze the 2002 Gateway URA

The need for affordable units for residents is clear in several data sets from the 2000 Census and is supported by the Housing Inventory. The housing committee recognized the need for affordable housing both within the larger study area surrounding Gateway and in the current affordability of units within the URA. (See maps 1 and 2, Appendix B). Generally, renters are much more at risk of escalating housing costs than owners who have been able to stabilize their housing costs through mortgage payments. Yet, Gateway has only 328 rent-restricted units—representing only 15 percent of total stock. The 2000 Census reported that almost half of study area residents paid more than 30 percent of their income for mortgage or rent and about one-quarter paid over half of their income for housing costs.

Most existing open-market housing in the Gateway URA itself is affordable to single households with incomes of \$23,000-\$36,000 (approximately 50 to 80 percent MFI). The Housing Inventory revealed that less than one percent of URA units were affordable to single households with an annual income of \$13,000 for one person (30 percent MFI) and only eight percent were affordable to single households earning between \$13,000 and \$23,000 per year (31-50 percent MFI). When affordability is combined with family size, the need for affordable family units is striking. The census data reveals a dramatic increase in larger families and senior households and few affordable or appropriately sized units for these residents.

The long-term need for affordable housing is also supported by the fact that Gateway is not maintaining its income levels relative to the rest of the city. 2000 Census median income by census tract revealed that Gateway generally did not keep pace with the median income of the city. Median family income in the Gateway census tracts ranged from \$38,600 to \$53,500 (\$40,300 citywide), but several that posted median incomes of 100 percent in 1996 dropped to 70 percent or lower of citywide medians in the 2000 household income comparisons.

Overall, the percentage of Gateway's residents earning \$75,000 or more was only half the city's percentage—15 percent of Gateway households versus 27 percent citywide. To attract a wider range of income levels to the District, Gateway will have to offer the right mix of quality housing and lifestyle amenities desired by these residents.

Objective 1. Create neighborhoods and housing developments that are mixed-income.

Mixed-income neighborhoods promote a range of options for people of all incomes. Development tends to cluster in the safest products of a market, creating a concentration of certain rental units that limits the options for new residents. In Gateway, over 70 percent of units are narrowly ranged in size and price to one- or two-bedrooms renting for \$650-\$850 per month. By encouraging developers to build mixed-income developments, neighborhoods become more balanced and diverse over time, allowing seniors and families, singles and couples to live within the same area. The following strategies and tools will be used to achieve the development of mixed-income neighborhoods over time.

Strategy A: Provide technical and financial assistance specifically for the development of mixed-income housing developments throughout the District.

Action 1 Expand the types of incentives available for increasing the mix of incomes within developments.

Action 2 Market the Gateway URA to private and non-profit developers of housing of all income levels; provide information; identify market niches; and emphasize the area's strengths.

Strategy B: Acquire and assemble properties throughout the District for housing developers to create neighborhoods that are mixed income so that no one income group is concentrated in one area of the District.

Strategy C: Include affordability requirements within some development agreements as one type of public benefit negotiated with developers in exchange for public investment or assistance.

Objective 2. Assist in the development of housing to meet a range of incomes similar to the income distribution of the city as a whole, as described in up-to-date census data.

Increasing the supply of housing units in Gateway is a long-term proposition. PDC will begin by using two strategies: directly and indirectly increasing overall housing production and increasing the mix of housing affordability by targeting efforts on certain products. PDC is not a developer but provides a range of resources to projects that meet public goals. PDC also is a property owner that requests development partners to develop land for mixed-use and housing developments. PDC assistance includes gap financing for development as well as assisting with market research and predevelopment activities like environmental assessment or financial feasibility. Together, these tools can increase both private and nonprofit development in Gateway.

Strategy A: Increase overall housing production to address the diverse needs of households at a range of income levels.

Action 1 Through both private and publicly-assisted development, produce at least an additional 2,000 units of housing within the Gateway URA boundaries by 2020.

Action 2 PDC shall assist in the production of between 800 and 1,000 units over the life of the District and adjust the following preliminary targets over time:

2003-2008	200 units
2009-2014	300 units
2015-2020	500 units

Strategy B: Prioritize development of units reflecting the income distribution of the city as a whole by periodically evaluating gaps between the affordability of District units and citywide income levels.



Action 1 Require PDC staff to periodically report citywide income distribution and gaps from the most recent Gateway URA inventory of housing affordability.

Action 2 Target funding and incentives to achieve availability and affordability for those households lacking rental or ownership options in Gateway.

Action 3 Focus production goals primarily on meeting the gaps in affordability over the life of the District.

Goal 2: Housing in the Gateway area will include housing of diverse types, sizes, and styles to accommodate the range of needs of current and future District residents.

New housing is required to meet Gateway residents' current and future needs and to attract higher income residents and business owners to the District. Gateway currently has limited diversity of new market-rate products, long-term affordable housing and special-needs housing. Gateway lacks homeownership units (9 percent ownership rate) and lacks a diversity of multi-family homeownership options (condos and town homes) for larger households and for access-restricted residents (seniors and disabled). It has few studio or three-plus bedroom apartments—almost all new market-rate units are one- or two-bedroom. This strategy is focused on filling these needs as well as addressing the frustration and fear that many Gateway residents have experienced as the District changes, including:

- Worry over growth in traffic and parking—no minimum parking is required and some new housing developments have included no on-site parking spaces.
- Frustration over the look and feel of new housing developed in recent years.
- Concerns about housing developers not including play areas for children in dense projects and meeting these children's' needs for services, schools and parks.
- Fears of design and zoning that increased height and density next to single-family homes.

Some challenges reflected in these resident concerns, such as design, are being addressed by the Gateway URA Design and Development Committee, a subcommittee of the URA PAC.

The housing strategy seeks to address other challenges inherent in a changing urban environment by achieving a balance of desired neighborhood amenities for new and existing residents. By expanding housing options, Gateway will attract people of different life stages, from young adults and families with children, to older couples and single elderly, all coexisting in a diverse environment. Gateway has long been diverse racially and structurally with a mix of Asian, African-American and Caucasian families and continued redevelopment will allow the area to support a wider variety of people and families. The following strategies are based on who lives in the Gateway area as well as information on who is moving to the District, revealed in discussions with local property managers:

Who has moved in?

- Single men and women in their 30s and 40s, professionals and entrepreneurs.
- Young adults purchasing homes or renting apartments—both students and workers.
- Seniors who have lived in nearby neighborhoods now living in planned senior developments.
- Extended families and larger families with non-relatives living with them.
- Immigrants and refugee individuals and families.

Who will likely move in if development trends continue?

- Price sensitive urban dwellers such as young urban professionals, middle-aged singles who value the access and services associated with an urban location, but are relatively price sensitive compared to renters in more central/expensive locations.
- Middle-aged “empty nesters” aged 55 to 64 who are seeking transit-oriented housing in close proximity to lifestyle amenities like transit.
- First-time homebuyers aged 25 to 34 drawn to condominiums and town homes priced under \$150,000 and located near transit and other urban amenities.
- Seniors over age 75 looking for the right mix of independent living and assisted living options.
- Recent immigrants attracted to area for proximity to family and cultural/social amenities.
- Workers employed at the airport or downtown who commute on MAX.

Objective 1. Develop housing to serve existing residents most at risk of displacement, including households with incomes below 60 percent MFI, seniors, disabled persons and families.

In the Gateway District, existing rental and ownership housing is largely focused on serving households between 50 and 80 percent MFI, which translates to a two-person household paying about \$640 to \$1,000 for a two-bedroom home. Current resident demographics indicate that almost half of the study area residents households make less than \$50,000 per year (2000 Census). The census also revealed that current residents experience heavy rent burdens, for example, almost half of base data study area residents pay more than

30 percent of their income for housing. The strategy will support the development of housing for those residents who are currently low- to moderate-income who may face displacement because of increasing rents as Gateway upgrades or are currently rent-burdened and in need of more affordable housing.

Objective 2. Support housing options for the continuum of life stages for new and existing residents.



Strategy A: Support housing development that provides a greater range of housing options for high needs groups identified in the 2000 Census including the elderly, extended families and empty nester households—groups that have increased in Gateway from 1990 to 2000.



Action 1 Identify product types and lifestyle amenities that are particularly important to identified high needs groups and encourage development of these products and improvements in Gateway.

Action 2 Improve housing options by providing incentives to innovative pilot projects. Provide information to developers about Gateway resident demographics.

This two-pronged approach first prioritizes expanding the supply of housing for existing residents at risk of displacement (Objective 1), then supporting development of new products to attract new residents and meet existing residents' needs (Objective 2). The actions above identify two concrete steps PDC can take to expand future development products in Gateway: identifying needs and communicating them to developers. Marketing incentives to developers and identifying pilot models appropriate to Gateway are essential elements of implementing these strategies.

Objective 3. Encourage the PDC and partner agencies such as school districts to plan public transportation, parks and education facilities that support the needs of diverse populations living in Gateway, as reflected in census data.

Strategy A: Prioritize public improvements to connect housing to jobs and services and connect neighborhoods to each other to improve pedestrian access.

Strategy B: Encourage and require developers to address parking, design and traffic concerns when developing housing and mixed-use development

Strategy C: Work with school districts and social service providers to plan for family and special needs population increases due to housing development and to support on-site services and high quality child care for residents.

Action 1 Encourage housing developers to provide early information to school districts of new housing developments that may increase school populations.

Action 2 Encourage on-site services and outside play facilities in or close to housing developments that support school-aged children.

Action 3 Consider incorporating educational facilities, when feasible, within mixed-use development in partnership with school districts and others.

2000 Census data highlighted trends that included increases in the number of extended families, elderly and children. These trends require multiple strategies: improving infrastructure, connecting services such as parks to housing, and planning for public impacts such as needs for senior social services and schools. Strategy A focuses on prioritizing some PDC-funded infrastructure improvements to meet residential needs. The actions above focus on identifying needs and communicating them to developers and school administrators. Action 3 proposes that PDC consider including educational facilities, in partnership with school or preschool providers or colleges, within mixed-use developments.

Objective 4. Improve the diversity of housing by supporting development for underserved populations through financial and technical assistance.

Strategy A: Assess the need for additional special-needs housing and identify any gaps in housing for the spectrum of special-needs populations, and seek to fill those gaps through financial and technical assistance to developments that target these needs.

Action 1 Link the development of special-needs housing with appropriate on-site or tenant-based services.

Strategy B: Support the development of two-, three- and four-bedroom housing units to accommodate the changing needs of families, as identified in the 2000 Census.

The greatest indicator of the lack of special-needs housing in the District is the lack of housing units available to people at or below 30 percent MFI—less than 1 percent of all units. Gateway has a large share of the city's group homes and nursing homes but lacks housing for young and disabled adults with special needs. The strategies and action above focus on how PDC can fill the gaps in special-needs housing, particularly through outreach to developers and linking services to housing developments, an essential component of special needs.

Goal 3. Housing in the Gateway area will increase livability of the District by incorporating quality design, materials and techniques that enhance existing development and achieve the vision for a regional center.

The strategy seeks to improve all new housing developments by designing them with amenities needed to build a sense of community. Although housing design is at the nexus between public regulation and private motivation, PDC will support high quality design whenever possible. High quality design and neighborhood-sensitive housing development will help to achieve this vision because good design softens the impact of density and urbanization. Well-designed and managed housing with on-site amenities often improves the overall neighborhood.

Objective 1. Improve the quality of all future housing whether affordable or market-rate development.

Strategy A: Support high-quality design guidelines and standards for the Gateway URA, including encouragement of sustainable designs and techniques, and use of high-quality, durable materials.

Strategy B: Provide technical assistance and funding to enhance the quality of development (for example, Storefront Improvement and Development Opportunities grants within Gateway URA).

Strategy C: Utilize PDC design review methods, RFP and other opportunities for public input and feedback to encourage the use of sustainable, long-lasting materials and construction practices in PDC funded development.

Objective 2. Encourage housing developments to include amenities such as open space, services and recreation areas.

Strategy A: Support mixed-use development that offers neighborhood services by researching market and resident needs and encouraging businesses and developers to work together to redevelop underused sites.

Strategy B: Prioritize development of these amenities as part of RFP and development agreements that facilitate higher quality design.

Strategy C: Strongly encourage the development of open space either on-site or adjacent to housing development.

2000 Census data highlighted trends that included increases in the number of extended families, elderly and children. These strategies address PDC's role in fostering mixed-use development including dry cleaners, day cares, and other desired services. PDC has a primary role to play in distributing market information to developers and to prioritizing mixed-use developments with PDC funds. In addition, PDC will focus on including open space on-site or within close proximity of new housing developments. The housing committee will work jointly with the parks committee on planning for parks in close proximity to housing.

Objective 3. Increase the number and density of transit-oriented, pedestrian-friendly housing developments.

Strategy A: Market existing transit-oriented development incentives such as tax abatement to market-rate and affordable housing developers and assemble properties for RFP for development near and along transit routes.

Strategy B: Encourage alternative modes of transportation and transportation management such as bicycle facilities and bike and car sharing within housing developments.

The Gateway URA prioritizes development of areas within one-quarter mile of transit because these developments support the vision of a mixed-use, compact development and efficient use of land. The Gateway Transit Center and Burnside/102nd light rail station have

mixed-use developments underway or in planning stages. Strategy A highlights PDC's role of marketing these areas and providing incentives for transit-oriented development, while Strategy B emphasizes the transit-oriented nature of all Gateway housing and the importance of reducing automobile trips throughout the District. The use of alternative modes of transportation by residents can reduce the impact of density within the District. By reducing resident auto use and encouraging walking to jobs, transit and stores, the entire District is positively impacted.

Goal 4. Development in the Gateway area will encourage housing options for homeownership for a range of households and incomes.

Of the 2,348 total housing units in the urban renewal area, only 213 are ownership units – 150 single-family and 63 multi-family units. In 2003, PDC estimates that another 60-90 multi-family homeownership units will be completed. (48 condos in proposal stage and 10-40 townhomes under development.) With only 150 owner-occupied single-family homes and less than 75 condos and townhomes, Gateway lacks both supply of homeownership units and a diversity of ownership stock. In terms of affordability, new condominiums are selling for less than half the regional median sales price of \$180,000 and even new townhomes are far below the regional median sales price. Areas around the Gateway District have attracted first-time homebuyers with lower median sales prices (for single-family homes?) – \$133,000 within the District area (Are we talking about areas around the district or within? I'm confused.) compared with \$168,000 regionally (2002).

Gateway is attracting young, urban-focused professional singles and couples as first-time homebuyers who have been priced out of other markets and have chosen to buy homes in Gateway, in part, because it has great transit access. There is evidence that Gateway is experiencing a trend of first-time homebuyers replacing older, stable residents and that this has changed the character of close-in neighborhoods. As a result, neighborhoods are renewed but market prices are escalating with demand. For rent-burdened households in the study area, this upward price pressure makes ownership more challenging as they compete with higher income individuals from outside Gateway for existing homes in their neighborhoods.

A major goal of the housing strategy is to increase the stability and wealth of residents through homeownership. With over 40 percent of Gateway Study Area households earning less than \$25,000 a year, Gateway needs a greater range and number of affordable homeownership opportunities. Primary strategies include developing housing that offers long-term and permanent affordable homeownership and increases neighborhood stability. Another key objective is to diversify homeownership options to attract new owners to the area. Existing zoning focuses on development of multi-family ownership rather than single-family homes resulting in mostly townhomes and condo developments. This will require innovative practices and ownership arrangements and consideration of how to serve residents by building multi-family ownership units that fit the needs of existing residents.

Objective 1. Support the development of long-term as well as permanent affordable homeownership options for first-time homebuyers.

Strategy A: Provide financial and technical assistance to encourage multi-family homeownership opportunities by acquiring sites for RFP and development of a range of affordable homeownership units.

Strategy B: Partner with service providers to address the needs of minority and immigrant populations for homeownership education and homebuyer outreach.

The “long-term” affordability of Objective 1 refers to programs that attempt to maintain affordability by recapturing funds when subsidized housing is sold; often this is achieved through the shared-appreciation mortgage mechanism. This loan product allows PDC to assist homeowners by buying down a mortgage with a second mortgage that must be repaid when the unit is resold. The second goal of the objective is to foster “permanently affordable homeownership,” referring to a second “ground lease” model that is currently being implemented by the Portland Community Land Trust. In this model, PDC assists in the development of land maintained in trust by a nonprofit and the new homes are targeted to incoming families with affordability needs. In the land trust model, although an owner can gain wealth through appreciation over time, subsequent buyers will only have to pay for the market price of the unit rather than the land, keeping housing relatively affordable while allowing owners to gain wealth from home improvements. Both models can be adapted to multi-family homeownership, although the “permanently affordable” option of land trust is still being developed for application to a multi-family ownership product in the Portland market. PDC will work with these innovative products and partners to apply them to the Gateway District over the long-term implementation of the strategy.

Objective 2. Expand housing stock and related amenities to attract a broader spectrum of homebuyers.

Objective 3. Expand access to ownership by encouraging non-traditional models.

Strategy A: Support innovative housing pilot projects, such as community land trust and employer- assisted housing, to increase the variety of options for minority, immigrant and first-time homebuyers.

Strategy B: Market the Gateway area to developers of high quality multi-family homeownership units to increase the design, density and quality of future stock, particularly near transit facilities.

As previously noted, Gateway lacks homeownership units (9 percent ownership rate) and lacks a diversity of multi-family homeownership options (condos and town homes) for larger households and for access-restricted residents (seniors and disabled). New multi-family ownership has concentrated on a limited range of products and prices that have successfully pioneered condominium development in the area. The market for two-bedroom and larger, four-story buildings with elevators, is largely untested with the exception of the few two-bedroom town homes.

Objective 2 and 3 commits PDC to fostering innovative models and expanding the market offerings. Both of these objectives require developers to take risks and develop products that are relatively untested in an emerging marketplace. PDC will market the area for high quality multi-family homeownership development by trying to attract developers who are able to design and deliver products that appeal to potential owners defined in the Gateway Market Study. In addition, PDC will directly and indirectly support innovative housing projects by technical and financial assistance that reduces the inherent risk in expanding beyond

proven products. In particular, PDC will act as a facilitator with employers who want to use employer-assisted housing incentives to attract or retain qualified employees of the Gateway area and work with the community land trust model to develop a multi-family land trust product that is feasible to pilot in Gateway.

Goal 5. The Gateway URA will support job growth by providing housing opportunities for employees working within the District and surrounding areas.

PDC will play a significant role in fostering housing and job development that support each other and reduce single-occupancy vehicle use within and to the regional center. While the housing strategy recognizes the value of increased jobs, PDC's overall economic development and revitalization efforts are the primary tools for creating a strong jobs base and more economic opportunity within the District. Housing supports job growth by providing a range of choices including homeownership opportunities and stable neighborhoods for existing employees. In turn, job growth supports housing by creating a range of new, potential residents. This goal recognizes the importance of economic vitality to the development of Gateway as a thriving and diverse neighborhood and articulates the many shared gains of increasing both housing and jobs in the District.

According to rental and ownership sales trends, some of the new residents moving to Gateway are professionals and students using transit to get to jobs in downtown, East County or within Gateway. Recent housing development has begun to attract professionals who want transit access, high quality design, amenities and the central location offered by Gateway. Expanding the draw of employees who are commuting to other employment areas will require more sophisticated marketing of the area and development of housing that relies on this broader range of employees attracted to live in Gateway and commute to nearby areas.

Objective 1. Provide housing for new and existing employees of the District and nearby areas.

Strategy A: Encourage the development of housing concurrent with the development of new business opportunities.

Strategy B: Support the development of housing affordable to incomes from jobs within the District and within a reasonable transit range of employment centers.

Strategy C: Encourage employers to support homeownership education and participate in employer-assisted housing programs.

Strategy D: Encourage mixed-use redevelopment to include both housing and employment uses.

Strategy A will focus on attracting housing developers to build housing desired by employees of emerging employment sectors. For example, attracting office development might encourage the development of housing desired by office workers such as executive apartments and condominiums targeted to upscale, empty-nester executive households. Strategies B and C focus on working with employers to better understand and support

employee housing needs. Through these partnerships, PDC can better define markets not currently being met for existing Gateway employees and assist developers in meeting these product needs. Considering many jobs offered in Gateway have average wages between \$13,000 to \$16,000 annually, PDC housing strategies need to focus on increasing affordable housing (with rents generally below \$600 a month) to meet these existing employees' needs.

Objective 2. Support economic development efforts to attract employers with living wage jobs.

Strategy A: Attract a broad range of industries and employers to provide a market for new housing development.

By improving the image of the District, high-quality housing can expand and diversify the resident labor pool and make the District more attractive to employers. Housing investment also increases the potential for financing of other products, such as mixed-use office development. In turn, an expanded economic base is essential for attracting new residents to the District and offering existing residents options for increasing their income through new employment opportunities.

One of the greatest challenges to diversifying housing within Gateway is that the current mix of employment largely does not offer the wages and income necessary to support higher quality, market-rate development or home ownership without incentives or public subsidy. Most current Gateway jobs are in the service and restaurant industries, which generally do not offer living wage jobs that support homeownership or market-rate development. Workers earning higher wages, such as those in the health care related sectors, generally choose to live outside of Gateway and are not interested in moving to the area, at least for what it currently offers.

When making location decisions, businesses consider the skills and educational level of the labor pool within the regional average commute (about 25 minutes in Portland). Gateway's excellent transportation should be an economic plus for attracting new employers because it connects the area to more skilled labor pools. At the same time, new housing may be marketed to those employees in transit-accessible employment areas. By leveraging its transit access to these employment centers in the short-term, Gateway can build a more diverse economic base of residents in the long-term. The strategy must also support expansion of the Gateway job base by attracting higher paying jobs and expanding opportunities for training and employment for existing residents.

IMPLEMENTATION AND MONITORING:

The housing strategy will target resources by leveraging housing and other PDC funds along with private, public and non-profit resources available beyond urban renewal. Long-term goals require ongoing and assertive action plans that accomplish housing development each year. The objectives and strategies seek to implement these goals through the accomplishment of the following actions. Implementation will be a combination of direct and indirect assistance as outlined in the Implementation Tools section of this document (Appendix D). Key actions will include:

- Supporting the development of an additional 2,000 housing units within Gateway by 2020.
- Assisting in the development of at least 800-1,000 of these units with at least 200 units built from 2003-2008; 300 units from 2009-2014; and 500 units from 2015-2020.
- Meeting gaps in the spectrum of incomes to offer opportunities to all new and existing residents and ensure creation of mixed-income neighborhoods. Gaps are identified through regular updates to the Housing Inventory and comparison with development trends and census citywide income distribution.
- Diversifying the stock of housing through increased homeownership, innovative pilot projects, housing for elderly and others whose options are currently limited by the types, sizes and range of affordability within the District.
- Prioritizing the needs of residents most at risk of displacement and of populations who currently lack housing options or suffer rent burden, whenever possible.
- Encouraging all new housing developments to implement the regional center vision through improved building design and amenities that enhance nearby neighborhoods.

MONITORING AND EVALUATION

Regular monitoring and evaluation of the housing strategy will be critical to its success, ensuring responsiveness to the needs, conditions and vision of the residents of the Gateway District during the term of urban renewal funding.

PDC staff will regularly summarize progress on achievement of the established urban renewal goals, including progress on implementing specific projects and programs and meeting unit production goals. Staff expects to be able to conduct a Gateway Housing Inventory approximately every five years and to monitor development trends to measure the range of affordability changes as new housing is developed and rents increase. During the intervening period, PDC will track and report market trends and unit production. Periodic strategy updates will be presented to the PAC and housing committee and will demonstrate how the selected projects and programs have advanced the goals of the strategy as well as the need to refocus funding and attention. Update information will also be reported to the Housing and Community Development Commission in an annual consolidated URA housing report.

Since the strategy uses an approach of funding housing development based on the gaps in the range of incomes as defined by HUD for the City of Portland (due for 2000 Census

data summer 2003), it will be particularly important for PDC to update the strategy based on current market and inventory data that compares the area to recent citywide income distribution. Housing unit production progress will be described by the number of units in each range of income and compared to the most recent available city income data to establish new unit production gaps. The Gateway Housing Strategy Committee or designated advisory body will be responsible for working with PDC to review progress and make recommendations for funding priorities for the coming years.

MEASUREMENT TOOLS

Progress will be evaluated on four levels when data is available, which may be on a biannual or longer-term basis:

- Housing expenditures, measuring the level of tax increment spending, public and private funds leveraged, and average subsidy amounts.
- Housing units production, reported by housing type, unit size, public and privately developed unit production, income level served and geographic location.
- Housing for special needs populations: reported in the aggregate to protect confidentiality.
- Demographic and economic trends, measuring long-term community impact through key benchmarks to include: homeownership rate and change in the number of homeowners; overall housing development (market and PDC-assisted); amount of resident households with housing rent burden; general neighborhood composition (race, income, household type), particularly tracking trends in age and household size identified in the strategy; and others.

Typically the information will be gathered for the Gateway URA when available, and in some cases will include zip codes or a larger study area defined by the census tracts of the Base Data and Trends, to set the context of change surrounding the URA. PDC will also inform the advisory bodies of larger market and demographic trends and place production reporting in the context of the Portland-area market.

PDC staff, in conjunction with the housing committee or designated advisory body, will collect specific data from housing partners such as housing developers, residents, employees and businesses to evaluate the effectiveness of the strategy. Housing expenditures, housing unit production and housing program performance can be measured biannually, while key demographic and economic trends 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.

SUMMARY OF DATA SOURCES

U.S. CENSUS BUREAU

The U.S. Census Bureau conducts the Decennial Census and the American Community Survey. The following census data is used in the Base Data and Trends Report and this strategy.

- **Decennial Census of Population and Housing Characteristics** (1990 Census and 2000 Census)- The Decennial Census provides the most complete data on resident and housing demographics. This report uses this information at the census tract level (see Map 1). A census tract is a subdivision of a city or county. Census tracts are designed to be relatively homogenous units with respect to population characteristics, economic status and living conditions. Census tracts average about 4,000 people.
- **1996 American Community Survey-** The 1996 American Community Survey data represents a sample of residents in Multnomah County. It asks residents many of the same questions as the Decennial Census and uses similar methodology for reporting the data by census tract, but has a much smaller sample size than the Decennial Census. Therefore, the information must be viewed as an estimate of population and housing characteristics.

HOUSING INFORMATION

- **Gateway Housing Inventory-** PDC has collected information from a variety of sources on specific housing properties in the Gateway Urban Renewal Area boundary and compiled it into a single database. Data sources for this inventory include the Multnomah County tax assessor records, MetroScan database, and Real Estate Multiple Listing Service database of real estate transactions. In addition, a survey of rental housing property owners was conducted and resulted in rent data collected for 76 percent of units.
- **Home Mortgage Disclosure Act Data -** Home Mortgage Disclosure Act (HMDA) data provides information on home-purchase and home-improvement loans. The Federal Financial Institutions Examination Council provides the raw data.

ECONOMIC DEVELOPMENT AND WORKFORCE INFORMATION

- **Inside Prospects Northwest 2000-** This is a locally compiled business database providing information on small and large businesses in the Portland area. This information is available for the URA boundary. As a public agency, PDC can only use this database for planning purposes and may not use it for direct marketing or providing information on individual businesses.

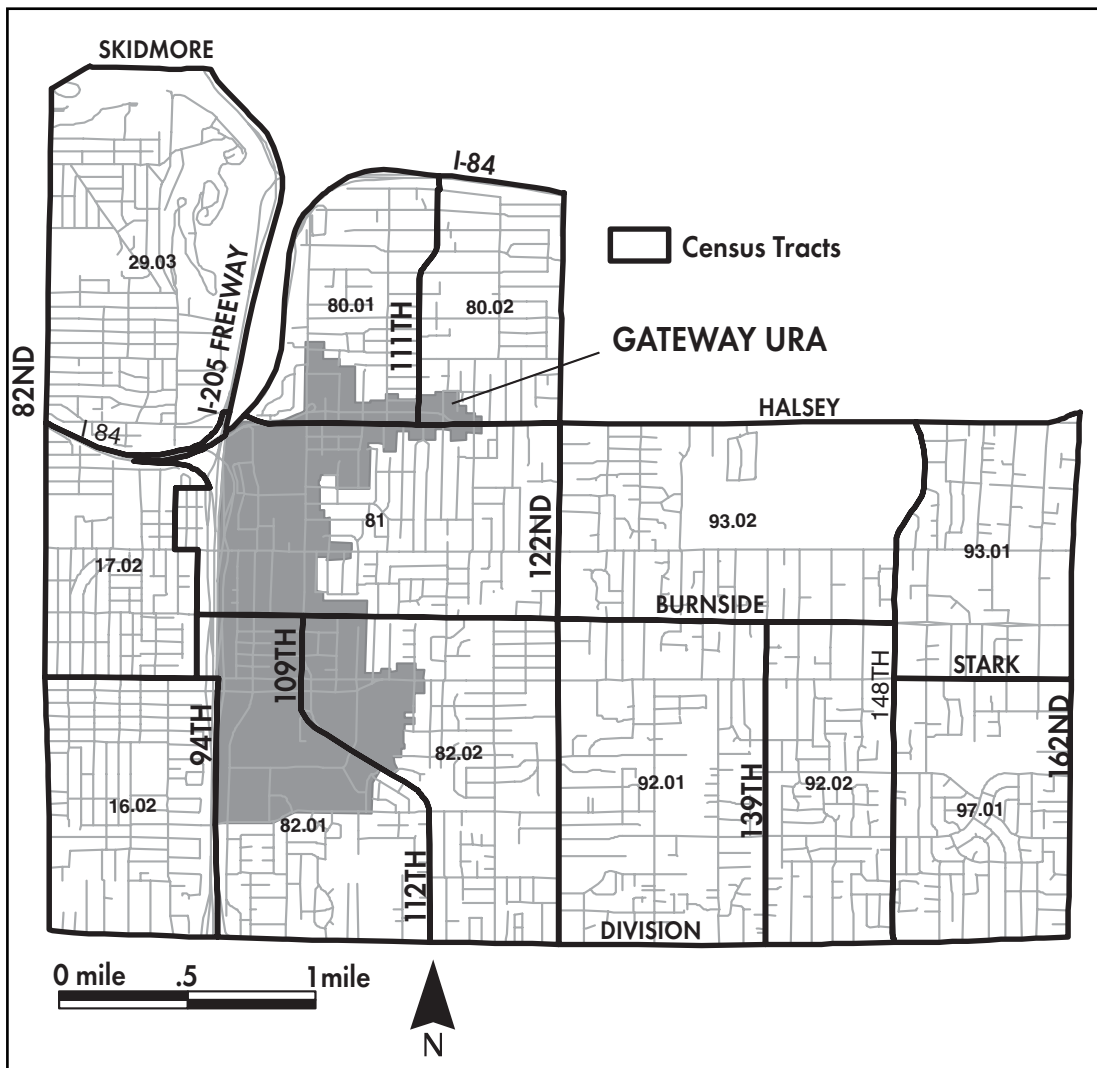
- **Oregon Office of Minority, Women, Emerging Small Businesses-** This office certifies statewide business contracting opportunities.
- **Oregon Employment Department-** Information published in Oregon Covered Employment and Payrolls is based on tax reports submitted quarterly by employers subject to Employment Department law. Information is presented at the aggregate level by SIC code, with boundaries related to state zip codes. Confidentiality law does not allow the reporting of employment, wage or any other data that could be identified with an individual employer.

APPENDIX B:

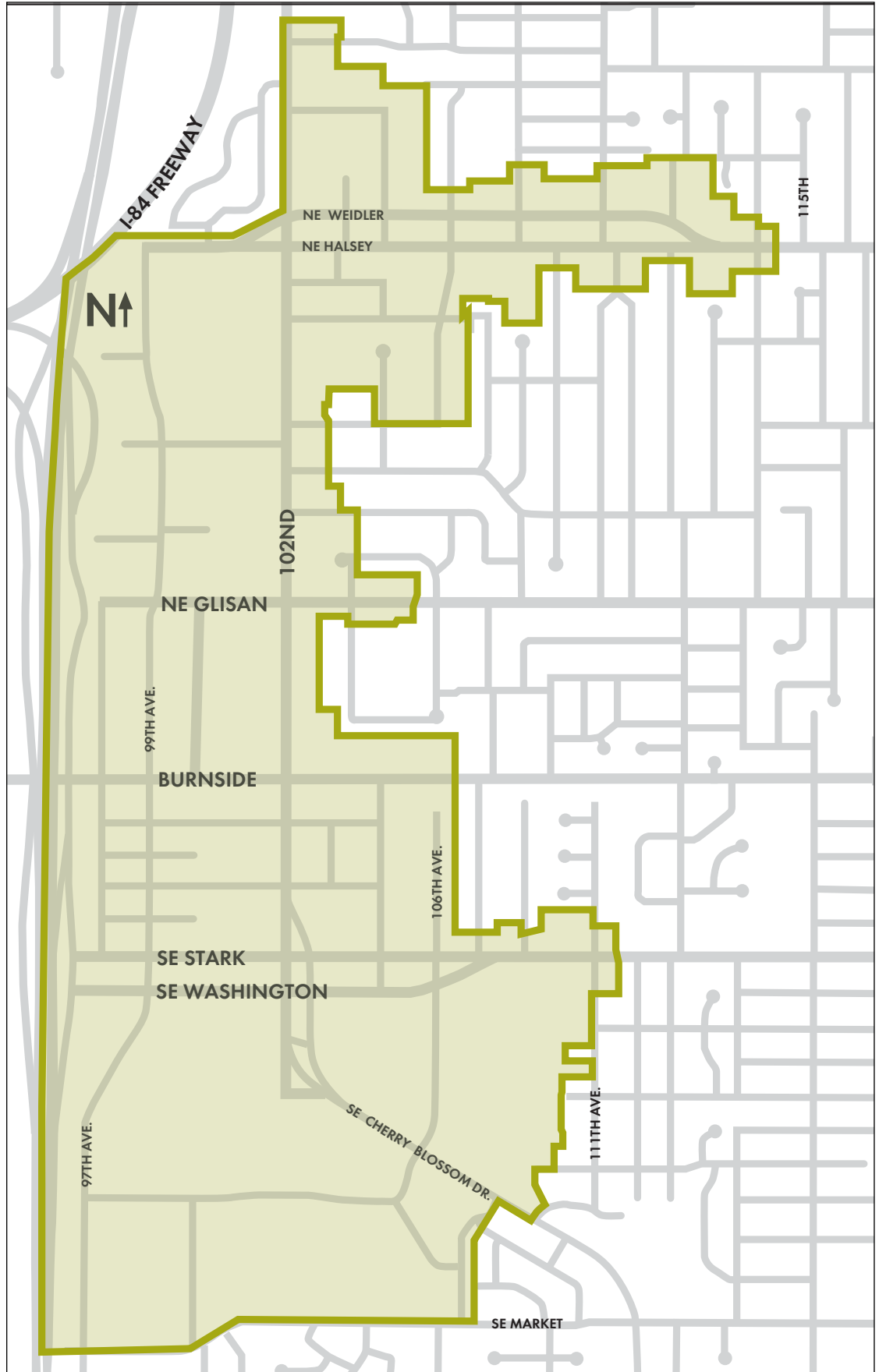
GATEWAY MAPS

This section contains six maps to assist readers in understanding how data was collected and to orient them to the Gateway area. Maps 1-3 show the boundaries of basic data. Throughout this report, the boundary in Map 1 is referred to as the Gateway Study Area or the “Larger Study Area” and functions as the boundary for all collected census data. Map 2 illustrates the URA district boundary and is the boundary for which housing rent and inventory information. The Gateway URA boundary was adopted by City Council in June, 2001. The term “city” throughout the report refers to the City of Portland (Map 3) and some census data from the Gateway Study Area is compared to the citywide boundary census data. Maps 4, 5, and 6 on the following pages illustrate the larger urban renewal boundary with orienting landmarks (Map 4), present the current Plan District zoning for the URA (Map 5); and provide a map of the URA building footprints (Map 6).

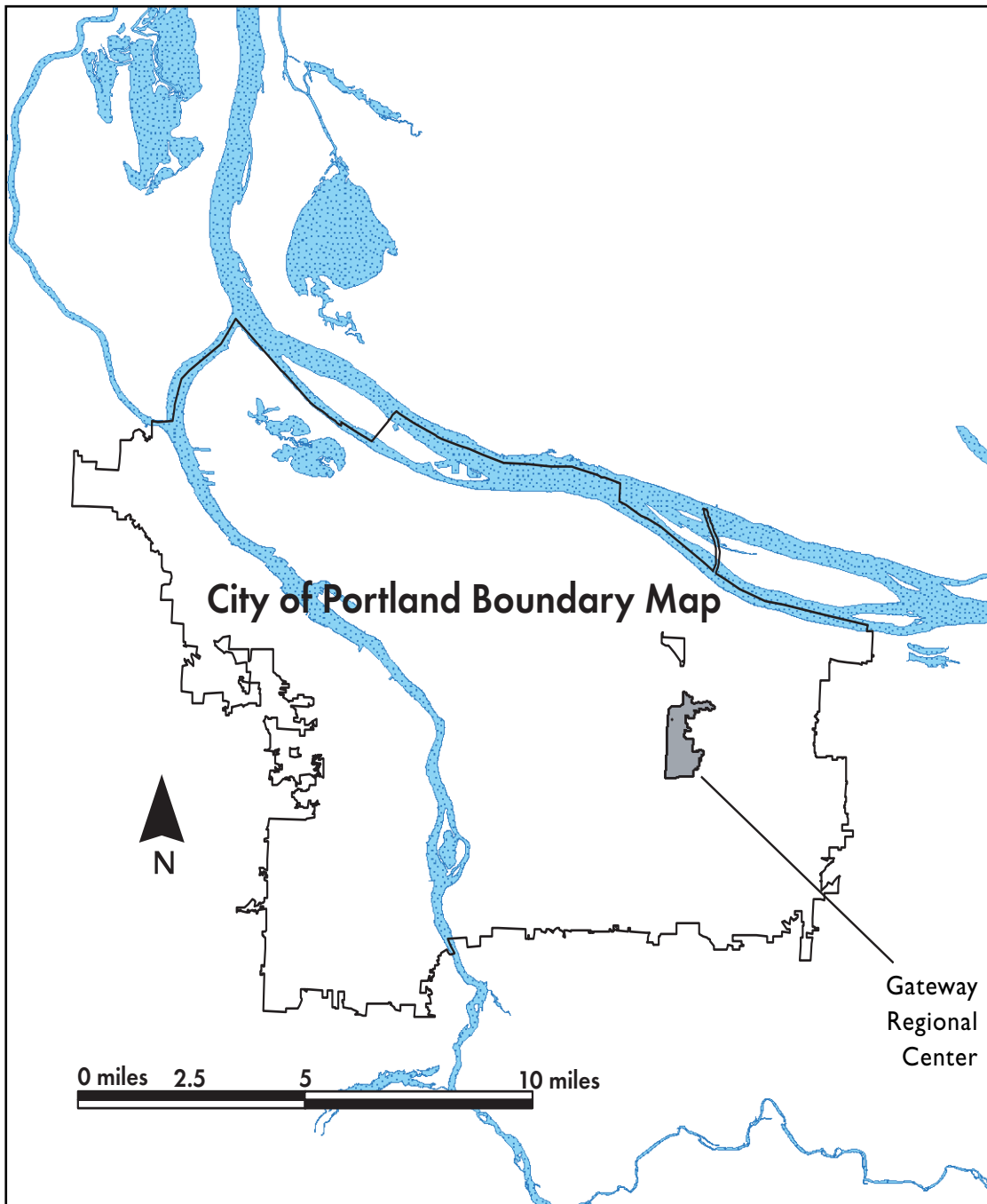
Map 1: Gateway Study Area Boundary with Census Tracts



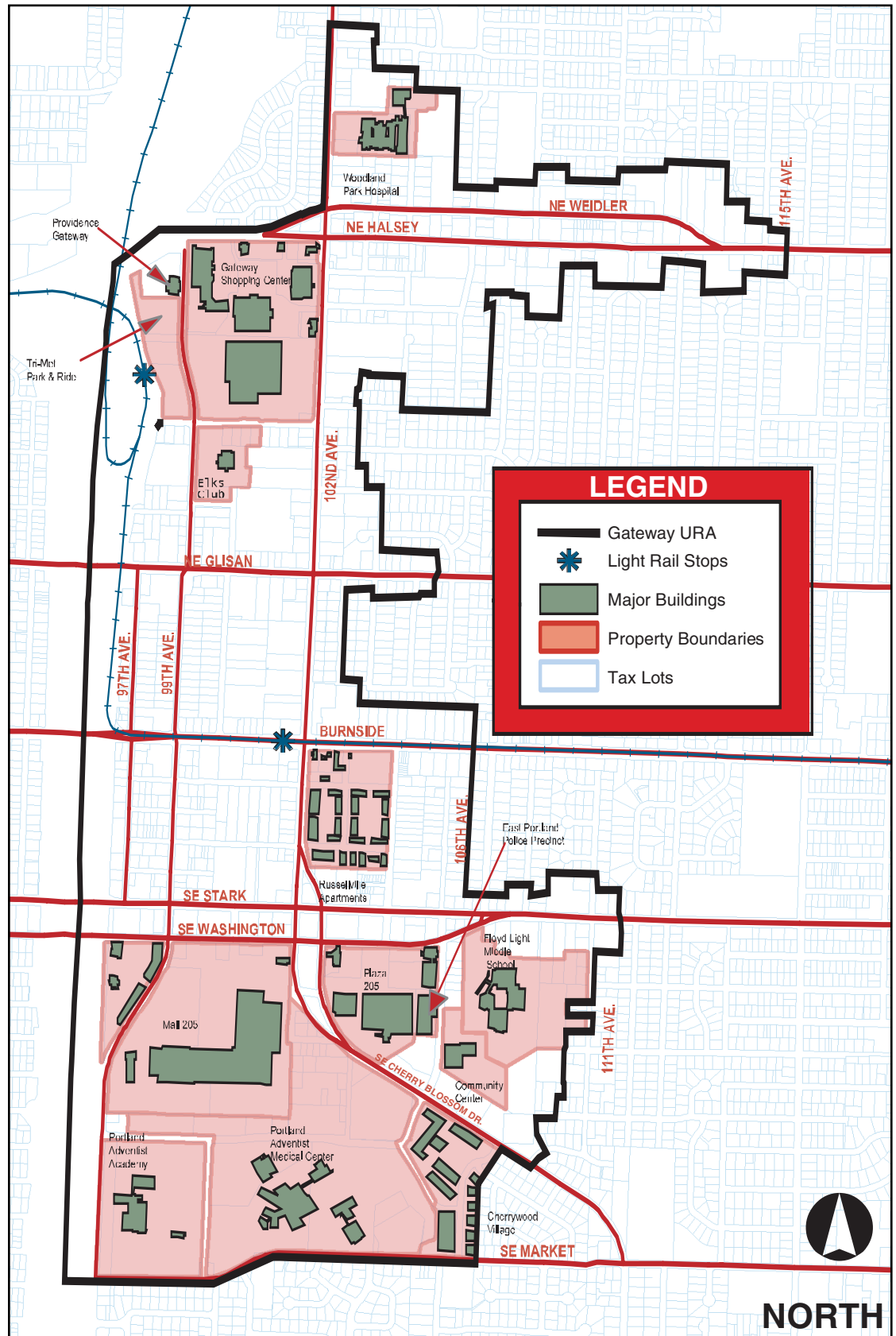
Map 2: Gateway Urban Renewal Area District Boundary



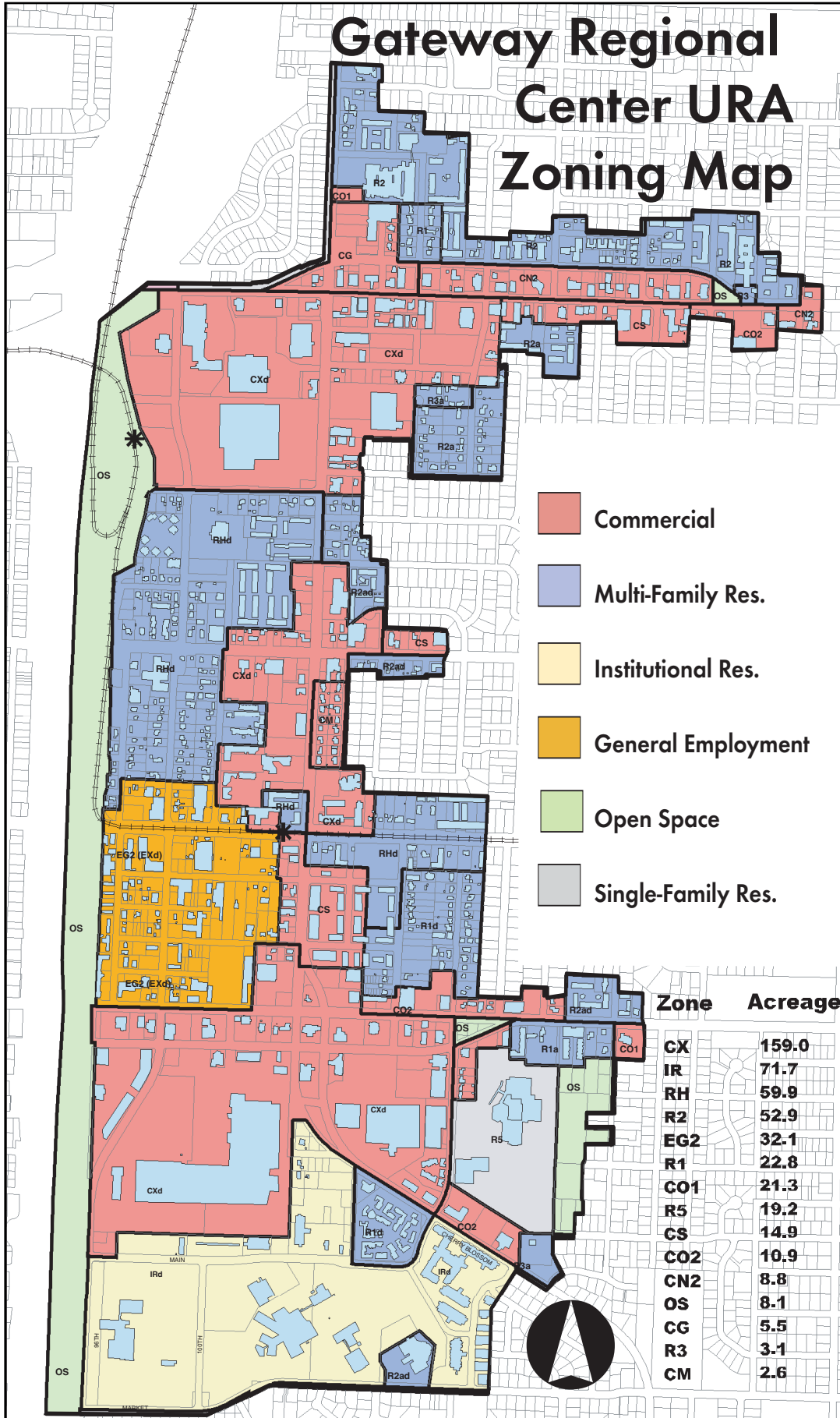
Map 3: The City of Portland Boundary



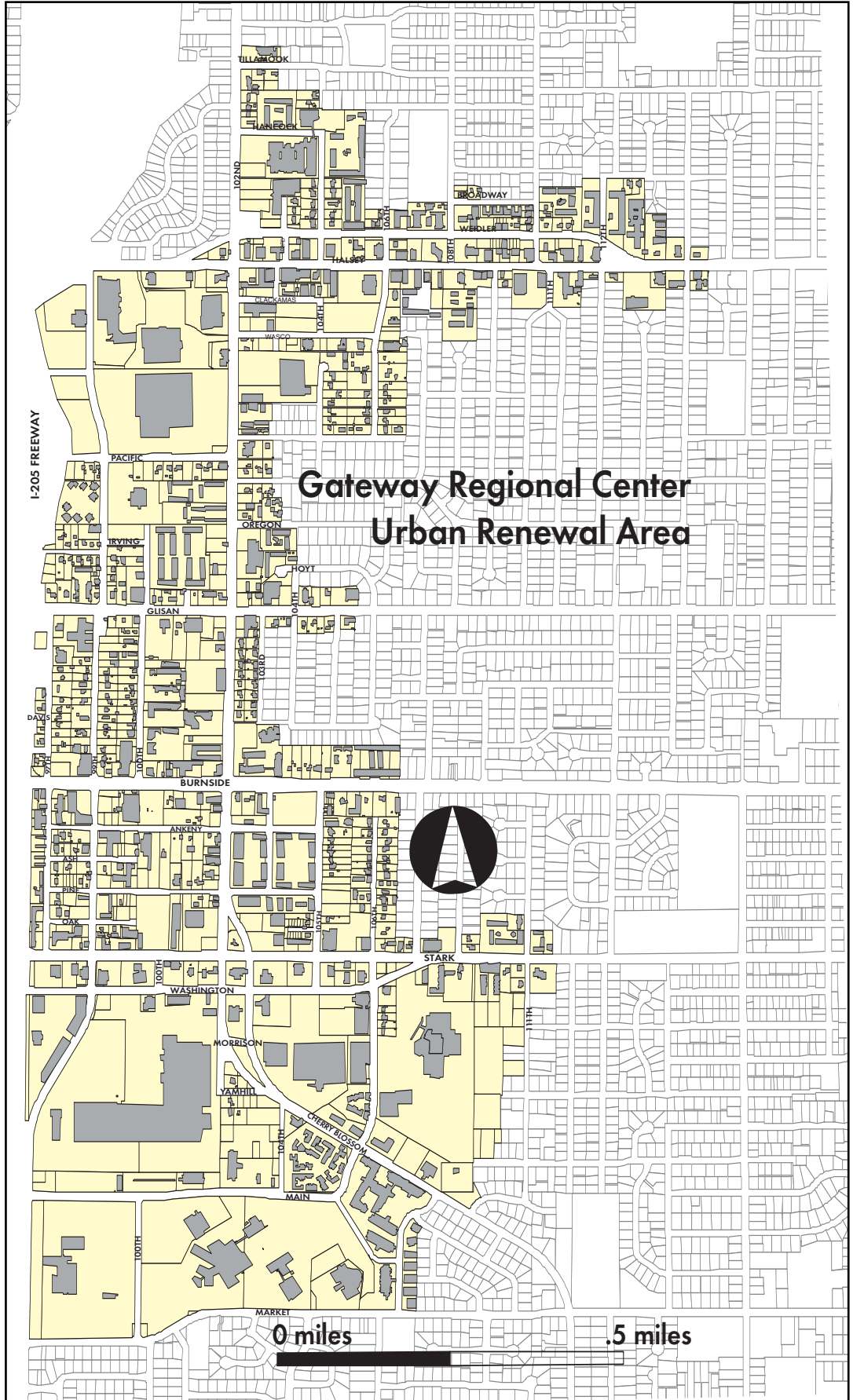
Map 4: Gateway Regional Center Orienting Landmarks



Map 5: Gateway Plan District Zoning



Map 6: Gateway URA Building Footprints



AFFORDABILITY

PDC generally uses the definition of affordability provided by the Housing and Urban Development (HUD) department that states that housing is affordable if a household pays no more than 30 percent of their gross income on their housing costs (rent or mortgage plus utilities). Every year HUD releases new standards of median income for the Portland metropolitan area. PDC is required to use this HUD median family income table to plan for and distribute affordable housing funding. The Housing Inventory was conducted in June of 2002 and therefore, the rent information is based on the following 2002 Housing Affordability maximum rents. PDC receives an updated MFI chart from HUD every year and will use appropriate MFI charts for the year of future inventories when adjusting the gaps in housing affordability.

2002 Housing Affordability: Maximum Monthly Rent Including Utilities by Median Family Income With a Housing Burden of 30 percent.

No. of Bedrooms	Household Size	30%	50%	60%	80%	100%	120%	150%
0	1	\$ 300	\$ 500	\$ 600	\$ 801	\$1,001	\$1,201	\$1,501
1	1.5	\$ 322	\$ 536	\$ 643	\$ 858	\$1,073	\$1,287	\$1,609
2	3	\$ 386	\$ 644	\$ 773	\$1,030	\$1,288	\$1,545	\$1,930
3	4.5	\$ 446	\$ 744	\$ 892	\$1,189	\$1,488	\$1,785	\$2,231
4	6	\$ 498	\$ 830	\$ 995	\$1,328	\$1,659	\$1,990	\$2,489
5	7.5	\$ 549	\$ 915	\$1,098	\$1,464	\$1,831	\$2,196	\$2,746

Figures are rounded to the nearest \$1.00. HUD has released a 2003 table for the Portland area but since the housing inventory rent data is based on 2002, this table is a more accurate reflection of Median Family Income (MFI) of existing units.

SUMMARY OF IMPLEMENTATION TOOLS

The implementation of this housing strategy relies on a number of public and private sector financing tools. The following summary is a list of the available funds for housing consumers and developers in the Gateway District. 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 Gateway District 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.

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 Oregon Convention Center 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 Gateway Housing Implementation Strategy and 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 zero percent 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 six percent 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 Oregon Convention Center 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 for 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 for 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 outline 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 percent 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. The PDC Fee Waiver Program is intended to reduce development costs by waiving a portion of certain permit fees. 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. The System Development Charges (SDC) incurred upon new housing units will fund a portion of the needed capacity increases in the City of Portland. 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. The Portland Development Commission (PDC) has been charged with the administration and monitoring of the System Development Charge Exemption Program for Affordable Housing for Portland'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 SCD for which the source is PDC's credit pool)

HOMEOWNER PRODUCTS

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 percent of the units be occupied by households with incomes below 50 percent of the area's median income or 40 percent or more of the units be occupied by household whose incomes do not exceed 60 percent of median. Residents in eligible units may not pay more than 30 percent 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 nine percent or four percent 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.

PDC ADMINISTERED TOOLS AND PROGRAMS

HOMEBUYER PRODUCTS

PDC is currently expanding its programs and tools to provide greater flexibility in assisting homebuyers in non-traditional neighborhoods such as the Gateway District. These neighborhoods lack older homes and traditional single-family options and require unique tools and approaches.

The strategy requires that PDC assist in the development of affordable homeownership developments, often within multi-family structures since these urban areas are generally not zoned for single-family ownership development. Due to the higher costs of developing housing in higher density areas, PDC often must also assist buyers with purchase of these homes. There are a few homeownership programs that have limited application in Gateway which include the FannieMae HomeStyle Loan; Interest Rate Buydown Loan program; and the Limited Property Tax Abatement Program (ORS 308.450 & ORS 58.005) for distressed areas.

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

- **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 percent. PCLT currently does not have a homebuyer model for multi-family ownership development in 2002 but is considering developing such a model in the future.
- **State Residential Loan Program/Shared Appreciation Mortgage** - This loan provides financing for acquisition and rehabilitation of existing properties to first-time homebuyer households with incomes at or below 80 percent 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 can be 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. (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 two 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)

OTHER RESOURCES AVAILABLE TO FIRST-TIME HOMEBUYER

- **Project 20 Percent** - The Portland Housing Center provides a second mortgage loan product for first-time homebuyers to receive a loan of up to 20 percent of sales price at an interest rate of two points below Oregon State Bond Program for 30 years. First time homebuyer or displaced homemakers and the property must be located within eligible neighborhoods and the borrower must meet residency eligibility within those neighborhoods. The borrower total household income must not exceed 80 percent of the HUD Portland Median Income, adjusted to family size.
- **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 \$7,500. This is a fifteen-year loan program with a rate two points below Oregon State Bond Program. It is designed for first time homebuyers and borrowers must contribute a minimum of three percent of the sales price from their own funds. Eligible households must be at 100 percent of median income or less, adjusted to family size. The homebuyer completes an educational program through the Portland Housing Center. This is a revolving loan fund funded in large part by local lenders.
- **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 three 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** - a pilot program of the Housing Authority of Portland, this housing benefit may be available to first-time homebuyers in conjunction with the Portland Housing Center (PHC). The program allows a person or family who is receiving HUD Section 8 assistance to use the subsidy toward home mortgage costs. The second mortgage product is two points above PHC cost of funds with term of up to 15 years depending on Voucher Assistance and housing ratios with assistance of up to \$50,000, depending on housing ratios and Section 8 Voucher support provided by HAP recertification.

OTHER RESOURCES AVAILABLE TO RENTERS

- **Private Investors and Developers** - the largest stock of housing affordable to many households in the District are available due to the investment of private investors and owners.

- **Community Development Corporations** - Private non-profit organizations are a large provider of affordable housing in the Gateway Regional Center 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. Human Solutions is one of the nonprofits that has developed housing in the Gateway area and other CDCs have expressed interest in future housing development. Most of these organizations are members of the Community Development Network that 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 percent 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 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.
- **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.

Investing in Portland's Future

PDC

PORTLAND DEVELOPMENT COMMISSION

1900 Southwest Fourth Avenue, Suite 7000

Portland, OR 97201-5348

tel: 503.823.3200 fax: 503.823.3368

TTY: 503.823.3366

Customer Service Center

2020 Southwest Fourth Avenue, Suite 100

Portland, OR 97201-4956

tel: 503.823.3004 • fax: 503.823.3435