

Equitable Housing Initiative



February 18, 2016

www.oregonmetro.gov/equitablehousing



What is equitable housing?

- Diverse, quality, physically accessible, affordable housing with access to opportunities, amenities and services



"Most of the places we found had tenant income requirements of 3.5 to four times the amount of the rent, and when you're a student, those amounts are impossible to match."

-Jacob M., Gresham



"When I close my eyes for the last time, that house will be left to my son and my daughter-in-law and my grandbabies."

-Victoria D., SE Portland



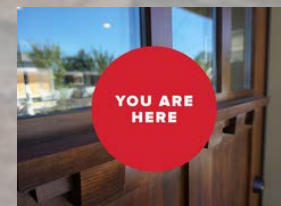
"I love this area. It's quiet, safe... I can walk to the grocery store, library and church. I don't have a car, so I like that there's a lot of transportation on Farmington Road, or I can walk a few blocks to take the MAX.."

-Silvia R., downtown Beaverton



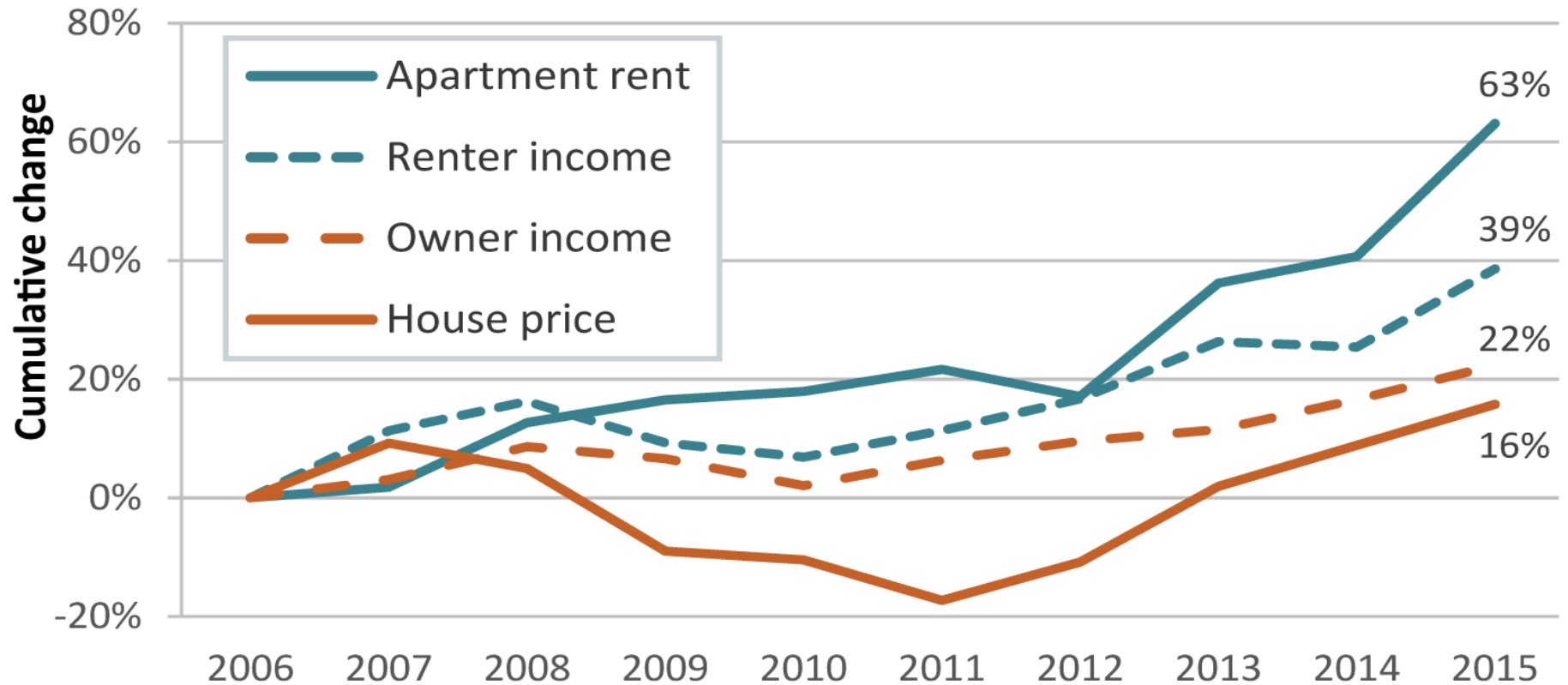
"We loved our old neighborhood [in Southwest Portland] so we started looking there. Then we realized we couldn't afford anything we wanted, so we started looking at Tigard. But we didn't really like the houses we looked at because they were either tiny lots or in neighborhoods we weren't excited about. So we looked in Beaverton and the Bull Mountain area, too." -Brian M., Tualatin

oregonmetro.gov/snapshot



Rents are rising faster than incomes.

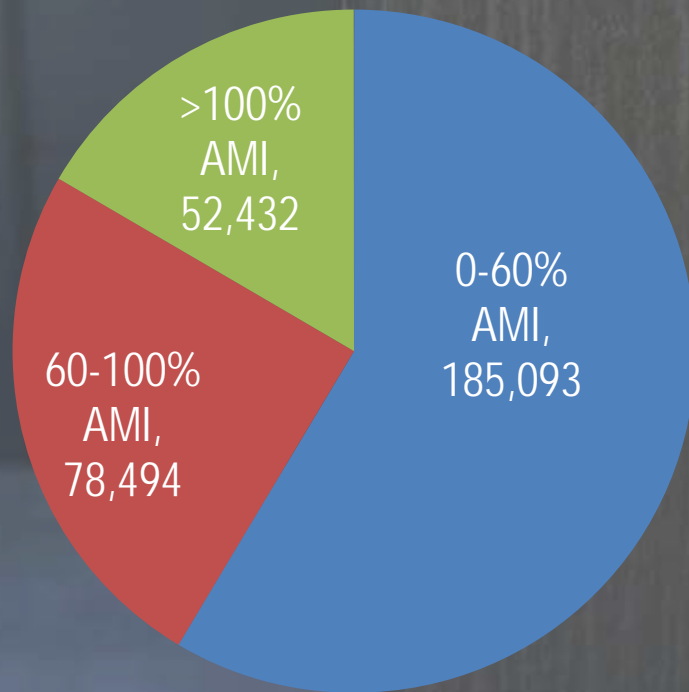
Cumulative Change in Rent and Income for the 7-County Metro Region





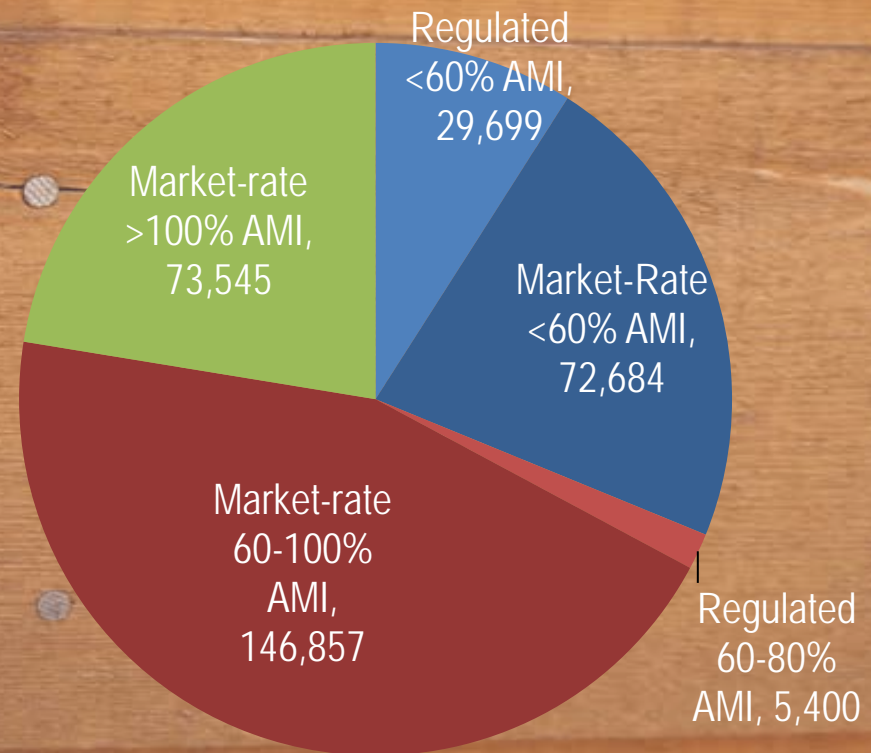
We have a shortage of affordable rentals.

Number of RENTER
HOUSEHOLDS by income level,
based on percent of area median
income (AMI)



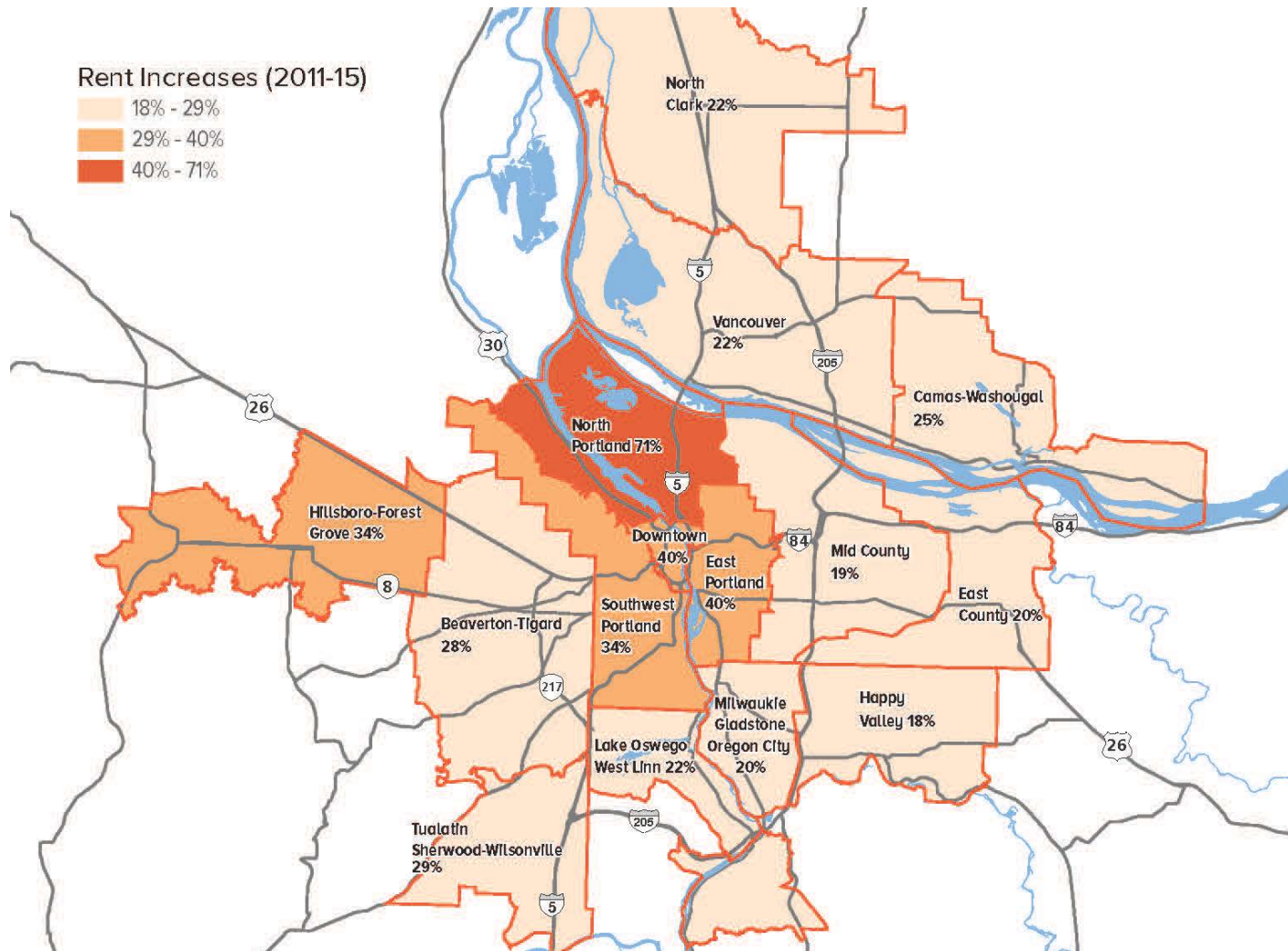
Source: American Community Survey, Metro Research Center

Number of RENTAL UNITS affordable
by income level, assuming 30%
housing cost burden



Source: Aximetrics, Multi-Family Northwest, Johnson Economics,
Metro 2015 Regulated Affordable Housing Inventory

Rents are rising everywhere in the region—with the most dramatic increases in Portland.



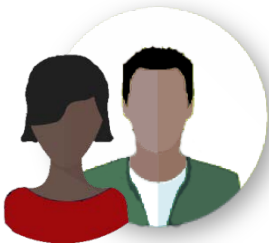
Where can a household making less than half of median income afford to rent?

Three-person household making 49% of median income:
\$32,000

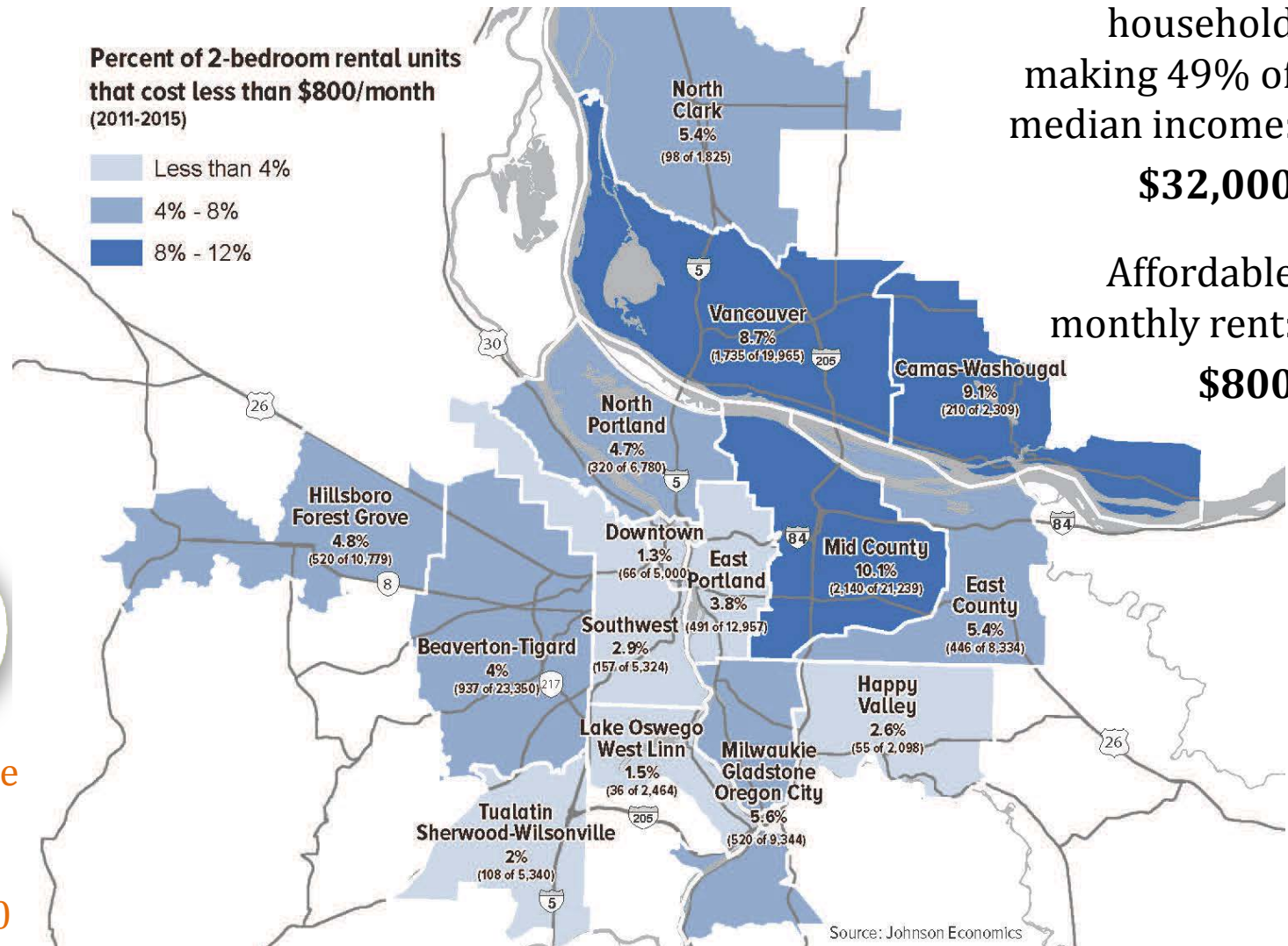
Affordable monthly rent:
\$800



Average salary of a pre-school teacher: \$32,090



Combined income of two full-time minimum wage workers: \$38,000



Source: Axiometrics, Multifamily NW, Johnson Economics

Where can a household making median income afford to buy?

Household making median income: **\$66,000**

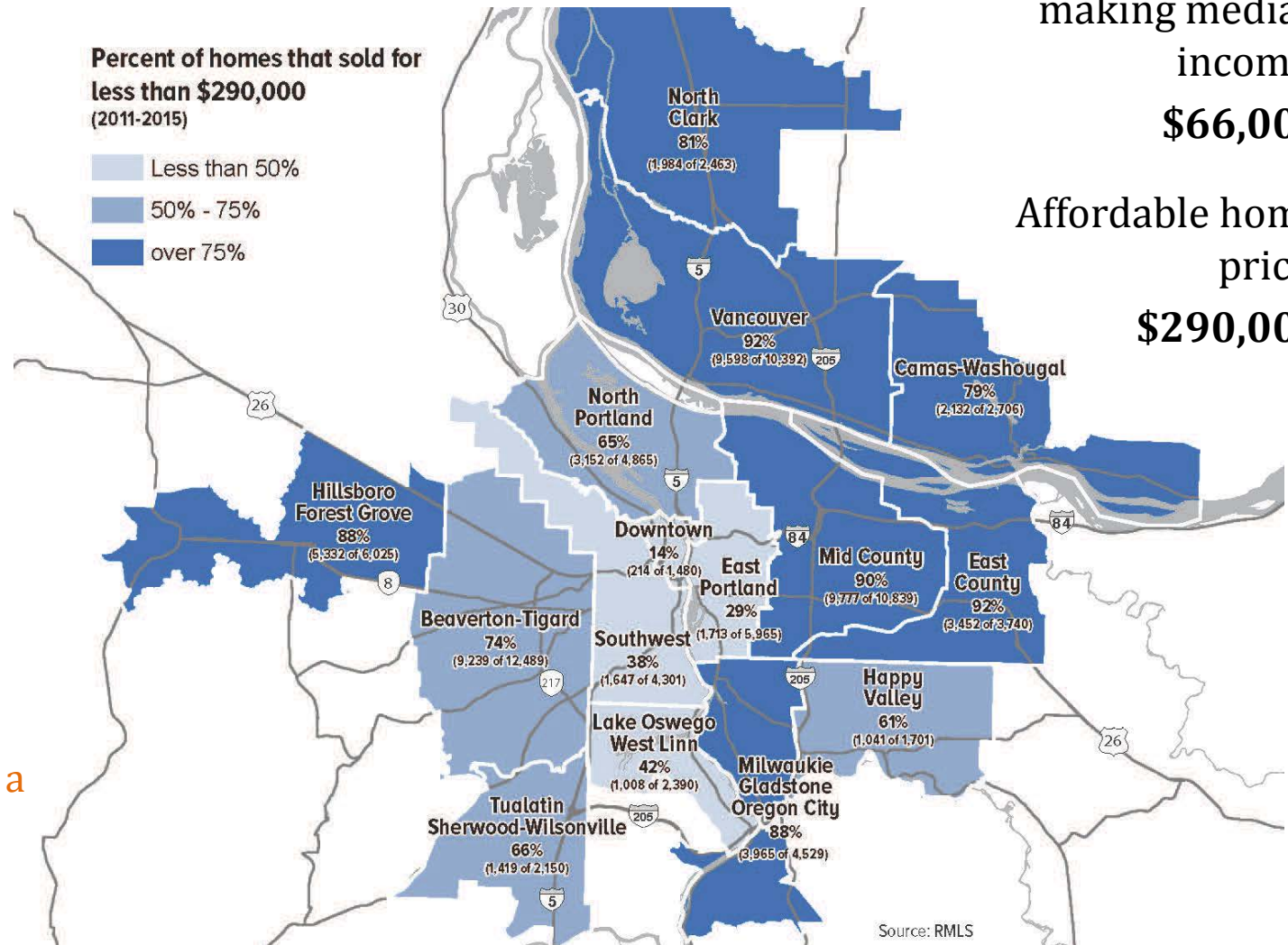
Affordable home price: **\$290,000**



Average salary of a police officer: **\$66,110**



Average salary of a high school teacher: **\$59,430**



Includes 2-3 bedroom homes that sold between 2010-2015. Source: RMLS.



Equitable Housing Framework & Report

Process:

- Over 160 people participated in roundtables and focus groups led by Oregon Opportunity Network
- Demographic and market analysis by Metro Research Center and Johnson Economics
- Equitable Housing Work Group facilitated by Cogan Owens Greene

Purpose:

- Develop a shared understanding of challenges and opportunities



Equitable Housing Framework

1) Increase and diversify market-rate housing

Eliminate regulatory barriers and create incentives for diverse market-rate housing

2) Leverage growth for affordability

Encourage private developers to contribute to the supply of affordable housing

3) Maximize and optimize resources

Increase flexible funding and pursue coordinated investment strategies to expand the supply of regulated affordable housing

4) Mitigate displacement & stabilize communities

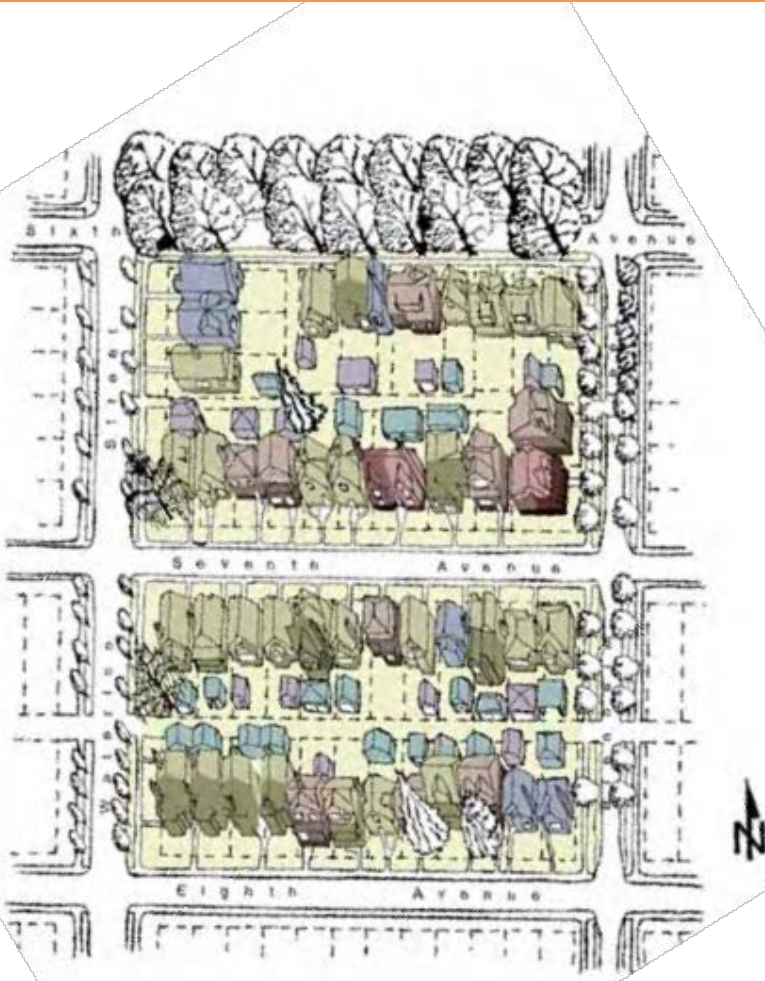
Pursue community-informed strategies to prevent displacement in high-opportunity areas; promote safe, healthy housing choices; and create and maintain economic, racial, and age diversity in our neighborhoods



Metro's Proposed Next Steps

- Develop and launch a grant program to support local implementation of equitable housing tools and strategies identified in the report
- Advocate for state legislative changes to ensure that local jurisdictions have access to a range of tools and resources to address equitable housing needs in their communities.
- Develop a research agenda to support regional equitable housing efforts.
- Convene partners to explore opportunities for coordinated resource development and investment strategies

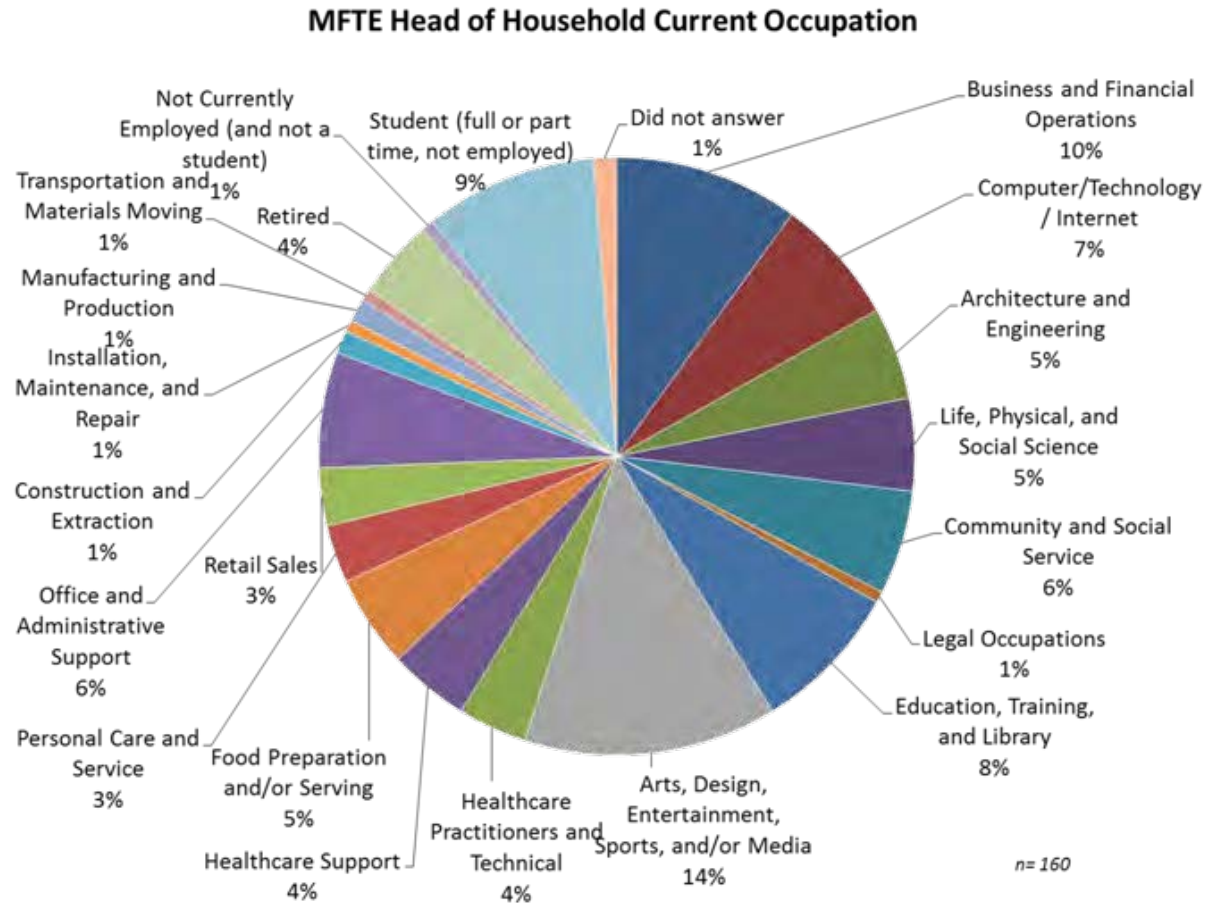
Solution in Practice: ADUs in Vancouver, BC



- 90% of single-family lots permitted to hold TWO accessory dwelling units (ADUs)
- City has removed regulatory barriers
 - Owner occupancy
 - Parking requirements
 - Design standards
- ADU development has more than doubled density in some neighborhoods

Solution in Practice: Incentive zoning in Seattle

- 12-year tax exemption in designated zones for setting aside 20% of units as income-restricted
- 40% participation rate
- 1,981 affordable units in 88 market-rate projects; 1,918 in the pipeline
- 1,500 units in affordable projects





Solution in Practice: Bay Area TOAH Fund

- Bay Area Transit Oriented Affordable Housing (TOAH) Fund
- \$50 million revolving loan fund
- Supports creation/ preservation of affordable housing (85%) and other community-oriented development (15%)
- Eligible borrowers: non-profits, corporations, government, joint ventures, limited partnerships

\$10 million

Metropolitan Transportation Commission

\$ 8.5 million

Six Community Development Finance Institutions (CDFIs)

\$ 6.5 million

Ford Foundation, Living Cities Catalyst Fund, SF Foundation

\$25 million

Citi Community Capital and Morgan Stanley



Solution in Practice: Urban Land Conservancy (Denver)

- Acquires, develops, and preserves community real estate assets
- Has invested \$58M in 25 properties, leveraging \$360 million in public, private, and nonprofit investments
- Manages property acquisition/disposition for the region's \$30M E-TOD revolving loan fund



Evans Stations Lofts
(new construction)



Dahlia Apartments
(acquisition & rehabilitation)