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Councilor Sam Chase, District 5

June 22, 2017

Sen. Lew Frederick, Co-Chair
Rep. Brad Witt, Co-Chair
Joint Committee on Ways and Means Subcommittee on Natural Resources
Oregon State Legislature
Salem, OR 97301

Re: HB 2007A, -A6 amendment

Co-Chairs Frederick and Witt and Members of the Subcommittee:

For years, we have seen affordable housing options for the residents of Oregon diminish while our population grows. Having enough housing for everyone is an important aspect of a community's livability, and Oregon communities have not been meeting this challenge. House Bill 2007A with the -A6 amendment takes a critical step toward changing this course to improve the lives of all Oregonians.

Housing costs in nearly every municipality in Oregon exceed what is affordable for low and middle-income people. The inability to find affordable, well-located housing is affecting hundreds of thousands of Oregonians. Naturally, these impacts disproportionately affect our low-income and minority populations, highlighting the legacy of discrimination from past decisions about how we build housing in our communities.

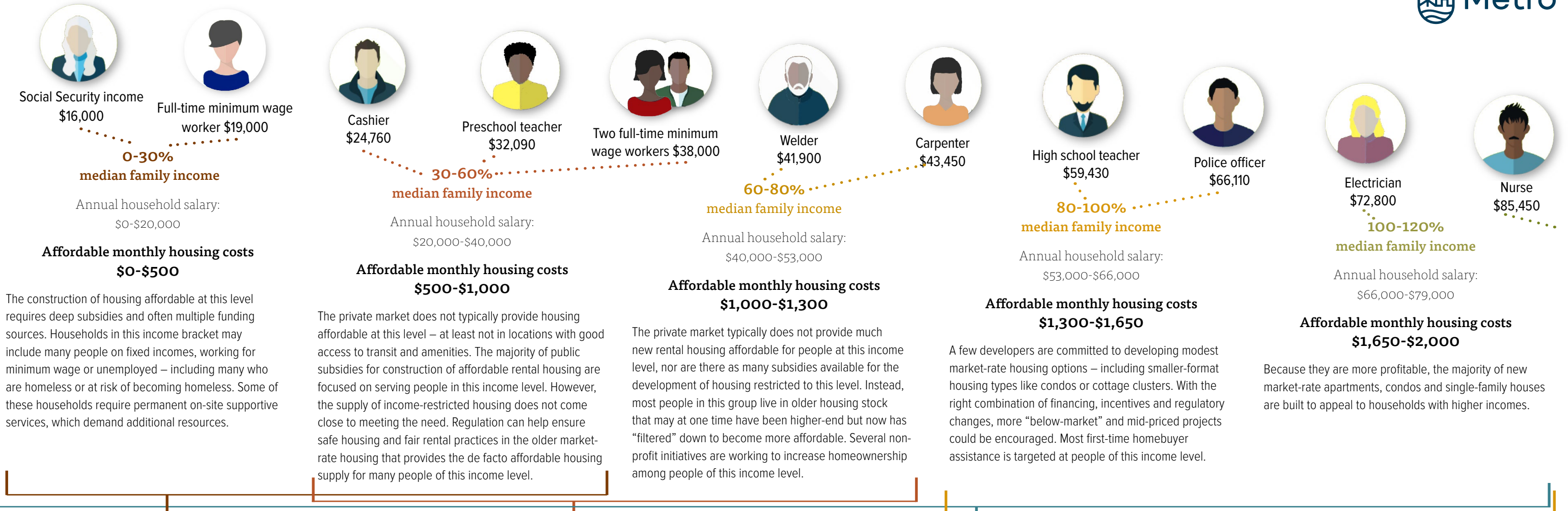
Clarifying design criteria, streamlining permitting timelines and allowing smaller housing options in our single-family neighborhoods are all tools to ensure that we can provide abundant, diverse, and affordable housing for all Oregonians. I urge you to support HB 2007A with the -A6 amendments to help move the dial on making our communities open and available for all to thrive.

Sincerely,

A handwritten signature in black ink, appearing to read "Sam Chase", written over a light blue horizontal line.

Sam Chase
Metro Councilor, District 5

Connecting equitable housing strategies to the needs of residents



The construction of housing affordable at this level requires deep subsidies and often multiple funding sources. Households in this income bracket may include many people on fixed incomes, working for minimum wage or unemployed – including many who are homeless or at risk of becoming homeless. Some of these households require permanent on-site supportive services, which demand additional resources.

The private market does not typically provide housing affordable at this level – at least not in locations with good access to transit and amenities. The majority of public subsidies for construction of affordable rental housing are focused on serving people in this income level. However, the supply of income-restricted housing does not come close to meeting the need. Regulation can help ensure safe housing and fair rental practices in the older market-rate housing that provides the de facto affordable housing supply for many people of this income level.

The private market typically does not provide much new rental housing affordable for people at this income level, nor are there as many subsidies available for the development of housing restricted to this level. Instead, most people in this group live in older housing stock that may at one time have been higher-end but now has “filtered” down to become more affordable. Several non-profit initiatives are working to increase homeownership among people of this income level.

A few developers are committed to developing modest market-rate housing options – including smaller-format housing types like condos or cottage clusters. With the right combination of financing, incentives and regulatory changes, more “below-market” and mid-priced projects could be encouraged. Most first-time homebuyer assistance is targeted at people of this income level.

Because they are more profitable, the majority of new market-rate apartments, condos and single-family houses are built to appeal to households with higher incomes.

Maximize and optimize resources

- Increase adaptable funding and pursue coordinated investment strategies to expand the region’s supply of regulated affordable housing with tools such as:
- tax increment financing
 - revolving loan funds
 - acquisition/rehabilitation
 - donation of public surplus land
 - housing trust funds
 - dedicated local revenue tools, such construction excise tax, general obligation bonds and property tax levies
 - real estate investment trusts.

Leverage growth for affordability

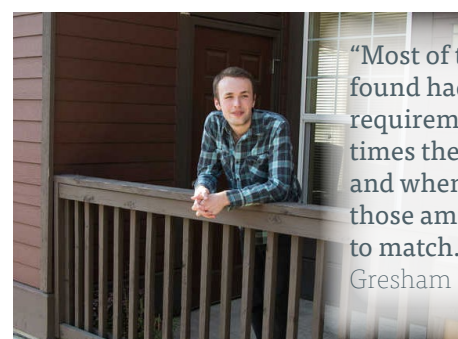
- Encourage for-profit developers to include some income-restricted units in market-rate projects or to pay into a fund for affordable housing with tools such as:
- tax exemptions
 - density bonuses
 - fast-tracked permitting
 - linkage fees
 - inclusionary zoning.

Mitigate displacement and stabilize communities

- Pursue community-informed strategies to mitigate displacement, ensure safe and healthy rental housing, and bridge the homeownership gap for lower-income groups with tools such as:
- anti-displacement and safety for renters:
 - landlord licensing and code enforcement
 - rental rehabilitation grants
 - tenant protections (e.g., notifications for no-cause evictions or rent increases)
 - short-term rent or utility assistance
 - anti-displacement for owners:
 - foreclosure prevention
 - weatherization assistance
 - tools for increasing homeownership:
 - limited equity cooperatives
 - community land trusts
 - shared appreciation mortgages.

Increase and diversify market-rate housing

- Eliminate regulatory barriers and create incentives for diverse market-rate housing with tools such as:
- zoning/building code changes
 - fast-tracked permitting
 - innovative financing
 - system development charges waivers for accessory units
 - reduced parking requirements
 - vertical housing tax credits
 - transit-oriented development grants.
- Target housing types include: transit-oriented development (condos and apartments in mixed-use buildings), “missing middle” (townhomes, duplexes, fourplexes), accessory dwelling units, cottage clusters.



“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 Mosiman, 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 Davis, Southeast Portland



“I thought about [moving] a little while ago but the rents are getting too high.” –Silvia Rodrigues, downtown Beaverton

Learn more about Metro’s Equitable Housing Initiative at oregonmetro.gov/equitablehousing.
Income data source: HUD 2015, Worksystems Inc.