



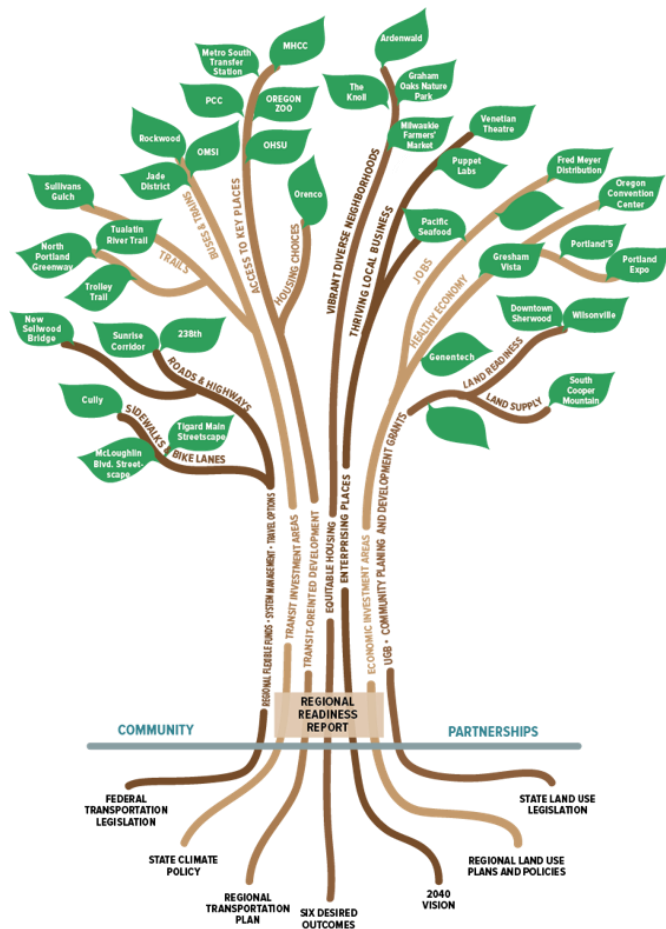
Metro



Regional Equitable Housing Investment Opportunities

Council Work Session September 7, 2017

Responding and Anticipating Growth and Change



Equitable Housing Initiative



Equitable Housing collaborative framework report and summit

Lunchtime learning/speaker events

Equitable Housing Grants

Build Small Coalition and Build Small Live Large Summit

Regional Funding & Investment Opportunities Analysis



Related Planning Efforts

Transit Oriented Development

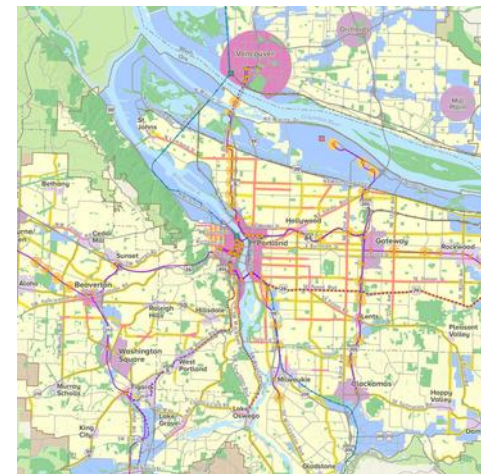
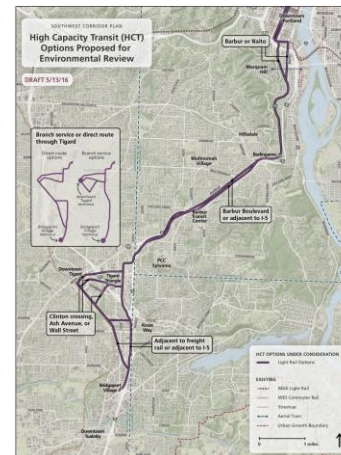
Southwest Corridor Equitable
Development Strategy (SWEDS)

Urban Growth Management

2040 Grants

Regional Snapshot Program

Equity Strategy



Equitable Housing Collaborative Framework



Mitigate displacement
and stabilize
communities

Maximize and
optimize resources
for affordable
housing

Leverage growth for
affordability

Increase and diversify
housing supply

Funding and Investment Work Complete

Economic feasibility analysis

Inventory of existing resources/tools

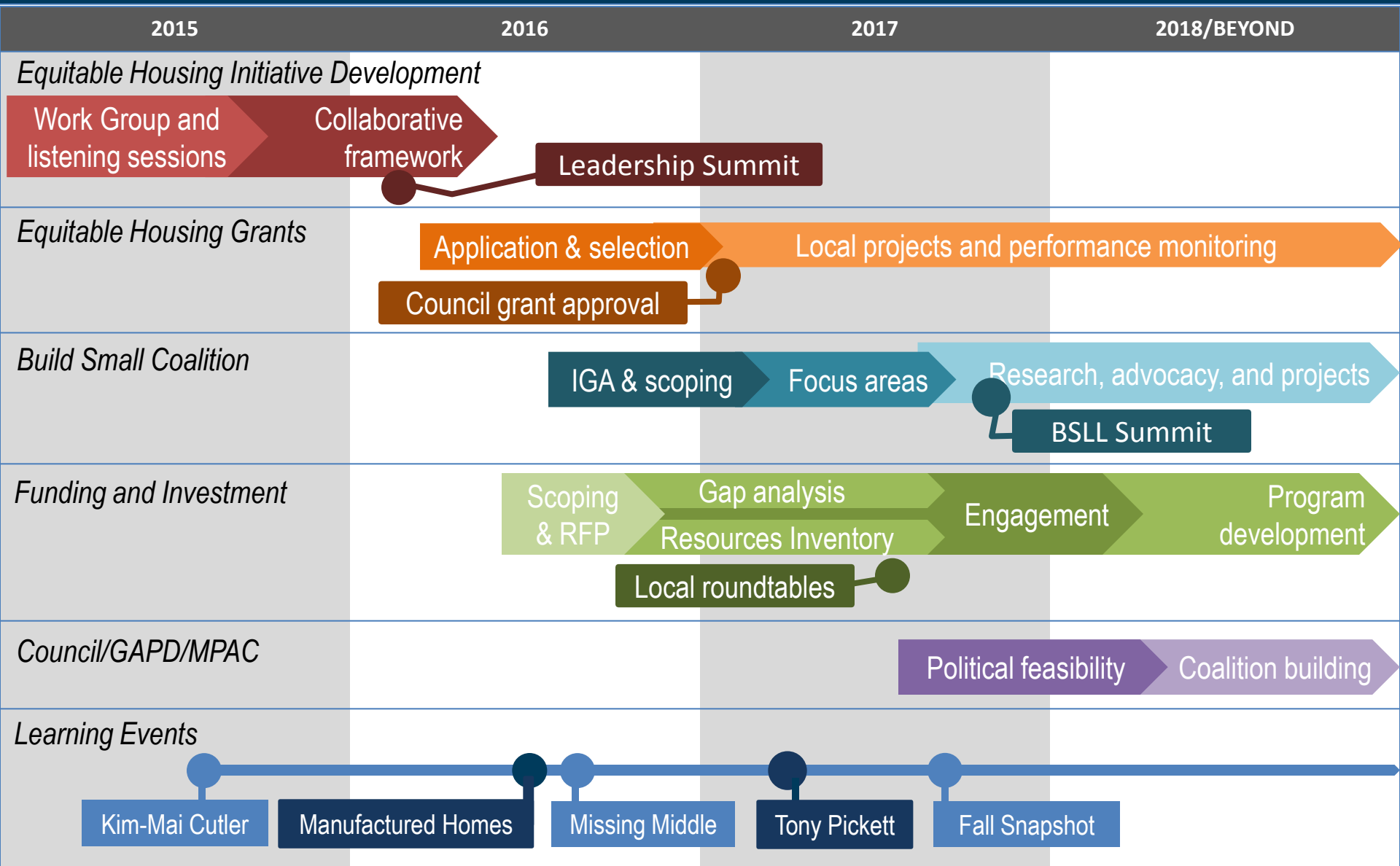
Affordable housing needs analysis

Identification of revenue options

Conversations with local staff



Activities and Milestones



Affordable Housing Need and Supply

0-30% of Area Median Income



<\$15,690



<\$17,940



<\$20,190

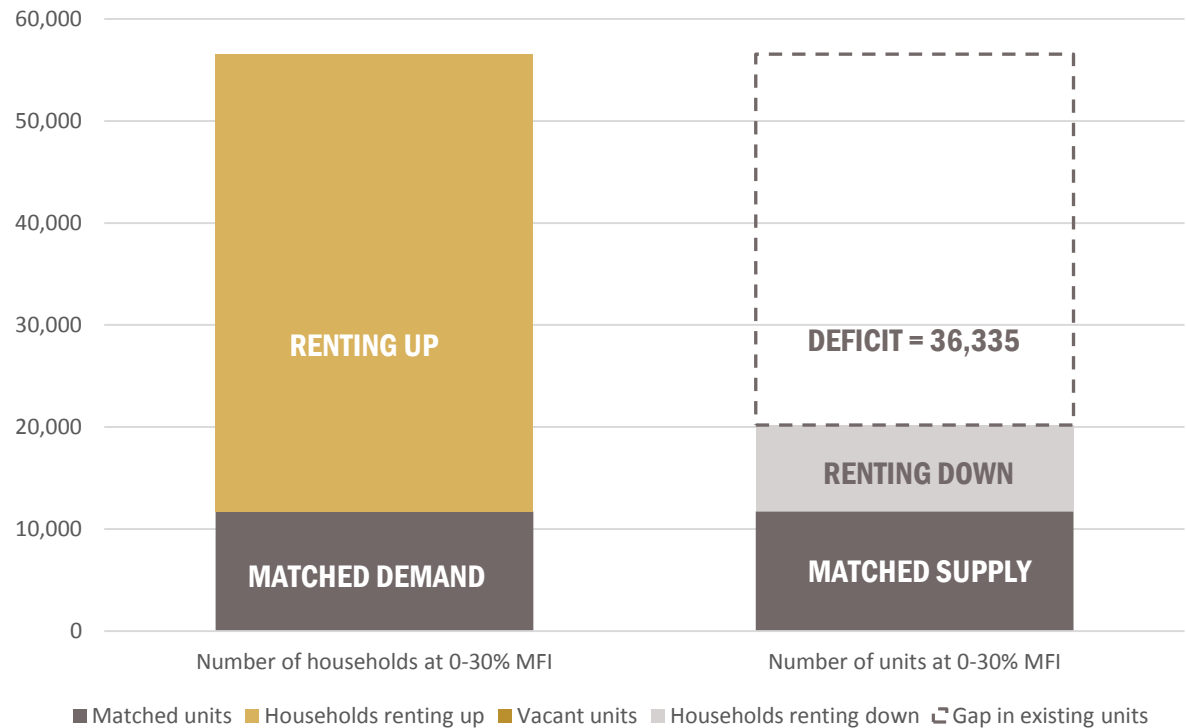


<\$22,410

Social Security (individual): \$8,820

Full-time Minimum Wage: \$23,400

THREE COUNTIES: AFFORDABILITY GAP
0-30% MFI HOUSEHOLDS AND CORRESPONDING RENTS





CHAS, 2010-2014


Affordable Housing Need and Supply

30-50% of Area Median Income


<\$26,150


<\$29,900

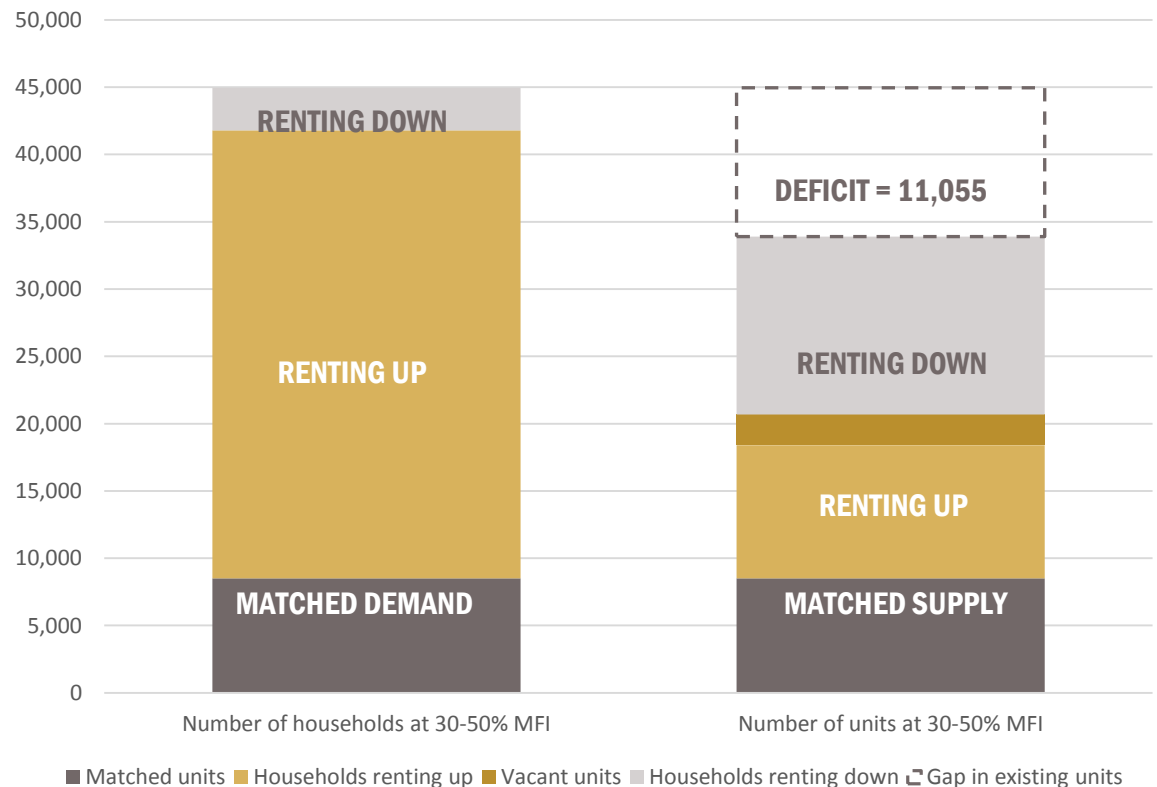

<\$33,650


<\$37,350

Customer Service Rep: \$34,626

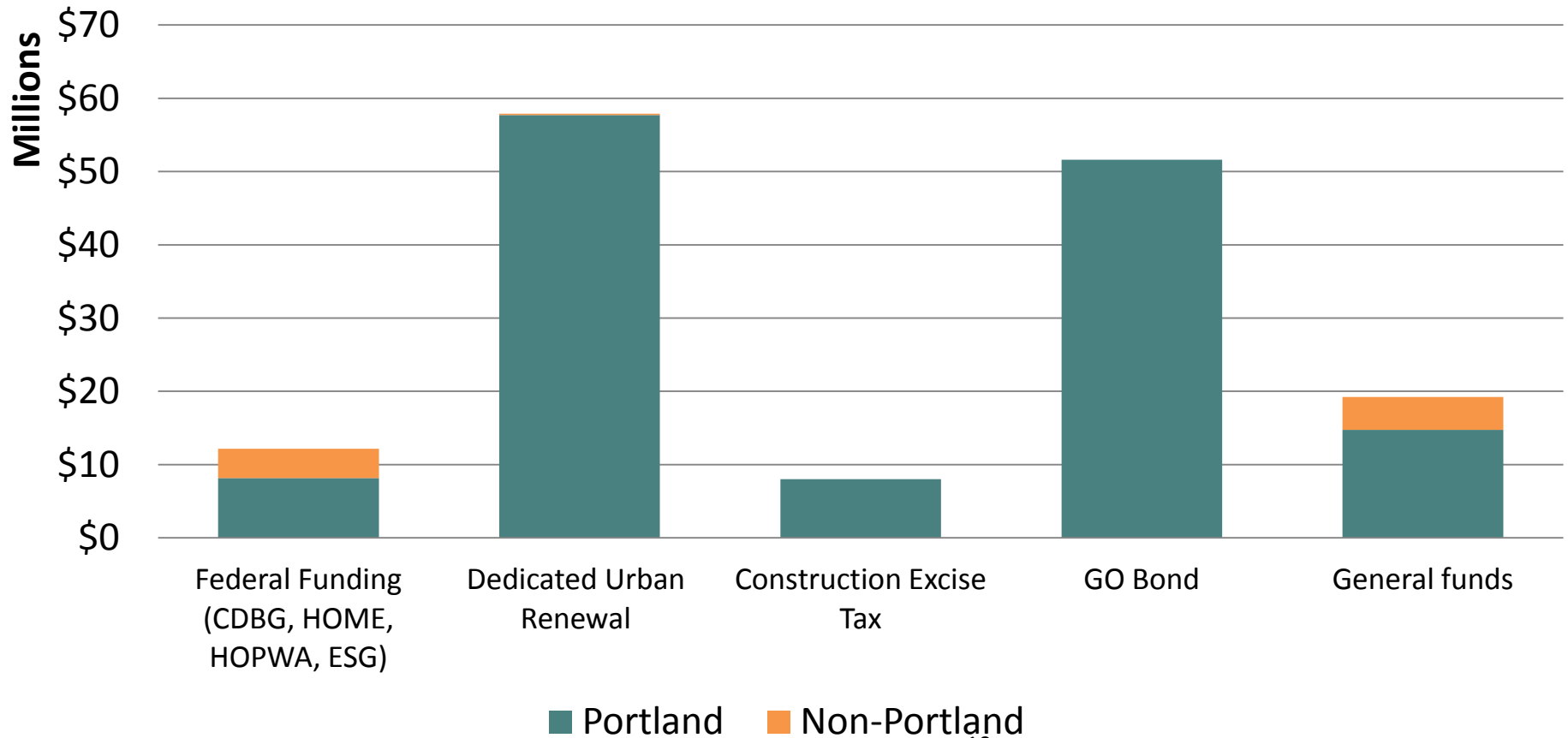
Preschool Teacher: \$27,440

THREE COUNTIES: AFFORDABILITY GAP
30-50% MFI HOUSEHOLDS AND CORRESPONDING RENTS



Existing Local Resources

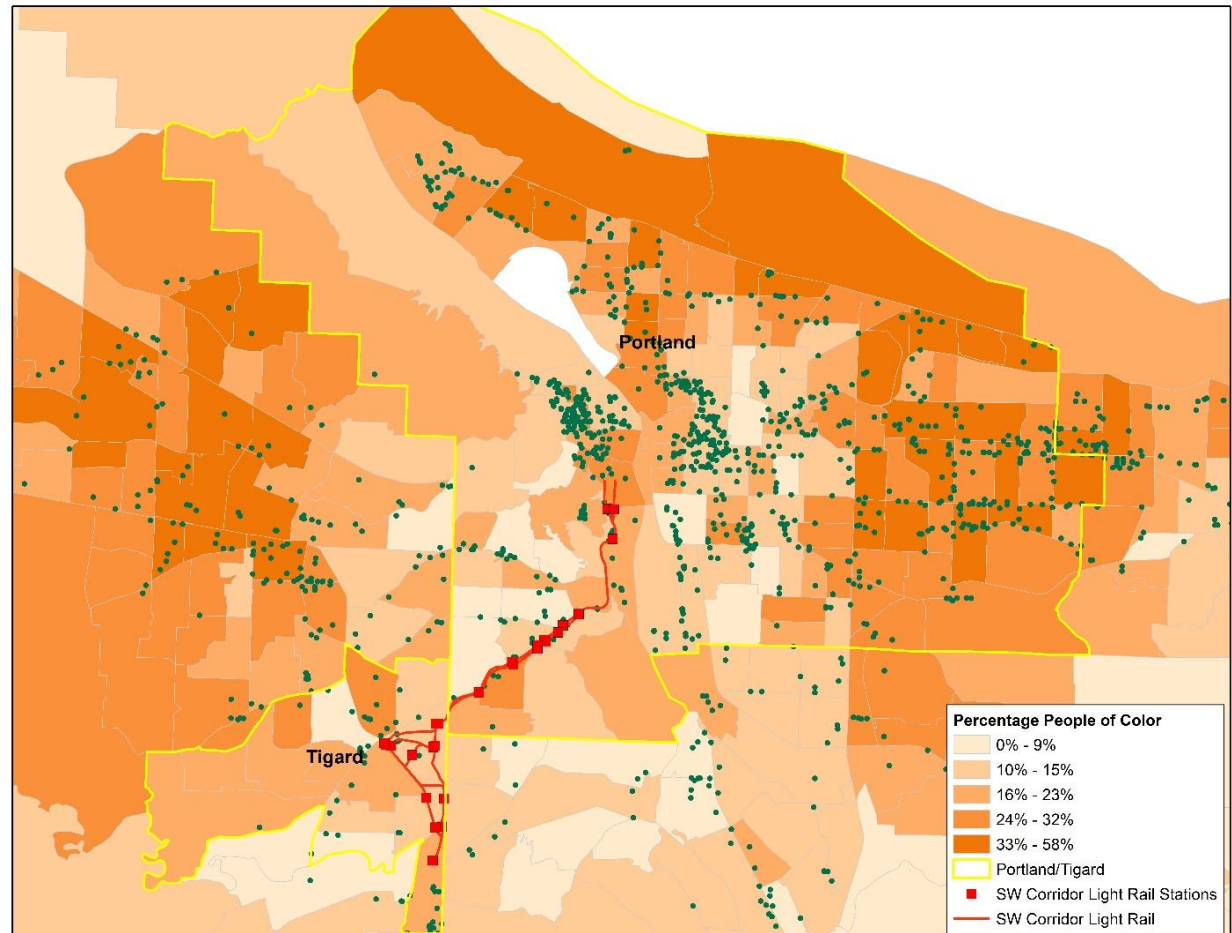
Annual Local Funding Capacity for Affordable Housing Creation



Racial Equity and Displacement Risk

60% of MF units sold are in racially diverse tracts.

Of these, 27% were 1-2 star and 43% were 3 star.



Source: Costar 2011-2015, PSU

Why a regional approach

Regional scale impact; flexible options that can be tailored for local needs

Geographically target investments to balance cost efficiency and outcomes for vulnerable communities

Coordination with transportation, parks, and economic development

Opportunity to leverage state, federal, and private investment

Burden of revenue generation distributed across the region

Operational efficiencies of scale

Menu of Program Options



Strategy #1: Anti-displacement and community stabilization

Elements	Advantages	Limitations
Land acquisition (w/gap financing)	<ul style="list-style-type: none"> • Supports affordable TOD • Leverages tax credits • Competitive RFQ process • Role for regional coordination; builds on TOD model 	<ul style="list-style-type: none"> • Requires additional gap financing • Lack of appropriate vacant properties for sale • Time intensive
Grants for acquisition & rehab of existing housing	<ul style="list-style-type: none"> • Targets areas/buildings with displacement risk • Leverages tax credits • Rehab deteriorated properties • Role for regional coordination 	<ul style="list-style-type: none"> • Larger subsidy required in areas with high market rents • Affordability below 60% AMI requires additional subsidy



Furniture Store (SE 82nd & Division, Portland)



Hidden Villa Apartments (Beaverton)

Strategy #2: Flexible gap financing

Program Elements	Advantages	Limitations
Gap financing for affordable and deeply affordable housing	<ul style="list-style-type: none"> • Targets areas/buildings with displacement risk • Leverages tax credits • Can support rehab of deteriorated properties • Regional coordination w/housing authorities 	<ul style="list-style-type: none"> • Larger subsidy required in areas with high market rents • Affordability below 60% requires additional subsidy



The Barcelona (Beaverton)



The Charleston Apartments (Wilsonville)



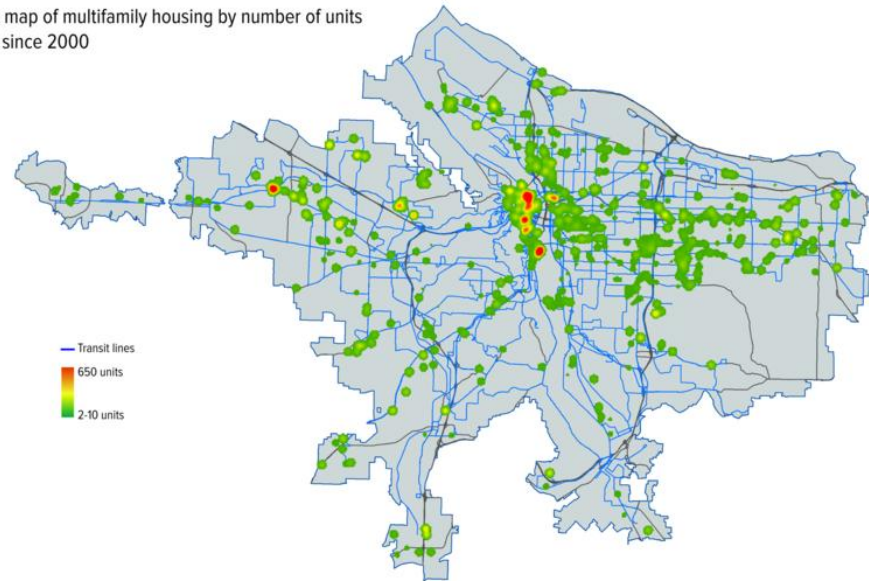
Cornelius Place (Cornelius)

Strategy #3: Mixed Income Communities and Shallow Subsidy



Woodie Guthry Apartments (Lents)

Heat map of multifamily housing by number of units
Built since 2000



Elements	Advantages	Limitations
Financial Incentives for mixed income housing	<ul style="list-style-type: none"> • Supports mixed income buildings • Leverages private investment • Potential to support mandatory IZ program • Produces more units w/shallow subsidy 	<ul style="list-style-type: none"> • Larger incentive required in areas with high market rents • Incentives must be calibrated to local market • Higher admin. burden for compliance monitoring

Policy Considerations

Who is served? (target income levels)

Where is housing built? (high, medium, low cost areas)

What type of housing? (new construction vs. rehab/preservation)

What revenue tools are compatible?



Funding Options

Construction Excise Tax

- \$10.8 million/year in locations without existing CET
- 15% goes to state to support homeownership; 50% of residential portion for developer incentives
- Requires state legislative authorization and regional voter approval

General Obligation Bond

- Potentially \$500 million or more
- Constitutional limits related to public ownership/operation; a constitutional amendment is being explored to provide more flexibility
- Requires regional voter approval; state voter approval would be needed for a constitutional amendment

What we heard from local staff:

General themes

- Regional coordination needed to develop resources on scale
- Concerns about fair allocation of resources; strong local participation in program development/administration
- Cities/counties exploring new tools: e.g., SDC waivers, property tax exemptions, CET, inclusionary zoning
- Need across all income levels; homelessness to workforce
- Small cities lack technical capacity; larger jurisdictions could do more if they had more resources.
- Interest in customizing tools to serve local needs

What we heard from local staff:

Specific program feedback

- Opportunities for regional coordination with social services
- Growing financial gaps for existing projects due to rising construction costs and uncertainty in tax credit equity market
- Opportunities for coordination of housing and transportation funding discussions/coalitions, esp. in SW Corridor
- Interest in preservation strategies that improve habitability of existing “naturally occurring” affordable housing
- Incentives for 60-80% AMI units in market housing could secure affordability as prices go up

What we heard from local staff:

Additional areas to explore

- Stabilization of mobile home park residents
- Increasing access to homeownership
- Solutions for homelessness



Proposed Next Steps

Program development

Political feasibility analysis

Racial equity analysis

Engagement

*MPAC, local planning/development staff,
housing authorities, developers,
funders/lenders, CBOs, advocacy*



Discussion

How would the Council like staff to move forward with the proposed analysis and engagement process to fully develop a regional investment program proposal?

What are the best ways to align staff and Council work on next steps?

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