

Creating housing opportunity and stability for all

Greater Portland's principles for national housing solutions

DRAFT FOR DISCUSSION: September 10, 2020

Residents across greater Portland continue to face unprecedented challenges caused by rising housing costs without adequate affordable housing options or supports for low-income households. This ongoing housing crisis is compounded by what is increasingly called the “triple pandemic” of public health and economic crises stemming from COVID-19, and the longstanding effects of racism and white supremacy in housing policy. Now more than ever, a safe, stable and affordable home is the key to opportunity, public health and basic well-being for all.

Across the country and here in greater Portland, too many families don't know how they will afford the rent next month and keep their loved ones safely housed. The growing divide between incomes and housing costs means that market-rate housing is simply not available or stable for people who earn low incomes in our communities. These families must seek affordable housing options that are few and far between. Many families in need must wait years on long waitlists, with little to no help while they wait. Thousands fall into homelessness every year – worsening existing health conditions and access to educational and employment opportunities for adults and children alike.

Despite recognition of the growing need for affordable housing, funding and housing protections have been grossly insufficient at the national level for decades. The crisis of out-of-reach housing costs is disproportionately impacting Black, Indigenous, and People of Color (BIPOC), people with disabilities, and seniors living with fixed incomes. Finding nowhere left to turn, these community members are being disproportionately forced into traumatic experiences, including homelessness.

A snapshot of housing needs in greater Portland (July 2020)

- 75%: percentage of very-low-income households who pay more than half their income on housing costs
- 50%: percentage of very-low-income households who don't know how they will pay rent next month
- 2,640: neighbors counted sleeping outside one January night in 2019
- 8,000: students (Pre-K-12) who experienced homelessness
- 19,324: households are experiencing or at risk of homelessness
- 19,495: households currently waiting on public housing wait lists

In recent years, government, community, philanthropic and business partners have come together across greater Portland to create local housing solutions. We know that success in our region requires abundant, diverse, and affordable housing choices in all neighborhoods, especially neighborhoods with access to opportunity. That's why we have been taking action together:

- In 2018, Metro area voters approved the nation's first regional affordable housing bond to significantly invest in the creation of permanently affordable homes across the region, building on a successful 2016 bond in the City of Portland.

- Also in 2018, statewide voters approved a constitutional amendment to reduce financing red tape and bring new private and non-profit partners to the table for developing affordable housing.
- In 2019, the Oregon Legislature enacted tenant protections ending rent gouging and no-cause evictions for Oregon renters.
- In 2019, the Legislature also advanced policies to enable more housing types in all neighborhoods in most Oregon cities, effectively ending exclusionary zoning practices.
- In May 2020, Metro area voters approved the nation's largest per capita investment in ending homelessness, with a regional supportive housing services measure.

These policies and public investments have already begun to make an impact in our region. However, true success requires further action at the national level, as well. Housing programs currently reach only one out of every four eligible low-income households across the country, leaving the remaining three families in crisis. **Now more than ever, protections and investments are needed to meet the urgent housing needs in our communities.**

This document outlines draft principles for national housing solutions that will help us ensure a safe and stable home for all Americans, as well as the communities of our region. These policy recommendations can be used to inform community and government agendas for action at the national level.

Draft Priority #1: Strengthen Fair Housing policy

The Fair Housing Act must be strengthened to ensure equal access to safe and stable housing for all Americans, particularly BIPOC communities.

Housing is the foundation of opportunity. Housing determines where children go to school, how much time people spend commuting to work, and how families invest in their futures. It also determines how much income is left to afford other necessities each month. Systemic and historical housing policies such as red-lining, restrictive covenants, and predatory lending have intentionally discriminated against BIPOC communities, resulting in a significant and growing racial wealth divide that persists today, 55 years after the passage of the Fair Housing Act of 1965.

Policy changes that can help reach our goals:

- Meet the original intent of the Fair Housing Act to resolve disparities Black, Indigenous, and People of Color who lack equal access to housing opportunity as renters and homeowners due to systemic barriers.
- Limit local zoning practices that create de facto discrimination in urban areas, such as exclusive single-family zoning and restrictive historic designation.
- Evaluate federal housing investments and expenditures for racial disparities based on households served or benefited.
- Reinstate administrative rules that extended protections for transgender people seeking emergency shelter, and guidance for evaluating disparate impacts under Affirmatively Furthering Fair Housing
- *(and others as identified through partner and community discussion)*

Draft Priority #2: Protect families and individuals from economic evictions and foreclosures

Emergency investments and protections are needed to prevent mass evictions and homelessness caused by lost wages during this pandemic.

Three out of four extremely low-income households in Greater Portland spend more than half of their monthly income to afford keeping their family housed. COVID-19 layoffs and the recession have intensified the challenges of making rent. In July 2020, an estimated 50% of low-income households were worried about their ability to pay rent next month.¹

Foreclosure prevention, eviction moratoriums and rent forgiveness strategies, and at least \$100 billion in emergency rent assistance are needed to ensure millions of individuals and families don't lose their homes during this pandemic.

Policy changes that can help reach our goals:

- Extend and expand eviction moratoriums for all renters, and include six-month rent pay-back periods
- Establish rent-forgiveness programs that stabilize renters and landlords
- Expand foreclosure and emergency rent assistance funding
- *(and others as identified through partner and community discussion)*

Draft Priority #3: Stabilize households with extremely low incomes

National re-investments in long-term rent assistance programs are urgently needed to stabilize families and individuals at high-risk of homelessness.

Across greater Portland, nearly 20,000² households are experiencing homelessness or at risk of homelessness due to extreme shortages in long-term rent assistance programs and sometimes decades-long waiting times.

Long-term and short-term rent assistance is a critical tool that ensures households earning low incomes will be able to afford rent. This program is especially effective for families with young children or unstable incomes, people experiencing chronic homelessness, people with disabilities on fixed incomes, and seniors who retire with only Social Security income.

Existing federal programs providing rent assistance include Mainstream Vouchers, Housing Choice and Project Based Vouchers, HOPWA, Section 811 and 201 Housing, National Housing Trust Fund and more.

¹ United States Census Household Pulse Survey

² Homelessness in the Portland Region, Eco Northwest for Oregon Community Foundation, October 2018

Policy changes that can help reach our goals:

- Fund navigation services, technical guidance for screening criteria, and rent studies to inform Fair Market Rents to increase rent assistance participation.
- Establish landlord guarantee funds for affordable housing providers to mitigate unaffordable insurance rates.
- *(and others as identified through partner and community discussion)*

Draft Priority #4: Construct and create more permanently affordable homes

Americans urgently need significant expansion of national programs that fund the development and preservation of affordable housing.

Greater Portland has a deficit of at least 48,000 homes affordable for families who live at or below 50% of the area median income.² The federal government should be a critical partner in helping fill this gap.

Existing federal programs that fund the development and preservation of affordable housing include HOME, CDBG, Public Housing Capital and Operating funds, the National Housing Trust Fund, Indian Housing Block Grant, Indian Community Development Block Grant, Native Hawaiian Housing Block Grant, and the Low-Income Housing Tax Credit (LIHTC) program.

Policy changes that can help reach our goals:

- Include affordable housing capital investments in infrastructure spending bills.
- Pass the Affordable Housing Credit Improvement Act of 2019.
- Reform and increase Private Activity Bond caps to encourage states to prioritize affordable housing and maximize use of the low-income housing tax credit.
- Fix LIHTC administrative burdens and financing restrictions to enable acquisitions of hotels, motels and multi-family buildings to be converted into permanent affordable housing.
- *(and others as identified through partner and community discussion)*

Priority #5: End prolonged homelessness with supportive housing

Immediate expansion of investments in supportive housing programs are needed to protect and stabilize people experiencing homelessness.

Supportive Housing combines long-term rental assistance with appropriate supportive services, including medical and behavioral healthcare. This evidence-based combination of resources is the most cost-effective solution to ending homelessness. An estimated 5,700³ individuals are experiencing prolonged homelessness with complex disabilities in Clackamas, Multnomah and Washington counties – a crisis exacerbated by a pandemic that disproportionately impacts people with pre-existing health conditions.

² David Paul Rosen & Associates, “Equitable Housing Investment Opportunity Assessment,” November 7, 2017.

³ Portland State University Homelessness Research and Action Collaborative, 2019 Regional Study

Existing federal supportive housing programs include Shelter Plus Care, Veterans Affairs Supportive Housing, McKinney-Vento Homelessness Assistance Programs, Emergency Solution Grants and more.

Policy changes that can help reach our goals:

- Expand HUD's definition of chronic homelessness to include families and people living doubled up, and streamline documentation requirements to reduce barriers to housing.
- Ensure access to mental health and recovery treatment with expanded healthcare provisions.
- Ensure access to emergency shelters by requiring gender-aligned services and low-barrier standards.
- *(and others as identified through partner and community discussion)*

Priority #6: Make homeownership possible for more families of color

Programs that create homeownership opportunities for Black, Indigenous and People of Color must be expanded to make American homeownership an equal opportunity.

Significant racial disparities in homeownership exist in greater Portland. In 2016, 63 percent of white households owned their homes, compared to 30 percent of African American/Black households, 42 percent of Hispanic households, 43 percent of Native American/Alaskan Native households, and 58 percent of Asian households.

Steady employment and savings for a down payment are no longer enough to achieve the American dream of homeownership. Homeownership rates for BIPOC communities are further declining as the median cost of homes has increased to more than \$400,000 in the Portland metropolitan area. To resolve this disparity, more than 27,000 families of color³ would need to have the ability to purchase a home.

Existing federal programs that help people of color purchase homes include the Native American, Alaska Native, and Native Hawaiian Housing Loan Guarantee Funds; the Self-Help Homeownership Opportunity Program; and more.

Some policy changes that can help reach our goals:

- Prioritize homeownership assistance programs that focus on serving and supporting Black, Indigenous and People of Color as first-time homeowners.
- Reform the Mortgage Interest Deduction to benefit lower-income and BIPOC homeowners by converting to an income-based tax benefit. Discontinue the benefit for second mortgages and use revenue savings for first-time homeowner down payment assistance programs.
- Restore funding for Individual Development Accounts for down-payment assistance through Assets for Independence Programs.
- *(and others as identified through partner and community discussion)*

⁴ American Community Survey compiled by Oregon Joint Task Force Addressing Racial Disparities in Home Ownership