EXHIBIT B

APPENDICES

Title 7, Housing Compliance Report to Metro

Third Round Report

Title 7,
Housing Compliance Report to Metro

Second Round Reporting Requirements

SECTION ONE—Findings and Recommendations

Findings

- Housing development assistance is an integrated part of Portland policy and program implementation with the involvement of the Bureaus of Housing and Community Development, Planning, and the Portland Development Commission. Several other bureaus are directly or indirectly involved with housing development, preservation, or regulation; for example, the Office of Sustainable Development and the Bureau of Development Services.

- In 1941, the City created the Housing Authority of Portland which oversees an inventory of approximately 2,800 public housing units, 3,900 affordable (up to 80 percent of area median income) housing units, 405 special needs units, and administers the Section 8 Rental Assistance programs (7,500 Housing Choice vouchers). The City and the Housing Authority have engaged in several development partnerships over the years. Currently the City is contributing approximately $20 million to the HOPE VI New Columbia project in the Portsmouth Neighborhood.

- The city adopted an updated Goal 4 Housing as part of its Comprehensive Plan in 1998. At that time discussions of regional housing policy were taking place with Metro and other regional jurisdictions. The City's Housing Policy reflects those discussions and complies with the policy directives of the Regional Affordable Housing Strategy. Built into the adopted Policy is an evaluation method to determine the extent of potential strategy implementation.

- On January 1, 2003 the single family new construction tax exemption program for distressed areas sunseted due to the failure of the 2003 Oregon Legislature to pass to HB2379 which would have extended the program to 2014. This program has assisted the production of over 2,000 units in the City of Portland since 1992.

Recommendations

- Continue to seek a permanent, significant, and flexible source of funding for low income housing through the newly established regional Blue Ribbon Committee on Resource Development.

- Establish an annual method of tracking all housing expenditures, reporting the outcomes in terms of numbers of units developed or preserved, and ensuring that expenditures are consistent with city and regional policy. Consider the 2000 Housing Audit for methodology and format.

- Begin the work necessary to re-institute the New Single Family Property Tax Exemption Program (ORS 458.005-.065) during the 2005 State Legislative Session.
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SECTION TWO—Introduction

On January 18, 2001, the Metro Council adopted Ordinance No. 00-882C, amending the Regional Framework Plan and Urban Growth Management Functional Plan. The adoption of this Plan initiated a series of reporting requirements by local jurisdictions on their progress in achieving the goals of the Regional Affordable Housing Strategy (RAHS). On January 14, 2002, Metro's Executive Officer, Mike Burton notified area jurisdictions of their first year reporting obligations under Title 7, Affordable Housing, of the Urban Growth Management Functional Plan. In April 2002, the City of Portland submitted its first round of reporting which constituted a brief summary of the City's actions on a variety of land use and other tools and strategies designed to promote broader affordable housing opportunities, especially to those households earning between 0 and 80 percent of the area median income.

To demonstrate compliance with Title 7, local jurisdictions must:

1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
2. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
3. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.

In the summer of 2003, after the first round of reporting, the Metro Council amended the Title 7 reporting requirements to specify more clearly the minimum actions local jurisdictions must take in order to achieve compliance with the housing elements of the Regional Functional and Framework Plans. The relevant Metro legislation which addresses the reporting requirements are stated as follows:

> **3.07.740 Requirements for Progress Report**
> Progress made by local jurisdictions in amending comprehensive plans and implementing ordinances and consideration of land use related affordable housing tools and strategies to meet the voluntary affordable housing production goals shall be reported according to the following schedule:
>
> A. By January 31, 2002, cities and counties within the Metro region shall submit a brief status report to Metro as to what items they have considered and which items remain to be considered. This analysis could include identification of affordable housing land use tools currently in use as well as consideration of the land use tools in Section 3.07.730(B).
> B. By December 31, 2003, each city and county within the Metro region shall provide a report to Metro on the status of its comprehensive plan and implementing ordinances explaining how each tool and strategy in subsection 3.07.730B was considered by its governing body. The report shall describe comprehensive plan and implementing ordinance amendments pending or adopted to implement each tool and strategy, or shall explain why the city or county decided not to adopt it.

> C. By June 30, 2004, each city and county within the Metro region shall report to Metro on the outcome of the amendments to its comprehensive plan and implementing ordinances pending at the time of submittal of the report described in subsection B of this section and on the public response, if any, to any implementation adopted by the city or county to increase the community's stock of affordable housing, including but not limited to the tools and strategies in subsection 3.07.730B.

Simply stated, the first round of reporting noted in Section 3.07.740 A, above, addresses the immediate legislative responses jurisdictions have taken, or could take, to consider strategies that would promote affordable housing production and preservation as suggested by the regional Affordable Housing Technical Advisory Committee (HTAC). HTAC was an ad hoc citizens and local government Committee charged by Metro to open the regional affordable housing dialogue. The City of Portland was an active participant in this Committee.

The next round of reporting focuses on fundamental legislative and policy actions local governments have taken as reflected by local Comprehensive Plan compliance with the regional goals expressed by Title 7. ***This report by the City of Portland responds to this directive***. This report is due to Metro by December 31, 2003 as noted in Section 3.07.740 B, above.

In 2004, it is expected that Metro, in cooperation with local jurisdictions, will conduct an "on the ground" assessment of the current housing stock and measure progress made locally in achieving the numerical voluntary affordable housing goals adopted as part of the regional strategy.

Finally, in its 2003 amendments to Title 7, Metro clarified what actions local governments must take to demonstrate consideration of local policy, plans, implementing ordinances, goals, etc. that fulfill regional requirements. The City of Portland intends to indicate compliance by acceptance of this report by the Portland City Council and consideration and adoption of a resolution acknowledging the affordable housing goals established for the City by the Regional Affordable Housing Strategy and Title 7.

SECTION THREE—Summary of Portland's First Round of Reporting

In its first round of reporting in 2002, the City of Portland noted the adoption of the following (primarily land use) tools that fulfill its regional housing requirement. These tools incorporate the concepts included in Title 7 such as *transfer of density rights (TDRs), density bonuses, housing replacement requirements, (contractual) inclusionary housing options, overcoming barriers to housing for the elderly and disables, parking flexibility*. Where possible, these are listed under each regulatory concept cited in the Framework Plan.

Transfer of Density Rights

- Cluster Development and PUDs permitted throughout the city (33.638 of the Portland Zoning Code)
- Housing (including SROs) TDR opportunities in the Central City (33.510.200)

Density Bonuses

- Alternative Development Options in Single Family Zones (33.110.240)
  Attached Housing (Two Units in R20 through R5 Zones)
  Duplex Conversion of Existing SFR in R2.5 Zone
  Duplexes and Rowhouses on Corners in Single Family Zones
  Higher Density on Transitional Lots (adjacent to commercial zones)
  Zero Lot Line Development
- Mixed-Use Opportunities in Several Zones (Esp. the CM zone) with Additional FAR for Residential Component in commercial zones (33.130.250)
- Accessory Rental Units in Single Family Houses (Chapter 33.205)
- Liberalized Substandard Residential Lot Regulations (33.291) (33.110.212 and .213)
- Amenity Bonuses in R3, R2, and R1 Zones (33.120.265)

Outdoor Recreation Facilities	Crime Prevention
Children's Play Areas	Energy-Efficiency
Three Bedroom Units	Solar Water Heating
Storage Areas	Larger Outdoor Areas
Sound Insulation	

- Floor area (FAR) and height bonuses in the Central City (33.510.210)
  FAR bonuses include ones for:
    Residential development in the CX and EX zones for middle income (and below) housing
    Contributions to the Affordable Housing Replacement Fund
  Height bonus for housing
- Height and FAR bonuses in the Northwest Plan District for(33.562.230):
  Height bonus for residential development in Bonus Area A
  Height and FAR bonuses for affordable housing in Bonus areas A, B and C

Inclusionary Housing

- Required Residential Development Areas in the Central City (33.510.230)
- Housing Implementation Strategies and/or developer agreements in all urban renewal districts

Housing Replacement

- Requirement for replacement of lost potential housing in Comprehensive Plan Map amendments (33.810.050)
- Demolition Delay for housing on residentially zoned land. (Title 24, Buildings, 24.55.200)
- Mitigation for lost housing on certain RX zoned sites in the West End north of Salmon Street (33.510.118)

Housing for the Elderly and Disabled

- Density Bonuses for Housing for the Elderly and Handicapped (33.229)
- SRO Housing as Permitted Structure Type in R1, RH, and RX Zones (33.120.200)
- Mobile home parks allowed in R2 and R3 zones (33.120 and 33.251)

Parking Regulations

- No more than one parking space required for any housing unit with liberal adjustment options for less or no parking for units within the Central City and near public transit. (33.266)
- No parking required for new residential developments of five units or less in the Albina Community Plan District (33.505.220)

In addition, the City has adopted the following tools which further affordable housing development opportunities:

- Manufactured Housing in Single Family Zones (33.251)
- Minimum Density Requirements in Multi-Family Zones (33.120.205)
- Minimum Density Requirements in Single Family Land Divisions (33.610.100)
- The R2.5 Attached Single Family Housing (Rowhouse) Zone (33.110)
- Metropolitan Housing Rule for Minimum Densities and Single Family/Multi-Family Split (OAR 660-07030 and –035)

Several of these tools respond to other State or regionally mandated strategies for more affordable housing development.

Strategies considered but not adopted by the City include:
Commercial Linkage Fee for Affordable Housing. This strategy which would impose a fee per square foot of commercial or other nonresidential development in the Central City for a dedicated housing fund was considered as part of the Central City No Net Loss Housing Policy. It was determined that the funds generated by this strategy would not be sufficient to overcome legal and political barriers.

Condominium Conversion Restrictions. The City currently requires relocation assistance for low-income tenants of properties converted to condominiums. Further regulations were also considered as part of the Central City No Net Loss Policy. It was decided to forego further action since most condominium conversion activity occurs outside the boundaries of the Central City and such conversions provide additional homebuying opportunities in inner-city neighborhoods.

Other Non Land Use Initiatives

The City administers several programs offering limited property tax exemption for new renter and owner-occupied housing construction in the Central City, Urban Renewal, and Transit Oriented Areas; new single family housing in Distressed Areas (renamed Homebuyer Opportunity Areas); renter and owner-occupied housing rehabilitation; and low-income rental housing owned or managed by nonprofit community development corporations.

The City continues to assist local nonprofit development corporations in accessing tax foreclosed properties offered by Multnomah County. A limited amount of land banking is conducted in urban renewal areas targeted for housing development. The Portland Community Land Trust was developed with the support of the City's Bureau of Housing and Community Development. Off site improvements funded by the City have been essential for the successful development of areas such as the River District and, in the future, the South Waterfront Area.

Other non-land use strategies recently undertaken by the City include the following:

- Staffing and funding support for the web based Housing Connections site that provides a single regional information source of low-income housing and service availability
- Funding support for the Portland Housing Center
- Funding support for African-American, Latino, and Asian-American Homebuyer Fairs
- Policy and funding assistance for the HOPE VI project undertaken by the Housing Authority of Portland
- Extensive (typically 50 percent) use of annual Community Development Block Grant funds for direct and indirect housing activities
- Leadership of the HOME consortium and the Housing for Persons with AIDS consortium
- Ongoing coordination with Multnomah County jurisdictions in the development of the countywide Consolidated Plan and staff support for the Housing and Community Development Commission
- Continued support for a regional Real Estate Transfer Fee
- Expenditure of tax increment funds (TIF) on the preservation and new construction of low income housing
- Sixty year affordability requirement in exchange for receiving city subsidy for the purpose of creating or preserving rental housing for households at 80 percent of area median income or below.
- Public and private funding of the Portland Neighborhood Development Support Collaborative providing operational support for community development corporations.
- Establishment of a Regional Blue Ribbon Committee on Housing Resource Development to develop and implementation of a strategy for securing new resources for affordable housing.

SECTION FOUR—Round Two Reporting Requirements

In this second round of reporting to Metro, local jurisdictions must demonstrate a longer range consideration of the policy underpinnings for local strategies and tools. This can be shown by citing regionally consistent local housing policy and resulting tools that carry out this policy.

3.07.730 Requirement for Comprehensive Plan and Implementing Ordinance Changes

A. Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:
   1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
   2. Include in their plans, actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
   3. Include plan policies, action, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.

City of Portland Response

An update of the Housing Goal 4 of the Portland Comprehensive Plan was completed and adopted in late 1998. The development of these Policies and associated Objectives was heavily influenced by concurrent discussions of regional housing issues that were occurring during that period. As noted in the Adopted Comprehensive Plan Housing Policy report (Plan Amendments adopted by Ordinance No. 172954 and strategies accepted by Resolution No. 35748, both December 2, 1998):

> "The objectives of this [citywide housing policy] review was to ensure that the housing goal, and its policies and objectives, reflect the new policy direction that has emerged from adopted community and neighborhood plans, the Region 2040 Growth Concept and *Urban Growth Management Functional Plan*, the *State Transportation Planning Rule*, and from plans such as the Comprehensive Housing Affordability Strategy (CHAS), and its successor, the Consolidated Plan that focus on low and moderate-income housing in the city."

The report further states:

> "The city's Housing Policy guides a variety of city activities. These activities include enforcement, education, technical assistance and training; loans or grants of federal or local funds, and property tax abatements. The city develops new housing programs or strategies in response to concerns identified through area or community plans, urban renewal plans, or citywide housing plans."

In particular, the following Policies, Objectives and Strategies of the Portland Comprehensive Plan speak specifically to issues of regional concern:

Goal 4 Housing
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 households.

Policy 4.1 Housing Availability, Objective A. Designate sufficient buildable land for residential development to accommodate Portland's share of regional household growth to reduce the need for urban growth boundary expansions.

Policy 4.2 Sustainable Housing, Objective A. Place new residential developments at locations that increase potential ridership on the regional transit system and support the Central City as the region's employment and cultural center.

> **Objective B.** Establish development patterns that combine residential with other compatible uses in mixed-use areas such as the Central City, Gateway Regional Center, Station Communities, Town Centers, Main Streets, and Corridors.
>
> **Objective C.** Encourage the development of housing at transit-supportive densities near transit streets, especially where parks or schools are present, to ensure that the benefits of the public's investment in those facilities are available to as many households as possible.

Policy 4.7 Balanced Communities, Objective A. Achieve a distribution of household incomes similar to the distribution of household incomes found citywide, in the Central City, Gateway Regional Center, in town centers, and in large redevelopment projects.

> **Objective G.** Encourage the development and preservation of housing that serves a range of household income levels at locations near public transit and employment opportunities.
>
> **Objective I.** Expand homeownership opportunities for existing residents in neighborhoods with homeownership rates lower than the regional average.
>
> **Objective J.** Expand multi-dwelling and rental housing opportunities in neighborhoods with homeownership rates higher than the regional average.

Policy 4.8 Regional Housing Opportunities. Ensure opportunities for economic and racial integration throughout the region by advocating for the development of a range of housing options affordable to all income levels throughout the region.

> **Objective A.** Advocate for the development of a regional "fair share" strategy for meeting the housing needs of low, moderate, and higher-income households and people in protected classes in cities and counties throughout the region.
>
> **Objective B.** Support regulations and incentives that encourage the production and preservation of housing that is affordable at all income levels throughout the region.
>
> **Objective C.** Work with Metro and other jurisdictions to secure greater regional participation in addressing the housing needs of people who are homeless, low-income or members of protected classes.

In addition to this Policy, several existing strategies undertaken by the City were noted in the adopted Housing Goal of the Comprehensive Plan. These include:

1. Provide technical support to Metro's Affordable Housing Technical Advisory Committee (Bureau of Planning)
2. Participate in development and implementation of new regional strategies. (BOP)
3. Advocate for adoption of regionally consistent regulations and incentives that have been proven effective through local implementation. (BOP)
4. Pursue regional models of permanent affordability and retention/recapture of public subsidy in homeownership programs (Bureau of Housing and Community Development/BOP)
5. Evaluate impacts of proposed regulatory tools such as a replacement ordinance, and inclusionary zoning in regional context. (BOP)

Policy 4.9 Fair Housing, Objective A. Support programs that increase opportunities for minorities, low-income people, and people in protected classes to gain access to housing throughout the region.

Note that the above policies and objectives directly speak to the regional context. A document containing the full range of policies is enclosed with this response.

SECTION FIVE—Progress Made in Implementing Potential Strategies

Under most of the newly adopted Goal, Policies and Objectives were listed several Existing Strategies and Potential Strategies. The *adopted Comprehensive Plan Housing Policy* lists 192 existing strategies currently undertaken by the City. The Policy document also lists 55 potential strategies which are included in this report in the following matrix as a means of evaluating the City's progress in considering and implementing these strategies.

As noted in the *Comprehensive Plan Housing Policy* (January 1999),

> "The **existing strategies** reflect actual zoning and building code regulations, existing ordinances, or city housing programs. The **potential strategies** are included to give some ideas about alternative or additional methods of implementing policy." Also, "City Council accepted these strategies by resolution as representative of the linkage between policies and objectives, and strategies. ***The inclusion of strategies in this document, either existing or potential, does not commit the City to adopt them or commit funds for their implementation.*** The explicit linkage of strategies to policies provides a basis for future evaluation and feedback on the policies."

An assessment of progress in implementing these potential strategies follows:

Potential Strategies—Consideration and Outcomes

Strategy (Suggested Implementers, when noted)	Considered?	Action
1. Develop coordinated strategies, which are periodically evaluated and updated, to: a) Attract developer interest and investment in projects consistent with policy and plans; b) Attract private investment in segments of the housing market the city wishes to encourage; c) Develop greater city and state financial resources available to provide incentives to finance critical projects. (BOP/PDC/BHCD/HAP)	Yes	• Establishment of a Regional Blue Ribbon Committee on Housing Resource Development (Mayor and City Commissioner) • Adoption of Urban Renewal Area Housing Strategies consistent with Comprehensive Plan goals (PDC) • Developing a marketing and outreach strategy for housing development focusing on housing goals (PDC) • Coordinating resources for housing development—joint PDC/HAP Request for Proposals (RFP) process (PDC/BHCD/HAP) • Instituting annual monitoring of housing production 1. Housing Audit and SEA, (Auditor/PDC/BHCD/BOP) 2. HEG report (HCDC/PDC) 3. Consolidated Urban Renewal Area Housing Report and Housing Production Report (PDC)
2. Periodically evaluate private lender participation in providing capital to the development of affordable housing. (BHCD/HCDC/OMF)	Yes	Housing development sources and uses for affordable housing tracked and monitored ongoing in terms of leverage. (PDC). Housing Evaluation Group issues annual reports documenting private lender participation.
3. Monitor and evaluate the cumulative impact of regulations (zoning and building codes), and required infrastructure on the ability of the market to meet housing demand at different price levels (BOP/BDS)	Yes	• Periodic and ongoing assessment of land use regulations in order to determine efficiency of implementation and actual results; e.g., impact on accessory rental development. • Allowance of small detached units on 2,500 sq. ft. lots in R2 and R2.5 zones.
4. Review city housing assistance programs to ensure compatibility of programs with policy. (BOP/PDC/BHCD)	Yes	• Housing Audit completed in 2002 (Auditor/PDC/BHCD/BOP) • Development of PDC and BHCD Strategic Plans (PDC/BHCD) • Housing Program Guidelines Committee reviews new and existing housing finance programs offered by the city (PDC/HCDC/BHCD/BOP) • The Homeowners Advisory Committee, the Housing Evaluation Group, and the Special Needs Committee (all of HCDC) have issued reports assessing consistency with ConPlan and other housing policies.
5. As part of Portland's next Periodic Review, evaluate actual housing production data by zone (residential, commercial and employment categories) to determine effectiveness of policy in ensuring compliance with the Metropolitan Housing Rule and Urban Growth Management Functional Plan. (BOP)	Yes	Required by the State and regional Periodic Review Process. Portland Comprehensive Plan currently complies.

Strategy (Suggested Implementers, when noted)	Considered?	Action
6. Design and adopt a process to authorize public investment in infrastructure to support housing guided by principles of sound financial management and analysis; an open public process; and thorough evaluation of projects/proposals against City Council goals and City policies (inter-Bureau)	Yes	• Annual reports by the Housing Evaluation Group (HEG) report plan consistency. • 2000 Housing Report by City Auditor documents inter-Bureau policy consistency. • BOP coordinates public investment process through an inter-Bureau advisory committee
7. Explore feasibility of adapting city housing programs for consistency with adopted Sustainable City principles. (PDC)	Yes	Establishment of Green Building Policy and Principles "Greening Portland's Affordable Housing: A Resource Guide to Improving Environmental Performance, Tenant Health and Long Term Durability in Affordable Housing'" (PDC/OSD)
8. Promote housing construction with recycled materials (plastic timber, aluminum studs, etc. (BES)	Yes	Creation of Office of Sustainable Development has resulted in guidelines and progress assessment of green building methods. Project examples: Johnson Creek Commons, Douglas Meadows.
9. Develop incentives to encourage reuse and recycling of resources (e.g. capturing stormwater for irrigation, laundry, cooling water, etc. consistent with City Green Scan Initiative, and creative design solution such as roof gardens for stormwater management. (BES)	Yes	• Projects examples include: the Brewery Blocks, Station Place. Portland has most examples of residential green building projects. • Green Investment Fund is a performance-based grant program to assist innovative green building projects in Portland. Grants distributed to 68 projects in four tracks - affordable housing, residential buildings, commercial buildings and emerging technologies.
10. Develop a strategy to systematically inspect substandard housing that violates the minimum requirements of Title 29, Property Maintenance Code (BDS/BHCD)	Yes	BHCD has funded targeted building inspection programs.
11. Develop procedure for the transfer of abandoned properties with excessive city liens to nonprofit corporations. (Auditor/BDS)	Yes	Office of Development Services has administered the use of city liens to enforce the corrections of violations. This threat of condemnation has been effective in achieving compliance in several cases.
12. Encourage developers to provide enhanced security features (door bracing, strike plate, etc.) as outlined in Appendix Chapter 10 of the Oregon Structural Specialty code. (Police/BDS/PDC)	Yes	The ODS pre-application conference for major projects requiring land use review provides a forum for Police advice on structural security features.
13. Use enhanced security features as appropriate in city-assisted multi-dwelling housing developments and collect data on cost/benefit. (PDC)	Yes	The Police planning function provides periodic assessment of effectiveness of security features.
14. Explore feasibility of adopting Chapter 41 for citywide use. (Police/BDS/PDC)	No	This has not yet occurred.

Strategy (Suggested Implementers, when noted)	Considered?	Action
15. Explore preservation and replacement strategies similar to River District Housing Implementation Strategy in other areas. (PDC/BHCD)	Yes	• Establishment of the Central City No Net Loss policy and strategy and incorporation of preservation and replacement housing goals in Urban Renewal Area Housing Strategies (PDC) • Urban renewal districts with housing development potential have separate Housing Implementation Strategies.
16. Develop strategies to encourage private investment in housing the city wishes to encourage to achieve e a balance [among incomes and tenure] (PDC/BHCD)	Yes	Establishment of the Central City No Net Loss policy and strategy and incorporation of preservation and replacement housing goals in Urban Renewal Area Housing Strategies (PDC)
17. Evaluate tax abatement programs periodically to determine if units for a balance of household incomes is produced. (BOP)	Yes	• In process: evaluation of tax abatement programs (PDC/BOP) • HCDC recommended and City approved tighter applicant requirements for the Single Family Tax Exemption Program.
18. Explore feasibility of offering incentive for development of accessory dwelling units. (BHCD/BOP)	Yes	• Several financial incentives allow accessory rental development. • Regulations are periodically assessed for effectiveness.
19. Explore option of adding a density bonus for mixed-income housing developments.	Yes	All density bonuses applied to mixed-income developments. Financial assistance works in concert with such bonus incentives. Project example include: Cornerstone Condo, Museum Place, Arbor Vista Condos, etc.
20. Ensure compliance with potential Metro Provisions for regional inclusionary housing program.	Yes	State law has pre-empted mandatory inclusionary housing programs at the local level. The City, however, includes inclusionary housing for low and moderate income households tied to local funding assistance.
21. Develop other strategies to encourage mixed-income (e.g., inclusion of smaller units among mix in multi-dwelling projects).	Yes	Financing mixed-income housing projects (PDC) Spring 2003 RFP awarded fund to many smaller units.
22. Allocate city-controlled housing subsidy resources in a manner that increases opportunities for low-income households to locate throughout the city.	Yes	• Through RFP process and asset management initiatives, City is focusing funding on creating and preserving low-income housing opportunities. Documented in Housing Evaluation Group report. • BHCD's new strategic plan announces intent to focus housing resources on ending institution of homelessness and increasing housing opportunities for households at 0-50% MFI. • Use of HIF/CDBG/HOME dollars for housing development predominantly outside of Central City (PDC/BHCD)

Strategy (Suggested Implementers, when noted)	Considered?	Action
23. Review city housing programs to 1) Identify and remove barriers that discourage mixed-income development; 2) Identify new mechanisms to encourage or require mixed-income housing developments (or communities). (HCDC)	Yes	• PDC has adopted urban renewal district housing implementation strategies, with participation from HCDC, that encourage mixed-income development.. • The HCDC Special Needs Committee convened County-wide group of funders and developers, quantified need for supportive housing, and adopted recommendations to increase supply of housing linked to services throughout Multnomah County
24. Encourage developers and funders to develop and locate housing for extremely low and very low-income people and housing with supportive services throughout the city and the Portland metropolitan area.	Yes	• HCDC Special Needs Housing Subcommittee Report and Recommendations (HCDC) • Recent focus of HIF/CDBG/HOME dollars for special needs and supportive housing (PDC/BHCD/HAP)
25. Explore feasibility of developing regulatory incentives such as a density bonus for development of mixed-income housing. (BOP)	Yes	Several housing related bonuses have been added to the Central City with the adoption of the West End Plan.
26. Support city-county process to develop social services siting policies (City Council)	Yes	The City has adopted the Strategies for Fair Housing in order to comply with federal fair housing law.
27. Coordinate geographic targeting to ensure maximum leverage of tools and resources, and to avoid confusion and overlap. (BHCD/BOP/PDC)	Yes	The Consolidated Plan is a mechanism to coordinate the expenditure of federal housing assistance funds. It is an inter-jurisdictional plan covering all of Multnomah County.
28. Develop a monitoring and evaluation plan for performance and completion. (BHCD/PDC/BOP)	Yes	Establishment of an annual monitoring reports relevant to housing production: • Housing Audit and SEA, (Auditor/PDC/BHCD/BOP) • HEG report (HCDC/PDC) • Consolidated Urban Renewal Area Housing Report and Housing Production Report (PDC)
29. Periodically evaluate existing tax abatement and inventive programs to determine the income level actually served and the level of affordability. (BOP/PDC/HCDC)	Yes	In the process of evaluating tax abatement programs (PDC/BOP) Recent amendments to Single Family Tax Exemption Program.
30. Administer Transit Oriented Abatement program and Housing Investment Fund to encourage innovative housing (mixed-income, transit-oriented) and housing affordable to households below 60 percent area median income. (PDC/BDS)	Yes	Recently assisted mixed income TOD projects in Goose Hollow, Center Commons, Broadway, etc. (PDC)

Strategy (Suggested Implementers, when noted)	Considered?	Action
31. Review city housing programs and private lending programs for geographic eligibility criteria to determine if gaps or barriers exist. (PDC/BHCD)	Yes	• Housing Program Guidelines Committee reviews new and existing housing finance programs offered by the city (PDC/HCDC/BHCD/BOP) • Resource development efforts to expand resources available outside of urban renewal areas.(PDC/BHCD/Commissioner Sten) • Under the Consolidated Plan, CDBG resources for new construction are focused on designated areas with revitalization plans.
32. Expand multi-dwelling and rental housing opportunities in neighborhoods with homeownership rates higher than the regional average through legislative and area plans. (BOP)	Yes	• All area, neighborhood, and community plans developed in BOP apply these Comprehensive Plan policies in the recommended zoning patterns and in the application of regulatory tools to promote a variety of residential development opportunities.
33. Develop strategies that support residential mobility for low-income households (e.g., portability of Section 8 certificates, technical assistance for non-profit developers outside the City of Portland).	Yes	• The Housing Connections (web site) Program supports residential mobility. • BHCD has provided technical assistance to developers and jurisdictions outside of Portland, e.g. Lake Oswego.
34. Explore feasibility of developing regional revenue options to support housing and services for populations whose needs cross jurisdictional boundaries. (BHCD/OMF)	Yes	• Efforts to pass legislation that would have authorized a regional Real Estate Transfer Fee were defeated in the last Legislative session. A. whitepaper was produced evaluating options for obtaining significant new revenues for affordable housing. In December, 2003, Mayor Vera Katz and Commissioner Erik Sten convened a new tri-county Blue Ribbon Commission on Resource Development to develop a winnable strategy for new affordable housing resources. • Evaluated Special Need population housing and service needs in HCDC Special Needs Committee Report (HCDC)
35. Develop residential "mobility" strategies (e.g., promote Section 8 portability, consider technical assistance to non-profits and CDCs outside the city.	Yes	(See 33, above)
36. Consider impact on public schools in design and evaluation of city housing programs (e.g., tailor homebuyer programs to boost enrollment in school enrollment area). (BOP/BHCD/PDC)	Yes	• Supporting development of new homeownership options (PDC) • Providing a wider range of homebuyer assistance targeted to low income neighborhoods (PDC/BHCD) • BHCD is engaged in discussions with public schools on school-friendly housing policy

Strategy (Suggested Implementers, when noted)	Considered?	Action
37. Identify gaps in private sector production of housing appropriate for households with children and develop strategies to address these gaps. (BHCD/PDC)	Yes	• Supporting development of family sized rental and ownership housing in URAs (PDC) • Prioritizing family-sized rental units for HIF/CDBG/HOME expenditures (PDC/BHCD) • HCDC Housing Evaluation Group report documents increase in production of these units.
38. Work with lender to develop financial tools to assist low-income households become owners of units converted to condominiums (BHCD/PDC)	Yes	BHCD has funded the Portland Community Land Trust and a variety of low-income home-ownership education and down payment programs through the Portland Housing Center.
39. Encourage City Council and City-School Liaison to review the City School Policy adopted in 1979	Yes	This has been an ongoing function of the Mayor's Office.
40. Develop strategies to ensure sufficient housing available for households at each income niche along the housing spectrum.	Yes	The entire body of City Housing Policies (Consolidated Plan, Urban Renewal, and Comprehensive Plan) guide the development of these strategies for all income groups.
41. Collaborate with other public and private sector entities to define respective roles, and to develop the menu of tools necessary to encourage housing development for each income target.	Yes	• Recent collaboration between PDC, BHCD, Enterprise Foundation, State of Oregon, County and CDC Network to explore resources and responsibilities (i.e. Resource Mapping exercise) • The HCDC Special Needs Committee, the new Citizens Commission on Homelessness, both include public and private sector entities and are focused on defining goals and serving the lowest income populations.
42. Develop public and private financing strategies to ensure that affordability targets for all income groups are met and maintained over time.	Yes	• Instituted 60-year affordability agreements for subsidized rental housing (PDC) • Have retention and recapture mechanisms for ownership subsidy programs (PDC/BHCD)
43. Encourage cost effective weatherization when homes are sold. (Office of Sustainable Development)	Yes	Ongoing funding of weatherization program for CDBG eligible households. BHCD has funded the Community Energy Project weatherization efforts.
44. Designate cost effective weatherization as a "minor code improvement" eligible for funding under city housing repair and renovation programs. (BHCD/PDC)	No	Not yet accomplished.
45. Develop strategy to ensure long-term energy efficiency of housing financed with public funds. (BHCD/PDC)	Yes	Establish of Green Building Policy and Principles "Greening Portland's Affordable Housing" (PDC) Also part of the City's Asset Management Guidelines.

Strategy (Suggested Implementers, when noted)	Considered?	Action
46. Explore options for implementing Community Land Trusts and other shared-equity homeowner models (BHCD/PDC)	Yes	Established the Portland Community Land Trust (PDC/BHCD)
47. Explore feasibility of public/private partnership to offer a "location-efficient" mortgage. (PDC/BHCD/PDOT)	Yes	• Still assessing LEM program. (PDC/BHCD) • Providing a wider range of homebuyer assistance tools that address some of the same hurdles to homeownership(PDC/BHCD)
48. Explore feasibility of setting a maximum house size in some residential zones. (BOP)	No	No such regulations have been adopted in the Zoning Code; However, funding assistance encourages "humble housing" and smaller rental units as appropriate in the area of the city targeted.
49. Encourage financial institutions, underwriters of loans and mortgages, and state housing agencies to identify and eliminate barriers in the real estate finance process that inhibit the development of modest homes. (PDC)	Yes	(See 48 above)
50. Provide information to the development community on needs and preferences of small households and/or low-income households. (BOP/PDC)	Yes	• Needs Assessments of Low Income households as part of the Consolidated Plan (HCDC/BHCD) • Demographic and needs analysis of many urban renewal areas (base data and trends reports) (PDC) • Various residents and workforce surveys as part of planning efforts (Central City Workforce Housing Report; North Macadam/OHSU planning) (PDC) • The Special Needs Committee work with the development community on needs and preferences of households of very low income persons with disabilities.
51. Discourage developer from stipulating minimum housing sizes in subdivision covenant, codes, and restrictions. (BOP)	No	Much of this governed by state and federal fair housing law.
52. Develop a strategy to preserve the existing stock (4021 units) of downtown's low-income housing units threatened b y demolition, conversion or redevelopment. (PDC)	Yes	Establishment of the Central City No Net Loss policy and strategy and incorporation of preservation and replacement housing goals in Urban Renewal Area Housing Strategies (PDC)

Strategy (Suggested Implementers, when noted)	Considered?	Action
53. Re-examine the Downtown Housing Policy's goal of maintaining 5183 low-income units in the downtown (the number that existed in 1978) in light of current level and market conditions, e.g., expand from downtown to Central City; replace SRO with studio or larger units; set targets for replacement in mixed-income development. (PDC/BHCD)	Yes	Establishment of the Central City No Net Loss policy and strategy and incorporation of preservation and replacement housing goals in Urban Renewal Area Housing Strategies (PDC)
54. Develop financial tools to assist low-income households become owner of units converted to condominiums (BHCD/PDC)	Yes	Providing a wider range of homebuyer assistance tools (PDC/BHCD) through the Portland Community Land Trust and various low income homeownership readiness and down payment programs through the Portland Housing Center.
55. Develop permitting process incentive for housing being developed to serve people at or below 80 percent of areas median income (per Urban Growth Management Functional Plan)	Yes	Office of Development Services guarantee of ten day turn around for complete residential building permit applications.

SECTION SIX—New Initiatives

- In early 2002, Multnomah County, the City of Portland, and the Housing Authority of Portland charged the HCDC Special Needs Housing Committee with estimating the unmet need for housing linked to services for people with disabilities, and to make recommendations for meeting that need. The SNC issued a report in June, 2003, demonstrating a need for at least 8,000 additional units of housing linked to services. The report documents the over-representation of extremely low-income people with disabilities among the chronically homeless. The SNC Report had three key recommendations: (1) Coordinate housing + services to maximize success; (2) Create enough housing for people with special needs; and (3) Improve access to housing + services. The SNC report also contains specific strategies for accomplishing these goals.

- Multnomah County and the City of Portland have commenced a process to develop a Ten Year Plan to End Homelessness. A Citizens Commission on Homelessness has been convened and charged with developing the plan, with support from a Coordinating Committee that includes government staff as well as agency and provider representatives. The strategies to address chronic homelessness, episodic homelessness, and temporary or situational homelessness all are based on housing, and range from a supportive housing approach to short term flexible rent assistance.

- Multnomah County, Clackamas County, and Washington County are participating in a Blue Ribbon Commission for New Housing Resources. The goal of this Commission is to develop a winnable strategy for obtaining significant new resources for affordable housing.

- Multnomah County and Portland have successfully competed for more than $10 million dollars in funding for systems change and affordable housing linked with services for people who are chronically homeless.

- The Housing Authority of Portland is working with its Project Based Section 8 Program to build the capacity of other community housing providers by assigning more than 550 rent assistance vouchers to their developments. This helps to serve the hardest-to-house, that, people who might not be successful in their tenant-based Section 8 program.

SECTION SEVEN—Selected Demographic and Housing Characteristics in Portland (2002 American Community Survey)

The most recent Census information comes from the 2002 American Community Survey (ACS). The ACS is an annual unduplicated sample of the population begun in 1996 by the U.S. Department of the Census as a supplemental update of the ten year Census. Multnomah County and its jurisdiction have been part of the ACS since its beginning.

Knowing the characteristics of the city population—its family makeup, age, level of education, ethnicity, employment status, and poverty level—is useful in understanding its housing needs. This report is not intended as an exhaustive demographic study, but simply offers some selected data describing Portland's population. More extensive demographic and housing analysis is available in several local studies including the Consolidated Plan, the Portland Environmental Scan (aka *Portland Present*), reports from the Portland State Population Center, and Metro.

Population
The city's population, within the Multnomah County boundary, stands at 520,326 (cf. Portland State University Population Center estimate of 545,140 as of July 2003) with a median age of 35.5 years. Approximately 24 percent of the total population is aged 1 through 19 years. This school aged population has been steadily declining during the last forty years. Approximately 11 percent of the population is 65 years or older. Interestingly, this age group declined as a group during the 1990s.

Education
A currently popular indicator of economic growth potential is the number of college educated young people between the ages of 25 to 34 years who choose to stay in or to migrate to the city. This total age group at 96,822 is the largest in the city. The Portland region ranks 20th among the largest metropolitan areas in the percentage of college educated young people among its metropolitan population. Nevertheless, the region's unemployment rate has hovered between 7 and 8 percent, among the highest in the country. However, the region continues to attract a young educated population perhaps by virtue of a high quality of life and relatively affordable housing compared with other west coast cities.

Race and Ethnicity
In terms of racial and ethnic makeup, the city has seen a high growth rate in Hispanic and Asian households, a steady share of African-American households, and a small decline in the percentage of white households.

Household Characteristics
Households consisting of married couples with children represent a declining percentage (currently 36 percent of the city's population) as average household size (2.33) continues to decline relative to the suburban population. The percentage of single person households is also 36 percent. The owner occupancy rate is 56 percent, an increasing rate compared to the prior forty years.

Employment
Among the employed civilian population 16 years or older, 41 percent are employed in management, professional and related occupations; 16 percent in service occupations; 26 percent in sales and office occupations; 7 percent in construction and related occupations; and 9 percent in production, transportation and related occupations.

Poverty
The poverty rate for all city residents has remained in the 13 to 14 percent range during the last twelve years. For children under 18 years old, the poverty rate slightly exceeds 15 percent during the prior twelve months.

Housing Units
The number of housing units in the city totals 239,804 of which 111,198 are units contained in structures built before 1950. Residential structures built before 1939 total 85,971 and constitute the largest block of housing by age in the city. 3,718 of all city housing units lack complete plumbing or kitchen facilities. 6,950 of all housing units would be classified as over crowded with more than one occupant per room. Portland residents are highly mobile as indicated by the 65 percent of householders who have lived in their housing only since 1995.

Housing Values
As of 2002, the reported median owner-occupied house value in Portland was $168,999. The median rent was $667 per month. Approximately 37 percent of owner occupied housing reported a value less than $150,000. Nearly 400 owner occupied units reported a value of $1,000,000 or more. Among rental units, approximately 60 percent report a monthly rent of less than $750, which would be roughly affordable to a two person low income household earning 60 percent or less of the area median income.

Cost Burdens
In terms of cost burden, 40 percent of homeowners with a mortgage pay more than thirty percent of their household income for shelter costs. Fifty two percent of renters pay more than 30 percent of their household income for rent.

City Housing Programs and Financial Assistance: FY 1996-97 to FY 1999-00*

The following chart is the latest complete assessment of all housing funding undertaken by the City during FY 1996 through FY 2000. These figures do not include the resources of the Housing Authority of Portland. This report recommends continuation of this documentation on an annual basis.

Bureau	**Programs**	**Financial Assistance (millions)**
Portland Development Commission	▪ Housing Development Finance (loans and grants for new construction, refinance or rehab of multi-family housing)	$64.5
	▪ Neighborhood Housing Program (loans and grants for single-family home purchases and rehabilitation)	$13.6
	▪ PDC/BHCD Shelter Funding (shelters for homeless and transitional housing)	$4.4
	▪ Portland Housing Center Loans (funds to PHC for homebuyer loan programs)	$1.8
	▪ Sewer-on-Site Loans (0% interest loans for sanitary sewer hood-up)	$0.3
	▪ Local Improvement District (LID) Grants (grants for homeowners to pay LID fees)	$0.1
Bureau of Housing and Community Development	▪ Manages contracts for, and distributes to PDC, federal housing grant funds	See PDC Programs Above
	▪ Housing for People with AIDS (HOPWA)	$2.3
	▪ HOME Special Needs Housing	$1.9
	▪ Home Repair Training Program	$1.4
	▪ Homeowner Repair Programs (3 programs)	$0.3
Bureau of Planning	▪ Property Tax Exemptions (6 programs)	$5.9
Office of Planning and Development Review	▪ Development Fee Waivers	$1.2
Office of Transportation	▪ Transportation System Development Charge (SDC) Exemption	$0.7
Parks and Recreation	▪ SDC Credit	$0.5
	▪ Parks SDC Exemption	$0.2
Auditor's Office	▪ Lien Waivers (on property transfers to community development corporations)	$0.6
Environmental Services	▪ Sewer SDC Exemption	$0.3
TOTAL		$100 Million

*Adapted from Figure 6, *A Review of the Efforts and Accomplishments of City Housing Programs: 1996-2000*, May 2002, Office of the City Auditor, Portland, Oregon

TITLE 7: AFFORDABLE HOUSING

3.07.710 Intent
The Regional Framework Plan stated the need to provide affordable housing opportunities through: a) a diverse range of housing types, available within the region, and within cities and counties inside Metro's Urban Growth Boundary; b) sufficient and affordable housing opportunities available to households of all income levels that live or have a member working in each jurisdiction and subregion; c) an appropriate balance of jobs and housing of all types within subregions; d) addressing current and future need for and supply of affordable housing in the process used to determine affordable housing production goals; and e) minimizing any concentration of poverty. The Regional Framework Plan directs that Metro's Urban Growth Management Functional Plan include voluntary affordable housing production goals to be adopted by local jurisdictions in the region as well as land use and non-land use affordable housing tools and strategies. The Regional Framework Plan also directs that Metro's Urban Growth Management Functional Plan include local governments' reporting progress towards increasing the supply of affordable housing.
Title 1 of this functional plan requires cities and counties to change their zoning to accommodate development at higher densities in locations supportive of the transportation system. Increasing allowable densities and requiring minimum densities encourage compact communities, more efficient use of land and should result in additional affordable housing opportunities. These Title 1 requirements are parts of the regional affordable housing strategy.

3.07.720 Voluntary Affordable Housing Production Goals
Each city and county within the Metro region should adopt the Affordable Housing Production Goal indicated in Table 3.07-7 for their city or county as a guide to measure progress toward meeting the affordable housing needs of households with incomes between 0% and 50% of the regional median family income.

3.07.730 Requirements for Comprehensive Plan and Implementing Ordinance Changes

A. Cities and counties within the Metro region shall ensure that their comprehensive plans and implementing ordinances:
1. Include strategies to ensure a diverse range of housing types within their jurisdictional boundaries.
2. Include in their plans actions and implementation measures designed to maintain the existing supply of affordable housing as well as increase the opportunities for new dispersed affordable housing within their boundaries.
3. Include plan policies, actions, and implementation measures aimed at increasing opportunities for households of all income levels to live within their individual jurisdictions in affordable housing.

B. Cities and counties within the Metro region shall consider amendment of their comprehensive plans and implementing ordinances with the following affordable housing land use tools and strategies identified below. Compliance with this subsection is achieved when the governing body of a city or county considers each tool or strategy in this subsection and either amends its

comprehensive plan and implementing ordinances to adopt the tool or strategy or explains in writing why it has decided not to adopt it.
1. Density Bonus. A density bonus is an incentive to facilitate the development of affordable housing. Local jurisdictions could consider tying the amount of bonus to the targeted income group to encourage the development of affordable units to meet affordable housing production goals.
2. Replacement Housing. No-Net-Loss housing policies for local jurisdictional review of requested quasi-judicial Comprehensive Plan Map amendments with approval criteria that would require the replacement of existing housing that would be lost through the Plan Map amendment.
3. Inclusionary Housing.
a. Implement voluntary inclusionary housing programs tied to the provision of incentives such as Density Bonus incentives to facilitate the development of affordable housing.
b. Develop housing design requirements for housing components such as single-car garages and maximum square footage that tend to result in affordable housing.
c. Consider impacts on affordable housing as a criterion for any legislative or quasi-judicial zone change.
4. Transfer of Development Rights.
a. Implement TDR programs tailored to the specific conditions of a local jurisdiction.
b. Implement TDR programs in Main Street or Town Center areas that involve upzoning.
5. Elderly and People with Disabilities. Examine zoning codes for conflicts in meeting locational needs of these populations.
6. Local Regulatory Constraints; Discrepancies in Planning and Zoning Codes; Local Permitting or Approval Process.
a. Revise the permitting process (conditional use permits, etc.).
b. Review development and design standards for impact on affordable housing.
c. Consider using a cost/benefit analysis to determine impact of new regulations on housing production.
d. Regularly review existing codes for usefulness and conflicts.
e. Reduce number of land use appeal opportunities.
f. Allow fast tracking of affordable housing.
7. Parking.
a. Review parking requirements to ensure they meet the needs of residents of all types of housing.
b. Coordinate strategies with developers, transportation planners and other regional efforts so as to reduce the cost of providing parking in affordable housing developments.

3.07.750 Metro Assessment of Progress
A. Metro Council and MPAC shall review progress reports submitted by cities and counties and may provide comments to the jurisdictions.
B. Metro Council shall:
1. In 2003, estimate 2000 baseline affordable housing units affordable to defined income groups (less than 30 percent, 31-50 percent, 51-80 percent of the region's median family income) using 2000 U.S. Census data;
2. By December, 2004, formally assess the region's progress made in 2001-2003 to achieve the affordable housing production goals in Table 3.07-7;
3. By December, 2004, review and assess affordable housing tools and strategies implemented by local governments and other public and private entities;

4. By December, 2004, examine federal and state legislative changes;
5. By December, 2004, review the availability of a regional funding source;
6. By December, 2004, update the estimate of the region's affordable housing need; and
7. By December, 2004, in consultation with MPAC, create an ad hoc affordable housing task force with representatives of MPAC, MTAC, homebuilders, affordable housing providers, advocate groups, financial institutions, citizens, local governments, state government, and U.S. Housing and Urban Development Department to use the assessment reports and census data to recommend by December, 2005, any studies or any changes that are warranted to the existing process, tools and strategies, funding plans or goals to ensure that significant progress is made toward providing affordable housing for those most in need.

3.07.760 Recommendations to Implement Other Affordable Housing Strategies

A. Local jurisdictions are encouraged to consider implementation of the following affordable housing land use tools to increase the inventory of affordable housing throughout the region. Additional information on these strategies and other land use strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendices.

1. Replacement Housing. Consider policies to prevent the loss of affordable housing through demolition in urban renewal areas by implementing a replacement housing ordinance specific to urban renewal zones.
2. Inclusionary Housing. When creating urban renewal districts that include housing, include voluntary inclusionary housing requirements where appropriate.

B. Local jurisdictions are encouraged to analyze, adopt and apply locally-appropriate non-land use tools, including fee waivers or funding incentives as a means to make progress toward the Affordable Housing Production Goal. Non-land use tools and strategies that could be considered by local jurisdictions are described in Chapter Four of the Regional Affordable Housing Strategy and its Appendices. Cities and Counties are also encouraged to report on the analysis, adoption and application of non-land use tools at the same intervals that they are reporting on land-use tools (in Section 3.07.740).

C. Local jurisdictions are also encouraged to continue their efforts to promote housing affordable to other households with incomes 50% to 80% and 80% to 120% of the regional median household income.

D. Local jurisdictions are encouraged to consider joint coordination or action to meet their combined affordable housing production goals.

MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
MARIA ROJO DE STEFFEY, DISTRICT 1
LISA NAITO, DISTRICT 3
SERENA CRUZ, DISTRICT 2
LONNIE ROBERTS, DISTRICT 4
DIANE LINN, CHAIR

April 9, 2003

David Bragdon
Council President
600 NE Grand Ave.
Portland, OR 97232

RE: Urban Growth Management Functional Plan Title 7 Reporting Requirements

Dear Mr. Bragdon:

This letter is intended to meet the reporting requirements under the Title 7 Ordinance as required in January 2002 and January 2003. Multnomah County submitted a Functional Plan compliance report to Metro in December 2001 and addressed Title 7 within that compliance report. Multnomah County fully supports and promotes the affordable housing goals of the Growth Management Functional Plan and the Regional Affordable Housing Strategy. Multnomah County has several aggressive programs committed to achieving our goals in this area.

Land Use Planning and Affordable Housing Production Goals

Multnomah County's situation in regard to meeting the Metro Title 7 Affordable Housing goals is different from other jurisdictions. This is because the housing goals only apply within the urban growth boundary and Multnomah County has completed the transfer of urban land use planning responsibilities to the cities of Portland and Troutdale for those unincorporated urban areas. This has been done by intergovernmental agreements with the two cities. As part of those agreements, the County has adopted the Comprehensive Plans, zoning map designations, and Zoning Code of each of the cities. Portland and Troutdale administer these plans and codes for their respective urban planning areas outside of their city limits.

As a result, it is actually the plans and codes of the City of Portland and the City of Troutdale that are in place for the unincorporated urban areas. Therefore, as a practical matter, compliance with Title 7 requirements for the unincorporated County areas is the same as the reports submitted by the two cities. For example, in their letter dated July 1, 2002, the City of Portland addressed their affordable housing production goals, comprehensive plan housing policy and their incentive programs. Those programs would apply to our urban unincorporated areas. Title

7 outlines a five-year housing goal of 134 units which reflects the relatively small amount of land area included in the unincorporated urban areas of Multnomah County.

Table 3.07-7, Title 7 Affordable Housing Production Goals for the unincorporated urban areas of Multnomah County has the following breakdown for the years 2001-2006:

Needed new housing units for households earning less than 30% of medium household income	*Needed new housing units for households earning 30-50% of medium household income*	*Total*
81	53	134

Affordable Housing Programs and Activities

Multnomah County has implemented several initiatives promoting affordable housing, including the following:

Affordable Housing Development Program (Tax Foreclosed Property Giveaway)

Created in 1992, this program takes buildable tax foreclosed lots owned by Multnomah County and grants them to nonprofit organizations for purposes of creating affordable housing. The program has transferred 117 properties to nonprofits, totaling more than 400 housing units developed or under development. The AHDP has been a key factor in the revitalization of North and Northeast Portland in particular.

County Housing Program

In 2001 Multnomah County developed a new housing program and created a new Housing Director position. The purpose of the program is to coordinate the various County housing efforts and to stimulate the development of affordable housing, particularly special needs housing.

Projects undertaken by the Housing Program include:

- The Strategic Investment Program Community Housing Fund, a small capital fund created when the Strategic Investment Program was implemented for Fujitsu and LSI Logic. The fund is currently being used to support predevelopment activities for special needs housing projects.
- Use of County surplus properties for housing development, including Midland Commons, a 46-unit project for people with mental illnesses to be built on land leased from the County next to the Mid-County Health Clinic.
- Implementation of the City (of Portland)-County Special Needs Pilot Project, where the City has set aside federal funds for special needs projects identified by the County. Midland Commons is the first such project, and others are in pre-development.
- Minority Homeownership – a program of small grants to promote minority homebuying fairs.
- Special Needs Committee – a joint committee appointed by the County Chair and the City Commission to develop new relationships and recommend new strategies to create housing for populations the County serves – people with disabilities, frail elders, and ex-offenders. This Committee plans to submit a report in the next few months and then move to overseeing implementation of strategies.

Corrections Housing
The County has recently begun actively developing new housing opportunities for the community corrections population. Two examples follow:

The Medford

The Department of Community Justice (DCJ) signed a 13-year lease and operational service agreement with Central City Concern to begin July 1, 2002, providing sixty units of housing at the Medford Building to DCJ clients who are currently under community supervision. Clients housed at the Medford Alcohol and Drug Free Community include offenders released from residential drug and alcohol treatment programs as well as indigent, post-prison parolees and probationers in need of housing services to stabilize and reduce escalation of criminal activity.

The lease of the Medford Building provides DCJ the ability to increase the number of transitional beds and alcohol and drug free housing units available to offenders under its supervision. It also provides monetary support for the Danmoore replacement housing, constructed by the Portland Development Commission (PDC) at NW 8th and Burnside. The Danmoore replacement building will provide housing for low-income citizens who may be displaced by downtown development efforts. Central
City Concern will operate the facility once it is completed.

Social Security Income Continuum

In an effort to connect clients to mainstream services and resources, Multnomah County's Department of Community Justice developed, with representatives from federal, state and county agencies, a continuum for re-connecting clients to SSI and Medicaid prior to being released from prison. The continuum will operate as a vehicle to provide a seamless process for re-connecting clients to SSA benefits and Medicaid. The intent of the continuum is to assist eligible offenders in successfully reintegrating into the community and prevent homelessness. The continuum is slated to begin May 1, 2003.

Community Service Fee Special Needs Housing Fund
Post Release Housing Assistance

In July of 2002 the County set aside $75,000 annually from Strategic Investment Program funds for the Post Release Housing Assistance Program. It is intended to minimize homelessness by providing low-income mentally ill persons exiting jail and experiencing a loss of their Supplemental Security Income (SSI) or Social Security Disability (SSD) with emergency housing vouchers or rental assistance. Services may be provided for up to 60 days. Funds are intended for use as a last resort after all other avenues for providing housing upon release have been exhausted. Eligible clients may receive up to $1,200 over a 12-month period.

Other Housing Programs
Library Mixed Use Housing – Under the leadership of the County Chair, the County's Library system has undertaken two new projects in which libraries have been co-located in housing projects. The projects have been built in Sellwood and Hollywood. The Hollywood Library/Bookmark Apartments include 19 affordable units.

Emergency Rental Assistance – Throughout our systems of serving the County's most vulnerable citizens, the County has emphasized housing stability by providing emergency funds, using County General Funds as well as State and Federal funds. A variety of funds are used to help homeless disabled singles and families, and those at risk of homelessness, with eviction prevention, rental deposits, etc.

Federal Funds – The County administers small amounts of federal HOME and CDBG funds for use in unincorporated areas. Housing is a high priority for use of CDBG funds. Additionally, the County administers the federal weatherization program that has made energy efficiency repairs for thousands of low-income households.

Multnomah County continues to be a strong supporter of the Urban Growth Management Functional Plan and the regional planning framework. The County recognizes the importance of this compliance work in making this effort successful. We look forward to confirmation that this submittal complies with the requirements in the Ordinance implementing Title 7. Please contact us if you have any questions.

Sincerely,

Diane Linn, Chair
Multnomah County Board of Commissioners

Lisa Naito
Multnomah County Commissioner,
MPAC Representative

cc: Commissioner Maria Rojo de Steffey
Commissioner Serena Cruz
Commissioner Lonnie Roberts
Diane Luther, Housing Director
Susan Muir, Interim Planning Director

Ex. B - Appendix 3

City Tax Exemption Program Foregone Revenue and Number of Units for Seven Years

	ALL TAXING JURISDICTIONS Tax Revenue Foregone ($) (unadjusted dollars)							
Tax Abatement Program	**FY 96/97**	**FY 97/98**	**FY 98/99**	**FY 99/00**	**FY 00/01**	**FY 01/02**	**FY 02/03**	**Seven year total**
Multi-family housing in Central City and Transit Oriented Development	$1,057,682	$1,306,115	$1,242,541	$1,836,031	$2,507,333	$ 3,110,330	$ 3,131,181	**$14,191,213**
Rental and owner-occupied rehabilitation	$266,200	$375,316	$376,433	$410,965	$441,054	$ 403,755	$ 717,034	**$2,990,757**
Low-income housing	$1,198,739	$1,436,731	$1,771,893	$2,141,974	$2,889,645	$ 3,237,196	$ 3,830,230	**$16,506,408**
New housing in distressed urban areas	$575,481	$774,271	$941,630	$1,219,622	$1,568,990	$ 1,836,964	$ 2,124,533	**$9,041,491**
Yearly total	$3,098,102	$3,892,433	$4,332,497	$5,608,592	$7,407,022	$ 8,588,245	$ 9,802,978	**$42,729,869**

	PORTLAND ONLY Tax Revenue Foregone ($) (unadjusted dollars)							
Tax Abatement Program	**FY 96/97**	**FY 97/98**	**FY 98/99**	**FY 99/00**	**FY 00/01**	**FY 01/02**	**FY 02/03**	**Seven year total**
Multi-family housing in Central City and Transit Oriented Development	$405,085	$447,327	$417,021	$621,619	$825,246	$ 1,002,991	$ 941,289	**$4,660,578**
Rental and owner-occupied rehabilitation	$101,953	$128,541	$126,338	$139,139	$145,165	$ 130,199	$ 129,454	**$900,789**
Low-income housing	$459,109	$492,061	$594,682	$725,201	$951,078	$ 1,043,901	$ 1,188,967	**$5,454,999**
New housing in distressed urban areas	$220,406	$265,177	$316,029	$412,923	$516,406	$ 592,367	$ 681,951	**$3,005,259**
Yearly total	$1,186,553	$1,333,106	$1,454,070	$1,898,882	$2,437,895	$ 2,769,458	$ 2,941,661	**$14,021,625**

	PORTLAND ONLY Tax Revenue Foregone ($) (constant 01-02 dollars)							Adjusted
Tax Abatement Program	**FY 96/97**	**FY 97/98**	**FY 98/99**	**FY 99/00**	**FY 00/01**	**FY 01/02**	**FY 02/03**	**Seven year total**
Multi-family housing in Central City and Transit Oriented Development	$460,963	$495,216	$451,721	$650,503	$839,889	$ 1,002,991	$ 941,289	**$4,842,572**
Rental and owner-occupied rehabilitation	$116,017	$142,302	$136,851	$145,604	$147,741	$ 130,199	$ 129,454	**$948,167**
Low-income housing	$522,439	$544,739	$644,166	$758,898	$967,953	$ 1,043,901	$ 1,188,967	**$5,671,063**
New housing in distressed urban areas	$250,809	$293,566	$342,326	$432,110	$525,569	$ 592,367	$ 681,951	**$3,118,697**
Yearly total	$1,350,228	$1,475,824	$1,575,064	$1,987,114	$2,481,151	$2,769,458	$ 2,941,661	**$14,580,500**
	Number of units receiving exemptions							**seven year**
Tax Abatement Program	**FY 96/97**	**FY 97/98**	**FY 98/99**	**FY 99/00**	**FY 00/01**	**FY 01/02**	**FY 02/03**	**average**
Multi-family housing in Central City and Transit Oriented Development	1,089	1,487	1,407	1,769	2,120	2,800	2,836	*1,930*
Rental and owner-occupied rehabilitation	568	625	597	888	803	481	406	*624*
Low-income housing	2,555	3,039	3,257	3,776	4,156	4,793	5,197	*3,825*
New housing in distressed urban areas	505	693	795	1,051	1,249	1,440	1,709	*1,063*
Yearly total	**4,717**	**5,844**	**6,056**	**7,484**	**8,328**	**9,514**	**10,148**	*7,442*
	Average Portland foregone revenue per unit							
Tax Abatement Program	**FY 96/97**	**FY 97/98**	**FY 98/99**	**FY 99/00**	**FY 00/01**	**FY 01/02**	**FY 02/03**	
Multi-family housing in Central City and Transit Oriented Development	$372	$301	$296	$351	$389	$358	$332	
Rental and owner-occupied rehabilitation	$179	$206	$212	$157	$181	$271	$319	
Low-income housing	$180	$162	$183	$192	$229	$218	$229	
New housing in distressed urban areas	$436	$383	$398	$393	$413	$411	$399	
Yearly average	**$252**	**$228**	**$240**	**$254**	**$293**	**$291**	**$290**	