CONNECTING STRATEGY TO THE NEEDS OF RESIDENTS

Social Security income $16,000

Full-time minimum wage worker $19,000

0-30% area median income

Annual household salary: $0-$20,000

Affordable monthly housing costs $0-$500

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

Cashier $24,760

Preschool teacher $32,090

Two full-time minimum wage workers $38,000

30-60% area median income

Annual household salary: $20,000-$40,000

Affordable monthly housing costs $500-$1,000

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

Welder $41,900

Carpenter $43,450

60-80% area median income

Annual household salary: $40,000-$53,000

Affordable monthly housing costs $1,000-$1,300

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

High school teacher $59,430

Police officer $66,110

80-100% area median income

Annual household salary: $53,000-$66,000

Affordable monthly housing costs $1,300-$1,650

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

Electrician $72,800

Nurse $85,450

100-120% area median income

Annual household salary: $66,000-$79,000

Affordable monthly housing costs $1,650-$2,000

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

Maximize and optimize resources

Increase adaptable funding and pursue coordinated investment strategies to expand the region's supply of regulated affordable housing with tools such as:

- tax increment financing
- revolving loan funds
- acquisition/rehabilitation
- donation of public surplus land
- housing trust funds
- dedicated local revenue tools, such as short-term rental tax
- real estate investment trusts.

Leverage growth for affordability

Encourage for-profit developers to include some income-restricted units in market-rate projects or to pay into a fund for affordable housing with tools such as:

- tax exemptions
- density bonuses
- fast-tracked permitting
- linkage fees.

Mitigate displacement and stabilize communities

Pursue community-informed strategies to mitigate displacement, ensure safe and healthy rental housing, and bridge the homeownership gap for lower-income groups with tools such as:

- anti-displacement and safety for renters:
  - landlord licensing and code enforcement
  - rental rehabilitation grants
  - tenant protections (e.g., notifications for no-cause evictions or rent increases)
  - short-term rent or utility assistance
- anti-displacement for owners:
  - foreclosure prevention
  - weatherization assistance
- tools for increasing homeownership:
  - limited equity cooperatives
  - community land trusts
  - shared appreciation mortgages.

Increase and diversify market-rate housing

Eliminate regulatory barriers and create incentives for diverse market-rate housing with tools such as:

- zoning/building code changes
- fast-tracked permitting
- innovative financing
- system development charges waivers for accessory units
- reduced parking requirements
- vertical housing tax credits
- transit-oriented development grants.

Target housing types include: transit-oriented development (condos and apartments in mixed-use buildings), "missing middle" (townhomes, duplexes, fourplexes), accessory dwelling units, cottage clusters.

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

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

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

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to providing services, operating venues and making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

Metro Council President
Tom Hughes

Metro Council
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Carlotta Collette, District 2
Craig Dirksen, District 3
Kathryn Harrington, District 4
Sam Chase, District 5
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Metro's role and next steps for 2016

Metro is uniquely positioned to support the strategies and tools outlined in the full report by providing technical assistance, bringing partners together to build innovative solutions, and developing research and data to support informed policy and investment decisions. In addition, Metro can continue to participate in state and federal policy discussions to ensure that local jurisdictions have access to a range of tools and resources to meet their housing needs.

Proposed next steps for Metro's Equitable Housing Initiative to support the strategies and tools to improve housing affordability and choice include:

- Develop and launch a technical assistance program to support local implementation of tools identified in this report.
- Convene a leadership summit to build a shared understanding of challenges and opportunities, and to discuss next steps and actions for moving the four strategies forward.
- Advocate for state legislative changes to ensure that local jurisdictions have access to a range of tools to address equitable housing needs in their communities.
- Develop a research agenda to support regional equitable housing efforts, including exploring potential for a housing + transportation cost calculator tool.
- Conduct feasibility analysis, explore partnerships, and identify resources for collaborative, innovative tools and regional-scale approaches.

Contact

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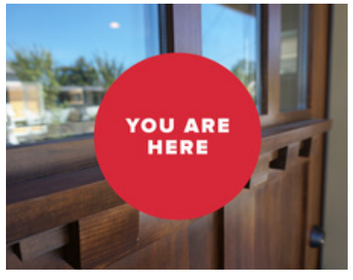
For more information on the Equitable Housing Initiative, visit oregonmetro.gov/equitablehousing.



Regional Snapshots

Stories and stats of a changing region.

oregonmetro.gov/snapshot

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

Living there with equitable housing choices

Equitable Housing Initiative 2015-16

Promoting equitable housing means ensuring **diverse, quality, physically accessible affordable housing choices with access to opportunities, services and amenities.**

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Housing affordability and housing choice

Residents from Portland to Wilsonville and Oregon City to Forest Grove are faced with the challenges of housing affordability and choice. Both nationally and in our region, rents and house prices are rising faster than incomes, increasingly limiting lower-income households – disproportionately people of color – to housing in areas with lower access to opportunities and higher concentrations of poverty. Even households with moderate incomes are finding themselves priced out of neighborhoods where they work or go to school.

Metro's Equitable Housing Initiative has developed a framework – summarized on the next pages – for how the region can move forward together to ensure housing options that meet the needs and income levels of our current and future residents.

Building a framework

For the purpose of the initiative, Metro is using the following working definition of equitable housing: diverse, quality, physically accessible, affordable housing choices with access to opportunities, services and amenities. This broad definition encompasses a range of homeownership and rental choices, including options for people with low and moderate incomes, accessible across all ages and abilities, and convenient to everyday needs like transit, schools, childcare, healthy food and parks.

Through 2015, Metro researched strategies from our region and around the country, engaging experts and stakeholders to develop the framework. This work was conducted in partnership with Oregon Opportunity Network, with guidance from a technical work group that includes two Metro councilors and 10 working professionals with diverse expertise on housing issues.

The resulting framework offers four prongs of a balanced approach to improve housing affordability and choice.

Regional cooperation

Challenges in the environment, transportation system and job and housing markets do not stop at city limits or county lines. To create true housing affordability and choice as we continue to grow and add residents, we need to work together to share knowledge, commit to shared solutions and take advantage of efficiencies that come with shared action. Private lenders, foundations, developers, non-profits and governments all need to come to the table.

There is no silver bullet solution to meeting our region's housing affordability challenge. A range of innovative approaches and broad collaboration across public, private and nonprofit sectors are needed to ensure that people and families of many incomes can afford to live in places and homes that fit their needs and budgets.