

# APPENDICES

## Appendix E. Public Comment Of the Regional Affordable Housing Strategy

June 2000



METRO

**1. Outreach Subcommittee Members**

<b>Charge:</b> Develop an Outreach Work Plan Outline and assist staff in developing public involvement materials and implementing public involvement activities.	
Diane Linn	Multnomah County Commissioner
Ramsay Weit	Commissioner Diane Linn's Office
Tasha Harmon	Community Development Network
Britt Parrott	Coalition for a Livable Future
Andree Tremoulet	City of Gresham
Ed Washington	Metro Councilor
John Broderick	MCCI Housing Subcommittee Representative

**2. Focus Group Summaries**

H-TAC held three focus groups to gather feedback on the strategies developed by the Cost Reduction Subcommittee, Land Use and Regulatory Subcommittee, and the Regional Funding Subcommittee. The meetings were facilitated by Judith Mowry and Anne Rutherford of Full Circle Consulting.

**Cost Reduction Focus Group**

March 3, 2000

**Participants**

- Ralph Austin, Innovative Housing
- Rajiv Batra, Urban Design Collaborative
- Doug Draper, Genstar Land Company Northwest
- Mark Forker, NW Natural
- Ted Gilbert, HOST/Gilbert Brothers
- Rick Holt, Holt & Haugh
- Rick Marshall, Portland Habitat for Humanity
- Ernie Platt, West Hills Development/ Home Builders Association
- Nick Sauvie, ROSE CDC

**H-TAC Members Present**

- David Bell, GSL Properties
- Pat Ritz, Oregon Title
- Gail Brownmiller, City of Hillsboro

**Main Themes**

- Fully explore incentives before regulation. Make developers and bureaucracy part of the solution. Examples: Bancroft loan, land bank.
- Broaden definition from housing from below 50% median household income to include more types of affordable housing (80% MHI).
- Metro's role is to influence standardization of permitting, development process throughout region. Then give development projects with affordable housing priority in review, expedite permitting time. Cut developer's cost by saving developer's time.

**System Development Charges**

*Impact of Reducing SDC:*

- SDC's vary by community creating unequal levels of impact. Ultimately the same number of dollars needs to be financed.

- Forgiving SDC's: Several people commented on the fact that "forgiving" SDC's simply displaces the cost and had concerns about where the money would ultimately come from.
- Different populations create different impacts on infrastructure (parks, etc.). Support making adjustments made to account for higher density development, looking at needs of particular populations.

*Administration:*

- The advantage of a statewide approach is that it is broader based. The disadvantage is the belief that it could cost more if administered through the state.
- Graduated waivers (e.g. the SDC proposal B) strike me as cumbersome to use, especially in developments, which include a mix of resident types. I'm inclined to stick with income level as the qualifier, and leave it simpler to administer. *(Written comment submitted by person who could not attend focus group.)*

*Population affected by strategies:*

- Sec. A1: The projects are defined as 50% or less of MFI. This definition only addresses low-income and not affordable housing costs. Affordable home ownership is defined at 80% MFI.
- Permit fees are tied to unit rather than valuation. This puts the burden on the first homebuyer and creates a heavier impact on affordable housing than on market rate housing, creating a higher impact on a narrow segment of consumers
- It will be important to have some means of verifying that public subsidies are passed along to the low-income resident who should be the beneficiary of those public investments. *(Written comments submitted by member unable to attend meeting.)*

**Permit Fees**

*Permit Fee Levels:*

- **Q:** Has there been consideration of what's happened to permit fees after Measure 5? Has there been abuse (raising them to cover costs not covered after Measure 5) since then? **A:** No jurisdiction would concede this – and the subcommittee did not consider this question in coming up with these strategies.
- Fee Deferral and Fee Forgiveness are both technically and politically feasible as strategies – but they may simply displace costs to other areas; this kind of impact needs to be considered.
- Need standards by which to measure the cost of a permit. A permit fee should be set to justify efficient operation of the service of providing a permit. Right now, it can be set at any level to justify maintaining the cost of the issuing bureau, even if it is not operating efficiently.
- Washington County Building Department stands alone: prohibited from making a profit from the fees it charges. That doesn't indicate whether the bureaucracy is too big as is, but at least its fees don't include charges to make a profit.
- Issue with forgiveness of fee is it just pushes the cost somewhere else. The municipality is still going to get that cost from somewhere. Comment from subcommittee member: State law does not allow local jurisdictions to charge differently.

*Other Strategies:*

- Suggestion for new strategy: if a plan comes in with certain mutually agreed-on criteria for affordable housing, guarantee that plan will get priority to be reviewed in ninety days, or half the fee will be waived. This would be an incentive to include affordable housing in development plans and would save the developer money by saving his or her time.
- Certificate of Occupancy (C of O) is an easier place to forgive fees than in tax credit equity. Answering comment: but doing that takes money out of the upfront cost. Permits are paid when the permanent financing goes down: so using the C of O misses the main reason to reduce costs.

*Population affected by strategies:*

- The strategies limiting fee reduction to projects serving those in the less than 50% of the regional median household income category does not address the issues broadly enough. As with SDC, would prefer broader definition that encompasses more affordable housing possibilities.

## Property Tax Exemptions

- This provides a powerful tool for homeownership. How does it assist renters?
- Currently there needs to be 51% of a tax district (= school district) to support tax abatement. With the current state of schools will it be harder to get that support with their immediate need for revenue?
- Political positioning: Show long-term benefits of tax abatement to neighborhoods and schools.
- Rampant property value increases could potentially mean higher costs to tax district for abatement.
- Need to find ways that do not penalize districts for abatement.
- A model that indexed need might cater more to the people who need the affordable housing the most. This could be funded with city money and administered by the county.
- Tax abatements are currently for 10 years on land value only. If abatements were tied to a need index there may be ways to adjust length of abatement. If this is done, incentives need to be put in place to move out of the abatement, otherwise there could be abuse of this. Need to assess more than salary. One participant pointed out that a similar system in England is open to wide abuse.
- Develop a regional approach for specific areas of need, tied to broader political goals that can be applied regionally.
- Use abatement to “prime the pump”.

## Land Costs and Availability

- General comment: When affordable housing is on donated property, there is the potential for creating concentrations of poverty and stigmatizing the residents. There should be a focus on mixing affordable housing with market rate housing.

### *Increasing Infill v. Expanding UGB:*

- The recommendations do not address land cost and availability. The focus group participants had a variety of opinions about ways to approach this issue. Some members would like Metro to look at the Urban Growth Boundary and develop ways to open up more land. Other members wanted to see a focus on prioritizing redevelopment of existing properties.
- Land cost and availability was identified as the “single most difficult challenge” in reducing the cost of affordable housing.
- HTAC chair let group know that Metro has addressed the Urban Growth Boundary in other documents.
- Fair Share Allocation: Some strategies are more applicable to some jurisdictions than others.
- Some jurisdictions have a greater need to look at UGB than others.
- Some members felt that the UGB is a political reality and that time and resources could be used more effectively in working within it than trying to change it. UGB seems strongly supported by voters and is a larger issue than housing.

### *Develop Incentives for Infill:*

- Infill is more expensive and time consuming to develop. Currently “difficult to do the right thing.” Need to make it cheaper to do infill. Create incentives for infill.
- Encourage development of “air space” above existing surface parking lots.
- Make incentives for development in the “core urban area”
- Suggestion: Create a Regional Land Bank using private sector resources with low cost impact on public sector. There could be a private sector line of credit with public credit enhancement. Buy at today’s prices. This could pay for itself.
- Keeping Land Bank in private sector reduces cost of bureaucracy. Public funds can be used to assist population needing affordable housing and administer abatements, etc.
- Start by reviewing all land now in public domain, including right of ways.
- Explore mixed-use opportunities over existing development.
- Define overall strategies and prioritize them by % of cost reduction per strategy. Look for biggest impact.
- HTAC should fully explore getting most from the private sector.

## **Off-Site Improvements**

- The public used to want to invest in off-site improvements, as part of encouraging growth and development. Now, the public is less pro-growth and so wants to put this cost on the developer, meaning eventually the consumer. Right now, there is no mechanism for reducing these costs for the affordable housing developer.
- Regionally, addressing storm-water run-off has to happen. It's a stupid requirement. Would especially emphasize bullet #4 under Regional - storm water retention.
- Also emphasize first two bullets under Local (reduction of Guarantee of Completion and reduction of Maintenance Guarantee.)

### ***Bancroft Loan to Subsidize Costs:***

- Suggestion: put a portion of the money the public is willing to allocate into a bonded debt (Bancroft Loan) to subsidize costs of off-site development for the affordable housing developer. Comment from other participant: This would be the most significant thing you could do to reduce costs. It would also help the first-time homebuyer.
- Comment from subcommittee: Bancroft loans used to be used a lot more, but fell off because the lender insisted the loan be paid off when sold. It could work if HUD would approve the loan.
- General agreement: Bancroft loans could be useful as suggested above if the ultimate lender will allow subordination on a Bancroft-type loan. Could use HUD, Fannie Mae, and other Federal lenders.

## **Local Regulatory Restraints**

### ***Need for region-wide standardized, seamless process:***

- Each developer may have an opinion about whether he is willing to work in a certain county or municipality, based on experience with that entity. Single biggest thing you could do is standardize the zoning, land-use, permitting process so it is seamless across the region. The developer would know the game so it is less parochial.
- Comment: There is some recent state legislation that addresses this, but mostly with single-family housing. For example, plans have to be reviewed within ten days or must be out-sourced, and some standardization of forms. Answering comment: These may be theoretically in place, but are not happening "on the ground."
- Combine the offices of county and city surveyors. Right now, the developer has to go back and forth between them for the same location. Have only one surveyor per jurisdiction (plat surveys.)
- Get the county out of any kind of urban permitting process. (Counties are now hiring the cities to do it but are not giving them authority.) Use only urban entities to permit urban areas.
- Currently, it is hard to imagine why the process takes so long. The strategies suggested here under "Local" most local entities would say they are doing already, but they are not having much impact on streamlining the process. Question is whether they would know a streamlined process if they saw it.
- It's Metro's role to establish actual, measurable benchmarks and standards for the process (e.g., ten-day turn around.)
- Improving efficiency affects everyone, every kind of developer and consumer, not just those in affordable housing. The underlying problem of the slowness of the permitting process is tremendously costly; improving the baseline will improve this for everyone. Once this is done, refine the technique to by identifying ways to prioritize affordable housing (short cuts in review process, etc.)
- Be careful that improvements don't dis-advantage the first-time homebuyer.
- Get agreement on a regional policy level, and then set up procedure to expedite it.
- Set up a category of agreed-on policies (such as affordable housing, supporting clean air) that will get first-class treatment (like immediate review.) This will not reduce the overall pot of money collected by agency but will reduce the cost of development by saving the developer's time.
- Suggestion: Have Metro planners compare permitting process in Tigard and in Portland. Can't say which is better, but one takes nine months longer!

## **State and Local Coordination**

- Focus group recommended going further with strategies.
- There is a disconnection between PDC, State, HUD and others. Many require reapplication, creating duplication and time delays.
- Standardize applications and reports
- Eliminate layers.
- A political problem is the over subscription of the funding cycle. Tangible demand for dollars creates resistance to change.
- Coordinate policy to reduce conflicts.
- Design review includes duplication of efforts between county and state. The timing has improved but there is room for more improvement.

## **State Regulatory Constraints**

### *Cost Impact of Building Codes:*

- The cost of complying with building codes impacts affordability. There has been significant “building code creep” in codes being added in recent years: cumulative effect is not analyzed and is significant in driving up development costs and limiting flexibility.
- Group identified lack of cost and affordability checks. Would like to see cost review standards. This would require political will.
- Unfunded mandates. Code changes related to things like sprinklers, seismic standards and green building substantially increase costs that build upon one another. Developers then must pass costs on to consumers. Each of these types of regulations is defensible and is a good idea, but is the outcome housing that no one can afford? Need to balance quality standards with right social results.
- For affordable housing: how do you look at funding strategies.
- Exempting doesn’t seem like a good idea.
- Suggestion was made to require a cost impact statement for affordable housing with any new regulation or code. Impacts can include creating design restraints. (For instance, stair tread width and height can make two-story development of smaller houses unfeasible).

## **Parking**

- Group felt many parking issues are addressed at other levels.
- Encourage innovative thinking about parking. Look to municipalities with more maturity in dealing with density for ideas. Create incentives for efficiencies like park sharing.
- Recognize resources for parking other than off street by unit. What other parking is available to be utilized. Take a “sub region” approach to identifying parking resources. Encourage overlap and leasing.
- Educate financial community.
- Look at innovative storm water solutions other than impervious surfaces. Look for solutions that are holistic, innovative and state of the art.

## **Additional Suggestions**

- Fully explore incentives before regulation. Make developers and bureaucracy part of the solution.
- Consider approach: Affordable housing as a place or process. Look for ways to create a better social dynamic.
- Make sure funding is going to right source.
- Look at dynamic of PUC causing consumers to subsidize increased costs.

## **Land Use and Regulatory Focus Group**

March 10, 2000

## **Participants**

Ethan Seltzer, Institute for Metropolitan Studies, PSU  
Ernie Platt, West Hills Development/ Home Builders Association  
Beverly Froude, Citizen Involvement, Tigard Area  
Duane Roberts, City of Tigard  
Leah Halstead, Portland Development Commission  
David Nebel, Oregon Law Center  
Carl Talton, PGE  
Tim Ramis, Specialized Housing Inc.  
Rick Holt, Holt and Haugh, Inc.

## **H-TAC Members Present**

Gail Brownmiller, City of Hillsboro  
Tasha Harmon, Community Development Network

## **Main Themes:**

- It's essential to have an overall vision and plan for the community or neighborhood, with affordable housing being a piece of that vision.
- Most of these strategies are going to be difficult to implement politically – another reason to build the vision of what the whole community is willing to support.
- Of all the strategies, the Long-term/Permanent category probably has the most chance of being “enforceable:” but there are some strong concerns as to whether and how it should be enforced.
- Participants had different perspectives about the advisability of mandating these approaches. Some participants feel the only effective strategies will be those that work with incentives and are voluntary. Other participants feel that those efforts are not addressing the current housing crises and so some mandated policies that address that need should be considered.

## **Long-term or Permanent Affordability**

- These strategies are not enough alone; need to be part of a combination of strategies.
- Recommendations need to be for both low income and affordable home ownership.
- Look into options such as Community Land Trusts and Shared Equity Models.
- Do we need to challenge some basic assumptions? Are we investing in places as opposed to people? There are dangers in a model that can create pockets of isolation and stigmatization. Emphasize strategies that integrate all levels of affordability.
- There are programs that invest in people. Section 8 is one, providing rent subsidies. There are barriers however, including renters having a difficult time finding landlords who will rent to them and the funds are budget sensitive.
- Look to other communities to see ways they have successfully addressed the “social side” vs. the “bricks and sticks”.
- Do we need to question the dynamics? What are we about? How do we create true permanence?
- There are big loopholes in feasibility of long-term affordability strategies. Projects are ready to go, just lacking funding. Public dollars are scarce. How broadly are we looking at public investment? Need to increase accessibility of resources.
- There needs to be investment in both people and places. There is a need for permanent housing options, not only strategies. There has been a lot learned about what works and what doesn't. Affordable housing is a starting place.
- Does this strategy actually require anyone to do anything? Does this increase development? There needs to be greater sources of funding.
- Metro could create a list of best practices.

## Density Bonus

- Report says having mandatory density bonus not possible. Same point applies here as was made about Long-Term/Permanent categories: if the guidelines aren't mandatory, will they be effective? Great ideas here but need implementation.
- The concept here is great: but the actuality is under current operation in local jurisdictions there are minimum densities identified and these suggestions are not likely to be implemented.
- Key the amount of affordable housing in the proposal to the amount of the density bonus – for example, if 20% of the development is affordable housing, give comparable bonus for that.
- This is an attractive strategy – doesn't cost anything. But, politically difficult to implement: people are resistant to increasing density.
- I echo difficulty of implementation, as a neighborhood person.
- Simple economics: the developer is dealing with how to build something that is economically feasible. Currently, the low-density market is identified as the most cost-effective.

## Replacement Housing

- Encourage looking at redistribution as well as replacement. Create communities with more mixed types of housing and create sustainability.
- Concern was expressed that a strategy the encouraged redistribution would disrupt lives of community members. When does disbursement become displacement?
- A question about the technical feasibility of tracking affordability: How do you define low-income/affordable. What does “private” affordable housing look like? Are we only looking at publicly funded housing. This makes it hard to define and assess.
- Does this only impact housing requiring a zoning change?
- Where is the broader picture addressed?
- What is the rationale for making the original owners of affordable housing responsible to provide it forever?
- This appears to create a burden for a single landowner. Can depress his property value. Does this put the responsibility in the wrong place?
- Strategies need to come from larger community vision. Focus on policy, vision.

## Inclusionary Housing/Zoning

- Addressing A.3: as crafted in recommendation doesn't carry enough weight, but is the kernel of an intriguing idea. Special land-use need is most likely to drive amendment to the UGB; right now, that need is land-jobs-housing rather than affordable housing. Switch to an incentive approach, let developers do what they do best – compete with each other! Develop language in UGB amendment process giving advantage to developments that include affordable housing.
- Missing larger context – 15 years ago, development in NE Portland was intending to include jobs, business ownership, and housing. The housing came along pretty quickly but the other pieces didn't – and exacerbated gentrification issue. Need to put in context of an economically viable community, part and parcel of this rather than treating affordable housing as its own universe.
- Several items here speak to reduction of cost, which the first focus group has already addressed so I won't repeat those comments here. (Idea of improving baseline of permitting process to reduce overall cost to everyone.)
- “Voluntary” and “by incentive” are the key element to success of this whole thing. Anything smacking of mandatory will sink it. It's Economics 101: if you make someone build and sell it for less than cost, you're driving up the price of all housing. Doesn't work.
- There's a giant loophole here: nothing speaks to permanency. What's to preclude a buyer from buying at a lower rate then turning around and selling at a higher rate? (Comment from HTAC committee: committee recognized that, and the recommendation is linked to permanency in the larger document.)

- Makes sense to have phased-in approach. Phase one is a program of incentives, voluntarily giving people a chance to “do the right thing.” Then, if the desired result does not happen: kick in the mandatory regulations. It would be great to have this stuff happen voluntarily, but we have been talking about these issues for a long time and that is not happening – the stories are getting worse and worse of people not being able to afford housing. Set a time frame, just like any other public concern – if at some point it does not improve, set mandatory guidelines.
- Q: who needs to “do the right thing”? A: There are lots of players – developers, government, and community.
- Places that have done inclusionary zoning have aimed at people at 50-80% of median income. This is valuable because they move out and housing starts to become available. It will take huge incentives to get units for people at 0-30% of MHI; technically just not feasible.
- How to move to voluntary climate – the question becomes how do we get there? Projects like the Enterprise Zone have several million dollars on the table. We need to make sure we get our money’s worth out of the project.
- Need to level the playing field. Developers work within a zoning program that segregates housing by income levels. The kernel is changing the way we do business in creating community. Work in chances for affordable housing – there are lots of small ways, carriage houses, apartments above garages. Set up a process so we can make providing affordable housing amenable rather than having to force it. The buildings need to be transparent – their use can change: planning makes different uses possible.
- The key point is, if local jurisdictions want this to happen, it will. If they don’t, it won’t. (Echoed by another participant.)

### **Transfer of Development Rights**

- Good theory, but would need to have specifically identified sending and receiving areas. Need specifics to be able to judge how productive this recommendation is.
- Concern that this is limited in its effectiveness because of the limit of land availability. It is not market supported. Clark Co. did this and couldn’t create the incentives.
- This seems more appropriate in central urban areas. This has been used successfully in Portland.
- Does this focus on regulation as opposed to incentive?
- There is a place for incentives. But seeing the need increase has left a feeling that they may not be enough. When do you need to put some “teeth” into it? At what point do you say incentives aren’t working and we need to regulate to meet this social problem?
- Be aware that transferring rights, especially for facilities like SRO’s can create less incentive for development of the area in other ways.

### **Housing for Seniors and the Disabled**

- As a non-profit provider of low-income, special needs housing, we’ve been most effective by realizing the developers are our allies. Given the price of land today the only way to include affordable housing from the start is in new areas brought into the UGB. Emphasize re-writing the process for UGB amendments; create incentives for developing affordable housing because that would carry weight in achieving amendment.
- There are a wide array of people with disabilities, and varying neighborhood responses to them. Some populations, such as seniors, are going to be easier to address than others, such as psychiatric.

### **Developing Regional Database**

- Reason for developing this database not clearly enough outlined in this proposal. Need to first identify what the problem is you are trying to solve, and who is trying to solve it. (This isn’t identified in the proposal.) If some of the entities don’t want to solve the problem, collecting the data isn’t going to be useful – it would be better to stay at the first stage of trying to build agreement on what people or entities are willing to be held accountable for.

- Need to look at what it will take to gather this data, and how long. My fear is it will happen once and then never be updated. Right now I am collecting similar data for a much smaller area than that identified here, and it is difficult to get and will be very difficult to keep updated.

### **Comments on Overall Package**

- I'd recommend re-organizing the document around two major sets of questions I see running throughout it. The first set is a) what's the cost of housing to different households and b) what can we do to stabilize or bring the cost of housing down. The second set is what is the distribution of housing. If you want affordable housing everywhere, say so, but be specific about what strategies will work where. Some strategies will work in the inner city but not in outlying areas.
- In terms of enforceability – you need to identify what kind of guidelines or expectations communities in this region are willing to be held accountable for and start there.
- How can the average citizen find out about what's going on in this area and get involved? Most of the strategies identified here look top down. I don't see a lot of place for neighborhood involvement, and that is the arena these strategies are ultimately going to affect.
- Document talks about responsibility of community to provide affordable housing but there is no language about the responsibility of affordable housing to the community. Need to discuss it as a mutual support system, not one way. Identify ways affordable housing will support the rest of the community. (HTAC member commented this was true, committee recognized this needed to be addressed in document.)
- Support first suggestion about re-organizing document around two major sets of questions. Define in very broad umbrella strokes what we are trying to accomplish. What can we accomplish with what we currently have without creating something new.
- How to bring land into the equation, if we are not willing to accept that the cost of land dictates how it will be used. The community needs to address that. Needs to be fair: most people will say I'm willing to do it if everyone else will, too. The owner of new land will not want to bear the cost. Fair share, not targeted.
- Of the strategies identified here, the most effective if mandated would be the Permanent Affordable Housing Regulatory tool (because there is a legal framework for it) and the UGC considerations. Another issue, not addressed here, that needs to be considered is the Real Estate Transfer Tax – discussion about this has to begin. The real beneficiaries are people who have owned land over the past decade.
- I agree that the Long-Term, Permanent Affordable Housing strategies would be the most effective if one had to be mandated. Important to find some kind of stable funding source for affordable housing.
- Replacement housing issue: I see both sides. Approach needs to be fair, measured and useful – not set as an absolute requirement.
- Long-term permanent housing most significant strategy, if a little more difficult to mandate. The 0-50% of MHI is where the crisis is, needs priority, but also want to see wider array of incomes and types of housing (ownership) supported.
- Support any strategies that reduce costs to non-profit agencies, especially those operating in suburban areas.
- Echo what's been said. Technically, about half of these strategies are feasible. Politically, probably the only one that's feasible is the one people have mentioned, the Long-Term Permanent. Others may be feasible in some areas, but some communities will say “over my dead body.”
- How to get citizens interested, help neighborhood residents become aware of discussion and how it can affect them? A: Metro has model for outreach around this issue, HTAC members are willing, happy to present it.
- Planning Commission perspective: the purpose or need identified is permanent, the place isn't. Once you put “forever” limitations on property, it becomes very difficult for the community to work with it.

## Regional Funding Focus Group

March 17, 2000

### Participants

Gregg Kantor, NW Natural  
Judy Rau, Metropolitan Broad Base Org. Comm.  
Carol W. Cole, City of Gresham  
Don Neureuther, Neighborhood Partnership Fund  
Leeanne MacColl, League of Women Voters of the Columbia River Region  
Brent Warren, Key Bank  
Brian Stewart, Washington Mutual  
Traci Manning, Central City Concern  
Steve Sprecher, United Methodist Church/Zimmerman Community Center  
Dick Anderson, Fannie Mae  
Jeff Salvon, City of Beaverton  
Jim Zehren, Stoel Rives/MPAC  
Sue Krake, Fannie Mae  
Clyde Doctor, City Club of Portland  
Monika Elgert, Enterprise Foundation

### H-TAC Members Present

- Erik Sten, Portland City Commissioner

### Main Themes

- The most important thing to look at is supporting people, with things like rent subsidies vs. providing space.
- Affordable housing funding efforts have to be strategically leveraged and applied to accomplish the overall strategy for growth in the region.
- Focus on incentives to bring broader participation.
- Be sure that strategies are consistent with and supportive of regional planning and policy.
- Create partnerships to leverage dollars.

### Section A. Maximum Existing Resources

#### A1. Training Program

- Goal is to help the region increase expertise in accessing existing money for affordable housing. Some jurisdictions have more expertise than others.
- Consider economies of scale. Would creating a core-centralized resource of expertise be more cost effective? Keeps more money available for actual housing programs. Do an annual training? Look at a “regional SWAT team” approach. Use folks with proven track record of success of securing funding.
- Benefit of increasing capacity of expertise in communities is that it is then a more permanent resource to the community.
- Fair share is the wrong idea. Better to allow each jurisdiction to take responsibility for balance in growth.
- This training seems to be aimed toward government. Is it also for non-profits?
- Concern that an annual one-day training is not enough. Too much information at once does not create expertise.
- Re: The web site; The Enterprise Foundation has an extensive site, would this be a duplication of efforts? Might want to add to the existing site.
- National Foundations are currently supportive of regional approach and collaboration in seeking funding.
- Need to look at how jurisdictions are defined. Is it governmental? Do Non-profit CDC areas of service determine it?

- RE: regional “swat team” idea. Sounds efficient, and may be, but politically we do need buy-in by the local community, and paperwork that represents local focus and buy-in. Otherwise, if we’re going for centralized application efforts wouldn’t we just have the funding agencies do most of the paperwork and/or streamline processes?

*A2. Consistent Consolidated Plans*

*A3. Allocation of HOME Funds*

- Suggestion was that these two items could be looked at together. Some linkage is already beginning. This is the year that the consolidated plan was due. Next one, in five years, could be much more coordinated.
- Good suggestion. Seems effective.
- Rep. Hooley has earmarked funds to start a regional housing fund and HUD is supportive.

*A4. Promote Changes with HUD*

- Federal policy is moving toward an approach that involves consolidation in planning at a regional level. If that’s one of our goals, list it here and let the Feds know it’s one of our goals.
- Q: Does this mean we are pooling grant money or just pooling plans? A: The current proposal is to pool 10% of the grant money. Pooling more of the money is likely to be controversial with elected officials.
- Moving from a project based to a tenant based strategy would require a lot of pressure on HUD.
- Housing Authority of Portland has authority to do some section 8 housing that is project based rather than tenant based. HTAC should check this out – not sure how much it is currently being used, and we should maximize what we can currently do.
- As part of doing the City Club report on this issue, we only recently realized that building buildings doesn’t solve the problem – in fact, rents in subsidized buildings can turn out to be not much different than rents in market rate buildings. The assumption we had that someone who moved into a public development would pay less didn’t turn out to be true. The HTAC report does not identify the scope of the problem and make a compelling case for addressing it. After reading it, I’m not sure what to do, what course of action it recommends.
- The most important thing to look at is supporting people’s rent vs. providing space. The dollar amount identified in this report doesn’t go anywhere near toward meeting the need of paying people’s rent vs. providing buildings.

*A5. Enterprise Foundation Regional Acquisition Fund*

- Q: How would this work? Would the region pinpoint a need, identify a piece of land and then propose to Enterprise? A: Right now, any jurisdiction can approach Enterprise, but there needs to be a signatory authority to guarantee the money will be paid back – signatory not yet identified, but we are working to get that in place.
- This strategy would help because if you go to the bank and already own the land, it gives you leverage to get a loan.
- Q: Can non-profits participate in this? Or will it just set up more competition for available land than already exists? A: Jurisdictions will make the approach, and will most likely parcel out the actual land for developments to non-profits and for profit developers. The Enterprise Fund language encourages nonprofits but does not preclude a for profit development from being considered.
- \$20 million will not buy a whole lot of land.
- Q: Is there a means test for who can participate in this fund? Do jurisdictions have to prove they don’t have the money for the purchase? A: Don’t think so.
- This could be a very important strategy for outlying suburbs where the property values are going way up.

- Q: Is there anything we should do locally or regionally to maximize our ability to use existing programs like Federal income tax credits? A: Right now use of this is pretty much maxed out, locally. Could encourage legislative support for bill to increase amount states receive.
- Has HTAC considered how similar projects have worked in other places – there was a \$30 million land bank set up in Minnesota to address many of the same issues.

## **Section B: New Funding Source for Housing**

### **B1. Employee Sponsored Housing**

- This is a very healthy approach – affordable housing is only one part of the problem of poverty. Strategies like this are one way to address the needs of people who have borderline incomes, and also helps to stabilize neighborhoods.
- Some employers do offer some kind of subsidy, but it's often paying part of the loan fees, and usually is directed at relocating higher salaried employees. Not a comprehensive approach.
- This is a bottom line issue for business. It's a good piece to have in here, but only with the understanding that businesses are often thinking in their own silo, and you have to offer them some incentives to promote this. For instance, set up a loan fund if they match it, tie it to property tax discounts they may be requesting – link those to their making a down payment available for employees at a lower salary scale.
- Q: Has HTAC talked to CEO's of companies about this? There are a number of ways this could benefit them – reducing travel time for employees, reducing traffic, transportation costs. There's also an advantage to getting the CEO's in a room together so there is some incentive to match each other in “doing the right thing.” A: HTAC has not done major outreach. It's probably going to take getting a CEO to take the lead in promoting this.
- It could also be helpful to start making public presentations, educating about these issues at the City Club, Chamber of Commerce arenas.
- I think you're really swimming upstream with this strategy. Every employer is struggling to deal with the cost of providing health care, which is skyrocketing, and perceived as a basic benefit. Also, you're dealing in an economic setting where productivity, the bottom line, revenue, the pressure of the global economy are all squashing the chance to think creatively. Money is going to attract and retain highly skilled employees at high salaries. Maybe there is a fundamentally different way of looking at this: how can companies afford to pay employees a living wage that will allow them to find housing? There are not many strategies identified here that address both those issues.
- As we bring employers in, we need a discussion of a living wage.
- I'd suggest re-structuring and re-wording this section: right now it would be seen by the private sector as a “hold-up.” Money is going into a regional fund administered by bureaucrats. It would be more appealing for employers to keep an approach where their money is going directly to their own employees. Show them how they could re-allocate money they are already spending and get a better workforce.
- Comment: HTAC made a decision early on that it could not take on the overall economic issues involved in housing. We need to make sure the report states explicitly what we decided had to be beyond the scope of this strategy: for instance, we can't solve the job problem, but it certainly affects the housing situation.
- Take out language describing “B1 A: Regional Fund.” Employers are likely to react to that as something that could potentially be mandated, and it could taint their willingness to consider the more self-directed possibilities identified as Employer Based.
- The strategy identified in B1 might link to B3, the Housing Linkage Fee, with B1 being more voluntary and B3 more mandatory. SDCs need to be designed so we're not pushing jobs out of the metro region where we want them.

- Consider using mechanisms already in place, such as employers letting employees borrow on 401(k) funds for a down payment. Those funds are already in place and people are using them creatively.
- Language of report where it describes income needs clarification. The report points out that over the last 10 years, wages have increased 40%, housing costs have increased 100% and rents have increased 30%. Some readers may look at that and think, “So, there’s no problem with rents.” But actually, the report should describe what’s happening with people in the 0-30% MHI, because that’s where the rents are unreachable.
- Any regional pool established should include non-profit providers.
- “Personal Investment Account” (proposed by Beverly Stein) as a new source of regional fund, where employers put money into an account that is used for various purposes (that may include housing.) Contact Bev’s office for more info.

### **B2. Real Estate Transfer Tax**

- Political support has been bipartisan in the past. Bankers are interested if it is going for affordable housing. Home Builders have shown interest. Realtors are not currently interested. Legislature may be swayed if these three groups would support.
- Sounds like a winner if the math works out.
- Need to look at three areas: Very low income rentals, first time homebuyers and SDC relief. (Do you limit SDC’s to those with an affordability component?)
- Risky to depend on long-term support from Federal government, regional approach is more dependable and makes sense.
- Explore regional income tax and tax increment funding IF it is a dedicated fund.
- Prior experience with housing trust funds illuminates the need to use fund to leverage partnerships to create a greater impact.
- If funds were dedicated would be more feasible politically. Should include provision that any increase would require a vote to pass.
- Emphasis is shifted from need to production. We need to stay focused on the need.
- Oregon Bankers Association Community Involvement Committee has endorsed a nominal RETT. More specifics are needed to strengthen support. Need to look at factors such as exemptions and amounts.
- Need more clarity about administrative strategy.
- Another example of the need for the funds to be dedicated is that there is already a county in Oregon with an RETT, which has not been a “stellar performer” in the housing arena. The expectation cannot be that this will be effective for affordable housing if not dedicated.
- This is politically more feasible to “person on the street” than other taxes such as sales tax and increase in income tax.
- The elimination of the capital gains tax theoretically puts more money in folk’s pockets.
- Would like to see breakdown of allocation of funds. How much to 0-30%? 31-50%?
- The terms “excluding” and “exempting” are both used in the document. Are they different? And if so, how are they different?
- Politically more acceptable to average person than bond issue or regional income tax.
- Provided it is dedicated, and limited to no increases unless voters approve
- Would sell now in growing real estate market as a relatively painless way to help people get into housing, a value most people support

### **B3. Housing Linkage Fees:**

- I don’t agree with the premise – the kind of economic development we are seeing doesn’t necessarily result in a large number of lower-income jobs.
- If someone is creating lots of low-wage jobs, it ought to be linked; otherwise, you’re providing a disincentive for higher wage jobs in the metro area.

- Real growth management issues, especially in the central city. It's contrary to people developing in places we want them to go.
- I understand this idea was brought in late in the process, and so there's a lot of political groundwork that hasn't been done. It may be worth going ahead with – but it will take a tremendous amount of work to do that political groundwork in support of this.
- I think it damages the chances of the Real Estate Transfer Tax by attaching it in this report. It makes a fairly moderate approach (the RETT) look Draconian in combination.
- The nexus would have to be really clear.
- This strategy is pretty politically unpalatable.
- When we were doing the City Club interviews, builders spent a lot of time attacking inclusionary zoning, which is what this sounds like. They were more willing to entertain the idea of something like RETT, but were adamant in opposing inclusionary zoning.
- Don't take it out of the report because it is like we're favoring making friends only with the homebuilders. Both RETT and the linkage fee should stay in the report but emphasize RETT.

#### ***B4. Use and Administration of New Regional Housing Fund***

- It needs to be more clearly stated that use of this money has to be consistent within the regional growth scheme.
- Don't want to use money that it's taken a huge effort to obtain to be used to develop housing where we don't want people to be.
- Q: What does “permanently” mean in this context? 60 years? 20 years?
- Again, encourage thinking about funding rent support rather than projects. I question whether projects built with tax credits, etc. produce buildings more cheaply than those built by a private developer – so are we really saving money?
- Have to take into account neighborhood opposition to these projects. The report identifies a need for 40,000 units, then immediately cuts that to 20,000 that may be produced. Judging by current local resistance to such projects, it's unlikely that 6 projects of 150 units could be produced in a year. Time to think of new strategies, such as putting money toward rents. There's also a tremendous opportunity to work with smaller scale and more creative design to develop housing more acceptable to neighborhoods. But you still have the problem: once you build it, who can afford to live in it?
- Target the money to where the greatest need is. There are lots of public subsidies to people at 50-60% MHI – this does equate to market-rate rents. If you create this kind of pool – it will need lots of public input as to how money is spent. Also, guidelines for leveraging money and making sure it gets to the need.
- The need at the 0-30% income level is high because those have to be built with virtually no loan. Could build for the 50-60% level, and then create rent assistance pool. Buildings that are accessible to seniors and people who are disabled are expensive, but that is where the need is.
- It's absolutely crucial that the intent that these strategies provide permanent affordability be clearly stated in the RETT and also in the other strategies.

#### **What's Missing?**

- It all takes groundwork. Explore rent assistance. Needs to be long-term (20 years rather than 2 years.) The state has recently targeted some new money for those in the 0-30% MHI category, but only for 2 years, which means most lenders are (understandably) reluctant to lend. It's a beginning, though.
- Big numbers are sometimes scary – but capital is there if you know where to look for it. The question is how to pay for it, how to handle the debt service and interest. Most of these strategies address capital – there may be some ways to work within the political structure to generate ways to support these other costs.
- Raise incomes or lower costs. Keep in mind what costs are there – every time we put in a new fee, or permit, it raises the cost of housing.

- I'm a proponent of mixed-use housing, but it does cost more – structurally, and for issues like parking. Anything we can do to address these corollary issues - move people out of cars, locate by mass transit - will lower the overall cost.
- Services and education are part of housing – bricks and mortar are only a temporary fix. Support system of financial education, responsibilities people are getting into also needs to be in place.
- Median cost of a home is \$160,000. People forget that means there are properties selling below and above that figure. As a lender, we see people able to find a house for lower than that median figure – need to educate people that there are still those possibilities out there; more accessibility than you might imagine.
- The notion of a "fair share" allocation of affordable housing is the wrong concept to be espousing and pursuing. It conveys the idea that local communities somehow should find a way to "accept" from the region their allocated shares of something undesirable that they otherwise would not want. That's backwards. Each local community should want affordable housing within its jurisdiction for its own good, so that it can be a fully functioning, complete, livable community within our region. Otherwise, certain people who work in the community or otherwise participate in the life of the community will not be able to live there, and will need to travel into the community each day. Early on during MPAC's discussions of allocation of future population and employment growth across the region, MPAC members, Metro Councilors, and Metro staff all talked in terms of each community's "fair share" of the anticipated growth. But at a retreat one day we figured out that the idea of a "fair share" of future growth was not the right concept, because it had the connotation of local jurisdictions grudgingly accepting from the region their shares of something undesirable. So we stopped using the phrase. And as a result the regional dialogue on the involved issues dramatically changed for the better. The same could and should happen regarding allocation of affordable housing. Making this conceptual change could be a watershed event.

### **3. Community Roundtable Discussion Summaries**

Metro held four Community Roundtable Discussions around the region. Citizens, faith-based organization, and neighborhood leaders were invited, and notices were placed in community newsletters. Anne Rutherford and Judith Mowry of Full Circle Consulting facilitated the meetings.

#### **Clackamas County**

North Clackamas Aquatic Park  
April 11, 2000

Approximately 12 citizens attended

#### **General Comment:**

- Make sure that it is clear that the statistics in the slide show are specific to the Metro region.

#### **Land Use and Regulatory Tools**

- Are we heading towards something like the Bay Area with huge apartment complexes created through tools like a density bonus?
- What about the loss of land due to the impact of the 4(d) rules. How does this impact the availability of land for housing and affordable housing?
- What about the impact of Clark County on the regional housing supply?
- What about the lack of land for industry in Clackamas County?
- There is a perception that the residents of affordable housing will bring the neighborhoods down, what are you doing about this?
- Many people are living in “artificially” affordable housing – if they lose their job then they will lose their home within months.
- Oftentimes bad management is the cause of bad apartment buildings.
- I’m happy to see that ownership options are included in the strategies – owners tend to take better care of their homes.
- Ownership also helps families to build equity.
- What about site development issues? A site could be a brownfield or have other constraints, and this then increases the cost of developing. It isn’t easy to put affordable housing in these places.
- When I see the word “units” I think rental units (especially in the context of a density bonus). Why only offer rental options – why not provide a lease to own option?
- Developers are not able to build entry level housing because the permit and development fees have gone up so high lately. The cities make it impossible.
- What benefit are you giving to a developer to maintain long term affordability? A reduced interest rate, etc.
- I’d like to tell a story: I’ve been seeing a family of four living in a van. They would like to have a home, but the husband makes \$6/hour and the wife \$5.50, and they cannot even afford a place to rent. That’s why a community land trust makes so much sense, to get these people into homes that they can afford.
- There may be problems in identifying areas to develop within neighborhoods above stores – in Clackamas County people are not willing to accept that kind of density.
- How can you guarantee that the management will be kept up over time? You have the opportunity to put in guidelines for management at this time, this should be strongly encouraged.
- I want to see that options are available. There should be the opportunity to have units over stores, the best way to create a community is to have homeownership options as well. There is not one program that will work everywhere. The biggest problem will be the turf issue, the jurisdictions that do not want any affordable housing.

- People who rent are not as invested in their community or their homes.
- But some renters are very involved in their neighborhood associations and take good care of their homes. Not everyone is in a position to own a home or even wants to. The option to rent should be available.
- Children going to school are going to have a much better chance of getting an education if their parents own their home.

### **Cost Reduction/Regional Funding**

- I've never seen development pay for itself, if the fees are reduced for affordable housing then other development will be impacted by higher fees. Unless the money will come from someplace else.
- We have a fiscal responsibility to our ratepayers to not increase their rates to help someone else. This sounds like a good idea.
- Clackamas County is still smarting from the cost of Altamont.
- Many of these strategies look good, and the RETT looks like a very good tool to provide money for housing in the region.
- If you don't include language in the proposal that the tax will not be raised without a vote, then it will never be passed.
- When people balk at new taxes it is because they are afraid it will go sky high later on. But if the proposal is structured well then you might have a chance of it passing.
- I'm the president of the board of some apartments. Some people just do not want to own, they don't want the responsibility. Somebody should teach these people the benefits of homeownership. I've never understood how the US Government can take huge amounts of money to bomb Serbia but they can't fix something here that costs only \$50,000.
- Have you looked at any other options for regional funding than a RETT?
- If you use proper zoning, which has never been done in this area, you are going to have to have a way to enforce a requirement that local jurisdictions look at their comprehensive plans. Many communities have not update their comp plans for over ten years, and they will not do it unless they have to. You will have to have some method of enforcement.
- Can you use any incentives to get jurisdictions to do this? Metro seems to have more money than other local governments.
- The housing policies should be looked at in connection with transportation policies. They are interconnected.

### **City of Portland**

King Elementary School Cafeteria  
April 12, 2000

Approximately 30 citizens attended

### **Questions asked by participants:**

- How does HTAC project the need for affordable housing?
- What are examples of shared-equity, land-trust models: how do they work?
- How is it ensured that tax abatement or other programs that help people develop or own affordable housing stay affordable (not sold and make a profit)?
- Is HTAC basing its work on models used in other parts of the country? What are examples of these kinds of approaches and how they have worked?

## Comments:

- An issue with identifying buildings as long-term affordable housing is that buildings have life-spans: make sure means, funds are in place to maintain and rehabilitate these buildings so people don't end up living in fire-traps.
- It's always more effective to use preservation and conservation than to start from scratch.
- Support for creative, innovative ways of approaching this issue – such as special partnerships, smaller models of community created housing.
- Get property owners, architects together to develop “proto-type housing,” for example through an AIA-sponsored competition. Other comment: this has been done in NE Portland, project was highly successful (award-winning) both in housing built and in relationships established with architects.
- Don't assume that building housing by jobs will ensure that the housing will be used by the people employed there.
- Important that any tax-abatement programs ensure that the owner continue to make that housing available as affordable.
- Need different tools and treatment to achieve long-term housing for renters vs. homeowners, but addressing needs of both is important.
- It's essential to look at this issue holistically – issues of jobs and transportation all affect housing.
- Need to focus on funding people's needs vs. funding “bricks & sticks.” As a social service provider, I see lots of people who just need some emergency funds to tide them over so they don't lose current housing. Need to fund this, other needs that will prevent eviction.
- Want to make sure other technical committees working in this area are coordinating with this Metro effort.
- Need to look at current “mixed-use” neighborhood like NE Portland, and how to keep it mixed-use: rather than building “new mixed-use” that will end up seeing same problems of pressure of gentrification and displacement of long-term residents.
- The fragmentation of funding sources (small pots of money) makes it especially hard for smaller programs to pull together funding resources.
- What's the status of the real estate transfer tax? Does this have a political chance?
- It's essential to identify abandoned houses in neighborhoods and pull them into the plan for rehabilitation, provision of new housing. There are a lot of properties in NE that have been vacant for a long time and it seems the city is doing nothing to address this.
- Government needs to quit micro-managing and adding regulations that increase expense for building.
- Make a criteria of addressing people's need for safe, affordable housing efficiently – get rid of regulations that increase the cost of building.
- There's a major lack of land affecting ability to provide housing. Need to partner with land owners, and coordinate affordable housing efforts with public policy decisions that are intended to maintain livability.
- Inclusionary housing & zoning:
  - Not financially feasible for private developer to take on, especially to reach the MHI under 50%
  - Some cash support has to be in place to make these deals work
  - It's important to target government funding most effectively here in partnering with private developers.
- Need to connect housing with other issues – schools, social concerns
- Make housing that is built energy efficient – help residents, and the public save costs in the future.
- Look at increasing land for affordable housing – growth could create density, city we don't like.

Washington County

Beaverton City Hall

April 18, 2000

Approximately 35 citizens attended

**Questions asked by participants:**

- How is HTAC projecting the need for affordable housing? Does it include current need? (Several questions on this.)
- How is it ensured that tax abatement or other programs that help people develop or own affordable housing stay affordable (not sold and make a profit)?
- Is HTAC basing its work on models used in other parts of the country? What are examples of these kinds of approaches and how they have worked?
- How has reduction in HUD funding (Sec. 8 housing) affected this region's need for affordable housing? What's the method going to be for determining RETT?
- Why is Metro considering a real estate transfer tax?
- Did HTAC discuss how to disperse these strategies geographically?
- Have churches been involved in this planning effort?

**Comments:**

- Approaches need to be voluntary rather than mandatory.
- Some of our transportation problems are caused by jobs that don't pay a living wage, where workers can't afford to work and live in the same community.
- Encouraging employers to address the housing needs of their workforce.
- Important to explain methodology Metro used to forecast need for housing simply, so people walk away with an idea of how you have come up with what you are trying to address.
- Important to include meeting the housing needs of special-needs groups, such as mentally disabled or elderly.
- Is Metro truly committed to this program, these approaches – because it has created a huge problem in squeezing the land supply. I would hope Metro would figure out a way to provide more land so that developers can afford to build more affordable housing.
- Metro has done a crummy job of identifying areas for the urban reserves – for example, St. Mary's, located across town from most jobs. Would hope future reserves would include consideration of impact on transportation and other goals.
- The strategy for replacement housing addressed as approach #3 under Land Use – is that intended to address the needs of people in NE and SE Portland who are being displaced because of gentrification?
- How will this replacement housing work? Will a property owner be responsible for finding more affordable housing if he or she is displacing it?
- As a builder of single-family, small mobile units, I want to bring out government's role in the cost of housing. Land cost is a factor, but the stupidity of government regulation is right behind it. Reduce housing costs by reducing redundant and ill-considered regulations. Streamline the variance process and reduce and standardize the time it takes to process plans.
- If a variance is required, make the magnitude of the change being asked for reflected in the time and effort to get it changed.
- The government is an easy target for developers – with any supplier, you may be faced with delays. (Response: yes, but with private suppliers you have other choices – not so with government.)
- Metro is fortunate to have some control over purse strings. Crucial to direct existing funds to the greatest need – people at less than 50% of the MHI.
- The Tri-County Builders' Advisory Board is also taking a look at a methodology to justify permit fees.
- Has Metro reviewed the effect of changing the zoning and putting in the West End MAX line on density, affordable housing? My impression is that people left because it interfered with getting a

direct bus route downtown. Important to review the effect of changes already made before implementing strategies to make yet more changes.

- It's important to direct efforts at strategies that will help stabilize communities through home ownership, rather than creating high-turnover rental units.
- Want to focus on strategies that support long-term affordability.
- We need an innovative combination of strategies that look at long-term affordability and sustaining the kind of community we want.
- As a CBO, even though we are facing the same shortage of land in developing our projects, I would hate to see the UGB relaxed. Instead, it's an opportunity to do some real community planning and look at solutions within that boundary. May initially be harder, but will result in the kind of future situation we want to see. Don't just jump to the conclusion that "we just need more land."
- I'm concerned that property be kept affordable – if a home owner buys and then upgrades, something needs to be in place that the property or the profit from the property gets put back into affordable housing for somebody else.
- Speculation in real estate is really what is making homes unaffordable and driving people out of home ownership. We need solutions like land banks, limited equity community corporations to get land out of the speculative market and keep affording housing in the community sustainable over time.
- Terribly important to deal with the market for people at less than 50% of the MHI. Not only those at 40-50%, but all the way to zero. Metro should use its resources for people who are at the lowest economic level and highest level of need.
- Thanks to HTAC for taking on this complicated, critical issue and sticking with it.
- Need to give some thought to a PR campaign for these strategies. How will it be marketed to the public, especially those areas with active neighborhood associations who are vigilant about neighborhood change?
- Seeing the four human faces, actual situations in the Metro slide show really humanizes the issues, make it much easier to identify with and care about.
- Use examples of other community planning models – those that have worked well and even those that have been disastrous. Give examples of what to do AND what NOT to do.

## East Multnomah County

Gresham City Hall

April 26, 2000

Approximately 40 citizens attended

### **Questions asked by participants:**

- How has HTAC arrived at its projection of need for affordable housing? Does it include the amount that currently exists in each local area? Specifically, did Metro include information gathered through Gresham's recent local survey?
- What is the split between rental and homeowner housing in the need for housing projected?
- What communities presently use long-term affordability strategies, and how is it different from rent control?

### **Comments:**

- Speaking as chair of a local neighborhood association, we are very concerned that we are becoming predominately a rental community – we want to keep a balance of home ownership.
- Very concerned we consider the needs of the largest single minority population, which will be growing over the next 20 years – seniors and the disabled. This need has been overlooked – the system to deal with it is in a shambles.

- There are lots of HUD rental apartments – why doesn't HUD sell these to renters as condominiums. This would get HUD out of the rental business and promote affordable home ownership.
- As a realtor, I want to make it clear that we oppose a RETT. It's a niche tax. Our association is investigating alternatives to a RETT because we oppose it, but recognize there is a need for funding. There is a perception that METRO concentrates on providing rentals rather than home ownership when it addresses the need for housing.
- I support re-introducing the concept of extended families as a way of addressing the need for housing.
- There is a need, but we have huge, monolithic apartment houses around here that could turn into ghettos. We need to meld people into the neighborhood. What's going to happen when builders "hit and run" – erect these huge barracks and then they deteriorate?
- Need to look at "affordable" as meaning can we afford to live in something that undermines our way of life? What we do here will have a ripple effect for the future. I believe we need more innovation to solve this problem. We should find out what people's current need is and design smaller units to specifically meet those needs.
- I'm concerned about the density bonus and SDC strategies outlined by Metro. Gresham already has more density than our infrastructure can handle – roads, water, sewer. To increase the density but decrease the charges to pay for increasing the infrastructure would be disastrous.
- Does HTAC support the abolishment of the Urban Growth Boundary? I'm concerned that the UGB is an unfair governmental infringement on people's rights.
- There is a real link between economic development and housing.
- HTAC needs to take into account affordable housing that already exists – some communities have done more already to meet this need than others.
- I recommend an educational campaign for the public on this issue. I hear a lot of mis-statements and mis-understanding of the issue here. We need to realize that the people who are eligible for public housing are children, people like us, not just "slackers." It's not government infringement to give people a place to live that meets their hopes and dreams.
- There needs to be more attention and awareness of what's needed to make an apartment accessible. Some of it is very small – roll-in showers, wide enough doorways. Any apartment owner could have an accessible apartment if they were built that way to start with.
- Need to look at ways to adapt currently available housing and apartments for accessibility rather than "ghettoizing."
- The problem with apartments that seem affordable is that many real estate management companies require renters' incomes to be three times the rent. Work with management companies to make exceptions for people on a fixed income.
- We need to help elderly people who own their own homes but can't pay to fix them up, maintain them.
- How are churches and civic organizations being tapped into? I'd love to get people on a tour of the neighborhood, look at the "eyesores" and be motivated to do something.
- I strongly support affordable housing for the elderly and disabled. But I also strongly want Metro to consider balance – to not overwhelm any one community with a particular type of housing. Communities need to be diverse. Gresham has not done a good job of holding this boundary.
- Housing for the elderly and disabled does need to be dispersed among the community. I'm leaning toward inclusionary housing as a strategy to do this.
- One thing that is not addressed here – is a way to match people to an appropriate rent. Not have people who can afford to pay more displacing people who can't.
- Consider long-term owners who are taxed out of their homes. This impacts the community and the amount of bond measures, etc. it can support.
- Do not ghettoize!
- Increase living wage jobs – increase training and skills of labor pool.
- Explore financing models for home ownership, such as 40-year loans.
- Maximize choice for home ownership.

- Encourage employers to invest in training.
- Concentrate on permanent affordability and replacement housing – these are good strategies and mean you don't have to re-do something you've done once.
- Emphasize shared equity.
- Gresham has enough affordable housing.
- Gresham's numbers have been skewed by growth since the statistics Metro relied on to project need. We insist that there be a re-assessment of actual local need to make it more reflective of current conditions.
- What's unaccounted for in those numbers is the working poor, and especially people of color. The Hispanic community is a strong, positive presence in the Gresham area whose needs are not being addressed. Prejudice is an issue in the availability of housing. As a person of color, I have been told lower-cost rental units advertised are not available.
- Look at the long-term impacts of housing design, and address the issue of maintaining housing over the long-term.
- Focus on more integrated approaches to meeting the need.
- Include what is already there.
- Make sure the result is a livable community for everyone.

#### **4. Additional Round Table Comments - Questionnaire**

##### Land Use Strategies

##### **a) Do these strategies make sense?**

###### *Long-term or Permanent Affordability*

- Retention of subsidy only way to fight gentrification
- Short-term or medium-term make more sense.
- Long toward "public"/"tribe" ownership/stewardship of land and structures.
- No. Let it go. They can pay taxes – homeowners.
- This strategy makes a lot of sense to ensure a supply of affordable housing while protecting the investment of public money.
- Site development issues for infill development is landlocked parcels.

###### *Density Bonus*

- Can raise neighborhood ire when used in SFR neighborhood, Good in RI, RH, CM zones. R2?
- Needs more explanation
- Can this strategy be faulted if the wishes of any given neighborhood to retain its present density were (and could be) ignored by development money. Especially in my experience SE Portland.
- Yes. Balance is good.
- Good idea – needs to be marketed, promoted carefully to reduce negative public reaction.
- Consider the "granny flat" model as opposed to just a cookie cutter, monolithic development.

###### *Replacement Housing*

- each jurisdiction should have strong policy/ordinances.
- Might be ok but need more input. Am not in favor of concentrating low cost housing.
- As mentioned in the discussion, this takes away from the concept of utilizing and preserving existing stock.
- Hard to implement? But definitely necessary.
- Seems reasonable in theory. The challenge in tax abatement areas with "A" overlay zones is infill that is redevelopment which changes the character from SF homes to attached homes of 2+ stories.

*Inclusionary Housing and urban growth boundary considerations*

- If we make it voluntary, hopefully, the political will to make it mandatory will follow.
- Illegal! Must be a reason for being illegal.
- Strong belief in integration of income levels. Especially as it affects public schools.
- Voluntary with positive incentives. No Mandatory.
- Need to be mandatory (when that become legal) and region-wide to be effective.

*Transfer of Development Rights*

- good, how often used? How do we facilitate use?
- No! Undermines the zoning codes.
- I am wondering who, in terms of wealth and clout, are making these decisions. Is the process as it works now or is envisioned open and democratic and not “bought”?
- No. This runs counter to the market and will create dilapidated buildings.
- Not clear why this would work better than greenspace or environmentally sensitive zones in urban areas. This sounds more rural-based.

*Elderly and People with Disabilities Housing*

- We definitely need regional goals and funding strategies.
- Don’t believe the stat’s on elderly. Disabled are another area.
- Please value elderly and disabled as being dispersed among neighborhoods and never again
- \_\_\_\_\_.
- Yes. But let’s try to mainstream.
- Needs to be addressed. We need to make sure there is a healthy supply of rental properties.
- Special needs housing requires a special focus and funding however a spectrum of options is still appropriate.

*Regional Housing Resource/Database*

- GIS power between jurisdictions is largely untapped. Should have GIS standing committee with members from all jurisdictions.
- Sounds ok, need more information.
- It makes sense that Metro as the most encompassing entity would establish itself as the central source.<sup>1</sup>
- No, No. No. Sounds like a cost with little real benefit to actual homes.
- Excellent.
- Seems like fulfillment of Metro’s mission.

**b) Which of these strategies would be most effective locally?**

- Density bonus, transfer development rights, permanent affordability
- 4 and 6.
- Replacement Housing. Voluntary Inclusionary Zoning.
- Permanent affordability.
- What is the hold up on creating community land \_\_\_\_\_ for Multnomah and Washington Counties?

**c) Which would be most effective region-wide?**

- Replacement housing, inclusionary zoning, elderly and people with disabilities
- 1, 4, 5 if monitored 6 and 7.

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<sup>1</sup> How much money is going toward concurrent and duplicate studies and deliberations which the gentleman from Ecumenical Ministries was pleading for?

- Replacement housing.
- Inclusionary zoning, replacement housing, density bonus

### Cost Reduction Strategies:

- There is no free lunch – development \_\_\_\_\_ - livability as well as financial impacts on the community.

### a) Do these strategies make sense?

#### *System Development Charges*

- Yes
- Should be maintained. Necessary items.
- I don't feel I have enough understanding of the finances to comment on these three.
- No. This transfers cost of affordable housing to new residents only. Instead, all should share in the cost.
- Relief in these areas needs to be connected to permanent affordability.
- Someone has to pay the cost of development \_\_\_\_\_ been split by homeowners, tax payers (often the same), developers, etc.

#### *Permit Fees*

- Yes
- Should be maintained if reasonable. Keeps contractors honest.
- I don't feel I have enough understanding of the finances to comment on these three.
- Worth looking into.

#### *Property Tax Exemption*

- Yes, tied to occupancy
- Should be used on a limited basis.
- I don't feel I have enough understanding of the finances to comment on these three.
- No. Keep taxes consistent. This adds stigma to neighborhoods.
- Useful in certain situations.

#### *Local Government and State Coordination*

- We need regional comprehensive plans
- \_\_\_\_\_ too complicated.
- Again, as in 7 Regional Housing Resource/Database it makes sense to assign to Metro with a veto by any objecting jurisdiction.
- Big no. Sounds like more pointless meetings. Different governments will remain different.

#### *Land cost and availability*

- Local jurisdictions should be more proactive.
- Complicated area. No easy answer.
- I question the assumption of land "ownership" and am in favor of public and private donation into the public domain permanently.
- Good idea. Like Metro Greenspaces. Donation is a practical tax write off.
- Regionwide strategies like inclusionary zoning can reduce land speculation.

#### *Off-site improvements*

- Affordable housing infrastructure support is needed.
- Ok
- At this point I am wondering about a "regional growth map" such as the UGB concept to put in place how, what and where public facilities and services will exist.

- Ok, but not regional funding source. Sounds like a new tax.

#### *Local Regulatory Constraints*

- Key area for Metro and functional plan.
- Needs explaining.
- Again, Metro --- regional guidelines. I am a firm believer in the application of economics of scale.
- That's a developer's job. No regional guideline.

#### *State Regulatory Constraints*

- Needs explaining
- In line with discussion: need a code for rehabilitating/preserving existing stock.
- e.g, Building Code Requirements – That's their job already. They can figure out a way to work harder.

#### *Parking*

- We need more shared commercial/residential parking solutions.
- Needs addressing – Metro's standards have dropped from a two-car parking to one!
- Only comment: never had a drivers license or owned a car.
- No. Keep plenty of parking. The lenders are right.
- High density housing along transit doesn't need as much parking.

#### **b) Which of these strategies would be most effective locally?**

- Off-site improvements.
- 5
- Reduce permit costs.
- The trick is to balance cost \_\_\_\_\_ and \_\_\_\_\_ for structuring development to prevent overloading any one sector of support.

#### **c) Which would be most effective region-wide?**

- We need state best practices awards with monetary incentives.
- 4, 5, 7, 8
- Land bank and donations.

### Regional Funding Strategies

#### **a) Do these strategies make sense?**

##### *Maximize Existing Resources*

- Yes, we should have Regional Housing Fund – leverage foundation money with best practices and long-term affordability strategy.
- 1 and 2 ok 3 don't know anything about.
- if you institute a training program consider the entrenchment of existing practices.
- Yes. Federal funds could be used much better. How about a public assessment of resources.
- Good idea – but they are limited.

##### *Employer Sponsored Housing*

- need regional task force
- If does not apply to very small employers.
- Yes! Would encourage “complete” neighborhoods and have a positive effect on public schools.
- Could work.

- First time homebuyer programs/down payment assistance can help a great deal.

*Real Estate Transfer Tax*

- Yes – build regional support
- Ok as long as control is local only.
- Yes.
- No, No, No, No, No,.....
- This could be incredibly effective and makes a lot of sense!!
- Set limits, be prepared to trade off the tax for a percent of existing taxes. The net may remain \_\_\_\_\_ will be \_\_\_\_\_ in different places.

**b) Which of these strategies would be most effective?**

- RETT
- Real Estate Tax
- Employer sponsored housing.
- Better use of current funds. Do you know the total dollar amount? No? Bad sign.
- RETT

In reference to all of the above strategies:

**a) Are there other strategies that should be considered?**

- More homeownership rather than rentals. Give apartment buildings to the tenants.
- Land speculation taxes
- Lease option for renters \_\_\_\_\_ to member jurisdictions to set housing \_\_\_\_\_ within their transportation framework.

In reference to Affordable Housing Goals:

**a) Can cities and counties achieve affordable housing goals with these strategies?**

- We need more funds and greater political will to accomplish housing goals.
- Would help but not the entire answer but not sure we need the entire answer.
- Definitely move toward these goals and educate public as to necessities.
- They are a positive factor. Also needed: job training, education, child care.
- With a great deal of education and commitment – I hope so!
- Since costs may vary by municipality, guidelines for policies and procedures maybe the most reasonable approach (the market guarantees nothing).

## **5. Public Hearing Record**

### **MINUTES OF PUBLIC HEARING OF THE METRO AFFORDABLE HOUSING TECHNICAL ADVISORY COMMITTEE**

**Thursday, May 11, 2000  
Council Chamber**

**Members Present:** Diane Linn (Chair), David Bell and Tasha Harmon

**Diane Linn**, Chair of the Metro Affordable Housing Technical Advisory Committee (H-TAC) and a Multnomah County Commissioner, called the meeting to order at 5:10 p.m.

**Tasha Harmon**, a member of H-TAC and Chair of H-TAC Fair Share Subcommittee, and a representative of Residents of Affordable Housing, and a member of the Community Development Network.

**David Bell**, a member of H-TAC and Chair of the H-TAC Cost Reduction Subcommittee, and a representative of for-profit housing developer.

#### **Opening of Public Hearing**

**Chair Linn** said the Draft Regional affordable Housing Strategy (RAHS) contained the names of all the members of H-TAC. She encouraged the audience to examine the H-TAC membership and composition of the committee, and the process they undertook during the past approximately 20 months to create the report. (A copy of the report was included in the record, #01.) It was still in draft form because the committee wanted to receive feedback from the public before it was finalized. The document contained the composition of the committee, the process and the principles upon which H-TAC based their report. The committee separated the report into four areas. They looked at the question of what they used to call “fair share.” Now, they were discussing production goals for each of the jurisdictions within the Metro area. They examined the cost reduction piece that Mr. Bell and his subcommittee assumed to ensure that funding was spent efficiently and effectively. The committee also examined the regional regulatory environment H-TAC was operating within, including barriers that created higher home building costs. Plus, the committee analyzed a regional funding strategy that would ultimately produce more housing units, which was H-TAC’s primary mission. All the committee members acknowledged the need for affordable housing in the region. The committee also believed it would be very important to aggressively gain units of housing to provide people of all backgrounds throughout the region with housing choices and include them in the communities. She welcomed Andy Cotugno, Metro Growth Management Services Department Director, who planned to help H-TAC implement the plan in the future, if it was accepted.

**William Ashworth**, 2147 NE Montgomery Street, Hillsboro, OR 97124, represented Oregon Realty. He referred to the bottom chart on page 23 of the RAHS that described subsidies, and the discussion and comparison of costs, and the amount of home units that could be produced based on a certain amount of funding. He questioned where HTAC got the differences in utilities. He questioned the \$40 a month figure for utilities for a two-bedroom rental unit. The monthly telephone bill alone was \$22.

**Mr. Bell** said the rental utilities figures were recorded from HUD (Federal Housing and Urban Development Department) median income charts. He was not sure what HUD's methodology was. They had utilities allowances for different types of housing, household sizes and income levels.

**Mr. Ashworth** asked if the figures were U.S. averages as opposed to regional averages.

**Mr. Bell** said no, HUD calculated each region separately and recalculated the numbers at least annually.

**Mr. Ashworth** said it seemed awkward because there was no renter's insurance on one side, which had a cost. On the other side, there was no mortgage insurance for single family units, which was virtually a certainty today in the mortgage industry. He was concerned H-TAC was making a decision regarding those 90,000 units based on data that was not complete. He was also concerned that the data provided targets that were either not realistic, or under- or over-qualified. He did not object to the numbers. He said the data H-TAC was working with, in that particular respect, was not accurate.

**Chair Linn** said the committee would consider Mr. Ashworth's feedback on that issue.

**Gerry Uba**, Program Supervisor, Growth Management Services Department, said the information was compiled by the Oregon Housing and Community Development Services Department. It was a study that illustrated what was happening in the region as an average. There was a local, not just a national, base to the study.

**Ms. Harmon** assumed the utilities did not include telephone service. The utilities were considered to be electricity, gas, etc. That could explain part of the issue.

**Mr. Ashworth** said he had lived in a one-bedroom apartment and his utilities were \$85. He also referred to Table 6 on page 21 of RAHS that described a multi-family dwelling. He said the table was obviously incorrect.

**Mr. Uba** said the table was based on a study performed for the Portland area.

**Mr. Ashworth** referred to the multi-family dwelling range per cost of unit of \$68,000 to \$88,000 and below it was \$95 to \$98 per square foot. It could not be correct and had to be an error.

**Mr. Uba** said the figure was not an error. It was correct and based on a study. He offered to provide Mr. Ashworth a copy of the study, which was available at Metro.

**Mr. Ashworth** said the figures seemed very confusing.

**Mr. Uba** said the study was sponsored by the City of Portland, but managed by the Portland Housing Development Center.

**Mr. Ashworth** said he had knowledge of the housing industry and did not understand how anyone could build housing for \$69 per square foot in the Northwest. He did not know of any house or even condominium built at that price. He had difficulty accepting the numbers, but he did not question the principles involved. Funding for 90,000 units, when there was actually a need for 70,000 or 110,000 units would result in a severe under- or over-funding problem.

**Ms. Harmon** said part of what the Housing Development Center was doing was examining the entire continuum of housing development methods the non-profit sector used. Habitat for Humanity could construct housing for much less because they used huge amounts of volunteer labor. Though they could

not produce nearly the volume other builders could, their per square foot costs were much lower. That might explain some of the issue.

**Mr. Ashworth** asked if that was a valid assumption regarding the context of funding private housing.

**Chair Linn** said the committee should confirm the figures the study was based upon and that the calculations were correct.

**Mr. Ashworth** asked Ms. Harmon if most of the figures were based on non-profit.

**Ms. Harmon** said not most of them. But what they tried to do was examine the full spectrum of housing that was built in the city, which included some of the non-profit projects with a much lower cost per square foot because of the labor methodologies they used.

**Mr. Ashworth** said one of the comparisons he used for his clients, which included first-time and entry level buyers, was cost per square foot. Unless the housing was rehabilitated, he knew of very little housing that had been constructed for under \$100 to \$110 per square foot. He said he had clients waiting for such housing. Most housing that cost less than that figure were either distressed or damaged property, and were not ready to be inhabited. He was concerned the basis for the committee's recommendations was incomplete and not realistic.

**Chair Linn** promised H-TAC would verify the figures. The ranges were fairly extraordinary. They included 90,000 units during a 5-year period and a production goal that was only 10 percent of the regional need for affordable housing. If the range was a lot less or a lot more, H-TAC still was not anywhere near meeting that need. She asked Mr. Ashworth to consider that as a factor.

**Mr. Ashworth** asked, in the context of the study, if H-TAC ever defined what affordable housing was, in terms of square footage not dollars. What was the committee saying affordable housing was, in terms of square footage; amenities; location to services, transportation and employment; etc. The industry built by square footage and knew what its square footage costs were for different types of housing (residential, condominium, common wall, etc.). However, nowhere in the RAHS or discussion had he understood what were the acceptable minimum affordable housing standards for square footage. He knew what the acceptable costs were, because H-TAC clearly defined them. For example, many small towns in New England had a 900 square foot minimum standard for construction of affordable housing, which defined and limited housing options.

**Ms. Harmon** said she did not recall that H-TAC attempted to establish minimum square foot standards for various types of housing. Instead, they decided the local jurisdictions could decide that for themselves. She referred to the green handout and said the committee discussed the importance of connecting the affordable housing to livability issues (including access to transportation, services, greenspaces, etc.). (A copy of the green document was included in the record, #02.) The H-TAC maintained throughout, that they wanted to build complete communities, not ghettos or exclusive communities with no access for poor people. She hoped that focus was reflected in the document. That was why the committee encouraged feedback from the public, regarding how citizens interpreted the document. Then H-TAC could make necessary changes to properly address the issues and concerns.

**Mr. Ashworth** said his questions had been answered. From an industry standpoint and as the head of his company, Oregon Realty, he strongly objected to the real estate transfer tax. It was characterized as not regressive, but the last \_ percent was often the difference between buying a home and staying in a rental property. Especially at the lower entry levels, it was awkward to make the move because it often required every dollar. The tax helped explain why so many properties were for sale by the owner. People often

could not pay a commission or the other expenses to achieve a transfer of property. Oregon property owners already had a large burden. To add another, even a one-time tax, was unfair and irrational. If housing was an issue for the Oregon community, than the community should assume the costs, not just those who sold the property.

Mr. Ashworth also expressed concern that there were issues that Metro did not address, that included linkage to transportation, and some of HTAC's choices not to recommend were erroneous. All the work on housing would be wasted or very ineffective if the committee did not establish links to transportation and employment. For example, the community had to provide the flexibility and mobility for people to work downtown yet live in Forest Grove or other parts of the Metro region economically, or they would not make the move because of transportation costs.

Mr. Ashworth said they would have to factor transportation, as well as tax, costs involved with moving into their decision. He also mentioned concern regarding possible lack accessibility to amenities (schools, health care, commercial centers, etc.). Without those things, affordable housing would become ghettos. He had seen it create an immobile class of the working poor and professionals. He mentioned cities in New England. They were forced to stay where they were. Physical mobility is what would allow people to improve their lives.

**Jane Leo**, 5100 SW Macadam, Suite #360, Portland, OR 97201, represented the Portland Metropolitan Association of Realtors as the Governmental Affairs Director. She complemented H-TAC for their work. She agreed with the need to create homes for residents of the Portland region. She mentioned the committee David chaired that examined regulatory costs, building codes and barriers to financing that increased the costs of buying a home. However, she was disappointed the RAHS was not an inclusive document. It addressed only the needs of residents earning less than 50 percent of median household income. It placed the emphasis on the creation and maintenance of affordable rental units. It did not address opportunities for families and individuals to move from a rental to home ownership, which would create equity and stability in the community and improve voter turnout. She cited the Harvard studies to support her claim. The document also did not address the long-term need for housing in the region or include a long-term focus, other than maintaining rental housing.

Ms. Leo proposed an amendment to increase access to all mechanisms to create home ownership opportunities for people in the region. She referred to page 58 of the RAHS, the Regional Funding Strategies. She said she would probably have a few others later in the process. She referred to letter C, Coordinate and Improve Federal Programs. (A copy of the document was included in the record, #01.) There was a lot the Congressional Delegation could accomplish. She referred to HUD's FHA program. A lack of access to home loans for renters created a cycle that prevented people in the region from buying homes.

Ms. Leo also said the real estate transfer tax was currently under a permanent prohibition in Oregon. The realtor's association was successful in passing that legislation in 1999. They would continue to actively oppose a sales tax on the transfer of real property. They would also not support a real estate transfer tax of any amount.

**Louis Hall**, 1515 SW 12<sup>th</sup> Ave, Apt. #314, Portland, OR 97201, represented Elders in Action and said the Metro Chamber was "elder unfriendly" and violated the ADA (Americans with Disabilities Act). He had brought the issue to Metro's attention before and was referred to ADA specialists, but the problem had not been corrected. He hoped to see those changes completed the next time he visited Metro. He was a resident of low-income housing and enjoyed the location of his downtown studio apartment and its proximity to cultural amenities. He referred to page 32 of the RAHS, and said he liked the example of regional inclusionary housing programs in California. (A copy of the document was included in the

record, #01.) He did not know much about the logistics of that program, but said it could provide a great model for the Portland region. He also asked if HTAC planned to be phased out.

**Chair Linn** said H-TAC planned to complete their work on preparation of the report and the recommendations for Metro. However, H-TAC planned to continue to monitor implementation of the report.

**Mr. Hall** encouraged continuation of the process because H-TAC was an important, essential element that represented low-income housing consumers.

**David Cottennare**, 2041 NW Everett, Portland, OR 97209, represented Elders in Action as a commission board member and the Housing Task Force. Affordable, accessible housing had been an important priority for many years and was crucial today. As the senior population increased, their income decreased and the cost of housing increased. If he did not have access to subsidized housing, he would be homeless like many other people. His income was only \$715. He could not live in many of Portland's current low-income housing complexes that charged rents of \$300 to \$500 a month. He asked the committee to please adopt a strong regional affordable housing strategy because it was important to the more than 215,000 seniors who lived in the Metro area.

**Ann Johnson**, 2041 NW Everett, Apt. #805, Portland, OR 97209, also represented Elders in Action as a commission board member and the Housing Task Force for the past five years. She was a senior living in low-income subsidized housing. Her income was \$540 a month for rent, telephone, cable and all her other expenses. Without subsidized housing she would also be homeless. She would not be able to afford an apartment in the modern rental market. She asked the committee to keep up the good work, because she was on their side and would help H-TAC any way she could.

**Vicki Hersen**, 501 SW Washington St., Portland, OR 97229, represented Elders in Action and said the group had an active Housing Task Force for several years. It was one of the group's highest priorities for affordable and accessible housing. She thanked H-TAC for their work and complimented the process in which her group was involved. Affordable housing was a very important issue in the Metro area. Elders in Action's Aging Services were working more with the tri-county area in special needs transportation. It was important to have living choices. As the population aged, especially with the baby boom generation, the community started to plan ahead to ensure affordable housing choices that would allow a senior to continue to live where they are most comfortable. She appreciated the hard work of the committee and said it would be critical to preserve affordable housing choices. She mentioned the need for subsidies, building code requirements, public land grants and trusts, public and private partnerships (for example, Intel), and other creative strategies. She hoped the Metro Council would consider affordable housing in the region a top priority and allow H-TAC to continue, because the work had just begun. There was still a lot to be done. Because of the boom economy and the need for workers, people should be able to live near their workplace.

Ms. Hersen said the mobile/manufactured home issue, particularly in terms of predatory lending and rental practices, was a critical issue to address. Many seniors thought this was an affordable housing choice when, in some cases, it was not. She mentioned community land trusts, purchased and operated by non-profit organizations to lower rental rates, as a possible solution. She urged Metro to continue HTAC's work. It was vitally important to seniors, families and others in the region in need of affordable housing choices.

**Eulia Quau Mishima**, 840 NW 6<sup>th</sup>, Gresham, OR 97030, said she was not prepared for making comments today because she had not received the document discussed today by the committee. She has

had repeated problems opening attached documents sent to her by Metro via e-mail and Metro's Internet web site.

**Mr. Bell** said he has had the same problems. The Metro documents were created in Microsoft Word. If she did not have that program, she could not access them by computer e-mail.

**Ms. Mishima** attended Metro's Community Round Table Discussion on H-TAC work in Gresham a few weeks ago. In May 1996, she met with Susan McLain, Metro Councilor, because she was very interested in encouraging innovative development of small, livable spaces. Big livable spaces could also be improved, but were not currently the region's main focus. She submitted a recommendation to H-TAC entitled *A Sustainable Future Continuing with the Creative Approach for the 2040 Vision* that she created with assistance from an architect. (A copy of the document was included in the record, #03.) It was not written to address affordable housing as it was described in the materials the public had received. However, there were many ideas in her document that she thought could help address the increasing population and need for affordable housing for certain segments of the regional population. Depending on circumstances, anyone could find himself or herself in need of affordable housing. She offered to provide some examples. She had confidence that Metro, HTAC and the region could meet the challenge, and create and finance a viable solution. She suggested the committee might benefit from reviewing her submitted recommendation. There were possibly more than a thousand vacant public buildings and properties that had not been used, without any plans to be used in the future, that might be used for affordable housing.

**Chair Linn** asked if Ms. Mishima referred to tax foreclosed properties or public buildings that were no longer used.

**Ms. Mishima** said she referred to publicly owned buildings that the community's taxes had purchased in the past.

**Chair Linn** asked if that included empty school buildings.

**Ms. Mishima** said it could include any publicly owned building. She offered to research that issue for H-TAC.

**Chair Linn** said her agency, Multnomah County, operated a tax foreclosed property program that assessed different available properties. Then, through a competitive process, provided those properties to the community development corporations for development as affordable housing. The county was currently trying to use some of their public property in new ways. Therefore, she was interested in the issue. Multnomah County also examined their unused school facilities and how to generate resources with that property. She was not sure there was that much property available and there were fewer obvious opportunities. However, she wanted to discuss and examine the issue with Ms. Mishima further later.

Chair Linn said Mr. Charles Shi, who represented Elders in Action, was in attendance and in support of H-TAC.

**Ms. Harmon** thanked everyone for scheduling time to attend today's H-TAC meeting. The deadline for written comments was not until the end of next week. The committee welcomed more detailed written comments if the public wanted to provide them.

**Chair Linn** said H-TAC planned to begin reviewing those written comments from the public on May 19, 2000. The last H-TAC meeting was scheduled for May 22, 2000, and planned to finalize their report then. The preliminary report would be subject to the Metro approval process.

ADJOURN

There being no further committee business, **Chair Linn** adjourned the meeting at 6:20 p.m.

Respectfully submitted,

Gerry Uba  
Metro Growth Management Services Department

**Attachments to the Record**

**Affordable Housing Technical Advisory Committee Public Hearing of May 11, 2000**

<b>Doc. No.</b>	<b>Document Title</b>	<b>To/From</b>
#01 – H-TAC Public Hearing	Discussion Draft 1- Regional Affordable Housing Strategy	<i>Citizens/H-TAC</i>
#02 – H-TAC Public Hearing	Proposed Changes to the RAHS (green sheet presented to MPAC)	<i>Citizens/H-TAC</i>
#03 – H-TAC Public Hearing	A Sustainable Future Continuing with the Creative Approach for the 2040 Vision	<i>H-TAC/ Eulia Quau Mishima</i>