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# Housing Issues Report

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*Housing Issues  
Report*

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March, 1991

Planning and Development  
Department

**METRO**



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## *Executive Summary*

### ■ Purpose

The Housing Issues Report collects and organizes housing issues which have been suggested as being regional in scope.

The primary goal of this report is to initiate and facilitate region-wide discussion of housing problems as well as to encourage and support willing actors with the tasks of improving housing.

### ■ Conclusions

The following eight conclusions were reached:

1. Any decisions made to address regional housing issues must be made with the broadest possible discussion of the problems, alternative solutions and proper entity to take actions.
2. Solutions should emphasize the smallest possible level of organization and should favor private sector solutions.
3. Housing issues must be coordinated with other issues.
4. Homeownership opportunities should be expanded to encourage first-time buyers and lower-income households.
5. To the extent that home ownership opportunities are not appropriate or desirable, increased efforts to provide affordable rental housing should be made.
6. More and better information is needed to understand housing issues, support existing programs which address housing issues which have been raised, and to assist with possible future housing programs or projects.
7. Housing Density is a key regional issue.
8. Housing affordability can only partially be addressed on a regional issue.
9. There is a perception that Portland and portions of Multnomah County are bearing more than their share of the costs of very-low,

low and moderate income households. This appears to be a regional housing issue.

### ■ Recommendations

All preliminary conclusions which may be reached are recommended to be forwarded to the Regional Policy Advisory Committee (RPAC) for review and policy direction. RPAC is proposed to be the successor to the Urban Growth Management Policy Advisory Committee.

### ■ Issues Identified

Through interviews with people identified in the appendix, three major regional housing issues have been suggested. They are "Up or Out", "The Gap" and "Balance": Following are summaries of these issues:

■ **Housing Density** - Should housing be built up or out? This issue directly relates to residential growth within the metropolitan area's Urban Growth Boundary, which includes 24 cities and portions of 3 counties.

Within the boundary's current 362 square mile urban area, enough land for development projected over the next 20 years must be provided. The most current data shows a sufficient supply to meet the 20 year demand.

Many citizens are concerned with too much density. However, there are also concerns about "underbuilding", or building less than that in comprehensive plans, or that there will not be enough density to support transit.

How to accommodate residential growth concerns the choice whether to build up (achieving the residential densities provided for in existing comprehensive plans), or to build out at lesser densities, expanding the urban growth boundary more quickly. There are major implications for affordability, traffic congestion and transit, air quality, and resource conservation.

## *Executive Summary*

■ **Housing Affordability** - There is a growing concern with a widening gap between a household's income and the cost of housing. This may be thought of as either some portion of the population that is not now able to command sufficient wages, or that the price of housing is too costly. More than one of these facets of the issue may need be addressed and, although the scope of this report focuses upon the housing side rather than on wages, efforts to create or attract high-paying jobs for people in the region should be encouraged to continue.

The Metro region does not have as large a difference between income and housing price as most of the West Coast does. However, the affordability index for the region has been getting worse in the past two years.

Many families find it increasingly difficult to find housing at a reasonable cost, and more families are finding themselves having to devote larger portions of their total income for less housing and/or rely upon some form of public housing to meet their needs.

In the Portland-Vancouver metropolitan area, this problem primarily concerns those who have unskilled minimum wage jobs or those who may be unemployed. However, as housing prices and rents escalate, it takes a larger income to qualify for a mortgage or rent housing.

Many of the skilled workers in the commercial, industrial and government sectors are less able to find housing at an affordable price. This impacts the competitiveness of the regional economy to attract investment, as well as raises moral concerns regarding community responsibility for those unable to adequately house themselves.

In the Seattle area, according to the King County Housing Partnership, there exists "...a critical problem - a severe shortage of affordable housing..." for "...the mainstay of our workforce."

A frightening aspect of affordability is the

speed at which prices can increase. In the Sacramento area, in a period of 18 months, the median price home increased from \$100,000 to \$145,000.

The extent of the problem in our region is not yet as great - which means that the more quickly the region responds, the more likely the situation can be managed.

■ **Housing Balance** - This issue concerns the relationship that jobs, housing and transportation have to each other. In a growing number of cases, wages paid are not consistent with the price or rent of housing in the vicinity of the employment.

A worker may work in one community, but be unable to live in that community because of the cost of housing. The worker then must commute further than may desired in order to find affordable housing. Traffic congestion may be increased, and one community may be enjoying the benefits of the tax base of the employer and the higher paid workers, while escaping the costs associated with housing the lower paid employees. Then too, some communities may be trying to serve more than their share of homeless or low-income people.

### ■ **How the Report was Compiled**

The issues within this report were compiled through interviews with the people listed in the appendix. Persons were selected for interviews based upon their work in providing or advocating housing action, as well as those who may have a broad concern with how public policy is formulated. No attributions of specific comments to individuals were listed in order to foster frank comments and to emphasize the discussion of issues. □





■ **Methodology**

To gain an understanding of what regional housing issues might exist, interviews were held with those individuals listed in the appendix. Although the list of those interviewed does not come close to the number of people who are involved with housing within the region, it is hoped that a wide enough range of interests (including city, county, region, state, private, public) and perspectives has been included to describe an accurate and representative picture of housing concerns.

Each individual was first asked "Are there any housing issues which are regional in scope, and if so, what are they?" Interviewees were then asked if they had comments regarding housing and how it relates to the land use system, the social service system, and the financial system.

In order to evaluate these responses, the following criteria were used to identify regional housing issues:

1. The issue must deal with the provision, or lack of, at least a minimum level of decent shelter;
2. The issue must cover more than any one city or county, preferably an issue common to all of the jurisdictions within the Metro boundary;
3. The issue must not already be preempted or more effectively addressed by the Federal or State governments;
4. The issue may be distinctive to our region, because of unique circumstances (for example, legal requirements or market conditions); and/or,
5. The issue may be one which may be more effectively or efficiently addressed at the regional level.

The interview comments were evaluated according to these criteria, and an initial review indicated that the comments could be placed within one of three subject categories; Housing Density, Housing Affordability, and Housing Balance. Each comment was individually considered for which category was most appropriate, or whether the comment fit any category. Some judgment was used in deciding which category was most suitable. In some cases, a comment could be placed in two or more

categories. It was a rather easy process to place the comments in one of the three categories. There did not appear to be any comment which did not seem to fit one of the three categories.

What follows are opinions compiled from those interviewed. Although interviewees did state the concerns of their organization or perspective, many thought-provoking comments went beyond what might be considered the narrow limits of the interviewees' perspectives. In addition, many of the comments listed below were independently cited by many interviewees. Accordingly, many of the comments are compilations from several sources who stated the same issues or closely related issues.

It is also very important to note that while the comments compiled in this chapter are intended to be an accurate and complete listing of concerns, they are not necessarily backed by facts. Perceptions, however are very important and so a combination of real and perceived issues are necessarily included.

#### ■ Housing Density

The "Housing Density" issue is: Should we grow up (more dense and compact), or out (more sparsely) ?

When more dense development is proposed near or adjacent to less dense existing development, such as multi-family dwellings sited near single family houses, there are concerns that there will be traffic congestion, declining property values, crime, and school overcrowding to name the most common concerns. Many individuals with these concerns also can cite many examples of poorly designed housing. These are problems which stem from a more basic concern of return on investment. Development activities which will increase the value of investment as a residence, will be favorably accepted. Any proposal which may threaten the value of the investment is cause for great concern. Likewise, any perceived threat to a person's quality of life (for example increased crime) is also cause for concern.

As almost all of the first residential development in any community is single family, the market for multi-family development usually occurs only after the community has a larger employment base and land costs increase. This inevitable clash between different types of development happens everywhere as a community matures.

From a very different perspective, there is conviction that dense, compact development must be how a significant portion of new residential development should occur. It assumes that the urban growth boundary (UGB) will continue to be a major policy with regard to the land market, and understands that the boundary was predicated on the assumption that sufficient density would be allowed within the boundary to minimize the effects that the boundary would otherwise have. From this perspective there are two concerns: first, that if the density is decreased (and the boundary is not expanded) the potential for growth will be restricted. Secondly, by effectively reducing the opportunity for residential development, the cost of housing, particularly affordable housing, will be increased. Also, other benefits, such as land use supportive of logically developed transit (which can bring air quality, energy conservation improvements) and farm and forest land conservation would not be advanced.

Means of addressing the problem include having better information and doing a better job in communicating with the public; doing a better job of siting and designing of non-single family housing; constructing model examples which could demonstrate to the public that density, if carefully designed, can be an asset; providing incentives for developments which may have significant impacts; and working more closely with cities and counties so that planned densities become actual densities.

The following comments paraphrase the interviewees' statements:

■ **"Housing Density" Issues**

*"When multi-family is built in an area of single family homes, it can be threatening to the value of the already existing homes because renters are transient, and do not have as large of a stake in the area because they have no investment at risk and may not show as much pride in the area as an owner does. Multi-family development also changes the character of a single family area. For example, more trips per acre are generated by higher density development than with single-family development. If the multi-family development were built first, and then single family was added afterwards, people buying homes would know this and could choose whether to buy or not."*

*"Security for persons and property is a concern, and single-family seems much safer."*

*"Many people have purposely moved away from areas with large apartment buildings."*

*"Neighborhoods do not agree with the siting of a non-single family housing development when they feel that they are being asked to bear more than their fair share of the "costs" (potential diminution of property value, overcrowding of schools, possible increase in crime, etc.)."*

*"Current efforts to inform citizens of land use decisions are not effective enough. Many times citizens do not understand the plans or zoning in place or proposals to change them. Also, it is easier to understand a specific project proposal than a Plan."*

*"Public bodies and the general public may want to support affordable housing as a concept, but they find it difficult to agree on siting affordable housing projects when a specific site is proposed, especially if it is anywhere near existing single family housing."*

*"The combined effects of the Urban Growth Boundary and not building to the densities assumed in the creation of the boundary means that housing costs are higher. Efforts to provide affordable housing are being impaired."*

*"There is enough land within the Metro UGB boundary to supply affordable housing. There are many areas in the country with lots of land available for development and they still have affordability problems. The issue, which is the same in all markets across the US, is that there is an increment or gap between the minimum price and the income of some people."*

*"The fact that there is a UGB must mean, because of the law of supply and demand, that the cost of land, and therefore housing, is higher. The question is whether the higher price is worth the other benefits that may accrue. When the boundary was originally completed, there was so much land available for development, there was no way that any measurable amount of price increase could be calculated. However, as development occurs, the amount of land decreases, and prices will increase. If the boundary is moved, prices will be moderated. However, there is a real chance that forces will work to make the boundary impossible to move. Then prices will go up significantly."*

*"Some have suggested that there should be a "growth cap" - or limit to the maximum*

*number of people that are accommodated in the region."*

*"With high volume dwelling production, profits can be made on volume, as opposed to low volume where profit must be made by higher markups - but high volume requires lots of available developable land. This may be one cost of the UGB."*

*"The regional growth forecasts are probably low. More development than predicted will occur because of the relative attractiveness of the Portland market."*

*"The regional market includes areas outside the urban growth boundary. Clark County, for example, cannot be ignored."*

*"Part of the housing market is being constrained. That portion of the market that wants to have larger lots is not being served."*

#### ■ Suggested "Housing Density" Solutions

*"There should be more of an effort to monitor the availability and price of land and housing. This information needs to be gathered and routinely published. The data should be measured against standards so that if availability is too low or prices too high, some method of providing for more development opportunities is implemented."*

*"If necessary, city and county plans should be reviewed to enforce the density requirements of the Metropolitan Housing Rule, as these are critical assumptions with regard to the land supply."*

*"A better effort should be made to educate the public about the need for density (meeting the Metropolitan Housing Rule), and to show that many types of non single-family detached housing can be very livable, desirable homes which are of value to a neighborhood."*

*"Affordable, more dense housing can be designed to fit in with a neighborhood - but the design must be done on a neighborhood level, not a regional level."*

*"Density is not the problem, but good design must be a part of any successful, dense*

*housing development. A successful housing project does not unduly impact its neighbors and is a pleasant place in which to live."*

*"One means to educate the public is to build examples of well-designed and affordable higher density development, so that people can better understand that it need not be threatening."*

*"One way to reduce the nimby syndrome with affordable housing is to involve employers in the planning and development decisions. Citizens should be helped to understand the economic development/housing link. If industry says that they need low wage workers, then the community must say that it needs low income housing."*

*"When a nontraditional housing type is introduced into a neighborhood, an incentive should be awarded, or in some way the neighborhood should get something that it wants such as a park, etc.."*

#### ■ "Housing Affordability"

The "Housing Affordability" issue is: for a significant portion of households, there is a gap between what they can pay for housing, and the cost of housing they need.

As a result, families are forced to pay a very high percent of their income for housing, or other critical purchases such as medical care, food and clothing are curtailed, or they have inadequate or no housing, or more likely, a combination of all of the above occur.

This issue may be very effectively addressed by non-housing programs such as educational or other worker productivity improvement programs and/or new job creation, so that wages are increased to a point that a reasonable percent of household's income can rent or purchase at least the minimum housing unit. This approach is beyond the scope of this report, although it is a very important tool for addressing the problem, and another more direct link between housing and jobs is discussed below in the "housing balance" section.

There is agreement from all perspectives that there is an affordability problem in our region. There is agreement that the private sector cannot meet all of the demand for

housing built in accordance with all applicable rules and regulations. Accordingly, most define this situation as an affordability problem. In addition, other housing providers, such as nonprofit organizations and public agencies, were recognized as not currently able to fully meet the housing needs not being met by the private sector. A common concern is that housing is expected to become even less affordable in the future.

Interviewees indicated that the metropolitan affordability problem was not as acute in some portions of the region as others and it is not as bad as the other metropolitan areas on the West Coast. It was also acknowledged that the problem was bigger than the region. This brings into question whether this a national issue (see Conclusions/Recommendations).

Reasons cited for a lack of affordable housing included reductions in Federal incentives and programs, recent stricter lending regulations, more local regulations, out-of-state buyer pressures, housing market, lending, and appraisal considerations, and turnover in ownership of rental units.

Following is a summary of comments received:

■ "Housing Affordability" Issues

*"There is no substitute for well-paying jobs to address affordable housing."*

*"A decrease in the supply of affordable housing is due to the following: 1) Increases in the sales price of rental housing which is passed on to renters; 2) a declining federal involvement with low or moderate income properties; 3) 1986 federal tax code revisions removing significant incentives to build affordable housing; 4) less capital available to developers to build new units because of more strict lending regulations (in many cases an over-reaction on the part of regulators with regard to financial institutions has occurred because of the "S & L crisis"); 5) construction costs rising faster than incomes; 6) "equity refugees" and speculation that more "equity refugees" will come to the market which puts upward pressure on prices."*

*"There is a chronic lack of rock solid, credible up-to-date housing data/information. Metro should provide this."*

*"For someone in the private sector to have enough incentive to build housing they will: 1) seek the best risk/return rate; 2) build in response to what the buyer can finance. Therefore, some markets may not be served by the private sector, at least with new housing."*

*"When the housing market is "hot", or is a sellers market, then little or no affordable housing is built, because buyers must pay top dollar. When there is a recession, builders and buyers drop out and no affordable is built or are there many buyers available to buy. The time when the most affordable housing is built is in times of slow downturns in the market. "*

*"The financial institutions do not lend money equally everywhere in the region."*

*"How do we encourage more participation by financial institutions without pointing fingers?"*

*"From a pure market perspective, less lending may occur in some areas because there are greater risks and fewer rewards. For example, in an area of relatively low-value, older homes, it may be very difficult to have the purchase price plus the fix-up costs equal a "market" value. The market is a reflection of society's values, and unless society changes or market incentives are provided, for-profit lending institutions have great difficulty in responding to their shareholders and those that have savings in the institution as to why returns are less than the going rate, especially in the current regulatory atmosphere."*

*"When innovative affordable housing is proposed, there is no established track record for its marketability, and therefore lenders, appraisers and others who deal with the financial aspect of housing find it difficult to arrange for financing."*

*"Building, zoning and land use regulations increase the cost of housing to a point that some people are priced out."*

*"It's not possible to cut enough corners on housing to provide really affordable housing. The issue of affordable housing is at least state-wide."*



*"Improvements in the laws to allow more opportunities for manufacturing homes have occurred. However, the cost savings in manufacturing homes on this scale are lost if each city or county enacts rules for roof pitches or other design features.*

*"Needs assessment and affordable housing implementation methods like planning and zoning are at least within many areas."*

*"Federal housing programs tend to be designed to address East Coast housing problems."*

*"If you ignore for the moment ways to increase wages or help people become wage-earners and look at the gap as the price of housing being too high, the key is to find "non-market money" to fund the gap between ability to pay and cost of housing."*

*"Tax monies should not be used to subsidize people of equal incomes, when one group is successfully getting housing from the private sector."*

*"Tax-exempt projects are a concern because it means that an additional tax burden must be assumed by surrounding neighbors and the community."*

*"The "gap" consists of two groups. One is first-time homebuyers with 80% of median income and up. This can be addressed through lower cost owner-occupied housing. The second group is less than 80% of median income, and usually is addressed through rental housing."*

*"It is becoming less likely that a public housing program is funded with a single assistance program. More and more a funding package must be put together to finance a project. This takes more administration time and tends to be more expensive. This has implications for HUD's policy of funding projects, not administration."*

*"The Portland area is lucky that there are not the housing "projects" as there are in many eastern cities. The problems connected with these kinds of developments are much more difficult to address than the types of lower income housing in Portland."*

*"There is a lack of 3 bedroom apartments for larger families. For example there are many asian extended families which have difficulty finding housing."*

*"Good transit transportation is critical and a is way to minimize total household costs and frees up some dollars for additional housing if needed. However, if transit must be relied upon, it limits housing options because there are many areas remote to transit service."*

*"Housing costs must be considered as a total. For example, it may be possible to skimp on energy conservation measures. However, it may mean utility bills that are so much higher. Cost effectiveness should be considered."*

*"When low income units are lost because of demolition, there should be a method to replace the lower rent units, (like the City of Portland's no net loss policy)."*

*"There has been a great increase in people's expectations for housing. What used to be a "starter" home is not now very attractive to the great majority of buyers."*

*"The expectations of some first time buyers may be very unrealistic. Some expect all of the amenities and a substantial profit upon sale."*

*"Some aspects of yesterday's starter homes would be difficult to duplicate. For example, in some cases there was substantial skimping on infrastructure - no sidewalks, inadequate storm drainage, use of cesspools or septic tanks which were bound to fail, etc."*

*"For the first-time buyer to also take on a rehabilitation project is asking too much. The buyer must be knowledgeable to "sell" the banker, and the first-time buyer is making a very big and emotional decision."*

*"Rehabilitation of housing is a difficult process because 1) can't do a "cookie cutter" production like new construction, 2) there is always the risk of the unknown (more pipes to replace than estimated, etc.), 3) will the value be there? ie, is present value plus improvement costs at least equal to market value of rehabbed unit? "*

*"Building codes can be too strict for some housing rehabilitation. A safe and decent home can be achieved at lesser standards. Remodelling may not be economically feasible because all standards "kick in" if any significant rehabilitation is begun."*

■ Suggested "Housing Affordability" Solutions

*"There are four basic ways to improve affordability (in order of increasing government cost): 1) reduce the cost of dwellings by building smaller (square footage) units, increasing density, building to lesser standards and/or including fewer amenities; 2) reduce the cost of borrowed money by changing the loan terms; 3) use "non-market" money (money that does not demand a market rate of return, usually government or charitable funds) in financing , or 4) direct (public) subsidy. Options 3 and 4 generally not available or available only with great difficulty."*

*"There is a need for information to be collected, analyzed and distributed, perhaps a regional marketing study, or regional inventory which could assist the affordable portion of the housing market."*

*"Something less than a Statewide housing code may be appropriate for either rehabilitation and starter homes, and any new building code provisions should be analyzed for their impact on affordability."*

*"Relaxation of health and safety standards in homeless shelters is not appropriate, because the facilities are pushed to the maximum occupant capacity."*

*"The Homebuilders did a demonstration project a number of years ago which showed that through relaxing some building code regulations, savings of 8-10 percent could be achieved. This may be one way to reduce housing costs for some parts of the market."*

*"Specific solutions to providing affordable housing should be created and implemented at the smallest organizational level possible."*

*" 'Aging in Place' is an important concept directly relating to the type and location of housing. It means being able to continue to live in the same community, if not the same home, even after auto driving is not possible, and/or some type of assistance is needed. However, there must be enough seniors and enough density to make it economically feasible to do this."*

*"The State of Washington has a Housing Finance Commission fund, which is a housing trust fund, a method which is very effective and which should be replicated in Oregon. There is a proposal to have such a fund in Oregon, but the amount proposed to capitalize the fund is much less than needed."*

*"Below market interest rate funds for public assisted housing which is in turn linked to other public goals, such as density should be considered."*

*"Rent-to-Own programs should be considered to increase home ownership opportunities."*

*"Public agencies can play a role in assisting the financing of affordable housing, such as having a public agency (such as a housing authority) serve as a temporary take-out owner of the completed project. In this way, the project risk, as perceived by the financial entity, may be lessened. This may be a key in helping the developer get construction loans in the current tough financial market."*

*"There is a need for a centralized telephone number so that people with housing needs can call one number and get information about all of the housing programs available. This program would match people to housing units. One of the apartment rental companies has volunteered office space for a person to do this work if funding for salary can be found."*

*"There should be a way to standardize plans so that costs can be cut as much as possible."*

*"Sweat equity and other means of housing assistance programs in which lower income people share in the responsibility for providing housing should be encouraged."*

*"Inclusionary zoning, (where additional density is allowed because some units are reserved for moderate or low income households) may not work well in the long-term. Although the developer can make them work, typically, the developer sells the development and an management company assumes control. This operator may not be able to continue to reserve the units at such low prices. If the units are owner-occupied, the seller will naturally seek the market price, and the affordable housing is lost."*

*"There are ways to structure inclusionary zoning provisions so that they will work."*

*"Federal housing programs must be targeted to low income projects. They do not allow a mix of incomes within a development. It would be helpful if this restriction could be changed."*

*"The State is a player in housing and is probably most appropriate in providing technical assistance and some funding."*

*"The Feds should address the lowest income people and the locals should handle the top end of affordable housing."*

*"Realistically, the Feds don't have the funds to handle the lowest end."*

*"The Feds have substantially cut their assistance of low and moderate income people. The State and locals should pick up as much of the difference as practicable."*

*"Linked deposits, or the tying of public funds held in private financial accounts, can be linked with the financing of housing."*

*"A three or four-county housing consortium strategy should be designed to respond to the new federal affordable housing legislation."*

*"Foreclosures should be transferred to nonprofit housing organizations."*

*"Nonprofit housing organizations should be nurtured because they are a very effective means of addressing housing problems."*

*"Community Development Block grants could be used as a tool for land banking."*

*"The land use approval process must be fast. When margins are thin, additional time adds to costs."*

*"Home ownership opportunities must be increased."*

*"There should be inclusionary zoning - a few low or moderate units with many other market rate units - or a fee in lieu."*

*"There should be employer-assisted housing."*

*"Tax credits for employer-assisted housing is good method. Employer gets bonds and tax credit - employee gets lower interest on home loan."*

*"Housing units should be made accessible for the disabled whenever possible - consistent with the new Federal law. However, in many cases a lesser standard - adaptable - may be an workable alternative."*

*"Social Services (job training, child care, substance abuse treatment, attendant care, etc.) should be located conveniently to low-income housing."*

*"People in recovery programs need to live in congregate care types of facilities, similar to nursing homes or retirement homes. However, not enough of these buildings are being built. As a result, a structure designed for other uses are retrofit, and this is a costly and more difficult alternative."*

*"If you plan for housing, you must also plan for services."*

*"There should be a requirement that a certain percentage of units within a development accept section 8 certificates."*

*"Tax increment financing should be spread outside district - as allowed in California."*

*"Many agencies and individuals have cited local and national community-based nonprofit organizations as very helpful in improving neighborhoods."*

*"Tools such as credits against taxes, hookup fees forgiveness, should be considered by local governments."*

#### ■ "Housing Balance"

The housing balance issue is: the perception that communities are not providing

enough jobs or housing, or housing for low-income persons.

Stated in another way, there is a concern on the part of several different interests that the impacts of housing (or lack thereof) within any one jurisdiction are being felt in other jurisdictions. These impacts include traffic congestion, air quality degradation, public costs (increased social services supported by taxes) and private costs (crime, diminution of property values, etc.) which are sometimes associated with providing very low-income housing.

For example, portions of downtown Portland and its eastside have a large number of the region's homeless and lower income housing units. There is a dilemma with the resolution of this issue. If only the buildings within a lower income area are improved, current residents will likely be displaced. The displaced people will need to live somewhere, so they will either relocate to another part of the city, or another city or county in the region, or another place outside the region. Therefore, improvement of just the physical buildings simply moves the problem.

Also, some have pointed out that a significant percentage of the low-income population in Portland is so because of race. Some have expressed concern that displacement would not only cause unacceptable costs to individuals, it would break down the community strength which comes from having an identifiable minority community location.

On the other hand, the programs which are intended to address the problems of low-income residents also function as a magnet to other low-income persons outside of a the city, who may also need these services. So city actions may increase the number of people in need within a city. The result could be a downward spiral in which a community becomes more and more poor, has more and more needs and less and less ability to pay for the services on a community basis.

Some believe that major factors for the location of very low-income households within the City of Portland is free transit service (within Fareless Square), older and generally less-expensive housing stock (the older downtown hotels which lend themselves to conversion to single-room occupancy). As a result of the location of large numbers of lower income people, many social service agencies were sited in the downtown or inner

eastside.

Many of the newer, more suburban cities, and urban portions of counties have jobs but may not have enough affordable housing for the wages paid. They have fewer social services, a lower quality of transit service, and little, inexpensive housing stock. The costs of providing social services in suburban locations, as opposed to more centrally located sites, could substantially increase the overall cost of providing these services, because of a lack of economies of scale. In addition, there is no overall governmental structure for inter-jurisdictional administration, which could minimize the costs of providing social services from more dispersed sites.

For that portion of households which are not dependent upon some form of assisted housing, individuals cannot find private-sector housing within the same area or jurisdiction where they work. That is, a combination of low wages and high rents limits options. As a result, commutes are longer than desired, and there are traffic congestion, air quality and other consequences.

Solutions offered by those interviewed included employer-assisted housing, or the review of housing opportunities prior to approval of new employment facilities, increased job training, fostering better communication between the various cities, counties and non-profit agencies to jointly arrive at possible solutions, providing below market rate interest loans for public assisted housing which is linked to additional public policies (such as increased density), using pedestrian pockets or other development models to reduce auto trips, encouraging neighborhoods to have more diverse housing types and households, and developing and implementing social programs that address crime, etc.

*The following are comments received regarding Housing Balance:*

■ *"Housing Balance" Issues*

*"There is a housing dynamic which occurs in the Portland metropolitan area. A combination of social services, medical facilities, low cost housing, transit and other factors centered in the downtown draw into the central city those with low incomes, the homeless, and others who do not economically function like much of the population does. Middle and upper income households tend to leave as a result. These middle and upper*



*income households relocate to the suburbs, and, because of the urban growth boundary, land prices at the urban fringe go up. This causes those who would normally locate in the suburban fringe, and those who are elderly to move closer to the central city. A figure-8 pattern of pressure exists."*

*"Housing markets extend beyond jurisdictional (city, county, Metro, and State) boundaries."*

*"One of the reasons that the homeless and very low income gravitate to the central city because of good, cheap (fareless square) transportation and older cheaper housing such as the old hotels in central city areas. Another lure to the central city for the mentally ill is that they like to get "lost" in the outdoor crowds of the central city. Once significant numbers of homeless and low income frequented the area, health care, and social services were made available, and this increased the number of homeless and low income. "*

*"Homeless single men, women and youth are much less tolerated in the suburbs. The farther away from the downtown, the more the homeless look out of place, and the more likely the homeless will be "encouraged" to leave the area. Many times someone who is mentally ill will be accused of "menacing", and the police or sheriff will take them or arrange to have them sent to the downtown. People go where they are most comfortable. However, homeless families do get some suburban support. "*

*"There is an urban subsidy (extra police, fire, social services, lower property values, etc.) that the central city is paying for the region. "*

*"Concentration of low income people is a not good policy. In many cities in the East, there is an inordinate concentration of low income people which simultaneously drew in more low income people and from which higher income people left, making several very polarized communities - one very poor and with lots of extra costs (police, social services, etc.), and several with higher income and less costs. "*

*"Trickle-down is not the answer to low-income housing, because there is no trickle down happening in some communities. The overall supply of housing is not meeting the housing demand. "*

*"Demolition of existing housing units is decreasing the supply of affordable housing. These homes, primarily on the east side of Portland are the major supply of affordable housing for the region, and must be either preserved or replaced."*

*"The City of Portland has the reputation for having a higher level of social services and good medical facilities. These are attractive to seniors both within and outside of Portland."*

*"There is tremendous speculation in portions of north and northeast Portland. The result is absentee landlords, rents are too high, and there are too many households which are forced to rent."*

*"The lack of investment or reinvestment in older, built-up areas is a key problem. There should be more density to support commercial and other possible supportive uses. If the effort is to be serious, there should be a command center with a large map and the problems should be addressed methodically, comprehensively, strategically, tactically and relentlessly. Every aspect from crime on up should be addressed."*

*"At one time the homeless was a central city problem. However, now many suburbs in the east and midwest are seeing homeless - primarily homeless families. The nature of homeless people is changing. Eight years ago, homeless teenagers were rare. Now there are 400+ per year. Eight years ago homeless families not seen. Now, 4-5 families per month."*

*"Because of new fair housing laws, it will be more easy for the disabled to locate away from the central core, and it is likely that there will be more dispersal to the suburban and rural areas of the region."*

*"There is a maximum "cap" of 1,282 low income housing units that the City will allow in the central city. As the need for additional units grows, incentives for other areas to provide this type of housing should be provided."*

*"People will go where they are most comfortable and can get the best economic conditions. This applies to low-income and zero-income people, too. New York provided*

*relatively high welfare payments, it drew low income people from outside the State. The State of California provided better disabled benefits, it drew people from out of State. If an area like the east side of Portland becomes such a magnet, will there be middle class flight and a hollowing out of the area, financially, otherwise? "*

*"What is the capacity of Portland to absorb people of low income? Does it well serve Portland to be sensitive to these needs if no one else is doing anything? "*

*"Gentrification is a concern for both renters and homeowners. Each may be displaced from their homes. The homeowner may be in a little better position, as they have some cash from the sale, but this may not be nearly enough to buy another house in any other area, and they may be priced out of their neighborhood housing market."*

*"Gentrification should not be a concern, if done properly. That is, everyone wants better housing, the trick is to ensure that displacement does not take place, and that those living in a neighborhood participate in the increasing value of homes."*

*"Providing opportunities for affordable housing in all areas of the region is commendable, but it should not ignore that increased decent housing opportunities must be provided in the minority communities in north and northeast Portland."*

*"There is a need to recognize that housing discrimination on the basis of color still exists and must be addressed."*

*"Transportation improvements, so long as they are affordable, may be a useful alternative to providing housing in close proximity to jobs."*

*"Mass transit linking housing and jobs is critical."*

*"The 'pedestrian pockets' model, in which walking and the use of transit is the planned and preferred method of is a way to provide balance in many areas of the region."*

*"With age, many will not be able to drive, will have to either 1) move to an area where transit, health care, and other facilities are convenient, or 2) "age in place", by providing services within the home. However, the second option will take help. This*

*only works were there are enough seniors at high enough density to be economically feasible. "In-law apartments", "granny flats" are ways to achieve this in place if allowed."*

*"Although the opportunity for lower income housing is important for suburban communities to consider as well as central cities, several other facts must also be taken into consideration: 1) some suburban communities are mainly residential and do not have the diversified tax base (commercial and industrial developments) of central cities which allow for a wider range of housing types without an unmanageable burden, 2) many suburban areas do not have transit service or social service centers available at a level comparable with central cities, so that lower income individuals would have a much more difficult time getting to work, shopping and other destinations, 3) many suburban cities are relatively small and their budgets do not allow for some of the more sophisticated programs which larger cities may choose to undertake."*

*"Schools, and their capacity, impact the affordability of housing by being a large determinant of where growth occurs."*

*"One of the possible impacts of Measure 5 is that rents are unlikely to go down, but they may not go up quite as quickly. In addition, it may encourage more high end residential construction as households from outside the state who have substantial equity, but were earlier scared off by higher property taxes may find the climate more favorable, and by changing the State's reputation as a high tax state, more employers may choose to locate here."*

*"Gentrification may displace lower income, and may only result in merely moving the problem. What can be done to assist in self-improvement? "*

*"Middle income (and above) needs to be recognized for the taxes they pay and have paid, community stability that they have provided and the other civic contributions they have made. Their presence is invaluable to the urban fabric. There needs to be a way to acknowledge, reward and attract more of them. "*

■ Suggested "Housing Balance" - Solutions

*"Measure 5 will pressure communities to consolidate if some services are still going to be provided at some level."*

*"There should be consideration about available housing when new employment is considered."*

*"The suburban churches do provide a good deal of support for central city homeless programs."*

*"The UGB helps to make a level playing field with regard to housing in the Portland area, but it alone does not make vacant land competitive with rehabilitation, infill or redevelopment."*

*"Housing availability should be considered simultaneously with the consideration of the creation of new jobs."*

*"Neighborhoods should have a 'mix of folks'."*

*"There should be a fair distribution of special needs housing, with a maximum lid."*

*"It may not be a city's job to solve all housing problems. However, it is appropriate to identify problems which can be solved, bringing all of the parties, suburban, central city, and others together to discuss possible answers. It must be a process in which those affected jointly participate in the design of the solution."*

*"Some Federal programs may be so complex that it takes a larger city and/or Metro to deal with the requirements."*

*"Jobs drive the demand for housing - at least up to a point. More effort should be made to train local people for new jobs and employers in the area. This would cut down on the demand for new housing."*

*"Transportation accessibility also is a powerful driver of residential. If an area is made*

*more accessible, existing and new housing becomes more attractive."*

*"Subregional responses to housing issues may be appropriate, because different subregions have different levels of transportation and services."*

**■ Background**

To better understand the issues, it is important to have an appreciation for the conditions that shape the existing housing situation in the region. The intent is to provide as many of the significant facts as possible to respond to issues raised. However, for many of the issues revealing facts are not readily available or included within this report. Clearly, further data and facts will be needed to adequately test some of the issues collected.

This chapter divides this discussion into two major parts; policies and programs. Policies are laws or regulations, such as the urban growth boundary. An example of a program is the Burnside Projects for homeless individuals and families.

**■ Policies****City and County Policies**

Perhaps the best way to begin a discussion of city and county policy is to illustrate them statistically. Table 1 shows the most current population estimates of the cities and the urban portion of the counties.

All cities except Portland are below 100,000 population and except for Beaverton, Gresham and Portland, all the cities are below a population of 50,000. (the 50,000 population figure has significance for federal Community Development Block Grant eligibility as explained below).

Table 1

**COMMUNITIES WITHIN THE URBAN GROWTH BOUNDARY BY 1990 POPULATION<sup>1</sup>**

Population	City	Percent of Total Within the UGB
440,000	Portland	40.9%
68,000	Gresham	6.3
51,750	Beaverton	4.8
37,350	Hillsboro	3.5
30,800	Lake Oswego	2.9
29,100	Tigard	2.7
18,950	Milwaukie	1.8
16,200	West Linn	1.5
16,100	Oregon City	1.5
15,160	Tualatin	1.4
13,300	Forest Grove	1.2
10,225	Gladstone	0.9
7,775	Troutdale	0.7
7,075	Wilsonville	0.7
6,100	Cornelius	0.6
3,125	Sherwood	0.3
2,800	Wood Village	0.3
2,515	Fairview	0.2
2,040	King City	0.2
1,605	Happy Valley	0.1
780	Maywood Park	Less than .1 percent
760	Durham	" " "
535	Johnson City	" " "
310	Rivergrove	" " "
782,355	Subtotal - cities	72.7%
128,086	Washington County -unincorp	11.9
107,087	Clackamas County -unincorp	9.9
59,158	Multnomah County -unincorp	5.5
294,331	Total unincorporated	27.3%
1,076,685	Total within UGB	100.0%



In Table 2, the amount of buildable residential land by city or county is shown for the jurisdictions with the five largest reported inventories (Table 18, which shows all cities and counties in the region is included in the appendix). This information demonstrates how residential growth is planned to occur in the future, as provided for in comprehensive plans.

Table 2  
Five Largest Reported Single Family Buildable Land Supplies by Jurisdiction<sup>2</sup>

Jurisdiction	Single Family Buildable Land Inventory
Urban, unincorporated Washington Co.	7,619 acres
City of Portland	3,533 "
Urban, unincorporated Clackamas Co.	1,965 "
City of Gresham	1,928 "
City of Beaverton	815 "

The largest supplies of multi-family land are as follows (Complete statistics for all cities and counties multi-family land inventories are also shown in Table 18.):

Table 3  
Five Largest Reported Multi-family Buildable Land Supplies by Jurisdiction

Jurisdiction	Buildable Multi-Family Land Inventory
Urban, unincorporated Washington Co.	5,229 acres
Urban, unincorporated Clackamas Co.	686 "
City of Portland	634 "
City of Hillsboro	593 "
City of Gresham	586 "

Table 4 illustrates the largest supplies of potential new housing units that could be built within the region. In comparing this information with that of Table 3, it can be seen that the planned density of the residential affects the number of dwelling units that can be built.

Table 4

**Potential for New Single Family Dwellings - Five Largest Supplies by Jurisdictions**

Jurisdiction	Number of Dwelling Units
Urban, unincorporated Washington Co.	52,416 units
City of Portland	14,321 "
City of Gresham	12,002 "
Urban, unincorporated Clackamas Co.	8,861 "
City of Hillsboro	7,989 "

Similarly, the following table shows the potential for multi-family dwellings:

Table 5

**Potential for New Multi-family Dwellings - Five Largest Supplies by Jurisdictions**

Jurisdiction	Number of Dwelling Units
Urban, unincorporated Washington Co.	58,426 units
City of Portland	21,673 "
City of Gresham	16,767 "
Urban, unincorporated Clackamas Co.	12,812 "
City of Hillsboro	10,224 "

Table 6 shows the potential population increases by the five largest jurisdictions if all of the potential units were built (a complete list of cities is included in Table 21 in the appendix).

Table 6  
 Potential for Additional Urban Population - 5 Largest Supplies by Jurisdictions

Jurisdiction	Potential Added Population
Urban, unincorporated Washington Co.	272,671 people
City of Portland	87,852 "
City of Gresham	70,772 "
Urban, unincorporated Clackamas Co.	53,316 "
City of Hillsboro	46,155 "

It should be noted that the above tables indicate the potential for single family and multi-family development, as made possible by comprehensive plans and zoning. The forecast of growth is in many cases very different. For example, the following table summarizes the population growth and increase in households forecast to occur between the years 1987 and 2010:

Table 7  
 Forecast of Population and Household Growth By County, 1987-2010<sup>3</sup>

County	Population				Households			
	1987	1995	2010	Change 1987-2010	1987	1995	2010	Change 1987-2010
Clackamas	253,404	299,317	367,907	114,503	94,962	115,472	148,867	53,905
Multnomah	562,997	590,669	629,102	66,105	240,423	257,351	285,498	45,075
Washington	278,307	340,358	439,352	161,045	107,466	135,350	184,213	76,747

Currently, there are no forecasts for individual cities or the urban, unincorporated portion of counties. All more specific data has been completed on the basis of census tracts (which do not describe city limits).

City/County Specific Examples

Cities and counties are the local governments enabled by the State to regulate housing through land use plans, zoning and building codes and other similar regulations. Each city or county prepares a comprehensive plan and zoning ordinance (or development

code), and these documents must meet State goals and statutes. Of particular importance to local plans are the standards of the Metropolitan Housing Rule (see State Housing Policies, below).

Each city or county has different, more specific policies with regard to housing. No complete description of all of these policies is included within this report. However, some of the more thought-provoking policies from a sampling of cities is listed below.

The City of Portland, as the largest city in the region, has many housing policies. First, the City has adopted a "no net loss" policy for certain areas of the City.

This policy was in part the outgrowth of concerns with the demolition of existing housing units and their replacement with more expensive housing. The other consideration was a concern that the City of Portland might have difficulty in meeting the Metropolitan Housing Rule density requirement. As a result, the Portland Comprehensive Plan and its implementing zoning ordinance calls for the replacement of lost or converted dwelling units within certain zones.

In addition, for certain selected zones, the City has instituted a minimum density, which is intended to help insure that planned densities are achieved. New zones, such as the CM, Commercial, Mixed Use, encourage residential development in conjunction with commercial uses, and may address density as well as affordability issues.

The Mayor's "12 Point Program for the Homeless" is another set of programs the City has instituted. Many of the points deal with social issues and are not included within the considerations of this report. The specifics of the housing programs are detailed below. However, one policy included within the program is the "cap" or maximum number of homeless housing units that the City will allow within the central city (downtown Portland). The City allows up to a total of 1,282 units in the downtown.

The City of Portland's Comprehensive Plan has a theoretical capacity to accommodate several hundreds of thousands of additional population if the present zoning were implemented. That is, some portions of the City are zoned for much more dense development than currently present. (An estimate of how much of more dense development might reasonably be built is factored into the figure on Table 21.)

In Washington County, a Comprehensive Framework Plan was adopted in 1983. This Plan, which guides the more specific community plans, has several housing policies. Comprehensive Framework Plan policies 21 (Housing Affordability), 22 (Housing Choice and Availability), 23 (Housing Condition) and 24 (Housing Discrimination), all recommend housing methods to address identified problems. For example, with policy 21, Housing Affordability, the County seeks "...to encourage the housing industry to provide an adequate supply of affordable housing for all households in the unincorporated urban county area". To effect this policy, seven implementing strategies are included:

*"The County will:*

- a. Provide for an average density for new housing constructed in the urban unincorporated area of at least 8 units per net buildable acre;*
- b. Streamline the development review process to reduce the regulatory costs associated with land development, while improving the quality of review;*
- c. Through a regulatory process in the Community Development Code, permit the creation of a second dwelling unit within detached dwellings where the structural characteristics are deemed by the Planning Director to allow such an adaptation and where such a change will not adversely affect the neighborhood;*
- d. Review design and development standards for residential projects as part of an effort to reduce unnecessary housing costs while maintaining housing and neighborhood quality;*
- e. Review the utilization of residential planned densities on a periodic basis to determine if any Plan changes are required. Large housing projects for the elderly may include accessory convenience commercial uses. Appropriate standards shall be included in the Community Development Code;*
- f. Encourage compatible development in partially developed residential areas to make optimal use of existing urban service facility capacities and maximize use of the supply of residential land; and*

*g. Assist state and local public housing agencies in the development of subsidized housing opportunities."*

Other communities have policies which deal with housing, too. In the City of Troutdale, the Comprehensive Plan has many policies which are aimed towards seeing that housing remains affordable. For example, it calls for the City to:

*"Review fees and charges regularly to determine the impact on housing costs, and to determine if they are as reasonable and efficient as possible";*

*"Recognize that the Development Code should set the minimum standards and not go beyond issues which are essential for the public health, safety and welfare";*

*"Recognize the increasing cost of time delay. Streamline the land development and permit issuance processes to reduce unnecessary delays";*

*"Encourage a mix of single-family, duplexes, triplexes, and four-plexes as part of a Planned Development as an attractive and desirable alternative to providing just a single type of housing in a subdivision";*

*"Pursue methods of improving the quality of deteriorated housing stock, particularly in the downtown area, in order to upgrade the total housing stock. The Model Housing Code will be reviewed for its applicability to the City, and if found to be applicable, may be adopted in part or in whole"*

Another example of local housing policy may be found in Happy Valley. The City, incorporated in 1965, has had continuing concerns with dense residential development. Alternatively, some have expressed concern that the City's planned densities do not meet the Metropolitan Housing Rule. However, the City's Plan has been acknowledged by the State. Regardless, there is a policy which the City has initiated that is designed to address the need for different types of housing. The Happy Valley Comprehensive Plan encourages the development of secondary residential units on existing single family lots. These units have been defined as

*"...an auxiliary dwelling unit within an existing single-family dwelling, or a detached*

*dwelling unit with separate plumbing and kitchen facilities. These units are intended to provide housing for single persons, elderly couples and others who wish to or must restrict homemaking activities and/or those on limited incomes who otherwise may not be able or willing to support a full-sized dwelling, yet shun the more crowded apartment or condominium style of housing".*

As of 1987, approximately 10 percent of the existing housing stock was determined to be immediately available or easily converted into secondary units. An additional 5 percent of the housing stock was in use as secondary units<sup>4</sup>.

### ■ Metro's Policies

The Metropolitan Service District, (Metro), has at least one tool which may affect housing issues and, several other potential tools.

#### Urban Growth Boundary

The State has mandated in Goal 14, Urbanization, that "Urban growth boundaries shall be established to identify and separate urbanizable land from rural land." The land within the boundary must take into consideration the "Availability of sufficient land for the various uses to insure choices in the market place", and should take into account "...the needs of the forecast population...". Clearly, residential uses are an important part of the need for urban land, and must be considered in setting and expanding the boundary.

Whereas cities and counties have established these boundaries around all of the cities in the State, in the case of the greater Portland metropolitan area, Metro has the responsibility for administering the urban growth boundary for the 24 cities and the urban portions of the 3 counties. The boundary, established in 1979, currently contains 362 square miles, and was recently reviewed for land availability versus the need for land.

Each land use was analyzed for supply and demand. For housing, the market supply and demand were calculated as follows:

Table 8  
Regional Residential Land Supply/Demand Comparison<sup>6</sup>

	1987-2010 Forecast Demand	Reported Supply
Single Family	18,650 acres	21,279 acres
Multi-Family	3,650 acres	9,568 acres

Accordingly, the recommended conclusion is that sufficient buildable land remains within the boundary to accommodate the forecast 20 year need.

#### 1979 Areawide Housing Opportunity Plan

In 1979, the Metro Council adopted an Areawide Housing Opportunity Plan, which was completed to address Federal grant funding requirements as well as help the region meet State Goal 10 (Housing) requirements. An assessment of housing needs was completed by jurisdiction, a model for distributing assisted housing was designed, and numerical goals by housing type and by jurisdiction were adopted. Letters of support for the allocations, goals and strategies were received from 17 cities (Beaverton, Cornelius, Gladstone, Forest Grove, Hillsboro, King City, Lake Oswego, Milwaukie, Oregon City, Portland, Rivergrove, Sherwood, Tigard, Troutdale, Tualatin and West Linn) and the 3 counties. In addition, several communities outside Metro also supported the Plan including Camas, Ridgefield, Vancouver, and Clark County in southwest Washington, and Estacada and Gaston in Oregon.

However, the Federal programs to which this plan were addressed were substantially reduced, and the plan was never implemented.

#### 1980 Metro Goals

In addition to the responsibility of administering the urban growth boundary for the region, there are also land use coordination activities that Metro is either mandated or may choose to complete. First, Metro is required to "Adopt land-use planning goals and objectives for the district...". As an interim measure, Metro has adopted the goals of its predecessor organization, the Columbia Regional Association of Governments. For housing, however, Metro adopted in 1980, the Metro Housing Goals and Objectives, which were to be "considered interim" and subject to review every four years. In



addition, it was explicitly stated that the goals and objectives "will not be applicable to local jurisdiction land use decision and plan reviews until actions to implement them have been formulated and adopted by the Council." Although there was an expectation that an action plan would be prepared, this was not accomplished.

### 1991 Regional Urban Growth Goals and Objectives

Currently, Metro is undertaking the completion of Regional Urban Growth Goals and Objectives (RUGGO) to meet the original legislative mandate. The draft RUGGO include Housing Objectives (see appendix) which focus on three issues, including "Diverse Housing Needs", "Housing Affordability" and "Housing Location". These goals are currently undergoing public review and may change as a result. However, the intent of the RUGGO, beyond meeting statutory requirements, is to seek a common statement for the region as to generally which policy directions should be taken. Further definition would need to occur in order to implement them.

### Metro Functional Plans

Additional Metro authority established by the state is that Metro may "Prepare and adopt functional plans for ...other aspects of metropolitan area development the council may identify". Further, the statutes state that Metro may "... recommend or require cities and counties, as it considers necessary, to make changes in any plan to assure that the plan and any actions taken under it conform to the district's functional plans...". The functional planning process is not further defined. Several functional plans have been adopted by Metro, including ones for transportation, solid waste and water. A functional plan for housing should not be undertaken unless there is substantial discussion by all affected parties. (See Conclusions/Recommendations)

### Metro Home Rule Charter

Recently, voters of the state approved a ballot measure which allowed Metro to complete a charter. This "home rule" option will be implemented through a charter commission appointed by the State Legislature. It is likely that the drafting of a charter will take a year or more, and once written will be submitted to the voters of the 3 counties for ratification. It is unknown how the charter might affect Metro authority, and whether any of the requirements or processes discussed above will be changed.

## ■ State Policies

Perhaps the best known state housing policy is the Oregon land use planning system. The state has a system of Statewide Planning Goals, state planning statutes, and administrative rules for which cities and counties, who have the land use jurisdiction, must show compliance.

### Statewide Planning Goals

The first of these, the Statewide Planning Goals, includes Goal 10 - Housing, which broadly states how land use plans are to accommodate housing (see appendix for the complete text of Goal 10). Another major State land use goal, Goal 14, Urbanization, is discussed above under Metro, as the major feature, the urban growth boundary, is administered by Metro.) The Goal calls for an inventory of lands realistically available for residential development to be completed by cities and counties. Further, the land use plans are to

*"...encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density."*

A series of guidelines for planning and implementing the housing goal are also part of Goal 10. For example, cities and counties within the State routinely include within the housing elements of their comprehensive plans:

*"...(1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated."*

However, as explained below, within the greater Portland metropolitan area, the Metropolitan Housing Rule, is substituted for compliance with these guidelines.

### Oregon Statutes - Needed Housing

The Oregon Revised Statutes (ORS), the final level of detail in the state planning system, has several requirements which relate to housing. One of the most important portions, ORS 197.295-197.313, address "Needed Housing in Urban Growth Areas" (see appendix for complete text). In ORS 197.303, "Needed Housing" is defined as:

*"... housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels..." including "...(a)... attached and detached single-family housing and multiple family housing for both owner and renter occupancy; (b) Government assisted housing; (c) Mobile home or manufactured dwelling parks... (d) Manufactured dwellings on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions."*

Accordingly, not only the market demand for housing, but also the unmet need for those who are projected to be in need in the future must be a part of the land inventory available for development within the urban growth boundary. It is not clear that this language also includes housing needs which has been met or may be met by nonprofit organizations. However, the spirit of the language would seem to include this unmet need as well.

### Metropolitan Housing Rule

Regardless of the policy and statutes cited above, within the Oregon Administrative Rules (OAR) of the Land Conservation and Development Commission, there is a division of the rules called the "Metropolitan Housing Rule" (see appendix). This rule is intended to improve the efficient use of land within the urban growth boundary, increase the development process certainty and to reduce housing costs. As such, it is another link between housing and the urban growth boundary, even though in the development and adoption the Rule was primarily a concern with Goal 10 issues.

This rule, which only applies to the greater Portland metropolitan area, has two components. First, by the provisions of OAR 660-07-030, cities and counties must:

*"...designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family*

*housing...*"

Secondly, there are minimum residential densities (OAR 660-07-035) for cities and counties. The largest, most urbanized cities must provide for:

*"... an overall density of ten or more dwelling units per net buildable acre."*

Some of the less centrally located cities and most of the counties must provide for eight units per acre, and the smaller and outlying cities must provide for at least 6 units per acre.

Accordingly, the cities and counties in the region must make sure that their plans and zoning provide for at least 50 percent of new residential units to be something other than single family detached housing, and, the average density as calculated from their plans and zoning must be either 6, 8 or 10 units to the acre.

By complying with these two provisions,

*"The new construction density and mix standards ... take into consideration and also satisfy the price range and rent level criteria for needed housing as set forth in ORS 197.303."*

### State Building Codes

The State compiles a building code which is wholly, or in portion, adopted by cities and counties. The basic reason for the code is to insure that structures are constructed so that they are safe. Over the years, the code has become much more detailed and has covered more categories of safety concerns.

The state's Energy Conservation Board has proposed a revision to Oregon's residential building code. These revisions are designed to make housing more energy efficient and reduce total housing operating costs.

### Oregon Benchmarks

Another State policy is the Oregon Benchmarks. It is unclear exactly how these policies will be implemented. The document is being presented to the State Legislature

for review and modification as it may deem appropriate.

This recent (January, 1991) document sets measurable standards for progress throughout the State. It is intended to be very specific about the directions the State should take in the future, initiate debate and ultimately agreement on directions the State should take and to provide a means to measure progress.

For housing, several benchmarks have been proposed. One of the critical benchmarks is to make housing more affordable. The state, in 1980 had 53% of households below median income spending less than 30 percent of their household income (including utilities) on housing. By 1995, the goal is to increase this to 75 percent, and by the year 2000, to 90 percent. In addition, it is also proposed that the ratio of the price of a home that a median income Oregon household can afford, to the median price of Oregon homes for sale be no greater than 1.2 to 1. As a longer-term goal, the document recommends reducing the number of Oregonian who are homeless from 30,000 (1990) to 20,000 in 1995, and 5,000 in the year 2010.

### ■ Federal Policies

Federal policies with regard to housing are numerous. Many of the policies are tied to the federal funding of local housing programs (see below). However, there are a few policies which affect housing regardless of whether federal funding is involved. Three of the newest are additions to the Fair Housing Act, the Americans with Disabilities Act of 1990 and the Community Reinvestment Act.

#### Fair Housing Act

The Fair Housing Act has prohibited housing discrimination on the basis of race, color, religion, national origin or sex since 1968. In 1988, two additions were added to the Federal statutes to extend such protections to the handicapped and families with children. As a result, for example, an owner generally cannot legally deny renting to an individual on the basis of a physical or mental impairment, or to a household which includes children. As with any policy there are some exceptions, such as existing senior developments which under certain circumstances may exclude children<sup>6</sup>, or, landlords may not have to rent to those who are current users of controlled substances.

### Disability Act of 1990

The Americans with Disabilities Act of 1990 is intended, among other considerations, to help make buildings, including housing, more accessible to those who may be disabled. Very specific regulations completed by the Architectural and Transportation Barriers Compliance Board are very specific about the width of doors, bathroom dimensions, ramps and other access considerations. These regulations apply to new construction or substantial renovations after January 1, 1992, and will affect how multi-family developments of the future will be built.

### Community Reinvestment Act

The other federal policy to be discussed about housing is the Community Reinvestment Act<sup>7</sup> which is intended to encourage financial institutions such as banks and savings and loans to "...help meet the credit needs of their local community ... including low- and moderate-income neighborhoods, consistent with the safe and sound operation ..." of the financial institution. One major issue of concern within the act is whether loans for home purchase or improvement are made equitably throughout the community.

As a means of showing compliance, each institution must prepare a statement, updated annually, which includes mapping the community served and listing the type of credit available. The financial institution must give public notice of the statement and receive and record public responses.

The Statement is evaluated for the institution's record of performance in such activities as the institution's origination of residential mortgage loans and housing rehabilitation loans, its participation through investment or other means in local community development and redevelopment projects, and participation in governmentally insured, guaranteed or subsidized housing loans.

Failure to comply may mean that the institution cannot receive deposit insurance or other benefits which may be important to the operation of the institution.

There have been recent concerns that some institutions may not have done as much as they could to support home ownership in some portions of the region, and the issue is being addressed at the Federal level.

■ **Programs**

■ **Federal Low/Moderate Income Affordable Housing programs**

The federal government has two major housing programs that it provides, affordable housing programs and tax deductions.

The Department of Housing and Urban Development, has identified six priorities "essential for revitalizing the American Dream":<sup>8</sup>

- Expand homeownership and affordable housing opportunities.
- Create jobs and economic development through Enterprise zones.
- Empower the poor through resident management and homesteading.
- Enforce fair housing for all.
- help make public housing drug free.
- help end the tragedy of homelessness.

Some of these priorities are not direct housing programs, however, they do illustrate that in some cases housing can not be totally isolated from other critical issues.

Traditional Programs

Specific programs include Community Development Block Grants, the Secretary's Discretionary Fund, Rental Rehabilitation, Rehabilitation loans (section 312), Urban Homesteading, Emergency Shelter Grants, Enterprise zone Development, Supportive Housing Demonstration projects (transitional and permanent), Supplemental Assistance for Facilities to Assist the Homeless, Mortgage insurance (Low and Moderate Income Families section 221(d)2), Housing in Declining Neighborhoods, section 223(e), Special Risks section 237), Multi-family Rental Housing for Moderate-Income Families (section 221(d)3) and (4), Assistance to Nonprofit Sponsors of Low and Moderate Income Housing (section 106b), Lower-Income Rental Assistance and Moderate Rehabilitation Program (section 8), Direct Loans for Housing the Elderly or Handicapped (section 202), and traditional publicly owned or publicly subsidized housing.

1990 Affordable Housing Act

In addition, Congress recently adopted the National Affordable Housing Act. Through the Act, Congress affirmed

*"... the national goal that every American family be able to afford a decent home in a suitable environment".*

The Act further reaffirmed long-standing objectives such as the

*"...national commitment to decent, safe, and sanitary housing...", and  
"...strengthening a nationwide partnership of public and private institutions able -..."  
to assist in avoiding homelessness, increase low and moderate income family housing,  
to improve housing opportunities on a nondiscriminatory basis, to make  
neighborhoods safe and livable, to expand home ownership opportunities, to provide  
a "...readily available supply of mortgage finance at the lowest possible interest  
rates..." .*

The Act also encourages self-sufficiency in federally-assisted and public housing.

The Act defines very low-income families as those whose incomes do not exceed 50 percent of the median family income of the area, and low-income families as those whose income do not exceed 80 percent of the median income of the area.

Congress also concluded that:

*"...the Nation has not made adequate progress toward the goal of national housing policy...which would provide decent, safe, sanitary, and affordable living environments for all Americans..." .*

In addition, Congress found:

*"...the supply of affordable rental housing is diminishing, the Tax Reform Act of 1986 removed major tax incentives for the production of affordable rental housing; the living environments of an increasing number of Americans have deteriorated over the past several years as a result of reductions in Federal assistance to low-income and moderate-income families..." .*

It was concluded that a community-based housing partnership was a better strategy to increase the supply of rental housing for very-low income and low-income families,



improve the opportunities for homeownership for low-income families and carry out comprehensive strategies for local housing markets. It was also determined by Congress that much of the Nation's housing system works very well, and serves as a base from which to build. Such tools as private/public partnerships, nonprofit community development organizations were recognized as particularly effective. The Act emphasized that "...the long-term success of efforts to provide more affordable housing depends upon tenants and homeowners being fiscally responsible and able managers."

### Required Housing Strategy

For local jurisdictions to receive assistance within the provisions of this Act, a "comprehensive housing affordability strategy", with annual updates, must be submitted to the Secretary of Housing and Urban Development. The housing strategy must include the following:

1. The estimated housing needs for the next 5 years for very low-income, low-income and moderate income families, including special subcategories such as the elderly, large families, persons with AIDS, and others, and the number projected to be served;
2. A description of the nature and extent of homelessness;
3. A description of the significant characteristics of the jurisdiction's housing market;
4. An explanation of whether public policies such as "...land use controls, zoning ordinances, building codes, fees and charges, growth limits and policies that affect the return of residential investment..." affect the cost of housing or efforts to improve affordable housing, and if they do, means of minimizing these impacts;
5. A description of the institutions, including private industry as well as nonprofit organizations and public institutions, as well as the means of coordination, by which the housing strategy will be implemented;
6. An accounting of the resources, private and non-Federal, that will be made

available;

7. An explanation of an investment plan for the Federal funds to be used;
8. A description of the means for cooperation and coordination among the State and general purpose local governments;
9. An accounting of the number, condition and restoration needs of public housing units; and,
10. A description of activities to encourage public housing residents to become more involved in the management of their housing projects or participate in home ownership.

#### ■ Federal Moderate and Above Average Income Programs

The basis of these programs goes back to the great Depression, when the National Housing Act of 1934 revolutionized the single family market by pioneering long-term, fixed rate mortgages which included both principle and interest. The Federal Housing Administration (FHA), which guaranteed loans, and the Federal National Mortgage Association (FNMA, or "Fannie Mae") which created a secondary market for the new mortgages, played prominent roles, and continue to do so. The primary goal was to encourage home ownership. During the period 1934 through 1967, homeownership increased from 46 percent to 62 percent. In addition, home equity became the most common form of personal wealth.<sup>9</sup>

#### Tax Deductions

Today, in addition to the programs listed above, there are a series of tax incentives to encourage home ownership. These include<sup>10</sup>:

- mortgage interest deduction on first and second homes (homes defined as first and second houses, condominiums, mobile homes and boats and recreational vehicles (RV's) with sleeping, bath and eating facilities).

- property tax credits on first and second homes.
- deferral of capital gains upon the sale of a home.
- \$125,000 exclusion of capital gains at age 55.

### Federal Budget Impact

These four programs alone are estimated to total over \$75 billion per year in the 1991 Federal budget<sup>11</sup>. This amount has been increasing over the past few years as the price of homes (and therefore mortgages) has increased, and new deductions for such things as home equity loans have been added.

In addition to these programs, there are other federal programs, such as mortgage insurance programs Sections 203, 213, 231, 232, 234. In addition, there are federally chartered programs such as the Federal Home Loan Mortgage Corporation which along with the FHA finance 25% of the nation's residential mortgages by purchasing mortgages from lenders, retaining ownership of some and repackaging the mortgages into securities.<sup>12</sup> The federal budget cost of these programs is more difficult to calculate, as these are more in the form of guarantees in case of default, or "market makers". For example, in 1990, the total of FHA-insured mortgages issued was over 20 million, with a value of \$562.8 billion. Also not included are such programs as Veteran home loan programs, or transportation or urban infrastructure grants which have in the past reduced the cost of housing by reducing utility or road costs.

These programs are part of the tax codes, and as such continue from year to year unless a change is proposed. This contrasts with the low-income programs for which funds must be appropriated each year. In addition, the tax benefit programs also have been increasing in size, as the amount of mortgages increase and home equity or second home purchases increase. This too contrasts with low-income programs which were cut substantially in the first part of the 1980's.

### ■ State Programs

At least three departments within the State directly impact housing through their programs, the Oregon Housing Agency (OHA) the Department of Human Resources,

(DHR) and the Department of Land Conservation and Development (DLCD). The OHA is the state's housing finance agency whose main function is to increase housing opportunities for low-income Oregonians. The DLCD is the state's land use planning agency. One of the DLCD functions is to review comprehensive plans for compliance with State regulations including Goal 10, Housing, or in the case of the greater Portland metropolitan area, the Metro Housing Rule, described earlier. DLCD conducts "periodic reviews" for compliance with state planning goals.

There are four primary state housing programs administered by the OHA<sup>13</sup> and also one primary housing program administered by the Department of Human Resources. These programs are respectively: 1) rental; 2) home ownership; 3) technical assistance; and 4) homeless.

There are also other state agencies that administer housing programs such as the Economic Development Department (Community Development Program), Department of Energy (Weatherization and Technical Assistance), Department of Veteran Administration (Vet's Home loans), and Department of State Lands (Oregon Rural Rehabilitation Fund for Farmworker).

#### State Rental Program

Through the rental program, the OHA makes permanent mortgage loans to qualified developers for new construction, acquisition and rehabilitation of rental housing for elderly and disabled Oregonians. The OHA also provides long-term financing for multi-unit rental housing to serve low income persons and families with federal and state rental subsidies. There is also a seed money advance program that provides advances from a \$100,000 revolving loan fund to qualified sponsors to pay for recoverable preconstruction costs.

In addition, the OHA administers federal and state income tax credits to: 1) developers who construct, acquire or rehabilitate qualified low income rental housing; and 2) commercial lending institutions who make reduced interest rate loans to non-profit or governmental entities who pass the savings benefit to low income tenants in the form of reduced rental payments.

State Home Ownership Program

The home ownership program of the OHA consists of loans and tax credits to first-time Oregon home buyers. Loan money is financed through sale of revenue bonds. One of the loan programs provides below-market-interest loans through participating financial institutions. Another loan program provides below-market-interest loans through lending institutions for specifically below-median-income Oregonians. Through its mortgage credit certificate program the Agency provides federal tax credits for below-median-income Oregonians in connection with loans from private lenders to purchase, improve or rehabilitate single family homes.

State Technical Assistance Program

Technical assistance is provided by the OHA in the form of housing information and economic data, planning, educational services, and loans and grants to individuals, governments agencies, and public and private housing sponsors. The Federal Community Development Corporation Program which helps local non-profit capacity to build, rehabilitate and manage low and moderate income housing is administered by the OHA.

State Homeless Program

Homeless programs are mainly administered within the State's Department of Human Resources. The Department focuses primarily on identifying homeless problems in the state and working with other government agencies and private non-profits to address the cycle of homeless. There are other state programs benefiting the homeless which are located in several agencies and aren't solely targeted at the homeless, such as mental health and drug and alcohol rehabilitation.

■ **Local Programs**

Counties

Affordable housing and related programs at the county level are provided by public agencies, private firms and nonprofits. A description of the activities of the nonprofits is in the later part of this chapter. Public housing programs in the Metro region are provided mainly by the three housing authorities:

1. Housing Authority of Clackamas County, established in 1934;
2. Housing Authority of Portland (also serves Multnomah county), established in 1941; and

## 3. Housing Authority of Washington County, established in 1971.

The two primary activities of the housing authorities are within the rental housing development programs for low-income persons and administration of the HUD's Section 8 certificates and vouchers programs. Other programs of the authorities are described below.

Table 9  
Housing Authority Low Income Housing - 1990

County	Households	Number of low income households (\$7,500 - \$14,999)	Percent of region's low income households	Low income public housing units	Percent of region's low income public housing units
Clackamas	100,195	20,301	18%	601	17%
Multnomah	245,817	73,807	64%	2,664	75%
Washington	117,113	20,441	18%	279	8%
TOTAL	463,125	114,549	100%	3,544	100%

As shown in the table above, about 64% of the region's low-income families reside in Multnomah county. Half of the remaining 36% reside equally in Clackamas and Washington counties. In relative terms, Multnomah County leads with number of public housing units provided by the housing authorities. The Housing Authority of Portland provides about 75% of the region's publicly-owned housing stock whereas the Housing Authorities of Clackamas and Washington counties provide 17% and 8%, respectively.

Table 10  
Housing Authority Section 8 Program

County	Households	Number of low income households (\$7,500 - \$14,999)	Percent of region's low income households	Section 8 Certificates & Vouchers used	Percent of region's Section 8 and Vouchers used
Clackamas	100,195	20,301	18%	1,032	16%
Multnomah	245,817	73,807	64%	4,393	66%
Washington	117,113	20,441	18%	1,191	18%
<b>TOTAL</b>	<b>463,125</b>	<b>114,549</b>	<b>100%</b>	<b>6,616</b>	<b>100%</b>

Table 10 above shows that 66% of the Section 8 certificates and vouchers regionally available and administered by the housing authorities are used inside Multnomah county. The table also indicates that the Housing Authorities of Clackamas and Washington administered 16% and 18% respectively.

Secondary programs implemented by the Housing Authorities include administration of federal/state low-interest loan and tax exempt programs, moderate-income Section 8 Rehab, and provision of adult temporary shelter, specialty housing for the mentally ill, housing rehabilitation, Fair Housing, homeless and farmworker housing. Some of these programs have direct positive impact on the supply of affordable housing in their jurisdictions. For example, the Housing Authority of Washington County is helping a private developer build approximately 500 affordable units by opting to sell tax-exempt bonds on behalf of the developer. Although there are some remaining obstacles to the sale of these bonds, the project, if completed would substantially increase affordable housing opportunities in the area. Private developers have also constructed affordable housing using federal programs such as Section 8 Construction (638 units), Farm Home (150 units), and 236 Program (140 units). In another example, the Housing Authority of Portland is involved in the development of a Rent-to-Own Program with the Northeast Community Development Corporation.

Despite the efforts being made by the housing authorities, the information in Table 11, below, indicates that the unmet housing need for the very low income households is still very high. In 1990, the United Way referral center received 1,706 calls for assistance, of which 222 were turned away for lack of housing.

Table 11  
Housing Needs Served and Unmet by Housing Authorities<sup>14</sup>

Area	Year	Very Low Income Households <sup>15</sup>	Households Served	Unmet Needs	Percent of Unmet Needs
Tri-County	1980	37,031	9,362	27,669	75%
	1990	40,471	16,077	24,394	60%
Clackamas Co.	1980	4,701	1,187	3,514	75%
	1990	5,578	2,070	3,508	63%
Multnomah Co.	1980	26,602	6,854	19,748	74%
	1990	27,992	11,482	16,510	59%
Washington Co.	1980	5,728	1,321	4,407	77%
	1990	6,901	2,525	4,376	63%

There are other county agencies also involved in affordable housing and related issues. These include; building departments, planning and zoning departments, economic development departments, health and human services departments, aging and special population assistance departments. In addition, the counties have community development departments which administer Community Development Block Grants to low-income target areas. In many cases these funds are used to improve the quality of the neighborhood, such as adding or improving streets, sewers, public water, and other infrastructure. This strategy is intended to help preserve an existing affordable housing stock.



Some of these agencies (e.g., human services) deal mostly with short-term housing related problems like provision of temporary shelter for the victims of domestic violence. Other agencies (e.g., planning) deal mostly with long-term issues in policy frameworks as described earlier.

### **City Programs**

The involvement of cities in housing program development started with adoption and regulation of building codes in late 19th century establishing minimum standards for housing construction. While building codes provided a guide for safety of structures, the zoning codes established in the early part of this century provided a guide for developing programs geared towards spatial separation of land uses.

Federal government involvement in housing began during the Depression era, with major legislation adopted in the 1930's. This legislation with some amendments, encouraged participation in federally-financed (war) housing programs to supplement the private sector housing activities. The Housing Authorities of Portland and Clackamas county were created during this period to provide shelter for migrant war industry workers and permanent below-market rent housing for low-income persons.

The Housing Act of 1949 and subsequent state housing legislation increased local government involvement in housing programs. Much of the Federal funds for housing in recent years have been made available through the Community Development Block Grant program. Cities that have 50,000 or more population (Beaverton, Gresham and Portland) can qualify for CDBG Entitlement City. The analysis of city programs is therefore limited mostly to activities in the City of Portland. Beaverton and Gresham only recently met the requirements of the CDBG Entitlement and have just begun to apply directly for Federal funding.

There are more than one agency in the cities involved in housing programs. For example, in the City of Portland the following agencies deal with affordable housing and related issues; 1) Housing Authority of Portland; 2) Bureau of Community Development; 3) Portland Development Commission; 4) Bureau of Buildings; and 5) Bureau of Planning. An analysis of the various affordable housing programs implemented by the cities follows.

### Low Income Home Ownership Program

The Homestead Program is a popular program used by local governments to provide home ownership opportunities to families (of a certain income level) who can not afford to buy homes through conventional process. The City of Portland acquires HUD and VA repossessed homes and transfers them at low cost to qualified homesteaders who must repair all major code violations before taking possession. Between 1981 and 1989 the City transferred over 200 homes. In 1986 Portland also partly funded reconstruction of 5 homes leveled on NE Beach St.

Sources of funds for this program are HUD and local financial institutions. First Interstate Bank committed up to \$1 million of first mortgages under the program during 1990 while the City used its CDBG funds for second mortgages.

### Low Income Rental Assistance Program

Currently cities do not provide direct rental assistance to those residents in need of this type of assistance.

### Moderate Income Housing Assistance Program

Proceeds from the sale of tax exempt revenue bonds and tax increment bonds are used by the City of Portland to provide low interest financing to developers for the construction or redevelopment of middle-income rental, condominium, or cooperative units in selected locations. Over 650 units have been added to the City's housing stock through this program.

### Maintenance and Rehabilitation Program

Through five programs (Deferred Payment Loan, Housing and Community Development 3% and 6% Loan, Public Interest Lender Loan, Day Care Providers Loan, SRO Demonstration Project, Multi-Family Lessee Loan, and Downtown Housing Preservation) the City of Portland awarded over 4,480 low interest loans (1980 - 1989) to low income homeowners to bring their homes into compliance with City housing codes.

The City also sponsors a Senior Home Repair program that pays retired carpenters, plumbers and other skilled worker to repair homes of low income elderly. More than 500 homes received this service very year between 1985 and 1989. Source of funds for

these programs are private lenders and HUD's CDBG and Section 810 Grants.

Multi-unit rental property owners are also awarded below-market interest rate loans by the City of Portland (Rental Rehabilitation and Investor Rehabilitation Loan Programs) for repair and rehabilitation improvements that have affects an average of 360 units annually. Private lenders and the Federal CDBG and Rental Rehabilitation Grant are the source of funds for multi-unit maintenance and rehabilitation program.

### Fair Housing Program

The concentration of minority population in the region is an indication of potential restrictions on housing choice and is thus a racial integration challenge. This challenge prompted the formation of Portland/Multnomah County Fair housing Task Force to deal with the issue. Although there is no direct housing production associated with this program, it is a demand-related issue with which cities must deal. In addition, this program is a requirement, under HUD's Fair Housing Initiatives Program, for cities applying for Federal funding.

### Homeless and Transitional (or Temporary) Shelter Program

The City of Portland partly funds some of the shelter programs undertaken by nonprofit organizations such as the Burnside Project's youth shelter program and West Women's Hotel. The City of Gresham is currently seeking a site for an emergency shelter for the homeless.

"Homeless shelter" is defined as "...an emergency lodging for those who have no home and are involuntarily dependent on another for shelter". Transitional shelters are for those individuals who are in need of a temporary place to stay (3 weeks to 9 months) until they can find a permanent home.

### Specialty Housing Program

Housing for the elderly and disabled is also addressed by the City of Portland. In 1988, the Portland Development Commission financed rehabilitation of Taft Hotel for 85 elderly and medically needy persons. The City also secured funding for a mentally-ill facility - Nawikka Court Apartments.

### Technical Assistance

Nonprofit organizations receive various forms of technical assistance from city departments. For example, the City of Portland offer some of its CDBG as Nonprofit Assistance Loan at special terms for the rehabilitation of special housing and non-residential operational facilities.

Other forms of technical assistance provided by the City of Portland are home security, shared housing, and management assistance for operators of low income hotels and apartments. Security devices are installed by the Portland police department for the low income elderly and handicapped persons. Over 2,420 homes were served in the City between 1981 and 1987. In addition the City's Portland Development Commission offers low and no interest loans up to \$3,000 to low income homeowners for the purchase and installation of home security improvements.

### **Non-Profit Organizations**

In the 1960s the nation witnessed a proliferation of nonprofit organizations that set out to help households affected by the unemployment, poverty and civil rights abuses. The federal government capitalized on this movements by creating the Community Action Program through which more federal funding was distributed to the nation's needy. This region have witnessed the growth of nonprofits between 1960 and 1990 (see Talbe 29 in the Appendix).

The goals of the nonprofits are broad, encompassing commitment to helping feed the poor, maintaining long-term affordable housing for low income population, and improving the quality of life for our culturally diverse population. Nonprofit housing serves many types of people: lower income individuals and families in need of housing assistance, persons in need of emergency shelter, the handicapped, and mentally ill persons.

Table 12  
 SUMMARY OF 1990 NONPROFIT ORGANIZATION'S HOUSING CAPACITIES BY  
 COUNTY<sup>16</sup>

Area	Housing Capacity in Number of Households
Region	2,915
Clackamas County	360
Multnomah County	2,396
Washington County	159

A recent survey of non-profits in the region (see Table 29 in the Appendix) shows that nonprofits have a housing capacity of 2,915 households as summarized in Table 12. Housing capacity in this case is defined as the number of households that could be provided housing or shelter by a nonprofit, and includes all permanent facilities (does not include seasonal housing), and counts single room occupancy rooms or single persons accommodated in dormitories as one unit.

Below is a description of the activities of nonprofits in the Metro region.

#### Low Income Home Ownership Program

Four nonprofit organizations are actively involved in "helping low income families realize the dream of home ownership, and at the same time, reclaim deteriorating neighborhoods". The activities of these organizations are concentrated in the City of Portland neighborhoods. Part of the reason for this concentration is that most homes in the inner-city neighborhoods require major rehabilitation to bring them up to the current building code. This increases the total cost of housing to the extent that it may far exceed appraised value. Given that many low income families would be priced out, and bank and FHA requirements are exceeded, community organizations seek funds from different sources to offset the high price of rehabilitated homes. This is still considered the best strategy in the region for making housing in older neighborhoods accessible to low income families.

Between 1981 and 1990 a total of 42 low income home owners were made possible through this program.

The Federal government is the main source of funds for nonprofit's home ownership programs. Some local financial institutions have been active in supporting low income home ownership by providing construction money to nonprofits, under special terms, and committing money for first mortgages under the program. (Recently, the Northeast Genesis Project, located in Portland and which provided this service, has been discontinued.)

#### **Participating Nonprofits**

- Habitat for Humanity (Portland)
- HOST Development, Inc. (Portland)
- Northeast Community Development Corporation (Portland)

#### **Moderate Income Home Ownership Program**

Activities of nonprofits in the moderate or middle income single family housing market is limited. The policy of the nonprofit is to market to both moderate and low income residents in the Portland inner city. (Recently, the Northeast Genesis Project, located in Portland and which sponsored this type of program, has been discontinued.)

#### **Participating Nonprofits**

- HOST Development, Inc. (Portland)

#### **Low Income Rental Assistance Program**

A majority of nonprofit housing assistance is in the form of low rental units for low income families and individuals. These units include the single room occupancy (SRO) hotels operated by Central City Concern. Over 1,470 units were built by the nonprofits between 1978 and 1990.

#### **Participating Nonprofits**

- Central City Concern (Portland)
- Franciscan Enterprise (Portland)
- REACH Community Development, Inc. (Portland)
- Northwest Housing Alternatives (Tri-County)
- Council on Aging (Washington County)

- Homestreet (Washington County)
- Washington County Housing Development Corporation (Washington County)

**Moderate Income Rental Assistance Program**

Activities of nonprofits in the moderate or middle income rental housing market is limited. Only one nonprofit, Northeast Genesis Project had a policy to rent to both moderate and low income residents in the Portland inner city. However, the Genesis Project has been discontinued.

**Farmworker Housing Program**

Only one nonprofit has successfully developed housing for farmworkers in the Metro region. Out of the 62 units developed by the Washington County Housing Development Corporation 34 are seasonal housing while 28 are permanent or year-round rental housing.

**Participating Nonprofits**

- Washington County Housing Development Corporation

**Homeless and Transitional (or Temporary) Shelter Program**

There are 24 nonprofits which provide homeless, transitional and temporary shelter in the region. Some nonprofits tailor their service to specific groups. For example, Burnside Projects provide separate homeless shelters for adults and youths while Domestic Violence Resource Center provides a transitional shelter ( 3 to 6 weeks) to women and children only.

Approximately 555 individuals in the Metro region are provided emergency lodging each night by area nonprofits.

**Participating Nonprofits**

- Burnside Project (Portland)
- Portland Rescue Mission (Portland)
- Recovery Inn (formerly Baloney Joes) (Portland)
- Blanchet House of Hospitality (Portland)
- Domestic Violence Resource Center (Washington County)
- Washington County Community Action Organization

## - Straight Ahead Shelter (Washington County)

Technical Assistance Program

Another specialized service provided by one nonprofit is the low income weatherization and energy assistance program. For example, at least 100 persons and 3,200 homes receive weatherization assistance and energy assistance respectively through the Washington County Community Action Organization. Other agencies provide similar programs in other communities.

**Other Nonprofit Organizations**

There are other nonprofits that indirectly provide affordable housing by either helping other nonprofits raise funds for developing units or secure sites for development. A description of these nonprofits and their activities follows.

CASA Program

CASA, (Community and Shelter Assistance Corporation) is a non-profit corporation "...formed to help develop farmworker housing. It works with "...growers, housing authorities and other nonprofit organizations to repair existing housing and to develop new housing." The corporation provides assistance in completing needs assessments, market analyses, financing options, write grants/raise funds, application processing, land use procedures, building code requirements, project siting and design, construction and operating cost estimates and management techniques.

NOAH Program

The NOAH program - Network for Oregon Affordable Housing. The NOAH program is a new state-wide organization to which 15 private banks will provide funds in the form of lines of credit, for a total of approximately \$12.5 million dollars. They plan to lend to multi-family projects as well as clustered single family rental developments, and hope to be instrumental in helping to finance many projects in the region (as well as throughout the state).



### American Institute of Architects

The American Institute of Architects, Portland Chapter, Inc. has several projects which are having a substantial impact upon how planners, developers and the public think about housing. First, they have organized an annual lecture series which have been extremely popular and more importantly, thought-provoking. The 1990 lecture series, "Blueprints for Growth", included several nationally known architects and urban designers including Andres Duany and Daniel Solomon, who provided a critique of current suburban development and new ways to combine land uses (including housing) and transportation. This year's series, "Rethinking the American Dream", is expected to be equally stimulating.

Beyond the conceptual analysis of the lecture series, are two very specific housing projects. First, the Housing Committee of the AIA has completed a book of guidelines for renovations and new constructions for an older part of Portland. Entitled The 10 essentials for North/Northeast Portland Housing, the 34 page document encourages creating "density at least one or two additional living places at a time", as well as paying attention to such details as porches, roof pitches, landscaping, and other factors, so that infill development fits in with existing structures. The idea is to "...encourage innovation and a high standard of design for multifamily, owner-occupied housing... in North/Northeast neighborhoods."

As a further incentive to action, a design competition is being sponsored, with all submittals exhibited at the AIA lecture series, and with the winning team receiving commissions to complete construction documents. A rent-to-buy financial package will be created to encourage buyers who could otherwise not qualify to buy because of the lack of a down payment. The best of the submittals will be published as a second volume of the design guideline handbook cited above.

**■ Purpose**

This chapter is intended to meld Chapters 1 and 2. That is, Chapter 1 discusses the issues and concerns of many different perspectives. Chapter 2 tries to present available facts about current housing conditions. In Chapter 3, a discussion of the concerns and facts, as well as some new considerations is provided to allow for conclusions to be drawn and possible directions for action to be suggested in Chapter 4.

**■ Analysis****Growth - Capacity vs. Forecast**

A major consideration as to where new housing will occur was highlighted early in Chapter 2, in the discussion about which communities had land and the potential for additional new housing units, as contrasted to where residential growth has been forecast to occur. The City of Portland has a great deal of potential residential growth capacity, according to its Comprehensive Plan. However, when the forecast of growth was completed, the experts who designed and reviewed the forecast concluded that not nearly as much growth would occur. For the City of Portland, it is estimated that perhaps 37,000 additional people will be added to the City's population during the period 1987-2010<sup>17</sup>. It is probable that the reason for the variation between capacity and forecast is the difference between the attractiveness of vacant land as compared with redevelopable land. In many ways "raw" land is much more easily developed than land which may need to be assembled into a large enough parcel, may involve demolition of existing units, or involve other complicating considerations. As a result, the large tracts of vacant, relatively large parcel land in Washington County and elsewhere were judged to be more attractive to growth, and were so reflected in the growth forecast.

Accordingly, the amount of residential growth that a community may be able to spatially accommodate, can be very different from what is forecast to occur, based upon estimates of market trends. Of course the forecast is only an estimate and could be wrong. Or, policies or market factors could change. However, it seems probable that unless there is some type of significant change, that the largest percentage of residential growth will occur in more suburban areas.

Forecasts of housing growth are only the best estimates of what will happen in the future. A recent publication looking at national demographic trends has urged caution about projecting housing prices moving further upward<sup>18</sup>. That is, the "baby boom" of

the 1950's and '60's caused a rise in housing prices in the 1970's and 1980's because of the large numbers of people at the "age of family formation", when independent housing is demanded. It is projected that the coming "baby bust", or low number of people in the coming generation, will reduce demand nationally and therefore prices will decrease. However, the housing experts in the region have discounted this kind of change occurring in the metropolitan area because the area is relatively more attractive (quality of life and existing housing prices compared with other areas, particularly the west coast).

Urban Growth Boundary/Price of land concerns

There have been concerns expressed that the establishment of an urban growth boundary would appear to put pressure on the price of urban land, as it limits the supply. However, as shown in the table below, the price of a residential lot in the Portland area has increased, but less than most all of the western cities cited and less than the Consumer Price Index, for the period 1980-1990.

TABLE 13  
Residential Lot Prices for Selected Western Metropolitan Areas, 1975-1990<sup>19</sup>

City	Residential Lot Price				Average Annual Rate of Change (compounded)			
	1975	1980	1985	1990	1975-1980	1980-1985	1985-1990	1980-1990
Albuquerque	\$11,650	\$21,250	\$28,500	\$37,500	12.8	6.0	5.6	5.8
Boulder	11,500	25,000	35,000	43,000	16.8	7.0	4.2	5.6
Phoenix	10,000	20,000	30,000	30,000	14.9	8.4	0.0	4.1
Portland	10,000	22,000	22,000	31,250	17.1	0.0	7.3	3.6
Salt Lake City	8,375	16,625	19,750	25,500	14.7	3.5	5.2	4.4
San Diego	15,000	40,000	50,000	150,000	21.7	4.6	24.6	14.1
San Jose	14,500	40,000	70,000	230,000	22.5	11.8	26.9	19.1
Seattle	8,000	20,000	31,000	77,500	20.1	9.2	20.1	14.5
Tacoma	7,500	16,500	21,000	23,000	17.1	4.9	1.8	3.4
Consumer Price Index					8.4	6.0	3.7	4.9

Several factors may explain why the urban growth boundary does not seem to increase lot prices. First, a 20 year land supply (reviewed at least every 5 years for sufficiency) provides a substantial inventory of land from which to choose (see also Table 7 in Chapter 2). Secondly, the Portland area did experience a recession during a number of the early years of the decade, although many of more recent years were economically robust. Also, the size of the greater Portland metropolitan area market is smaller than some of those cities cited, and this may have an impact.

However, it would also seem likely that the densities of the state-mandated Metropolitan Housing Rule (MHR) may be working to minimize lot prices. This hypothesis is unproven, but there appears to be some likelihood that the MHR and good land use planning practices may explain a significant portion of the relatively small rise in land prices.

Demand for land based upon a market composed of those economically able to participate is only a part of the state-mandated requirements for providing an adequate amount of land within urban growth boundaries. As indicated in the discussion of the State land use planning policies, "needed" housing must also include "government assisted housing"<sup>20</sup>, which is not included within the market demand forecast. To date, because of the excess of land within the metropolitan boundary, no additional amount of land has been allocated for this type of use, although in the future some means of accounting for this need within the urban growth boundary may be required to be more formally addressed.

### Housing Affordability

Although land prices may not have increased greatly when compared with the Consumer Price Index, or other measures, the cost of housing did not necessarily follow the same path. Construction costs, interest rates, the cost of extension of utilities/services, permit costs, and other factors can work to increase the total cost of housing even if land costs are kept in check. The following table has been calculated for the metropolitan region based upon median household income, median selling price of homes and interest rates, and is a model for tracking the affordability of home ownership.

TABLE 14

HOUSEHOLD HOME OWNERSHIP AFFORDABILITY FOR METRO REGION<sup>21</sup>

Year	Median Household Income	Median Price of Homes for Sale	Home Price Median Household Income can Afford	Mortgage Rate	Affordability Rate	Notes
1984	\$23,200	\$62,500	\$35,180	13.38	56	Unaffordable
1985	\$23,200	\$61,500	\$40,000	11.71	65	Unaffordable
1986	\$24,200	\$62,900	\$47,960	10.26	76	Unaffordable
1987	\$26,500	\$63,300	\$59,130	9.31	94	Unaffordable
1988	\$28,300	\$64,000	\$67,130	9.12	105	Affordable
1989	\$28,700	\$70,000	\$61,540	10.11	88	Unaffordable
1990	\$30,500	\$78,000	\$70,700	9.59	91	Unaffordable

Table 14 is a calculation of how affordable home ownership is within the region. It takes into consideration the median household income, the median price of homes for sale and mortgage interest rates. It was developed by the National Association of Realtors, as a way to measure the affordability of home ownership. An affordability rate of 100 or more means that the median household can afford the median home for sale. Less than 100 means that the median household cannot afford the median home for sale.

As the data shows, of the past seven years, only one year was affordable for the median household. (It should be noted that prior to 1990, the calculations were done by using median family income. However, median family income is usually greater than median household income. In 1990, after concerns were raised about the validity of using family income, the Realtors agreed that the best measure was household income. The older way of calculating affordability is shown on Table 24.)

TABLE 15

**HOUSEHOLD MEDIAN INCOME, SELLING PRICE AND HOUSING SUPPLY  
TRENDS  
CLACKAMAS, MULTNOMAH AND WASHINGTON COUNTIES<sup>22</sup>**

YEAR	Median Household Income	Median Price of Homes for Sale	Average Monthly Inventory of Homes for Sale
1984	\$23,200	\$62,500	10,904
1985	\$23,200	\$61,500	10,917
1986	\$24,200	\$62,900	11,064
1987	\$26,500	\$63,000	9,743
1988	\$28,300	\$64,000	8,447
1989	\$28,700	\$70,000	6,922
1990	\$30,500	\$78,000	6,351
PERCENT CHANGE 1984 - 1990	31.47%	24.80%	-41.76%

Another factor which helps determine housing affordability is the supply of homes for sale. As the above table indicates, the inventory of all homes for sale has consistently dropped from 1986. This trend, if it continues will clearly cause an increase in the price of home ownership. The table also shows incomes rising more than the median price of homes for sale. However, this does not take into consideration mortgage interest rates, which have a great impact in determining affordability, and for which Table 14 provides a better measure.

Home ownership affordability provides only one part of the total affordability picture. The affordability of rental housing is also very important. As a first approximation of how rental housing compares to median family income, the following statistics were gathered:

TABLE 16  
AVERAGE RENT: 1 BEDROOM<sup>23</sup>

Area	1986	1987	1988	1989	1990	Percent Increase 1986 - 1990
Portland (Close in SE/NE)	\$299	\$255	\$312	\$349	\$354	18%
Portland (Close in SW/NW)	\$362	\$350	\$303	\$448	\$459	27%
Portland (North)	\$281	\$277	\$269	\$282	\$317	13%
Far East/ Gresham	\$279	\$285	\$349	\$333	\$370	32%
Beaverton	\$340	\$350	\$386	\$421	\$435	28%
Tigard/Lake Oswego	\$351	\$340	\$399	\$426	\$442	26%
Milwaukie/ Oregon City	\$294	\$309	\$337	\$384	\$437	49%

It should be noted that for the period 1986 to 1990, the median household income increased 26 percent. As can be seen from the table above, few areas had less than 26 percent increase in rental costs. The above statistics are average rather than median, and so may overstate the cost of rental housing. However, they and tables 25 and 26 show that the price of rental housing for most parts of the region have increased.

In addition, for some of the areas in the region, prices may not have increased as fast as income. However, these tend to be the more expensive rental areas, which are less likely for a household of median income to be able to afford. More data and analysis is needed to be able to make further conclusions.

These statistics are lacking, as they provide limited data about rental affordability. A better measure which could be developed would be to construct a rental affordability index which includes the median rental unit and which could consider the rent-to-own alternative to better measure actual costs when compared with home ownership.

In addition, although few regional data are available, the extent of the homeless and at-risk groups should not be ignored. For example, it is common practice to have a \$25 application fee, first and last month rent advance, and cleaning deposit, all of which is due before occupancy of a rental unit. Even at the most modest rent levels, this can easily amount to \$700- 1,000. For someone who is paid minimum wages, this is a great deal of cash which must be saved.

Likewise, if someone loses a job and becomes homeless, this deposit barrier is a very high hurdle. More information about the extent of the problem is needed.

#### Subregional Need and Job/Housing Balance

Even though it may be concluded that there is currently enough residential land within the urban growth boundary on a regional basis, there has been a concern expressed that on a subregional basis, there can be a scarcity. Although the term "subregion" has not been rigorously defined, in conversations it has been used to describe a market need for a geographic area smaller than the region. For a variety of reasons a subregional need could exist. For example, a city or county may reach a point at which it has used up nearly all its land, it has used up nearly all of one type of land, or it never planned to have very much of one type of land within its jurisdiction. That is, any one city or county may not have enough of one type of land within its jurisdiction, and may be either "jobs rich", or "housing rich", relying on other jurisdictions within the region to supply the needed ingredient.

More work will need to be done to verify the extent of the problem and possible solutions. However, the following table shows actual and projected jobs/housing balance for the region and the 3 counties.



Table 17  
JOB-HOUSING RATIO<sup>24</sup>

YEAR	REGION	CLACKAMAS CO.	MULTNOMAH CO.	WASHINGTON CO.	CLARK CO.
1970 - Jobs - Housing - Ratio	399,640 358,920 1.11	62,994 54,603 1.15	225,508 208,964 1.07	63,989 52,437 1.22	47,149 42,916 1.10
1980 - Jobs - Housing - Ratio	618,819 504,099 1.23	79,310 88,920 0.89	372,910 245,998 1.52	107,460 96,537 1.11	59,139 72,644 0.81
1987 - Jobs - Housing - Ratio	635,579 553,722 1.15	88,731 100,369 0.88	357,712 255,614 1.40	124,685 113,748 1.10	64,451 83,991 0.76
1995 - Jobs - Housing - Ratio	726,429 640,400 1.13	104,355 117,152 0.89	385,328 271,510 1.42	157,272 142,208 1.10	79,474 105,530 0.75
2010 - Jobs - Housing - Ratio	929,390 803,352 1.16	136,849 156,475 0.87	448,264 301,518 1.48	231,272 193,748 1.20	113,005 151,611 0.74

The jobs/housing data presented above is rather simplistic. It does suggest that both Clackamas County and Clark County rely on the rest of the region for jobs. (Stated another way, more housing was built than could be "supported" by jobs within the jurisdiction). However, because the data do not show how income and housing affordability compare within each county or jurisdiction, this data does not reliably confirm or refute the argument that any community is fiscally zoning to attract or exclude households of high or low income. This issue is a concern to a great number of people involved in providing affordable housing. However, additional analysis would need to be done before concluding the exact nature of the problem or appropriate solutions. In addition, if it is concluded that because of the proximity of one jurisdiction to another that such independence within a jurisdiction is not a paramount interest, it could be concluded that a subregional issue of need is not issue that needs to be addressed, although there may be other considerations, such as transportation and air quality issues which remain.

### Metropolitan Housing Rule

Several concerns have been voiced about the Metropolitan Housing Rule. One concern is whether it has meant that housing is more affordable. The data from Table 14 seem to indicate that affordability has been advanced by the MHR. A basic consideration of the price of housing has to be the price of land. If less land is used per dwelling unit, the housing price will be smaller than if more land is used. However, if affordability is defined as addressing "needed" housing, or that housing outside of what the market can provide, then the MHR may not have done as well as originally intended.

As indicated in comments in Chapter 1, the original idea of the MHR was that because the opportunity for higher density would have to be provided in every community, and because federal funds would be available for new affordable housing construction, each community would get affordable housing in due course. The role has changed substantially, and there is a question as to whether the Metropolitan Housing Rule really satisfies the price range and rent level criteria for needed housing as originally assumed. That is, what is the actual need for lower income housing, and do existing policies provide sufficiently to meet this need? From the affordability data for rental housing as shown in tables 15, 25 and 26, several areas of the region have little affordable housing either from the public or private sectors.

In addition, there is a concern that although cities and counties must provide the opportunity for a minimum average density in their comprehensive plans, zoning ordinances and maps, there is no requirement that these densities are actually being built. A study is being completed jointly by the Home Builders Association of Metropolitan Portland and 1,000 Friends of Oregon to determine whether "underbuilding" is occurring at a significant rate. If underbuilding is occurring, could it be enough to be significantly increasing the cost of housing, particularly at the housing which could be afforded by median income (or less) families?

### Economic Development

Another density consideration with regard to how cities and counties provide land for residential uses is the connection between housing and economic development. A new employer considering siting a facility will be concerned with the price and availability of housing for employees. In order to attract and retain a high quality work force, good

housing is essential. Economic development organizations in the region use comparative quality and lower priced housing as a major selling point.

However, there may be another consideration to the decision of where to site the facility. There are many instances in this region and throughout the country in which the decision to site a new industrial facility was made on the basis of where the chief executive officer can find the type of housing that he or she finds most attractive. For this reason, communities may be concerned with providing areas of attractive executive homes. The City of Gresham, for example, has the third largest inventory of industrial land in the region. However, they have expressed concern that the average density requirements imposed upon the City make the provision of executive homes on large lots difficult.

#### Densities/Transit

Densities set by the Metropolitan Housing Rule were established to help ensure that the amount of buildable land within the urban growth boundary was at least as much as the projected 20 year need, and to meet Goal 10 requirements for affordability, choice of type, density, etc. These calculations were made on the basis of density assumptions<sup>25</sup> and the Metropolitan Housing Rule formalized these assumptions. Accordingly, it is assumed that the housing densities set by the Metropolitan Housing Rule were, in part, to offset the upward land price pressure of establishing the Urban Growth Boundary.

However, there is at least one other housing density consideration. There is a great deal of interest in transit in the region, and one of the most critical factors with regard to the provision of transit service is development density<sup>26</sup>. For residential development,

*"...neighborhoods with densities 7 dwelling units per acre produce only marginal transit patronage. ...increases in neighborhood densities from 7 to 30 dwelling units per acre are accompanied by increases in transit ridership and reductions in auto travel among neighborhood residents."<sup>27</sup>*

What the existing evidence seems to suggest is that 7 dwelling units per acre is about the minimum feasible density for transit service. In many of the existing, older sections

of the City of Portland (Northeast and Southeast Portland), average residential densities have about 9 units to the acre (much of the area developed as single family detached). In Northwest Portland (with much more multi-family development), average densities are about 15 units to the acre<sup>28</sup>.

In the predominant residential development of the 1950's and 1960's in

*"...the suburban communities around Beaverton, Lake Oswego, North Clackamas County, and East Multnomah County...residential densities average only 3-5 units per acre..."*<sup>29</sup>

Many of the single family developments of the 1970's and 1980's are also at relatively low densities, although the Metropolitan Housing Rule has more recently increased densities to closer to 7 dwelling units per acre.

Having a minimum density of 7 units or more does not mean that transit usage will automatically follow. As pointed out in the Tri-Met studies, household income level, the relative cost of transit versus auto, and many other factors also heavily influence the transit use decision. However, without this minimum level of density, transit use seems to decrease dramatically. (As a counterpoint to this perspective, it should be noted that the auto is very much the preferred mode of transportation and the single family detached house the preferred housing type. In a "...1989 survey of homebuyers, 62 percent of the homeseekers said they would prefer to commute for one hour and live in a single-family house than commute for only 25 to 35 minutes and live in a townhouse<sup>30</sup>).

Conversely, once light rail systems are in place, they may encourage higher density development in close proximity to transit stops. The jurisdictions along the east side light rail have taken this into account in their plans and zoning. To date, there has not been a large amount of development taking advantage of this increase in transit accessibility. However, over the next 20 years or more, the land use patterns in the vicinity of the stops could change substantially. Whether the existing densities allowed in the plan meet with the markets of the future will be interesting to see.

Tri-Met has initiated a transit and urban form analysis which may provide more detailed information about how each of these factors influence the other.

As noted earlier, the Metropolitan Housing Rule mandates that some cities have an average density for new residential development at 6 dwelling units to the acre, some at 8, and some at 10. However, having a comprehensive plan and zoning ordinance indicate what the maximum density may be, and having the maximum density built every or nearly every time, are two very different considerations. There is a concern that "underbuilding", or building less density than the comprehensive plan allows is happening throughout the region. It seems entirely possible that one future result could be that the housing densities to be built will cause the land inventory to be used up more quickly than anticipated, and/or that densities may not be sufficient to support even a minimum level of transit, at least in some communities. A joint study is now underway by the Home Builders Association of Metropolitan Portland and 1,000 Friends of Oregon, to study whether significant underbuilding is occurring.

The results of the Tri-Met work and the Homebuilder/1,000 Friends study could identify certain problems with housing if the goals of these studies are to be implemented. If the Tri-Met analysis does show problems with housing densities, or the HomeBuilder/1,000 Friends study shows substantial underbuilding, or if there are concerns with supporting transit and/or concerns with moving the urban growth boundary sooner rather than later, additional interest may be focused upon housing densities. It may be useful to monitor these studies and any recommendations considered for their impact upon housing.

If the studies do find that not enough density is being built to promote compact urban growth (and therefore extend the time before the Urban Growth Boundary is moved) and the region concludes that it would rather accommodate growth within the existing boundary, changes in policy may need to be considered. Likewise, if not enough density is being built to support transit and the region agrees that land use needs to support transit, then additional policy may need to be considered. One possible policy would be a minimum density. Any consideration of this or any other policy would need to be carefully considered, with ample opportunity for citizens, cities, counties and other interested parties to comment.

### Location

Another housing/transit policy consideration which is primarily under the jurisdictions of cities or counties is the location of housing.

*"The closer a residential development is to a central business district or other commercial cluster, the greater the potential for transit ridership from that development. This implies that clustered development should fill in around employment centers before it occurs at more remote locations<sup>31</sup>. "*

As pointed out by Tri-Met, housing (or any other land use) located in this manner is considering the public services and facilities costs, but probably does not reflect more powerful market considerations. A developer is very sensitive to the price of land, and usually will seek less expensive land which often may not be as well served by public services, including, or especially transit. The (private) cost of housing will be less, the (public) cost of transit may be more. For example, when an employer or destination changes from a site which is well served with transit, to a suburban location which has little or no transit service, a shift in employees from transit use to auto use occurs. The employer may get lower operating costs because of the lower cost of suburban land, but the cost of transit service to some suburban locations may be very high, because not enough other employers are in the vicinity to support transit, or the transit system is not designed to serve more dispersed suburban locations. If transit service is not of interest, and there will be no eventual trickle-down of the housing to households which may need transit, then there may not be an issue. Again, the ongoing Tri-Met study may provide more information for housing location considerations.

### Housing Design

Design policy is another tool which cities and counties have the option of exercising, and for which it is generally accepted should only be implemented at this level. Design policy can impact housing in at least two ways. The first consideration is the design of the structure and how it may or may not relate to existing adjacent structures. As noted earlier, the first residential development in an area is almost always single family detached housing on relatively large lots. When infill development at similar densities, or more dense development is proposed for a site, there are concerns with how it may or may not "fit in" with the larger neighborhood.

Many metropolitan areas of the United States have examples of attractive residential housing designed at a density which is greater than the typical single-family detached development in our region, yet less dense than the "garden" apartment developments to which many homeowners object. In our region, some people have indicated a concern

that there does not seem to be many good examples of developments of this in-between density. Designs which recognize the scale, materials and features of existing homes, and/or which present a richer, more pleasing appearance, can be one part of a package of features which address the concerns of otherwise skeptical nearby residents. Good design can also make the lives of those who live in the housing much more pleasant.

However, as these design considerations are very judgmental and less than objective, policies that advance these ideas are difficult to administer, costly and controversial. Many communities are not comfortable with adopting them. As a result, some of the development proposed is not well-designed and becomes the target of opposition for existing residents (poor design is probably only one of the only reasons for neighbor opposition in most cases). The City of Portland has recently rewritten its code to substantially reduce their design review scope. In response, voluntary programs have been initiated in some areas (see the American Institute of Architects program below). The battle continues, with the concern that a "better" design is more costly and further drives up the cost of housing. On the other hand, there is the fear of poor design as one rallying cry of neighbors near proposed (non-single family) projects, as well as the desire of those to live in a home that can be a source of pride, no matter that it is not the most expensive housing or is not a single family detached house.

### Street Design

The second type of residential design consideration relates to transportation, transit, housing and how the street design is carried out. At a project, subdivision or neighborhood scale of design, a residential project may support or discourage transit. For example, in the older, close-in portions of Portland,

*"...streets are generally in a grid/block pattern...developed in an era when transit and walking were major modes... and are characterized by relatively narrow streets with adequate sidewalks and close proximity to arterials."<sup>32</sup>*

In contrast, many of the more suburban residential subdivisions of the 1950's, 1960's

*"...reflect the almost total dependence on auto travel" with "...winding looped or dead-end streets, and most are without sidewalks. Pedestrian travel is difficult, and frequent transit service can only be provided on the sparse major arterials"<sup>33</sup>.*

Many of the residential subdivisions of the 1970's and 1980's also have many of these features, although a sidewalk on at least one side of the street is now usually required. If communities are interested in having economically feasible transit now or in the future, residential design considerations for future developments would need to be changed, because pedestrian friendly design is a critical key to greater transit usage<sup>34</sup>.

### Housing Acceptability

Density and affordability remain a difficult issue to address. Several avenues of possible action have been identified, including ways to cut housing costs such as a smaller size homes, smaller amount of land per home and lesser building standards could be explored. For example, with regard to building codes, concerns have been raised over whether the current codes should be applied in all cases, particularly to affordable housing.

In either the case of rehabilitation of existing housing, or affordable new construction, the codes have many provisions, some of which could be met in ways other than currently allowed. Recently a proposal was made to make only licensed electricians able to install of low voltage wiring. Doorbells, telephone wiring, burglar alarms and other similar wiring has been proposed to be so regulated. This would likely add a few more dollars to the cost of housing. The codes have been written to help assure safe housing. However, the more regulations and requirements are added, the higher the costs, and more and more people are unable to afford housing.

In either the case of proposed smaller homes, or smaller lots, there are concerns primarily by existing homeowners on the impact upon their homes' values<sup>35</sup>. The market that has been created for ownership of single family homes does not reflect the "free market", at least as conceived as an ideal by economists. That is, through long-term mortgages and tax deductions in particular, a large percentage of the population is able to purchase a home and "lock in" their cost of housing. They are no longer in "the market", and do not see increases in the cost of housing. They do see increases in property taxes (which Measure 5 is attempting address), maintenance (which can be deferred) or insurance (which by changing deductibles can be reduced). They do not see the cost of housing rising, rather they see the value of their homes increasing. This is why a significant portion of those that "own" homes could not afford to "buy" their home if they had to buy it on the market today. The only sector of the housing market which



really reflects the current real cost of housing is the rental market (or that portion not subject to HARRP). As homeownership tends to be the largest single investment that a household makes, naturally it is concerned with any changes which may threaten that investment. And, until these concerns are addressed, it seems likely that opposition to less expensive housing will continue, if not increase.

This is not to say that there are not significant public benefits to homeownership. In a neighborhood in which homes are owner-occupied, (not necessarily single family detached, but any form of home ownership). There is a pride of ownership, as people have something to lose or gain by the quality of the upkeep of the homes and the stability of the neighborhood. On a larger scale, a city or county also gains by having residents who are tied to the investments that they have made. More efforts to help first-time buyers or increase the numbers of homeowners could improve the quality and stability of many neighborhoods in the region.

Beyond the issue of households of similar or slightly less income locating near existing neighborhoods is the concern for others, the elderly, disabled, minorities or other groups which are or may feel discrimination. Although the new Fair Housing Act could be far-reaching, it is likely to be controversial. For example, most cities and counties in their ordinances define single family detached zones as areas in which the structures are inhabited by 5 or fewer individuals. This has been interpreted in some instances to mean that a single family home in which 5 or fewer disabled persons live, is consistent with the zoning district. With the trend towards deinstitutionalization at both Federal and State levels, clearly there is a need for group homes or residential settings for many handicapped individuals. It has not been without controversy, however, when a proposal for such a home is proposed in single family development.

### Responsibility

Underlying much of the discussion of housing is the question of responsibility. Who is to be responsible for improving housing?

There are strong traditions in this country that the individual, with the support or in support of their family is the best means to address the issue of responsibility whether this is housing or most any other issue. If this is the case, and if there are substantial housing problems which have not been addressed, then what is the best course of action?

Abandonment of responsibility on the part of the individual is not recommended. Those that have poor or no housing need to take more responsibility.

However, it must be recognized that they may need help or incentives for a time to make changes, or improve their skills or education or take other actions. For those that already have good housing, an individual or family can take responsibility by carefully considering opposition to affordable housing projects nearby, or supporting the efforts of a nonprofit organization to provide affordable housing.

For a city or county, responsibility may include a new look at weighing the concerns for property values with concerns with affordability and taking responsibility for a larger portion of the housing problem, and examining policies and programs for more effective means to encourage affordable housing.

For the private sector, which builds nearly all the housing in the region, responsibility could include a renewed effort to find ways to build more affordable housing by including a few affordable homes in with more expensive homes.

## ■ Conclusions

The following conclusions are provided as preliminary points for broader discussion within the region.

**Conclusion #1: Any decisions made to address regional housing issues must be made with the broadest possible discussion of the problems, alternative solutions and proper entity to take actions.**

There are many, many existing organizations which make up the current housing system in the region. Metro can play a facilitative role to bring together the diverse interests to discuss problems, alternative solutions and further courses of action (if any) to take.

Although this Report suggests potential regional housing issue areas, confirmation of these must be sought in the widest possible forum. Issues in which it is concluded are significant should have a wide range of alternatives evaluated for effectiveness. The process should be through a careful, consensus-building process.

**Conclusion#2: Solutions should emphasize the smallest possible level of organization and should favor private sector solutions.**

This strategy is recommended as it provides several advantages. First, it allows for many more alternative solutions to be tried, and the issue may be targeted with the right type of energy which may be needed to address an issue. Second, it helps to identify key responsibilities which sometimes are overlooked or minimized. Thirdly, it recognizes the financial limitations of Federal, State and local jurisdictions, and identifies that each person has a role that they can play in addressing housing problems.

The following decision model, with the first entry the most desirable level of primary responsibility, is suggested:

<u>Level of Organization</u>	<u>Market Sector</u>
1. individual or family	1. private sector
2. neighborhood or similar community	2. nonprofit organization
3. city	3. public
4. county	
5. region	

Selection of an alternative(s) should be considered at the broadest level of participation. In the case where it is concluded that a regional action must be taken which applies to a city or county, any city or county should have the right to review the local impact and appeal the application of the provision to that jurisdiction. However, where it is concluded that satisfactory progress is not being made, consideration of another sector or organization or mix of organizations may be selected.

**Conclusion #3: Housing issues must be coordinated with other issues.**

The focus of this paper is housing. This focus was purposely narrow in order to make a detailed discussion manageable. Housing cannot not be thought of as a subject isolated from other considerations. There are strong links between housing and the economy, transportation and open space, to name a few. These factors affect housing, as housing affects them. For example, a housing policy for higher density housing may support transit service, but will also impact private auto traffic. The types of jobs available and wages paid, will affect the type of housing provided.

Accordingly, any actions to address housing issues should be considered for impacts outside the realm of housing. Existing or proposed non-housing programs should be monitored for actions which may impact housing programs. Efforts should be made to coordinate with the appropriate individuals and agencies.

As there are many different issues that have been cited, and in many cases there is not agreement as to the nature or extent of a problem, it is recommended that a Housing

Forum be organized to have all interested parties discuss the issues and forge a consensus as to which approaches to problems may be most effective. Along with a discussion of issues, a discussion could be conducted regarding possible policy directions, as listed below, and subject to further addition or deletion.

**Conclusion #4: Homeownership opportunities should be expanded to encourage first-time buyers and lower-income households.**

As indicated by comments from virtually all perspectives, homeownership (not just single-family detached, but such variations as single family attached, condominiums, manufactured housing, cooperative housing, etc., ) promotes more sense of interest, responsibility and protectiveness about the neighborhood as well as the larger city or community. It is a primary means of accumulating wealth, and fosters individual responsibility. It should not be the only choice of housing by any means, but for those who desire home ownership, it should be encouraged as much as feasible and prudent. The regional role in encouraging this effort may be minimal, but it should be supportive of other actors which may be able to directly effect the opportunity for homeownership.

**Conclusion #5: To the extent that home ownership opportunities are not appropriate or desirable, increased efforts to provide affordable rental housing should be made.**

The number of affordable housing units do not appear to be keeping pace with population increases. In some circumstances, rental housing better serves those who need housing, and can produce substantial numbers of needed shelter.

The magnitude of the problem has not been clearly highlighted in this report. Additional information about the extent of the regional homeless and at-risk groups should be gathered and addressed.

**Conclusion #6: More and better information is needed to understand regional housing issues, support existing programs which address housing issues which have been raised, and to assist with possible future housing programs or projects.**

Several new information sources will become available in the very near future. First, Metro's Data Resource Center will be completing the first region-wide layers of the

Regional Land Information System (RLIS). Data gathering, mapping and analysis on jurisdictional, census area, region or other basis should be made much more available and possible.

The 1990 Census information will become available starting this spring, and in conjunction with RLIS, a much more up-to-date picture can be constructed. Whether some of the issues identified are really existent, if they do exist how bad are they and where are the present are only some of the questions that can be addressed with these new sources and methods.

Other sources of information are the housing study currently being completed by the joint efforts of the Home Builders of Metropolitan Portland and 1,000 Friends of Oregon, and the Tri-Met Transit and Urban Form study.

The new Federal Affordable Housing Program calls for cities and counties to prepare a comprehensive housing strategy. Data could be prepared which would assist with the provision of the needs assessments and strategies.

Metro could serve as a central place in which to gather information from many different sources, generate new information and make it available to the private sector, nonprofit organizations and public agencies which have indicated a need for specific information.

#### **Conclusion #7: Housing Density is a key regional issue.**

Metro has the responsibility for maintaining the Urban Growth Boundary for the region. As such, it needs to be responsive to the growth that is projected to occur. However, the administration of the boundary is inextricably bound to the issue of density, whether from an matter of how residential growth will be accommodated or how broad transportation/density issues are resolved.

However, in making decisions which affect the region for the future, it must be remembered that cities and counties have the responsibility for planning and zoning within their jurisdictions, and that these decisions are not easy, particularly when

increased density is proposed.

**Conclusion #8: Housing affordability can only partially be addressed on a regional basis.**

If it is assumed that a major portion of the solution to this problem is the use of public funds, the region, or Metro currently have virtually no resources with which to address the issue, and it is unlikely that new funding sources will become available.

However, affordable housing is a very important consideration for our region. By maintaining and improving the affordability of our region, we can enhance our competitive edge, promoting a healthy and diversified economy. To do this, the region needs to be able to adequately house our cooks, childcare workers and clerical workers, our police, firefighters and teachers. Housing that is affordable and meets the needs of disabled and the aged are special populations which also have important housing needs.

The homeless must not be forgotten, either. In a recent survey of one emergency shelter for homeless, single men with substance abuse, 50 percent of the men were reported to be veterans of the U.S. Armed Forces.<sup>36</sup>

There are many agencies which already to cope with the affordable housing situation. Regional efforts could be supportive by making sure that policies enacted by one jurisdiction are not inadvertently nullified by other jurisdiction's actions. Jointly exploring ways to increase densities and/or provide more affordable housing where they are practical could be undertaken.

A public/private partnership may be the only available way in which meaningful progress is made.

**Conclusion #9: There is a perception that Portland and portions of Multnomah County are bearing more than their share of the costs of very-low, low and moderate income households. This appears to be a regional housing issue.**

Although some of the data included within this report seem to indicate that there is merit to this statement, there is no general agreement on the causes, extent or certainly

acceptable resolution to the issue.

Data is lacking. For example, there was a survey recently completed of the youth in the youth homeless shelter in Portland. The survey asked the youth what was their last permanent address. The results were that 50 percent listed Portland, 29 percent came from a home in the region, but outside Portland. The balance came from outside the region. Portland does not have 50 percent of the region's population, so it would seem from this survey that it is doing more than it's share. But was the survey valid?, is this a case which is unique? We are unaware of any good information which can reliably address these questions. Clearly, a better understanding of the problems is necessary before solutions are examined.

#### ■ Possible Policy Directions

From the interviews and the analysis done within the Report, the following possible policy directions are suggested for further consideration:

- Examine the effectiveness of a central place to collect and disburse housing information, including statistics, educational information, availability of accessible housing units, etc., could be organized.
- Determine whether a central clearinghouse for the region could or should be set up as the one telephone number to call for information about all housing programs.
- Survey the viability of a three or four county effort to reduce application costs and jointly benefit from the new National Affordable Housing Act of 1990.
- Create an education program which explains the need for and benefits of additional higher density single family developments, and multi-family developments.
- Facilitate discussions with the State to explore ways that State housing programs could be more closely coordinated within the metropolitan area.



- Investigate the feasibility of constructing a higher density, better designed and more affordable housing demonstration project as part of the education effort. Explore other creative educational and marketing tools.
- Explore jointly with suburban communities additional ways to encourage greater suburban participation in providing affordable housing.
- Facilitate the examination of building requirements to investigate whether, and under what circumstances an alternative affordable building code could be used.
- Support nonprofit organization efforts to utilize the Urban Land Institute's Low-Income Neighborhood Program.
- Review the existing Metro Housing Goals to explore the best option for updating or substitution by the Regional Urban Growth Goals and Objectives, deletion or other alternatives.
- Facilitate the completion of a market study to quantify the extent and type of affordable housing need.
- Explore ways to coordinate housing and economic development plans.

#### ■ Recommendation

It is recommended that this report be circulated to the widest possible audience for review, and that a forum be convened of all interested parties to discuss the issues and possible additional steps which could be taken in the future.

**PERSONS INTERVIEWED**

Craig Allen, City Councilman, City of West Linn

Daniel Anderson, First Vice President and Manager, Public Finance, Security Pacific Bank

Richard S. Anderson, Senior Vice President, Residential Loan Services, First Interstate Bank of Oregon

Helen Barney, Director, Department of Planning Development and Intergovernmental Relations, Housing Authority of Portland

Richard Brink, Manager, Portland Office, U.S. Department of Housing and Urban Development

Clyde Brummell, Brummell Construction Company

Donald Clark, Executive Director, Housing Authority of Portland

Robert Clay, Chief Planner, Planning Bureau, City of Portland

Jan Campbell, Disability Coordinator, Metropolitan Human Relations Commission

Ronald T. DeLude, Senior Vice President and Manager, Commercial Real Estate Division, First Interstate Bank of Oregon

Jean DeMaster, Executive Director, Burnside Projects, Inc.

Ed DeWald, First Vice President, Community Reinvestment, Security Pacific Bank

Mike Fingerut, Chairman, Portland Chapter, Oregon Manufactured Housing Association

Charlie Hales, Director, Governmental Affairs, Home Builders Association of Metro Portland

Michelle D. Haynes, Preservation Program Coordinator, Portland Development Commission

Ron Herndon, Albina Ministerial Alliance

Kathy Hoselton, District Assistant, Congressman Ron Wyden

Neyle G. Hunter, Project Coordinator, Portland Development Commission

Marge Ille, Ph.D, Planner, Housing Authority of Portland

Richard W. Johnson, Assistant Vice President, Construction Lending Center, First Interstate Bank of Oregon

Gretchen Kafoury, Councilwoman, City of Portland

Paul Ketchum, Senior Planner, 1,000 Friends of Oregon

Leon Laptook, Housing and Conservation Director, Washington County Action Organization

Ian McKechnie, President, Network for Oregon Affordable Housing (NOAH)

Ed McNamara, Oregon Community Foundation

Jerry Moses, Interim Executive Director, Housing Authority of Washington County

Randall Mullen, Director of Housing, Portland Development Commission

Don Neureuther, Executive Director, Northeast Community Development Corporation

Mark Pagano, citizen, City of Gladstone

Rey Ramsey, Director, Oregon Housing Agency

Steve Rudman, Resource & Development Manager, Bureau of Community Development, City of Portland

Mike Saba, Senior Planner, Planning Bureau, City of Portland

David Socolofsky, CFB, Socolofsky & Company, Realtors

Susan Steronko, Executive Director, Clackamas County Housing Authority

Darryl S. Tukufu, Ph.D., President and C.E.O., The Urban League of Portland

Nohad Toulan, Ph.D., Dean, School of Urban and Public Affairs, Portland State University

Dorene Warner, Development Specialist, Housing Authority of Washington County

Dee Walsh, Executive Director, REACH Community Development, Inc.

Gudrun Weber, Citizens for Affordable Housing (Washington County)

L. Ramsey Weit, Chief Staff Assistant to Councilwoman Kafoury

Becky Wehrli, Director, Portland-Multnomah Commission on Aging

Peter Wilcox, Chairman, Housing Committee, Portland Chapter, American Institute of Architects

Philip Yates, Low-Income Housing Entrepreneur and Manager, Fair Housing Initiative Testing Program

**Table 18**  
**SUMMARY OF REPORTED ACRES OF BUILDABLE LAND<sup>37</sup>**

City	Single Family	Multi-Family	Commercial	Industrial	Total
Beaverton	815	252	116	338	1,521
Cornelius	123	88	61	135	407
Durham	32	8	0	0	40
Fairview	494 <sup>38</sup>		29	549	1,072
Forest Grove	577	171	77	407	1,232
Gladstone	50	23	52	84	209
Gresham	1,928	586	412	1,488	4,414
Happy Valley	421	0	0	0	421
Hillsboro	1,111	593	246	2,879	4,829
Johnson City	0	19	0	0	19
King City	0	0	3	0	3
Lake Oswego	415		119	21	555
Maywood Park	0	0	0	0	0
Milwaukie	259	69	15	38	381
Oregon City	356	36	75	221	688
Portland <sup>39</sup>	3,533	634	319	2,291	6,777
Rivergrove	14	0	0	0	14
Sherwood <sup>40</sup>	748	398	115	391	1,652
Tigard <sup>41</sup>	501	209	185	171	1,066
Troutdale	445	130	145	731	1,451
Tualatin	500	285	85	700	1,570
West Linn	268	152	49	0	469
Wilsonville	557 <sup>3</sup>		143	486	1,186
Wood Village	14	0	22	26	62
County <sup>42</sup>					
Clackamas	1,965	686	742	804	4,197
Multnomah	un	un	un	un	169
Washington	7,619	5,229	126	474	13,448
<b>TOTAL</b>	<b>21,279</b>	<b>1,466</b>	<b>9,568</b>	<b>3,136</b>	<b>12,403</b>

**Table 19**  
**BUILDABLE RESIDENTIAL LAND CHARACTERISTICS**

City	Single Family Units	Multi-Family Units	Total Units	Percent Single Family	Percent Multi-Family
Beaverton <sup>43</sup>	6,887	2,180	9,067	76	24
Cornelius <sup>44</sup>	559	875	1,434	39	61
Durham	112	128	240	46	53
Fairview	2,956 <sup>45</sup>		2,956	un	un
Forest Grove	3,174	2,722	5,896	54	46
Gladstone	317	933	1,250	25	75
Gresham	12,002	16,767	28,769	42	58
Happy Valley	1,649-2,870 <sup>46</sup>		1,649-2,870	un	un
Hillsboro	7,989	10,773	18,762	43	57
Johnson City	0	422	422	100	0
King City	0	0	0	0	0
Lake Oswego	un	un	10,225 <sup>47</sup>	un	un
Maywood Park	0	0	0	0	0
Milwaukie	1,141	1,181	2,322	49	51
Oregon City	303	753	1,056	40	60
Portland	14,321	21,391	35,712	40	60
Rivergrove	26	0	26	100	0
Sherwood	2,740	3,164	5,904	46	54
Tigard	2,674	3,000	5,674	47	53
Troutdale	2,966	2,984	5,940	50	50
Tualatin	2,000	4,400	6,400	31	69
West Linn	1,158	2,216	3,374	34	66
Wilsonville	2,941	3,636	6,577	45	55
Wood Village	50	0	50	100	0
Clackamas Co.	8,861	12,812	21,673	42	58
Multnomah Co.	un	un	un	un	un
Washington Co.	52,416	58,426	110,842	47	53
<b>TOTAL</b>	<b>124,286</b>	<b>2,956</b>	<b>148,763</b>	<b>46</b>	<b>54</b>

**Table 20**  
**PROJECTED AVERAGE DENSITIES FOR REPORTED BUILDABLE**  
**RESIDENTIAL LAND**

Jurisdiction	Density (Housing units per acre)
Johnson City	22.00
Gladstone	17.02
Wilsonville	12.80
Gresham	11.44
Hillsboro	11.0
Lake Oswego	10.7 <sup>48</sup>
Troutdale	10.34
Portland	10.10
Beaverton	10.09
Tigard <sup>49</sup>	8.99
Oregon City	9.00
Milwaukie	8.95 <sup>50</sup>
Tualatin	8.2
West Linn	8.03
Forest Grove	7.88
Cornelius	6.80
Happy Valley	6.0 <sup>51</sup>
Fairview	5.98
Durham	5.90
Sherwood	5.16
Wood Village	3.57
Rivergrove	0.5 <sup>52</sup>
King City	0.00
Maywood Park	0.0 <sup>53</sup>
Clackamas County <sup>54</sup>	9.13
Multnomah County	unknown
Washington County	8.63

**Table 21**  
**POTENTIAL ADDITIONAL URBAN POPULATION INCREASE BY**  
**COMMUNITY<sup>55</sup>**

City	Potential for Added Population
Portland <sup>56</sup>	87,852
Gresham	70,772
Hillsboro	46,155
Lake Oswego	25,151 <sup>57</sup>
Beaverton	22,305
Wilsonville	16,179
Tualatin	15,744
Troutdale	14,637
Sherwood <sup>58</sup>	14,548
Forest Grove	14,504
Tigard	13,958
West Linn	8,300
Fairview	7,272
Milwaukie	5,712
Happy Valley <sup>59</sup>	4,056-7,060
Cornelius	3,528
Gladstone	3,075
Oregon City	2,598
Johnson City	1,038
Durham	590
Wood Village	123
Rivergrove	64 <sup>60</sup>
King City	0 <sup>61</sup>
Maywood Park	0
Washington County	272,671
Clackamas County	53,316
Multnomah County	unknown



Table 22  
**EXISTING URBAN POPULATION DENSITIES<sup>62</sup>**

City	Population	Area in Square Miles	Average People per Square mile
Johnson City	480	0.066	7,273
King City	1,955	0.38	5,145
Maywood Park	830	0.167	4,970
Milwaukie	18,830	4.69	4,015
Wood Village	2,610	0.8	3,263
Beaverton	44,265	13.7	3,231
Portland	432,175	134.08	3,223
Oregon City	14,975	7.37	3,223
Gresham	65,470	22.4	2,923
Cornelius	5,105	1.78	2,868
Forest Grove	12,180	4.32	2,819
Gladstone	9,685	3.5	2,767
Tigard	28,067 <sup>63</sup>	10.3	2,725
Lake Oswego	29,425	10.022	2,032
Rivergrove	335	0.168	1,994
Tualatin	13,340	6.92	1,928
West Linn	14,270	7.5	1,903
Durham	800	0.43	1,860
Hillsboro	33,810	18.26	1,852
Troutdale	7,375	6.0	1,229
Sherwood	3,000	2.979	1,007
Wilsonville	5,800	6.5	892
Happy Valley	1,530	2.25	680
Fairview	1,975	3.508	563
County			
Clackamas	91,790	n/a	n/a
Multnomah	67,735	n/a	n/a
Washington	126,036	47.8 <sup>64</sup>	2,637
Metro UGB	1,032,831	360	2,869

Table 23

**FAMILY MEDIAN INCOME, SELLING PRICE AND HOUSING SUPPLY  
TRENDS  
CLACKAMAS, MULTNOMAH AND WASHINGTON COUNTIES<sup>65</sup>**

YEAR	Median Family Income	Median Price of Homes for Sale	Average Monthly Inventory of Homes for Sale
1984	\$28,800	\$62,500	10,904
1985	\$28,800	\$61,500	10,917
1986	\$30,100	\$62,900	11,064
1987	\$32,900	\$63,000	9,743
1988	\$35,100	\$64,000	8,447
1989	\$36,200	\$70,000	6,922
1990	\$37,100	\$78,000	6,351
PERCENT CHANGE 1984 - 1990	28.82%	24.80%	-41.76%

Table 24

**FAMILY HOME OWNERSHIP AFFORDABILITY RATIO FOR METRO  
REGION<sup>86</sup>**

Year	Median Family Income	Median Price of Homes for Sale	Home Price Median Family Income can Afford	Mortgage Rate	Affordability Rate	Notes
1984	\$28,800	\$62,500	\$47,700	13.38	76	Unaffordable
1985	\$28,800	\$61,500	\$54,250	11.71	88	Unaffordable
1986	\$30,100	\$62,900	\$64,860	10.26	103	Affordable
1987	\$32,900	\$63,300	\$79,000	9.31	125	Affordable
1988	\$35,100	\$64,000	\$89,000	9.12	139	Affordable
1989	\$36,200	\$70,000	\$83,270	10.11	119	Affordable
1990	\$37,100	\$78,000	\$90,900	9.59	116	Affordable

\*Affordability ratio compares the price of homes with the home purchasing power of persons

living in the Metro region. A ratio above one indicates housing is generally affordable. A ratio below one is a good indicator that many families are probably unable to purchase a home.

Table 25

**AVERAGE RENT: 2 BEDROOM, ONE BATHROOM<sup>67</sup>**

Area	1986	1987	1988	1989	1990	Percent Increase 86 - 90
Portland (Close in SE/NE)	\$319	\$307	\$333	\$376	\$398	25%
Portland (Close in SW/NW)	\$392	\$378	\$450	\$489	\$528	35%
Portland (North)	\$272	\$316	\$302	\$329	\$369	36%
Far East/Gresha m	\$329	\$328	\$357	\$402	\$432	31%
Beaverton	\$378	\$400	\$416	\$475	\$494	31%
Tigard/Lake Oswego	\$390	\$381	\$427	\$456	\$491	26%
Milwaukie/ Oregon City	\$341	\$325	\$386	\$430	\$472	38%

Table 26

**AVERAGE RENT: 2 BEDROOM, TWO BATHROOM<sup>68</sup>**

Area	1986	1987	1988	1989	1990	Percent Increase 86 - 90
Portland (Close in SE/NE)	\$334	\$368	\$389	\$441	\$460	38%
Portland (Close in SW/NW)	\$646	\$626	\$641	\$643	\$636	-2%
Portland (North)	na	na	na	\$386	na	na
Far East/Gresha m	\$394	\$343	\$444	\$461	\$539	37%
Beaverton	\$456	\$478	\$482	\$536	\$546	20%
Tigard/Lake Oswego	\$473	\$482	\$532	\$585	\$597	26%
Milwaukie/ Oregon City	\$378	\$397	\$460	\$483	\$550	46%

Table 27

- AVERAGE HOUSE PRICE BY AREA<sup>69</sup>

AREA	YEAR		PERCENT CHANGE
	1985	1990	
TRI-COUNTY	\$70,600	\$93,950	33.1%
CLACKAMAS COUNTY			
- Milwaukie/Gladstone	\$65,600	\$91,000	38.7%
- Oregon City/Mollala	\$64,700	\$88,100	36.2%
- Lake Oswego/West Linn	\$118,800	\$176,700	48.7%
MULTNOMAH COUNTY			
- North Portland	\$35,400	\$39,500	11.6%
- Northeast Portland	\$51,600	\$60,500	17.2%
- Southeast Portland	\$48,500	\$57,500	18.6%
- Gresham/Troutdale	\$66,100	\$85,800	29.8%
- West Portland	\$94,900	\$140,000	47.5%
- Northwest Portland	\$99,600	\$144,200	44.8%
WASHINGTON COUNTY			
- Beaverton/Aloha	\$73,000	\$103,400	41.6%
- Tigard (Wilsonville)	\$77,700	\$120,500	55.1%
- Hillsboro/Forest Gr.	\$64,900	\$83,700	29.0%

Table 28  
 MEDIAN INCOME PERCENTAGES FOR FISCAL YEAR 1988-89

HOUSEHOLD SIZE	50%	80%	100%	110%	135%
1	12,650	20,250	25,350	27,900	34,200
2	14,500	23,150	28,950	31,850	39,100
3	16,300	26,050	32,600	35,850	44,000
4	18,100	28,950	36,200	39,800	48,900
5	19,950	30,750	38,450	42,300	51,900
6	21,000	32,550	40,700	44,750	54,950
7	22,450	34,400	43,000	47,300	58,050
8+	23,900	36,200	45,250	49,800	61,100

*(Based on the HUD Portland Area Median Income as of March 1, 1989: \$36,200 for a family of four. Figures are rounded to nearest \$50.)*

These guidelines are used to determine program eligibility and to track beneficiaries. Please note that "low income" is considered to be the 50% rate, and "moderate income" is the 80% rate. These are the rates used in most Block Grant Programs.

Date: March 1, 1989

Source: U.S. Department of Housing and Urban Development.

METRO REGION  
AFFORDABLE HOUSING DEVELOPMENT AGENCIES/ORGANIZATIONS

FEBRUARY 1991

Housing Issues Report  
METRO

Agency/County	Year Started	Area Served	Type of Service	Units/People Served
<b>MULTNOMAH</b>				
1. Housing Authority of Portland (HAP)	1941	Multnomah	1. Low Rent Public Housing 2. Section 8 Certificates & Vouchers	2,664 units 4,393 households
2. Central City Concern	1978	Portland	Single Room Occupancy Hotel (SRO)	1,061 units
3. REACH Community Dev., Inc.	1982	Portland Southeast	Rental Program for low-income families	405 units
4. Habitat for Humanity	1981	Portland	Homeownership Program for low-income families living in inadequate housing	17 units
5. Northeast Community Development Corporation	1984	Portland Northeast	Homeownership Program since 1990 for low-income families	9 units
6. HOST Development, Inc.	1989	Portland	Homeownership Program for low and moderate-income families	8 units
7. Northeast Genesis Project	1988	Portland Inner NE	Homeownership & Rental Program for moderate & low-income families	8 units
8. Franciscan Enterprise	1987	Portland Northeast	Rental Program for low-income families	6 units
9. Union Gospel Mission	-	Portland	Adult Transitional Shelter	20 units
10. Portland Impact	1966	Portland	1. Family Emergency Shelter 2. Family Transitional Shelter	9 units 6 units
11. Burnside Project	1970	Portland	1. Single Room Occupancy Hotel (SRO) 2. Adult Homeless Shelter-10,000 pers./yr	29 units 140 pers./night
12. Recovery Inn (old Baloney Joes) Salvation Army	1979	Portland	Adult Homeless Shelter -40,000 pers./yr	120 pers./night

\* Emergency Youth Shelters are not included.

Table 29  
AFFORDABLE HOUSING DEVELOPMENT AGENCIES/ORGANIZATIONS IN THE  
PORTLAND METROPOLITAN AREA<sup>70</sup>



Agency/County	Year Started	Area Served	Type of Service	Units/People Served
MULTNOMAH Cont'd.				
13. Portland Recue Mission	1949	Multnomah	Adult homeless Shelter -35,000 pers./yr	88 pers./night
14. Annie Ross House	1986	Milwaukie	Family Temporary Shelter	78 families/yr
15. Family Resource Center	1984	Portland	Family Transitional Shelter (30 to 90 days)	60 pers./night
16. Harbor Light Center Salvation Army	1956	Portland	Adult Men Emergency Shelter	54 pers./night
17. West Womens Hotel Salvation Army	1980	Portland	1. Women w/Children Emergency Shelter 2. Women w/Children Transitional Shelter (up to 18 months)	15 pers./night 48 pers./night
18. Rafael House of Portland	1977	Portland	1. Women w/Children Emergency Shelter 2. Women w/Children Transitional Shelter (up to 1.5 months)	16 pers./night - 28 pers./night
19. Neighborhood Housing Inc.	1984	Multnomah	Temporary Shelter for Families	36 pers./night
20. YWCA Emergency Services	1901	Tri-County	Women Emergency Shelter	35 pers./night
21. Bradley-Angle House, Inc.	1971	Tri-County Out of State	1. Women & Children Emergency Shelter 2. Transitional/Permanent Shelter	15 pers./night 10 units/pers.
22. Human Solutions, Inc.	1988	Portland	Adult Transitional Shelter (up to 3 months)	20 families/night
23. Blanchet House of Hospitality	1952	Portland	Family Transitional Shelter (30 to 90 days)	17 pers./night
24. Albina Ministerial Alliance	1944	Portland	Adult Temporary Shelter	16 families/mo.

Agency/County	Year Started	Area Served	Type of Service	Units/People Served
MULTNOMAH Cont'd.				
25. Volunteers of America Family Center	1924	Portland	1. Women w/Children Emergency Shelter 2. Women w/Children Transitional Shelter (up to 6 months)	12 pers./night 5 pers./night
26. Friendship Unlimited	-	Portland	Women Emergency Shelter (30 to 90 days)	5 pers./night

Agency/County	Year Started	Area Served	Type of Service	Units/People Served
CLACKAMAS				
1. Housing Authority of Clackamas County (HACC)	1934	Clackamas	1. Rental Program for low-income 2. Section 8 Certificates & Vouchers	601 units 1,032 households
2. Northwest Housing Alternatives	1982	Tri-County	1. Rental Program for low-income 2. Adult Group Homes- 10 persons capacity 3. Low-income Family Transitional Shelter	300 units 5 units 37 pers./night
3. Clackamas Womens Services	1986	Clackamas	Women and Children Temporary Shelter	18 pers/night

Agency/County	Year Started	Area Served	Type of Service	Units/People Served
<b>WASHINGTON</b>				
1. Housing Authority of Washington County	1971	Washington	1. Rental Program for low-income 2. Section 8 Certificates & Vouchers 3. Section 8 Moderate Rehabilitation 4. Farm Home 5. Adult Temporary Shelter- 3 to 6 weeks 6. Specialty housing for the ill	279 units 1,191 households 134 units 12 units 3 units 5 units
2. Council on Aging	1963	Washington	Rental program for low-income senior citizen	12 units (1991/92)
3. Homestreet	1981	Washington	Rental Program for low-income handicapped persons	22 units
4. Washington Co. Community Action Organization (WCCAO)	1965	Washington	1. Emergency Shelter for low-income- 3 weeks 2. Family Temporary housing- 3 to 6 months 3. Low-income Weatherization Program 4. Low-income Energy Assistance Program	40 pers./night* 3 units 100 homes/yr 3,200 homes/yr
5. Washington Co. Housing Development Corporation	1981	Washington	Farmworker Seasonal (34) and Permanent (28) Housing	62 units
6. Domestic Violence Resource Center	1979	Tri-county	Women and Children Temporary Shelter - 3 to 6 weeks	20 pers./night

Footnote

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 \* 915 persons recieved temporary shelter in 1990.  
 2,614 persons were turned away in 1990 due to limited space.

## EXHIBIT 6.4

Transit Modes Related to Residential  
Density

Mode	Service	Minimum Necessary Residential Density (dwelling units per acre)	Remarks
Dial-a-bus	Many origins to many destinations	6	Only if labor costs are not more than twice those of taxis
Dial-a-bus	Fixed destination or subscription service	3.5 to 5	Lower figure if labor costs twice those of taxis; higher if thrice those of taxis
Local bus	"Minimum," ½ mile route spacing, 20 buses per day	4	
Local bus	"Intermediate," ½ mile route spacing, 40 buses per day	7	Average, varies as a function of downtown size and distance from residential area to downtown
Local bus	"Frequent," ½ mile route spacing, 120 buses per day	15	
Express bus —reached on foot	Five buses during two hour peak period	15 Average density over two square mile tributary area	From 10 to 15 miles away to largest downtowns only
Express bus —reached by auto	Five to ten buses during two hour peak period	3 Average density over 20 square mile tributary area	From 10 to 20 miles away to downtowns larger than 20 million square feet of non-residential floorspace
Light rail	Five minute headways or better during peak hour.	9 Average density for a corridor of 25 to 100 square miles	To downtowns of 20 to 50 million square feet of nonresidential floorspace
Rapid transit	Five minute headways or better during peak hour.	12 Average density for a corridor of 100 to 150 square miles	To downtowns larger than 50 million square feet of nonresidential floorspace
Commuter rail	Twenty trains a day	1 to 2	Only to largest downtowns, if rail line exists

Source: Regional Plan Association

# 10.

# HOUSING

## GOAL

**To provide for the housing needs of citizens of the state.**

Buildable lands for residential use shall be inventoried and plans shall encourage the availability of adequate numbers of housing units at price ranges and rent levels which are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

**Buildable Lands** — refers to lands in urban and urbanizable areas that are suitable, available and necessary for residential use.

**Household** — refers to one or more persons occupying a single housing unit.

## GUIDELINES

### A. PLANNING

1. In addition to inventories of buildable lands, housing elements of a comprehensive plan should, at a minimum, include: (1) a comparison of the distribution of the existing population by income with the distribution of available housing units by cost; (2) a determination of vacancy rates, both overall and at varying rent ranges and cost levels; (3) a determination of expected housing demand at varying rent ranges and cost levels; (4) allowance for a variety of densities and types of residences in each community; and (5) an inventory of sound housing in urban areas including units capable of being rehabilitated.

2. Plans should be developed in a manner that insures the provision of appropriate types and amounts of land within urban growth boundaries. Such land should be necessary and suitable for housing that meets the housing needs of households of all income levels.
3. Plans should provide for the appropriate type, location and phasing of public facilities and services sufficient to support housing development in areas presently developed or undergoing development or redevelopment.
4. Plans providing for housing needs should consider as a major determinant the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

### B. IMPLEMENTATION

1. Plans should provide for a continuing review of housing need projections and should establish a process for accommodating needed revisions.
2. Plans should take into account the effects of utilizing financial incentives and resources to (a) stimulate the rehabilitation of substandard housing without regard to the financial capacity of the owner so long as benefits accrue to the occupants; and (b) bring into compliance with codes adopted to assure safe and sanitary housing the dwellings of indi-

viduals who cannot on their own afford to meet such codes.

3. Decisions on housing development proposals should be expedited when such proposals are in accordance with zoning ordinances and with provisions of comprehensive plans.
4. Ordinances and incentives should be used to increase population densities in urban areas taking into consideration (1) key facilities, (2) the economic, environmental, social and energy consequences of the proposed densities and (3) the optimal use of existing urban land particularly in sections containing significant amounts of unsound substandard structures.
5. Additional methods and devices for achieving this goal should, after consideration of the impact on lower income households, include, but not be limited to: (1) tax incentives and disincentives; (2) building and construction code revision; (3) zoning and land use controls; (4) subsidies and loans; (5) fee and less-than-fee acquisition techniques; (6) enforcement of local health and safety codes; and (7) coordination of the development of urban facilities and services to disperse low income housing throughout the planning area.
6. Plans should provide for a detailed management program to assign respective implementation roles and responsibilities to those governmental bodies operating in the planning area and having interests in carrying out the goal.

**OREGON ADMINISTRATIVE RULES**  
**CHAPTER 660, DIVISION 8 — LAND CONSERVATION AND DEVELOPMENT COMMISSION**

**DIVISION 8**

**INTERPRETATION OF GOAL 10 HOUSING**

**Purpose**

**660-08-000** (1) The purpose of this rule is to assure opportunity for the provision of adequate numbers of needed housing units, the efficient use of buildable land within urban growth boundaries, and to provide greater certainty in the development process so as to reduce housing costs. This rule is intended to define standards for compliance with Goal 10 "Housing" and to implement ORS 197.303 through 197.307.

(2) OAR 660-07-000 et seq., Metropolitan Housing, are intended to complement and be consistent with OAR 660-08-000 et seq., Goal 10 Housing. Public facilities and services are planned for buildable land as defined in OAR 660-07-140 within the Metropolitan Portland urban growth boundary. Should differences in interpretation between OAR 660-08-000 and OAR 660-07-000 arise, the provisions of OAR 660-07-000 shall prevail for cities and counties within the Metro urban growth boundary.

Stat. Auth.: ORS Ch. 197  
 Hist.: LCDC 3-1982, f. & ef. 7-21-82

**Definitions**

**660-08-005** For the purpose of this rule, the definitions in ORS 197.015, 197.295, and 197.303 shall apply. In addition, the following definitions shall apply:

(1) "Housing needs projection" refers to a local determination, justified in the plan, of the mix of housing types and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;

(b) Consistent with any adopted regional housing standards, state statutes and Land Conservation and Development Commission administrative rules; and

(c) Consistent with Goal 14 requirements.

(2) "Needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means housing that includes, but is not limited to, attached and detached single family housing and multiple family housing for both owner and renter occupancy and manufactured homes, as defined in ORS 197.295, located in either mobile home parks or subdivisions.

(3) "Detached single family housing" means a housing unit that is free standing and separate from other housing units.

(4) "Attached single family housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.

(5) "Multiple family housing" means attached housing where each dwelling unit is not located on a separate lot.

(6) "Manufactured homes" means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. sections 5401 et seq.), as amended on August 22, 1981.

(7) "Buildable land" means land in urban and urbanizable areas that is suitable, available and necessary for residential use.

(8) "Suitable and available land" means residentially designated vacant and redevelopable land within an urban growth boundary that is not constrained by natural hazards, or subject to natural resource protection measures, and for which

public facilities are planned or to which public facilities can be made available. Publicly owned land generally is not considered available for residential use.

(9) "Redevelopable land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the strong likelihood that existing development will be converted to more intensive residential uses during the planning period.

Stat. Auth.: ORS Ch. 197  
 Hist.: LCDC 3-1982, f. & ef. 7-21-82

**Allocation of Buildable Land**

**660-08-010** The mix and density of needed housing is determined in the housing needs projection. Sufficient buildable land shall be designated on the comprehensive plan map to satisfy housing needs by type and density range as determined in the housing needs projection. The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

Stat. Auth.: ORS Ch. 197  
 Hist.: LCDC 3-1982, f. & ef. 7-21-82

**Clear and Objective Approval Standards Required**

**660-08-015** Local approval standards, special conditions and procedures regulating the development of needed housing must be clear and objective, and must not have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

Stat. Auth.: ORS Ch. 197  
 Hist.: LCDC 3-1982, f. & ef. 7-21-82

**Specific Plan Designations Required**

**660-08-020** (1) Residential plan designations shall be assigned to all buildable land, and shall be specific so as to accommodate the varying housing types and densities identified in the local housing needs projection.

(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:

(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;

(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and

(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Stat. Auth.: ORS Ch. 197  
 Hist.: LCDC 3-1982, f. & ef. 7-21-82

**The Rezoning Process**

**660-08-025** A local government may defer rezoning of land within an urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified. If such is the case, then:

(1) The plan shall contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.

(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective.

Stat. Auth.: ORS Ch. 197  
 Hist.: LCDC 3-1982, f. & ef. 7-21-82

**OREGON ADMINISTRATIVE RULES**  
**CHAPTER 660, DIVISION 8 — LAND CONSERVATION AND DEVELOPMENT COMMISSION**

**Regional Coordination**

**660-08-030** (1) Each local government shall consider the needs of the relevant region in arriving at a fair allocation of housing types and densities.

(2) The local coordination body shall be responsible for ensuring that the regional housing impacts of restrictive or expansive local government programs are considered. The local coordination body shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Stat. Auth.: ORS Ch. 197

Hist: LCDC 3-1982, f. & ef. 7-21-82

**Substantive Standards for Taking a Goal 2, Part II Exception Pursuant to ORS 197.303(3)**

**660-08-035** (1) A local government may satisfy the substantive standards for exceptions contained in Goal 2, Part II, upon a demonstration in the local housing needs projection, supported by compelling reasons and facts, that:

(a) The needed housing type is being provided for elsewhere in the region in sufficient numbers to meet regional needs;

(b) Sufficient buildable land has been allocated within the local jurisdiction for other types of housing which can meet the

need for shelter at the particular price ranges and rent levels that would have been met by the excluded housing type; and

(c) The decision to substitute other housing types for the excluded needed housing type furthers the policies and objectives of the local comprehensive plan, and has been coordinated with other affected units of government.

(2) The substantive standards listed in section (1) of this rule shall apply to the ORS 197.303(3) exceptions process in lieu of the substantive standards in Goal 2, Part II. The standards listed in section (1) of this rule shall not apply to the exceptions process authorized by OAR 660-07-360.

Stat. Auth.: ORS Ch. 197

Hist: LCDC 3-1982, f. & ef. 7-21-82

**Restrictions on Housing Tenure**

**660-08-049** Any local government that restricts the construction of either rental or owner occupied housing on or after its first periodic review shall include a determination of housing need according to tenure as part of the local housing needs projection.

Stat. Auth.: ORS Ch. 197

Hist: LCDC 3-1982, f. & ef. 7-21-82



## DIVISION 7

## METROPOLITAN HOUSING

## Statement of Purpose

660-07-000 The purpose of this rule is to assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary, to provide greater certainty in the development process and so to reduce housing costs. OAR 660-07-030 through 660-07-037 are intended to establish by rule regional residential density and mix standards to measure Goal 10 Housing compliance for cities and counties within the Metro urban growth boundary, and to ensure the efficient use of residential land within the regional UGB consistent with Goal 14 Urbanization. OAR 660-07-035 implements the Commission's determination in the Metro UGB acknowledgment proceedings that region-wide, planned residential densities must be considerably in excess of the residential density assumed in Metro's "UGB Findings". The new construction density and mix standards and the criteria for varying from them in this rule take into consideration and also satisfy the price range and rent level criteria for needed housing as set forth in ORS 197.303.

Stat. Auth.: ORS Ch. 183 & 197

Hist.: LCD 10-1981, f. & cf. 12-11-81; LCDC 1-1987, f. & cf. 2-18-87

## Definitions

660-07-005 For the purposes of this rule, the definitions in ORS 197.015 and 197.295 shall apply. In addition, the following definitions apply:

(1) "Housing Needs Projection" refers to a local determination, justified in the plan, as to the housing types and densities that will be:

(a) Commensurate with the financial capabilities of present and future area residents of all income levels during the planning period;

(b) Consistent with OAR 660-07-010 through 660-07-037 and any other adopted regional housing standards; and

(c) Consistent with Goal 14 requirements for the efficient provision of public facilities and services, and efficiency of land use.

(2) "Needed Housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels:

(a) On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:

(A) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy and manufactured homes; and

(B) Government assisted housing.

(b) Subsection (2)(a) of this rule shall not apply to:

(A) A city with a population of less than 2,500;

(B) A county with a population of less than 15,000.

(3) "Detached Single Family Housing" means a housing unit that is free standing and separate from other housing units.

(4) "Attached Single Family Housing" means common-wall dwellings or rowhouses where each dwelling unit occupies a separate lot.

(5) "Multiple Family Housing" means attached housing where each dwelling unit is not located on a separate lot.

(6) "Manufactured Homes" means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U. S. C. sections 5401 et. seq.), as amended on August 22, 1981.

(7) "Buildable Land" means residentially designated vacant and, at the option of the local jurisdiction, redevelopable land within the Metro urban growth boundary that is not severely constrained by natural hazards (Statewide Planning Goal 7) or subject to natural resource protection measures (Statewide Planning Goals 5 and 15). Publicly owned land is generally not considered available for residential use. Land with slopes of 25 percent or greater unless otherwise provided for at the time of acknowledgment and land within the 100-year floodplain is generally considered unbuildable for purposes of density calculations.

(8) A "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land, after excluding present and future rights-of-way, restricted hazard areas, public open spaces and restricted resource protection areas.

(9) "Redevelopable Land" means land zoned for residential use on which development has already occurred but on which, due to present or expected market forces, there exists the likelihood that existing development will be converted to more intensive residential uses during the planning period.

Stat. Auth.: ORS Ch. 183 & 197

Hist.: LCD 10-1981, f. & cf. 12-11-81; LCDC 1-1987, f. & cf. 2-18-87

## Allocations of Buildable Land

660-07-010 [LCD 10-1981, f. & cf. 12-11-81;  
Repealed by LCDC 1-1987,  
f. & cf. 2-18-87]

## Clear and Objective Approval Standards Required

660-07-015 Local approval standards, special conditions and procedures regulating the development of needed housing must be clear and objective, and must not have the effect, either of themselves or cumulatively, of discouraging needed housing through unreasonable cost or delay.

Stat. Auth.: ORS Ch. 183 & 197

Hist.: LCD 10-1981, f. & cf. 12-11-81

## Specific Plan Designations Required

660-07-018 (1) Residential plan designations shall be assigned to all buildable land, and shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-07-030 through 660-07-037.

(2) A local government may defer the assignment of specific residential plan designations only when the following conditions have been met:

(a) Uncertainties concerning the funding, location and timing of public facilities have been identified in the local comprehensive plan;

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(b) The decision not to assign specific residential plan designations is specifically related to identified public facilities constraints and is so justified in the plan; and

(c) The plan includes a time-specific strategy for resolution of identified public facilities uncertainties and a policy commitment to assign specific residential plan designations when identified public facilities uncertainties are resolved.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & cf. 2-18-87

**The Rezoning Process**

**660-07-020** A local government may defer rezoning of land within the urban growth boundary to maximum planned residential density provided that the process for future rezoning is reasonably justified:

(1) The plan must contain a justification for the rezoning process and policies which explain how this process will be used to provide for needed housing.

(2) Standards and procedures governing the process for future rezoning shall be based on the rezoning justification and policy statement, and must be clear and objective.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCD 10-1981, f. & cf. 12-11-81

**Restrictions on Housing Tenure**

**660-07-022** Any local government that restricts the construction of either rental or owner occupied housing on or after its first periodic review shall either justify such restriction by an analysis of housing need according to tenure or otherwise demonstrate that such restrictions comply with ORS 197.303(a) and 197.307(3).

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & cf. 2-18-87

**Purpose**

**660-07-025** [LCD 10-1981, f. & cf. 12-11-81;  
Repealed by LCDC 1-1987,  
f. & cf. 2-18-87]

**New Construction Mix**

**660-07-030** (1) Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances. Factors to be considered in justifying an alternate percentage shall include, but need not be limited to:

- (a) Metro forecasts of dwelling units by type;
- (b) Changes in household structure, size, or composition by age;
- (c) Changes in economic factors impacting demand for single family versus multiple family units; and
- (d) Changes in price ranges and rent levels relative to income levels.

(2) The considerations listed in section (1) of this rule refer to county-level data within the UGB and data on the specific jurisdiction.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCD 10-1981, f. & cf. 12-11-81, LCDC 1-1987, f. & cf. 2-18-87

**Consideration of Other Housing Types**

**660-07-033** Each local government shall consider the needs for manufactured housing and government assisted housing within the Portland Metropolitan UGB in arriving at an allocation of housing types.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & cf. 2-18-87

**Minimum Residential Density Allocation for New Construction**

**660-07-035** The following standards shall apply to those jurisdictions which provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing:

(1) The Cities of Cornelius, Durham, Fairview, Happy Valley and Sherwood must provide for an overall density of six or more dwelling units per net buildable acre. These are relatively small cities with some growth potential (i.e. with a regionally coordinated population projection of less than 8,000 persons for the active planning area).

(2) Clackamas and Washington Counties, and the cities of Forest Grove, Gladstone, Milwaukie, Oregon City, Troutdale, Tualatin, West Linn and Wilsonville must provide for an overall density of eight or more dwelling units per net buildable acre.

(3) Multnomah County and the cities of Portland, Gresham, Beaverton, Hillsboro, Lake Oswego and Tigard must provide for an overall density of ten or more dwelling units per net buildable acre. These are larger urbanized jurisdictions with regionally coordinated population projections of 50,000 or more for their active planning areas, which encompass or are near major employment centers, and which are situated along regional transportation corridors.

(4) Regional housing density and mix standards as stated in OAR 660-07-030 and 660-07-035(1), (2), and (3) do not apply to small developed cities which had less than 50 acres of buildable land in 1977 as determined by criteria used in Metro's UGB Findings. These cities include King City, Rivergrove, Maywood Park, Johnson City and Wood Village.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCD 10-1981, f. & cf. 12-11-81; LCDC 1-1987, f. & cf. 2-18-87

**Alternate Minimum Residential Density Allocation for New Construction**

**660-07-037** The density standards in OAR 660-07-035 shall not apply to a jurisdiction which justifies an alternative new construction mix under the provisions of OAR 660-07-030. The following standards shall apply to these jurisdictions:

(1) The jurisdiction must provide for the average density of detached single family housing to be equal to or greater than the density of detached single family housing provided for in the plan at the time of original LCDC acknowledgment.

(2) The jurisdiction must provide for the average density of multiple family housing to be equal to or greater than the density of multiple family housing provided for in the plan at the time of original LCDC acknowledgment.

(3) A jurisdiction which justifies an alternative new construction mix must also evaluate whether the factors in

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OAR 660-07-030 support increases in the density of either detached single family or multiple family housing or both. If the evaluation supports increases in density, then necessary amendments to residential plan and zone designations must be made.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & ef. 2-18-87

**Exceptions**

660-07-040 {LCD 10-1981, f. & ef. 12-11-81;  
Repealed by LCDC 1-1987,  
f. & ef. 2-18-87}

**Computation of Buildable Lands**

660-07-045 (1) The local buildable lands inventory must document the amount of buildable land in each residential plan designation.

(2) The Buildable Land Inventory (BLI): The mix and density standards of OAR 660-07-030, 660-07-035 and 660-07-037 apply to land in a buildable land inventory required by OAR 660-07-010, as modified herein. Except as provided below, the buildable land inventory at each jurisdiction's choice shall either be based on land in a residential plan/zone designation within the jurisdiction at the time of periodic review or based on the jurisdiction BLI at the time of acknowledgment as updated. Each jurisdiction must include in its computations all plan and/or zone changes involving residential land which that jurisdiction made since acknowledgment. A jurisdiction need not include plan and/or zone changes made by another jurisdiction before annexation to a city. The adjustment of the BLI at the time of acknowledgment shall:

(a) Include changes in zoning ordinances or zoning designations on residential planned land if allowed densities are changed.

(b) Include changes in planning or zoning designations either to or from residential use. A city shall include changes to annexed or incorporated land if the city changed type or density or the plan/zone designation after annexation or incorporation.

(c) The county and one or more city(ies) affected by annexations or incorporations may consolidate buildable land inventories. A single calculation of mix and density may be prepared. Jurisdictions which consolidate their buildable lands inventories shall conduct their periodic review simultaneously.

(d) A new density standard shall be calculated when annexation, incorporation or consolidation results in mixing two or more density standards (OAR 660-07-035). The calculation shall be made as follows:

- (A)(i)  $BLI \text{ Acres} \times 6 \text{ Units/Acre} = \text{Num. of Units}$
- (ii)  $BLI \text{ Acres} \times 8 \text{ Units/Acre} = \text{Num. of Units}$
- (iii)  $BLI \text{ Acres} \times 10 \text{ Units/Acre} = \text{Num. of Units}$
- (iv)  $\text{Total Acres (TA)} \times \text{Total Units (TU)}$

(B) Total units divided by Total Acres = New Density Standard

(C) Example:

(i)(I) Cities A and B have 100 acres and a 6-unit-per-acre standard:  $(100 \times 6 = 600 \text{ units})$

(II) City B has 300 acres and a 10-unit-per-acre standard:  $(300 \times 10 = 3000 \text{ units})$

(III) County has 200 acres and an 8-unit-per-acre standard:  $(200 \times 8 = 1600 \text{ units})$

(IV) Total acres = 600 ..... Total Units = 5200

(ii)  $5200 \text{ units divided by } 600 \text{ acres} = 8.66 \text{ units per acre standard.}$

(3) Mix and Density Calculation: The housing units allowed by the plan/zone designations at periodic review, except as modified by section (2) of this rule, shall be used to calculate the mix and density. The number of units allowed by the plan/zone designations at the time of development shall be used for developed residential land.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & ef. 2-18-87

**Regional Coordination**

660-07-050 (1) At each periodic review of the Metro UGB, Metro shall review the findings for the UGB. They shall determine whether the buildable land within the UGB satisfies housing needs by type and density for the region's long-range population and housing projections.

(2) Metro shall ensure that needed housing is provided for on a regional basis through coordinated comprehensive plans.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & ef. 2-18-87

**Applicability**

660-07-060 (1) The new construction mix and minimum residential density standards of OAR 660-07-030 through 660-07-037 shall be applicable at each periodic review. During each periodic review local government shall prepare findings regarding the cumulative effects of all plan and zone changes affecting residential use. The jurisdiction's buildable lands inventory (updated pursuant to OAR 660-07-045) shall be a supporting document to the local jurisdiction's periodic review order.

(2) For plan and land use regulation amendments which are subject to OAR 660, Division 18, the local jurisdiction shall either:

(a) Demonstrate through findings that the mix and density standards in this Division are met by the amendment; or

(b) Make a commitment through the findings associated with the amendment that the jurisdiction will comply with provisions of this Division for mix or density through subsequent plan amendments.

Stat. Auth.: ORS Ch. 183 & 197  
Hist.: LCDC 1-1987, f. & ef. 2-18-87

**NEEDED HOUSING IN URBAN  
GROWTH AREAS**

**197.295 Definitions for ORS 197.303 to 197.313 and 197.475 to 197.490. As used in ORS 197.303 to 197.313 and 197.475 to 197.490:**

(1) "Buildable lands" means lands in urban and urbanizable areas that are suitable, available and necessary for residential uses.

(2) "Manufactured dwelling park" means any place where four or more manufactured dwellings as defined in ORS 446.003 are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. "Manufactured dwelling park" does not include a lot or lots located within a subdivision being

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rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.190.

(3) "Government assisted housing" means housing that is financed in whole or part by either a federal or state housing agency or a local housing authority as defined in ORS 456.005 to 456.720, or housing that is occupied by a tenant or tenants who benefit from rent supplements or housing vouchers provided by either a federal or state housing agency or a local housing authority.

(4) "Manufactured homes" means structures with a Department of Housing and Urban Development (HUD) label certifying that the structure is constructed in accordance with the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. §§ 5401 et seq.), as amended on August 22, 1981.

(5) "Mobile home park" means any place where four or more manufactured dwellings as defined in ORS 446.003 are located within 500 feet of one another on a lot, tract or parcel of land under the same ownership, the primary purpose of which is to rent space or keep space for rent to any person for a charge or fee paid or to be paid for the rental or use of facilities or to offer space free in connection with securing the trade or patronage of such person. "Mobile home park" does not include a lot or lots located within a subdivision being rented or leased for occupancy by no more than one manufactured dwelling per lot if the subdivision was approved by the local government unit having jurisdiction under an ordinance adopted pursuant to ORS 92.010 to 92.190.

(6) "Periodic review" means the process and procedures as set forth in ORS 197.640.

(7) "Urban growth boundary" means an urban growth boundary included or referenced in a comprehensive plan. [1981 c.884 §4, 1983 c.795 §1; 1987 c.785 §1; 1989 c.648 §51]

197.300 [1973 c.80 §51; 1977 c.664 §22, repealed by 1979 c.772 §26]

**197.303 "Needed housing" defined.** (1) As used in ORS 197.307, until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels. On and after the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" also means:

(a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;

(b) Government assisted housing;

(c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and

(d) Manufactured dwellings on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

(2) Paragraphs (a) and (d) of subsection (1) of this section shall not apply to:

(a) A city with a population of less than 2,500.

(b) A county with a population of less than 15,000.

(3) A local government may take an exception to subsection (1) of this section in the same manner that an exception may be taken under the goals. [1981 c.884 §6; 1983 c.795 §2; 1989 c.380 §1]

Note: Section 3, chapter 380, Oregon Laws 1989, provides:

Sec. 3. Notwithstanding the provisions of ORS 197.303 (1) relating to periodic review, the requirements of ORS 197.303 (1)(d) apply on January 1, 1991, or a jurisdiction's next periodic review, whichever comes first. [1989 c.380 §3]

197.305 [1973 c.80 §52; 1977 c.664 §23; repealed by 1979 c.772 §26]

**197.307 Effect of need for certain housing in urban growth areas; placement standards for approval of manufactured dwellings.** (1) The availability of affordable, decent, safe and sanitary housing opportunities for persons of lower, middle and fixed income, including housing for seasonal and year-round farm workers, is a matter of state-wide concern.

(2) Many persons of lower, middle and fixed income depend on government assisted housing as a source of affordable decent, safe and sanitary housing.

(3) When a need has been shown for housing within an urban growth boundary at particular price ranges and rent levels, needed housing, including housing for seasonal and year-round farm workers, shall be permitted in one or more zoning districts or in zones described by some comprehensive plans as overlay zones with sufficient buildable land to satisfy that need.

(4) Subsection (3) of this section shall not be construed as an infringement on a local government's prerogative to:

(a) Set approval standards under which a particular housing type is permitted outright;

(b) Impose special conditions upon approval of a specific development proposal; or

(c) Establish approval procedures.

(5) In the areas identified by the needs analysis conducted under subsection (3) of this section, a jurisdiction may adopt any or all of the following placement standards, or any less restrictive standard, for the approval of manufactured dwellings located outside mobile home or manufactured dwelling parks:

(a) The manufactured dwelling shall be multisectional and inclose a space of not less than 1,000 square feet.

(b) The manufactured dwelling shall be placed on an excavated and back-filled foundation and inclosed at the perimeter such that the manufactured dwelling is located not more than 12 inches above grade.

(c) The manufactured dwelling shall have a pitched roof, except that no standard shall require a slope of greater than a nominal three feet in height for each 12 feet in width.

(d) The manufactured dwelling shall have exterior siding and roofing which in color, material and appearance is similar to the exterior siding and roofing material commonly used on residential dwellings within the community or which is comparable to the predominant materials used on surrounding dwellings as determined by the local permit approval authority.

(e) The manufactured dwelling shall be certified by the manufacturer to have an exterior thermal envelope meeting performance standards which reduce levels equivalent to the performance standards required of single-family dwellings constructed under the state building code as defined in ORS 455.010.

(f) The manufactured dwelling shall have a garage or carport constructed of like materials. A jurisdiction may require an attached or detached garage in lieu of a carport where such is consistent with the predominant construction of immediately surrounding dwellings.

(g) In addition to the provisions in paragraphs (a) to (f) of this subsection, a city or county may subject a manufactured dwelling and the lot upon which it is sited to any development standard, architectural requirement and minimum size requirement to which a conventional single-family residential dwelling on the same lot would be subject.

(6) Any approval standards, special conditions and the procedures for approval adopted by a local government shall be clear and objective and shall not have the effect, either in themselves or cumulatively, of dis-

couraging needed housing through unreasonable cost or delay. [1981 c.884 §5; 1983 c.795 §3; 1989 c.380 §2; 1989 c.964 §6]

197.310 [1973 c.80 §53; 1977 c.664 §24; repealed by 1979 c.772 §26]

**197.312 Limitation on city and county authority to prohibit certain kinds of housing.** (1) No city or county may by charter prohibit from all residential zones attached or detached single-family housing, multiple-family housing for both owner and renter occupancy or manufactured homes. No city or county may by charter prohibit government assisted housing or impose additional approval standards on government assisted housing that are not applied to similar but unassisted housing.

(2) No city or county may impose any approval standards, special conditions or procedures on seasonal and year-round farm-worker housing that are not clear and objective or have the effect, either in themselves or cumulatively, of discouraging seasonal and year-round farm-worker housing through unreasonable cost or delay or by discriminating against such housing. [1983 c.795 §5; 1989 c.964 §7]

**197.313 Interpretation of ORS 197.312.** Nothing in ORS 197.312 or in the amendments to ORS 197.295, 197.303, 197.307 by sections 1, 2 and 3, chapter 795, Oregon Laws 1983, shall be construed to require a city or county to contribute to the financing, administration or sponsorship of government assisted housing. [1983 c.795 §6]

197.315 [1973 c.80 §54; 1977 c.664 §25; repealed by 1979 c.772 §26]

## REGIONAL URBAN GROWTH GOALS AND OBJECTIVES

### GOAL I: BUILT ENVIRONMENT OF THE REGION

Development in the region shall occur in a coordinated and balanced fashion as evidenced, at a minimum, by the provision of infrastructure and critical public services concurrent with the pace of urban growth; the meshing of local comprehensive plans with public investment decisionmaking at all levels; the continued evolution of regional economic opportunity; and the location of jobs, housing, supporting commercial activity, parks, and open space in relation to each other in order to decrease the number and length of automobile trips required to support a household.

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#### OBJECTIVE 1. HOUSING

There shall be a range of housing types available inside the UGB, for rent or purchase at costs in balance with the range of household incomes in the region. Housing should be located in proximity to major activity centers and the regional transportation system.



**Policy 1.1 Metropolitan Housing Rule -** The Metropolitan Housing Rule (OAR 660, Division 7) has effectively resulted in the preparation of local comprehensive plans in the urban region that:

- provide for the sharing of regional housing supply responsibilities by ensuring the presence of single and multiple family zoning in every jurisdiction; and
- plan for local residential housing densities that support net residential housing density assumptions underlying the regional urban growth boundary.

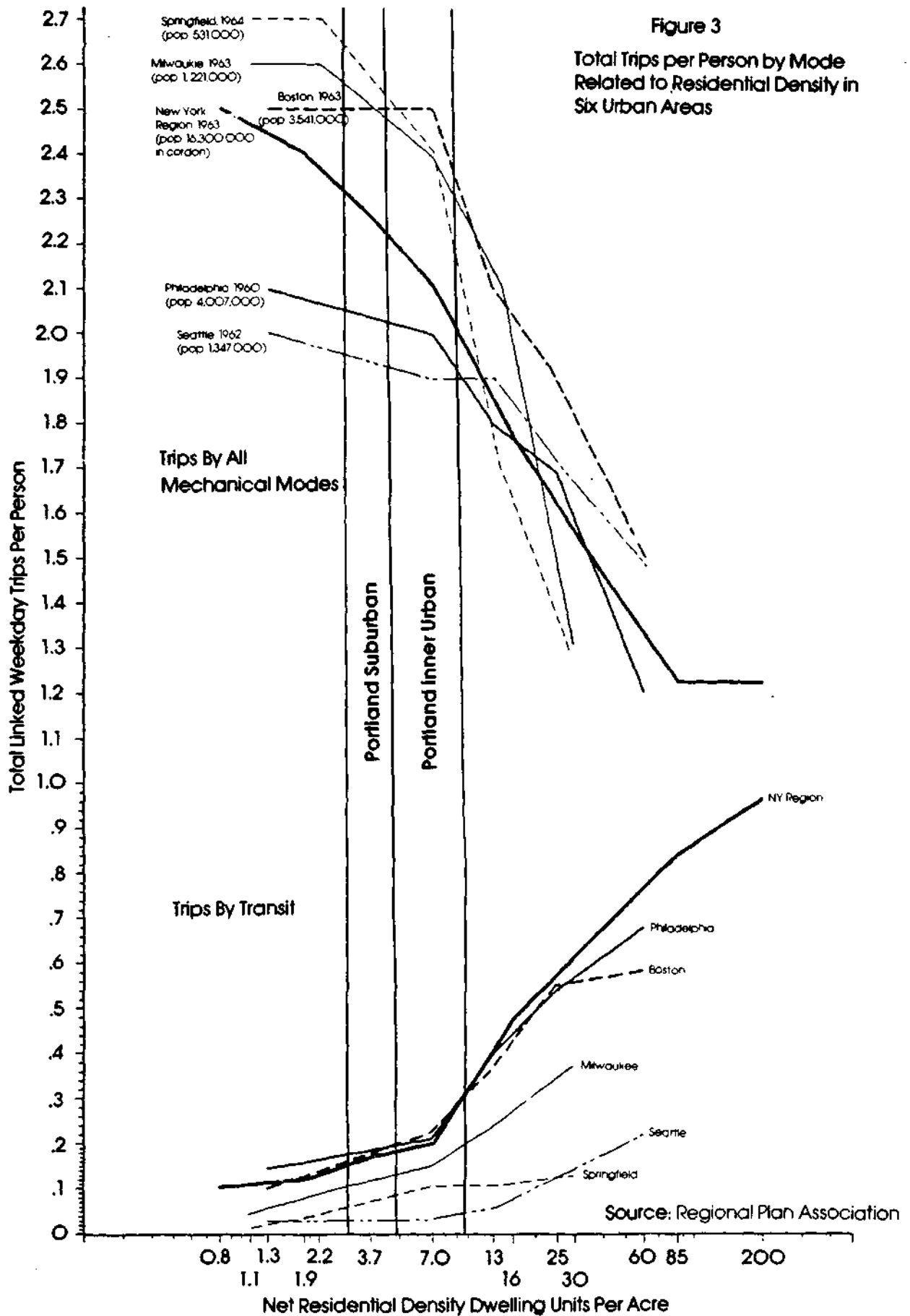
However, it is now time to develop a new regional housing policy that directly addresses the following issues:

- **Diverse Housing Needs** - It shall be the policy of the region to address the diverse housing needs of the present and projected population of the region, and to correlate those needs with the available and prospective housing supply. Upon identification of unmet housing needs, a regionwide strategy shall be developed which takes into account subregional opportunities and constraints, and the relationship of market dynamics to the management of the overall supply of housing.
- **Housing Affordability** - Affordability shall be defined as the availability of housing such that no more than 30% (an index derived from federal, state, and local housing agencies) of the monthly income of the household need be spent on shelter. Public policy shall be designed to assure an adequate supply of housing for rent and/or sale at prices in line with the median household income

in the region. If, following a housing needs analysis, certain income groups in the region are found to not have affordable housing available to them, it shall be the policy of the region to focus land use policy and public and private investment towards meeting that need.

- **Housing Location** - Public policy and investment shall encourage the development of housing in locations near or adjacent to employment that is affordable to employees in those enterprises, or in other locations consistent with adopted public policy for the development of the regional transportation system.
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## Footnotes

1. The data sources are as follows:

Cities: Center for Population Research and Census, Portland State University, February 1991. Data as of July, 1990. Counties: Metro estimates for the population inside the Metro Boundary, excluding cities.

2. See Community Profiles, Metro, 1991. Data is reported by jurisdictions for periodic reviews done 1987-1990.

3. The Regional Forecast, Population, Housing and Employment Forecast to 1995 and 2010, page 60, Table 3, Metro, 1989.

4. Happy Valley Comprehensive Plan, acknowledged by the State September, 1985.

5. Metro Regional Forecast, 1987, for demand and 1987-1990 periodic review data from cities and counties as compiled in the Community Profiles, Metro, 1991, for supply.

6. Section 807 (b) (2) (c) of the Fair Housing Act, as amended may allow the exclusion of children in housing developments in which at least 80% of the units are occupied by at least one person age 55 or older.

7. 12 USC 2901.

8. Program of HUD, 1989-1990, forward by Secretary Kemp.

9. Source is "Twenty Five Years of Service to America", page 1, US Department of Housing and Urban Development, 1990.

10. "Housing help works best for homeowners" Kenneth Harney, Washington Post Writers Group, 2/18/90, the Oregonian.

11. "Housing help works best for homeowners", Kenneth Harney, Washington Post Writers Group, the Oregonian, 2/18/90.

12. "Fannie Mae raises mortgage ceiling allowing lower rates for some buyers", Dave Skidmore, AP, the Oregonian, 10-20-90.

13. See Oregon Housing Agency Overview, January, 1990, Oregon Housing Agency.

14. Source: HUD, Portland Office.

15. Household earning 50 percent or less of area median income, of households qualifying for public housing.

16. Source is Metro survey, January, 1991. See Table 29 for detailed list.

17. This estimate was derived by adding the populations from subareas 1-4, (which roughly includes all of the City of Portland) from the Regional Forecast, Metro, 1989.

- 18 . "The Baby Boom, The Baby Bust, and the Housing Market", Mankiw and Weil, Regional Science and Urban Economics, Volume 19, Number 2, pp.235-258, May, 1989.
- 19 . Source is Urban Land, figure 2, page 19, published by the Urban Land Institute, October, 1990. Prices represent the estimated price of a standard improved 10,000 square foot single family lot.
- 20 . see ORS 197.303 for a full definition.
- 21 . Sources are Metro, HUD, Portland Office, and Real Estate Report for Metropolitan Portland, Higgins.
- 22 . Sources are Real Estate Report for Metropolitan Portland, Higgins, 1990, and HUD, Portland Office.
- 23 . Data source is Apartment Data Center, Jerry Mason. Average size in the range of 500-700 square feet.
- 24 . Source is Metro, U.S. Census, and Metro's Data Resource Center's Regional Forecast .
- 25 . See Urban Growth Boundary Findings, Metro, 1979
- 26 . Planning with Transit, Tri-Met, 1979 and Planning with Transit Update: Background Discussion Draft, pages 3 and 4, Tri-Met, 1989.
- 27 . Ibid. page 4.
- 28 . Planning with Transit, page 17, Tri-Met, 1979.
- 29 . Ibid.
- 30 . "Jobs and Housing", Urban Land, October 1990, citing a survey done by Builder magazine.
- 31 . Planning with Transit Update: Background Discussion Draft, page 4, Tri-Met, 1989.
- 32 . Planning with Transit, page 17, Tri-Met, 1979.
- 33 . Ibid., pages 17, 20, Tri-Met, 1979.
- 34 . Planning with Transit, Metro, 1979.
- 35 . See "Living Smaller", pages 64-78, Witold Rybczynski, The Atlantic Monthly, February, 1991.
- 36 . Conversation with Jean DeMaster, Burnside Projects, Inc.
- 37 . Source of data is proposed Local Review Orders for Periodic Review, or the latest buildable land data available from the jurisdiction, rounded to the nearest acre.
- 38 . No detailed breakdown between single family and multi-family residential is available.
- 39 . The City of Portland also has 52.96 acres of redevelopment properties, which are projected to have the potential to accommodate up to 2,967 dwelling units.
- 40 . These acreage figures are for the City of Sherwood's "Active Area of Interest", and some double counting with Washington County figures is involved.

41 . Figures for Tigard are vacant land (unbuildable land such as floodplains are included). Residential acreages are for the City's "Area of Interest", and some double counting with Washington County data has occurred. All other acreage figures are for land within the existing City limits.

42 . Includes only the unincorporated County within the Urban Growth Boundary.

43 . The data for this table is based the latest periodic review data. For Beaverton the data is based upon October, 1986 Periodic Review data. February, 1990 data for acres of land designated for single family and multi-family development is available, but the number of units buildable is not.

44 . Data for the cities of Cornelius, Sherwood and Tigard include areas outside their present city limits. This land was also included within the Washington County data. Therefore, some double counting of land has occurred.

45 . No detailed breakdown available.

46 . Range of units depending upon whether bonuses utilized.

47 . This number does not take into consideration lands developed between initial acknowledgement (1984) and Periodic Review (1988).

48 . Source for this table is reported buildable land and reported dwelling unit capacity from periodic review data of cities and counties. For Lake Oswego, this is a generalized estimate, and is probably higher than the actual figure, as it is based upon a number of dwelling units which has not been adjusted for growth in the period 1984-1988.

49 . This statistic is for the area within the existing City limits and does not include the City's "Area of Interest", in which the average housing density is 10.16.

50 . Using the number of units allowed and the number of residential acres indicated in the Periodic Review, the result is 7.08 dwelling units per acre.

51 . The City of Happy Valley average density is 3.45 dwelling units per acre. Secondary dwelling units and/or density bonus provisions could boost the density to 6.0 units per acre.

52 . If or when sanitary sewers are provided, the City will allow development on 6,000 square foot lots, or approximately 5.8 dwelling units per acre (assuming 20% of the land is used for rights-of-ways).

53 . Maywood Park has no developable residential land, or land designated for redevelopment.

54 . The statistics for the counties are for the urban, unincorporated portion only.

55 . For that area currently within the Urban Growth Boundary. Calculated by multiplying the average number of persons per household in the three county area (2.46) by the number of housing units buildable within the community.

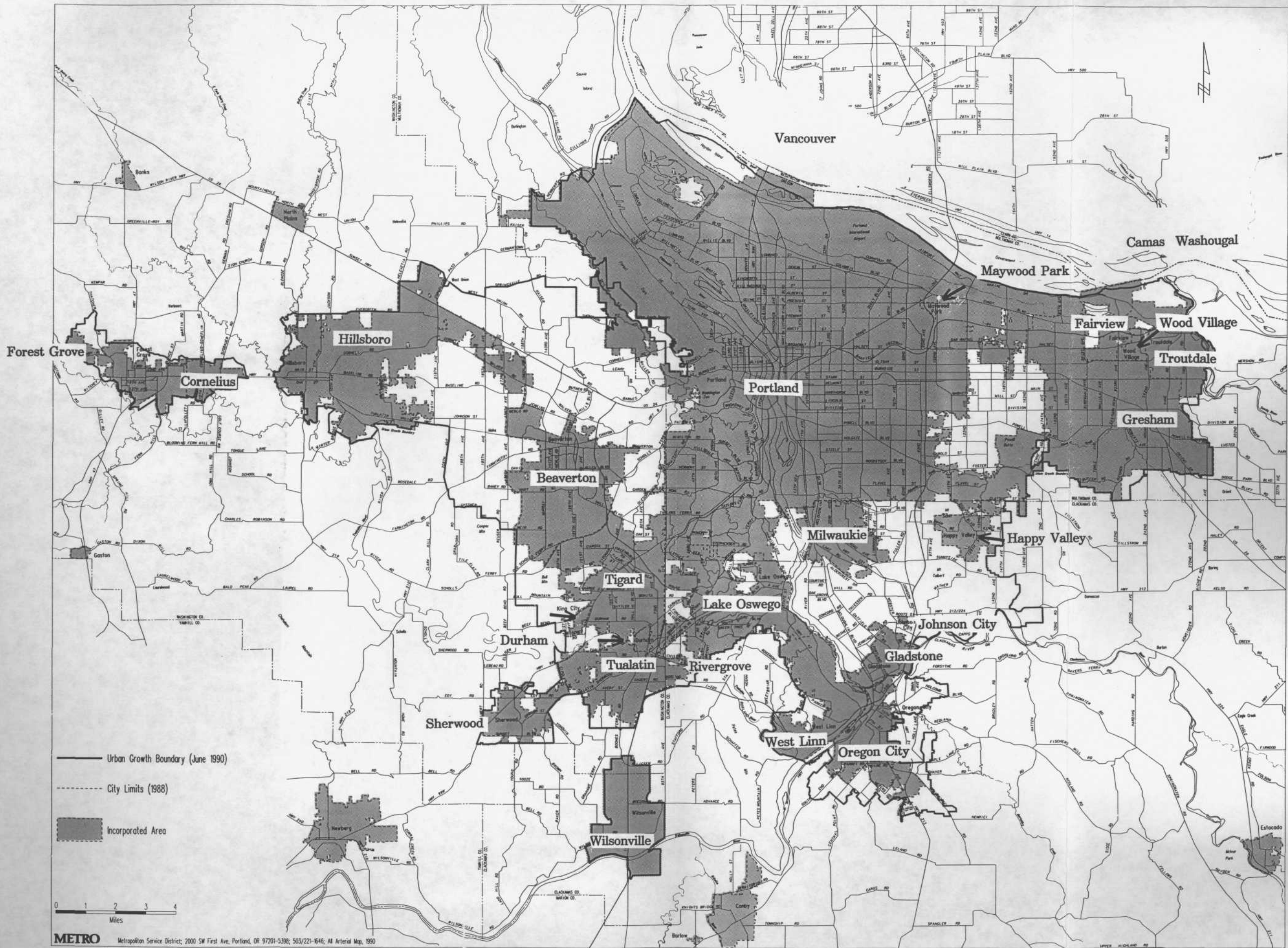
56 . The City of Portland has many area which are planned and zoned for higher density than actual existing development. Periodic Review data projecting a market estimate of probable redevelopment potential has been included with vacant land capacity.

57 . The actual potential is probably lower. See Community Profiles, Metro, 1991.

58 . Some double-counting in Sherwood, Tigard and Cornelius has occurred, as it is also included within Washington County data.

- 59 . The higher number depends upon usage of density bonus provisions.
- 60 . If sanitary sewers are provided, the potential is higher.
- 61 . The land development potential of 8.59 acres of recently annexed land is included within the Washington County total.
- 62 . Computed on the basis of July, 1989 estimated population (cities), Metro estimates (urban county) and best available information for city/urban county size. These figures can be greatly influenced by the amount of open space within a community and the amount (or lack) of nonresidential uses.
- 63 . All data for Tigard is as of March 31, 1990.
- 64 . Data from County did not include rights-of-ways. Ten percent has been added to net acreage to estimate grow square miles.
- 65 . Data sources are: Real Estate Report for Metropolitan Portland, Neal Higgins and HUD, Portland office, Tom Ashton, Economist.
- 66 . Sources: Metro, Real Estate Report for Metropolitan Portland, Neal Higgins and HUD, Portland Office
- 67 . Source: Apartment Data Center. Average size of 750 to 950 square feet.
- 68 . Source is Apartment Data Center. Average size 750 to 950 square feet.
- 69 . Source: Real Estate Report for Metropolitan Portland, Neal Higgins.
- 70 . Source: Metro survey, January, 1991.





**FIGURE 1**  
 The Urban Growth Boundary & Incorporated Cities







