

**RESOLUTION NO. 36021**

Adopt a No Net Loss policy for affordable housing in the Central City, and state Council intention to seek the financial resources and/or regulatory tools adequate for the creation, preservation and rehabilitation of affordable housing in the Central City and throughout the metropolitan Portland area. (Resolution)

WHEREAS, adopted Comprehensive Plan Housing Policy ("Housing Policy") calls for the Central City to achieve a distribution of household incomes similar to the distribution of household incomes found Citywide, and promotes the preservation and development of mixed-income housing; and

WHEREAS, the Housing Policy encourages housing opportunities for extremely low and very low-income households (below 50% Area Median Income (AMI)) in all neighborhoods to avoid their concentration in any one area; and

WHEREAS, the Housing Policy discourages the involuntary displacement of low-income residents from their communities, while expanding housing opportunities to create more balanced communities; and

WHEREAS, the Housing Policy supports public and private actions to improve the physical and social environment of areas that have a concentration of low-income households; and

WHEREAS, The Consolidated Plan 2001-2005 documents the need within the City of Portland for at least 10,000 housing units affordable to households with incomes at or below 30% AMI; and

WHEREAS, market pressures are resulting in a decrease in the number of housing units affordable to low-income households, due to demolition, rent increases, and conversions of low-income apartments to condominiums and commercial uses; and

WHEREAS, a 1999 NW Pilot Project downtown Portland affordable housing inventory shows that between 1994 and 1999 28 buildings representing a total of 902 units were lost as affordable housing stock either because of rent increases, demolition, or conversion of use; and

WHEREAS, the West End is overwhelmingly downtown Portland's main affordable rental housing district south of Burnside, with over 2,500 rental units affordable to households earning at or below 60 percent of median family income; and

WHEREAS, the Downtown Sub District has over 900 unrestricted rental units, of which approximately 700 are located in the West End, that are currently affordable to households at or below 60 % AMI and which do not have federal contracts, affordability agreements, non-profit ownership or other mechanisms to ensure their long-term affordability; and

WHEREAS, thorough housing inventories have been conducted in some parts of the Central City, namely the Downtown Sub District and River District, but a full inventory must be completed to determine the full dimensions of the risk of loss of currently affordable housing stock and the cost of reducing or eliminating that risk, and regular updates of that inventory are needed to measure progress; and

WHEREAS, recent history and ongoing planning and redevelopment suggest that many of the affordable units in the Central City may be vulnerable to conversion and/or loss of affordability in the near future; and

WHEREAS, there are privately-owned building in the Central City with Section 8 contracts affecting 705 units, both in and outside of existing urban renewal areas, that will expire when existing urban renewal resources are no longer available; and

WHEREAS, there are other affordable housing units in the Central City that have restrictions of some kind that ensure affordability, but which will nonetheless require investment for rehabilitation or replacement; and

WHEREAS, improvements to transit services in the Central City, including the extension of Fareless Square and the new Portland Streetcar, have improved access to services and resources for low-income, senior, and disabled residents; and

WHEREAS, in the Central City there are both urban renewal resources and potential sites that could help in the effort to preserve or replace housing in the West End and the Downtown Target Area; and

WHEREAS, the Portland Development Commission (PDC) has adopted housing implementation strategies and/or housing goals for urban renewal areas in the Central City, including the River District, Downtown, and North Macadam; and PDC is in the process of creating a similar strategy and goals for the Lloyd District; and

WHEREAS, despite the City's recent efforts to preserve and rehabilitate affordable housing, including successful implementation of the Affordable Housing Preservation Ordinance passed in 1998, existing revenue sources remain insufficient to meet short and long term needs for replacement and preservation of affordable housing in the Central City; and

WHEREAS, while some of the need for replacement and preservation of affordable housing in the Central City can be achieved through leverage of remaining urban renewal housing resources (as referenced in PDC's adopted Downtown Target Area Housing Implementation Strategy), these resources are not adequate, and additional funds and resources must be found to address the short term and long term needs.

WHEREAS, the 2001 Oregon Legislature failed to pass House Bill 3400, which would have authorized the cities and counties of the Portland metropolitan area to create a Regional Affordable Housing Fund.

NOW, THEREFORE, BE IT RESOLVED,

That the City Council directs PDC, in cooperation with the Planning Bureau and NW Pilot Project, to develop an inventory of all housing units in the Central City, including the Downtown, River District and Lloyd District areas, identifying the type (e.g. studio, one bedroom), risk category of the unit and the income level served by the unit; and

BE IT FURTHER RESOLVED,

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That the City Council directs PDC and the Planning bureau to update this Central City housing inventory on an annual basis, so that the success of the City in preserving or replacing existing affordable housing in the Central City may be tracked over time; and

BE IT FURTHER RESOLVED,

That the City Council adopts a No Net Loss policy for affordable housing in the Central City. This No Net Loss policy is defined to mean that, either through preservation or replacement, the Central City will retain at least the current number, type, and affordability levels of housing units home to people at or below 60% AMI, and

BE IT FURTHER RESOLVED,

That the City Council directs the PDC and the Bureau of Housing and Community Development (BHCD) to establish specific numeric goals that will be adopted by the Council and used as a basis for reference and evaluation reflecting the number and affordability level of housing units targeted for preservation, rehabilitation, and/or replacement in the Central City, and

BE IT FURTHER RESOLVED,

That PDC and BHCD report to the Housing and Community Development Commission (HCDC) on an annual basis on the implementation of the No Net Loss policy, and that HCDC furnish an annual report to Council evaluating the success of the No Net Loss policy; and

BE IT FURTHER RESOLVED,

That the City Council directs the PDC and BHCD to develop an implementation strategy to preserve, rehabilitate, and/or replace housing in the Central City affordable to households at or below 60% AMI. This implementation strategy will prioritize projects based on public benefit, risk and opportunities, apply appropriate resources and regulatory tools, and adhere to the principles of the Housing Policy including:

- Preservation of existing affordable housing stock when feasible and cost effective;
- When preservation is not feasible, making every effort to replace affordable housing units in the same sub-markets where the original units were located, e.g. the West End;
- Minimizing displacement of current residents of affordable housing by making replacement units available prior to the demolition or conversion of their former residence, when feasible;
- Providing replacement housing with supportive services when necessary to insure the stability of residents in the housing units;
- Supporting mixed-income, mixed use and transit oriented development; and
- Securing 60-year affordability

BE IT FURTHER RESOLVED,

That the City Council supports immediate efforts to acquire and preserve existing unrestricted units to assure preservation of ongoing affordability, and

BE IT FURTHER RESOLVED,

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That the City Council directs the PDC and the Bureau of Housing and Community Development (BHCD) to develop estimates of the financial resources necessary, above and beyond current resources, to meet the Central City No Net Loss policy articulated in this resolution, and

BE IT FURTHER RESOLVED,

That the City Council directs the PDC, BHCD and the Bureau of Planning to review existing policies and regulatory frameworks and develop new regulatory tools in an effort to maximize the effectiveness of the City in making the Central City No Net Loss policy a reality, and

BE IT FURTHER RESOLVED,

The Council is committed to exploring, developing, and deploying the financial and/or regulatory mechanisms necessary, within the context of preserving and creating vibrant and healthy mixed-use neighborhoods, to meet the standard embodied by the Central City No Net Loss policy, and

BE IT FURTHER RESOLVED,

The City Council calls on the Oregon Legislature to authorize the creation of a Regional Affordable Housing Fund to serve the need for affordable housing through the Portland metropolitan area, and

BE IT FURTHER RESOLVED,

The City Council calls upon the commitment of the Central City business community and property owners to work with the City and to contribute to efforts to create, preserve, rehabilitate and finance affordable housing in the Central City and throughout the Portland metropolitan area.

Adopted by the Council: AUG 29 2001

GARY BLACKMER  
Auditor of the City of Portland

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Commissioner Dan Saltzman

By *Suzanne Parsons*  
DEPUTY

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Commissioner Erik Sten

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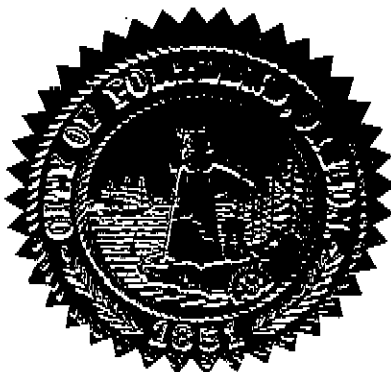
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OCT 09 2001  
Portland Development  
Commission

**COPY CERTIFICATE**

STATE OF OREGON }  
COUNTY OF MULTNOMAH } ss  
CITY OF PORTLAND }

I, **GARY BLACKMER**, Auditor of the City of Portland, do hereby certify that I have compared the following copy of Resolution No. 36021, passed by the Portland City Council on August 29, 2001, Adopt a No Net Loss policy for affordable housing in the Central City, and state Council intention to seek the financial resources and/or regulatory tools adequate for the creation, preservation and rehabilitation of affordable housing in the Central City and throughout the metropolitan Portland area, with the original thereof and that the same is a full, true and correct copy of such original Resolution and of the whole thereof as the same appears on file and of record in my office and in my care and custody.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the City of Portland affixed this October 8, 2001.



**GARY BLACKMER**  
Auditor of the City of Portland

By *Susan Parsons*

Deputy