



PORTLAND HOUSING ADVISORY COMMISSION

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BAC Members:
Kim McCarty
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Date: February 1, 2016

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

Re: Portland Housing Bureau FY 2016-17 Requested Budget

The Portland Housing Advisory Commission's (PHAC) Budget Advisory Committee (BAC) appreciates the opportunity to comment on the Portland Housing Bureau's (PHB) FY 2016-2017 requested budget. We are committed to PHB's mission, vision, and values and support the Bureau's Strategic Plan. We endorse the Bureau's Proposed Budget and would like to highlight the following considerations.

Our primary goal is to ensure that high-quality affordable housing is available for individuals and families throughout Portland. Unfortunately, as a city we are faced with a number of challenges that together have led to the declaration of a housing and homelessness emergency. The significant influx in population is outpacing the city's housing supply. Moreover, the Portland rental market continues to see the highest annual rent increases in the nation, with development predominately focused on the luxury market. Real incomes for low-to-moderate-wage workers have declined over that past five years. These economic realities have contributed to a housing crisis among low-to-moderate-income households, especially among Communities of Color, the disabled, and seniors.

We appreciate and thank City Council for policy actions taken this year to combat the mounting affordability crisis – the increase in the tax increment financing set-aside for affordable housing programs; the approval of changes to the City's affordable housing tax exemption program to triple the size and simplify the structure; the enactment of renter protections; the dedication of short-term rental tax revenue for affordable housing; and the increase in the PHB General Fund base budget target. We also commend the City Council for its leadership and advocacy in the ongoing effort to lift the state preemption on inclusionary zoning, as well as in developing a voluntary incentive zoning program and authorizing an affordable housing linkage fee nexus study.

PHB's Request budget is responsive to other City and community planning efforts, including the development of the *Draft 2035 Comprehensive Plan*, the *Central City 2035 Plan*, the continued updating and implementation of the *East Portland Action Plan*, the formation of the Anti-Displacement Coalition and their displacement mitigation

recommendations, the North-Northeast Neighborhood Housing Strategy, the Powell Division Bus Rapid Transit Planning, the A Home for Everyone (AHFE) effort, and others.

At this point, we would also like to recognize the significant efforts of the City of Portland, Multnomah County, the City of Gresham, and Home Forward through the AHFE Coordinating Board and Executive Committee. The PHAC BAC supports the stated goal to reduce homelessness by 50% in the next fiscal year, and believe this budget provides the financial framework for the City's contribution toward this collective goal.

We believe PHB took a balanced and thoughtful approach in adjusting its increased base budget, and in decision package requests. We support the adjustments and additions that have been proposed by PHB as responsive to community needs and current market conditions. Affordable housing programs are needed along the housing continuum, from homelessness to homeownership, as well as from 30% AMI through 80% AMI. The Bureau's adjustments serve to better align sources of funds to those programs that best match them, and identify programming that best aligns with a variety of household income levels.

We are particularly pleased with the increased resources for homeownership and rental housing programs in East Portland outside of urban renewal areas.

The PHAC BAC recognizes that the requested budget is a significant if not unprecedented ask, and remains committed to working to ensure that a comprehensive assessment and understanding of the impacts of the City's investments are known. Further, assessment of these impacts are not limited to housing-related outcomes, but must also include the Bureau's success in achieving its racial equity goals and understanding its overlap with other City efforts around economic and workforce development. Just as important is achieving greater participation by minority-owned firms in all areas of affordable housing development and services that benefit from City funding.

As members of the Bureau's advisory committee, we commit ourselves as a body of accountability to which the Bureau must be able to respond. It would be unacceptable if the City's increased investment did not yield increased outcomes for Portland households along the housing continuum.

Thank you for your commitment to addressing the unmet housing needs of the people of Portland, and for your support of the PHAC and PHB. We strongly support fully funding the requested budget and ask that you support it as well.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah Zahn".

Sarah Zahn
PHAC Chair