

3. Selection Criteria for Acquisition

This section describes how the City will select building or land acquisition opportunities that meet the desired outcomes for Priority Communities and Location Priorities identified for the Bond. T

Step 1: Threshold Criteria

In order to be considered, the acquisition opportunity must:

- Be available for purchase, and be located in a City of Portland Planning District.
- Allow for a minimum of 20 housing units.
- Be appropriately zoned to allow for affordable housing development.

Step 2: Bond Standards

If all Threshold Criteria are met, the City will pursue opportunities which meet the below standards:

For Building Acquisition/Rehabilitation:

- **Lead with Racial Equity**
Collect and review demographics (race/ethnicity, income, gender, age) of existing tenants through surveys, rent roles, and other methods; collect and review census tract data.
Target: Tenancy is: a) greater than 2x's the % people of color in comparison to surrounding geographic area; OR b) greater than 50% people of color.
- **Prevent Involuntary Displacement**
Data will be collected and assessed based on two sources:
 - a. Generate a displacement and gentrification vulnerability rating¹, which factors in vulnerable populations, demographic changes and housing market conditions. Risk factors are:
 - Proportion of renters in census tract greater than the citywide average
 - Proportion of Communities of Color in tract greater than the citywide average
 - Proportion of population age 25+ without bachelor's degree greater than the citywide average
 - Proportion of households at or below 80% AMI is greater than citywide average**Target:** Every census tract gets evaluated based on the above listed criteria and the total scores on the four risk factors are added to get the overall "vulnerability scores". Census tracts that score at least 3 out of maximum 4 are defined as "vulnerable census tracts."
 - b. Additional factor: Prioritize acquisition of affordable units in school catchment areas with high mobility rates to stem the tide of displacement.
Target: Based on Portland Public Schools Student Mobility Rates, school stability index is equal to or lower than comparable district average.
- **Support Economically Diverse Neighborhoods**
Building or land location does not further concentrate affordable housing in an area with a high percentage of existing publicly-subsidized affordable housing.
Target: Prioritize opportunities in areas where % of subsidized rental housing is at or below 10% of the total rental stock in the area (excluding housing for the elderly and disabled).
- **Maintain Geographic Diversity²**
Building or land acquisition is distributed throughout the six City planning districts (Southeast, West, North, Northeast, East, Central City³.) Exceptions may be made to provide housing opportunities with access to services and amenities for prioritized communities.
Target: Prioritize investment in districts where Bond resources are not previously invested.

¹ Gentrification and Displacement Vulnerability methodology: <https://www.portlandoregon.gov/bps/article/454027>

² **Note:** The City anticipates Bond funds will support more than six projects. Certain districts will likely have more than one Bond-financed development. As development is an iterative and non-linear process, the City will also be exploring multiple prospects in the same district, or across multiple districts.

³ Portland Housing Bureau: <https://www.portlandoregon.gov/phb/72706>

For Land Acquisition/New Construction:

- **Lead with Racial Equity**
Collect and review census tract demographics (race/ethnicity, income levels, gender, age.)
Target: Prioritize areas: a) that have higher than 50% residents of color residing in the census tract; and b) are at high risk of current or future gentrification.
- **Provide Access to Opportunity**
Generate an opportunity map score, which factors in indicators in five areas: childhood education, employment opportunity, transportation, access to family wage jobs, and healthy eating/active living⁴.
Target: Opportunity map score is 3 or higher.
- **Support Economically Diverse Neighborhoods**
Building or land location does not further concentrate affordable housing in an area with a high percentage of existing publicly-subsidized affordable housing.
Target: Prioritize opportunities in areas where % of subsidized rental housing is at or below 10% of the total rental stock in the area (excluding housing for the elderly and disabled).
- **Maintain Geographic Diversity**
Building or land acquisition is distributed throughout the six City planning districts (Southeast, West, North, Northeast, East, and Central City⁵.) Exceptions may be made to provide housing opportunities with access to services and amenities for prioritized communities.
Target: Prioritize investment in districts where Bond resources are not previously invested.
Note: The City anticipates Bond investments will support more than six projects. Certain districts will have more than one Bond-financed development. As development is an iterative and non-linear process, the City will at times be exploring multiple prospects in the same district, or across multiple districts.

Step 3: Due Diligence Process

The City will conduct its due diligence process, which involves conducting a project survey, title report, environmental assessment, and appraisal. The City will proceed with acquisition opportunities which pose no major issues as identified through the due diligence process.

Process for Exemptions

City Council has authority to grant exemptions to meeting the Selection Criteria for Acquisitions on a case-by-case basis. The Bond Oversight Committee (BOC) expects City Council to uphold the criteria listed above and will approve exemptions sparingly.

One example of an instance where City Council may approve an exemption is when a prospective seller is offering a sale of multiple properties in a bundle, by which some properties meet Bond criteria and others may not.

If an exemption is requested, a written request will be submitted by the Portland Housing Bureau and to members of the BOC and City Council. Members of the BOC will have the opportunity to submit comments on the exemption request prior to final review and decision by the City Council.

⁴ Portland Opportunity Mapping Methodology: www.portlandoregon.gov/phb/article/648357; Opportunity Map: www.portlandoregon.gov/phb/article/622880

⁵ Portland Housing Bureau: <https://www.portlandoregon.gov/phb/72706>