

Portland's Housing Bond

DRAFT

Over-Income at Acquisition and Income Rising in Place Policy for Bond Housing

Purpose and Scope

In keeping with the requirements of Portland's Housing Bond (Measure 26-179), this policy applies to all housing funded by the Bond. The voter-approved measure requires units to be affordable at 60% of area median income (AMI) or less.

Rent amounts are based on the number of bedrooms in the unit, not the size of the household. For any increases in rent, the tenant will receive 90 days written notice as set forth in the Oregon Residential Landlord and Tenant Act¹. Households who move into Bond units are income qualified at the time of move-in. However, when the City acquires a property, or over the course of time, a household's income may increase above 60% AMI and become "over-income."

This policy describes actions which will occur in the following situations:

- A. Initial rent setting when the City purchases a property at time of lease renewal;
- B. Household income is over-income at the time of acquisition by the City;
- C. Household income rises in place and/or becomes over-income after initial move-in.

Policy Requirements

A. Initial rent setting when the City purchases a property at time of lease renewal:

The date when the City officially acquires a building is defined as the date of closing. Within the first 18 months of acquisition, all households residing at the property when the City becomes owner will undergo an income certification process to determine eligibility for housing regulated at 30% AMI or 60% AMI. Rent will be set based on the income ranges of the existing households at the following levels:

Income Range	Year 1
Below 30% AMI	If rents prior to acquisition are above 30% AMI, rents will be lowered to 30% AMI rent level. If rents are below 30% AMI, rents will increase to 30% AMI, but not to exceed 5% from prior year's rent. These households will be considered good candidates for Project Based Vouchers (PBV).
31% to 60% AMI	If rents prior to acquisition are above 60% AMI, rents will be lowered to 60% AMI rent level. If rents are below 60% AMI, rents will increase to 60% AMI, but not to exceed 5% from prior year's rent.

¹ <https://www.oregonlaws.org/ors/chapter/90>

B. Household income is over-income at time of acquisition by City:

At initial certification, if household income is determined to be over-income, the household will be allowed to remain in their home to prevent and minimize involuntary displacement.

The table below summarizes actions that will occur:

Income Range	Year 1 (Initial Certification)	Year 2 and following years (Recertification)
61% to 80% AMI	5% rent increase, up to 80% AMI rent level	5% rent increase, up to 80% AMI rent level
81% or higher	5% rent increase	9% rent increase
Households who do not complete income qualification process	5% rent increase	9% rent increase

C. Household income rises in place and/or becomes over-income after initial move-in:

A household who initially qualifies for a 30% AMI unit and increases their income to up to 60% AMI will receive an annual 5% rent increase until rents reach the 60% AMI level.

At recertification, if household income is over-income, the household will be allowed to remain in their home to prevent and minimize involuntary displacement. A household who initially occupies a 60% AMI unit and increases their income to up to 80% AMI will receive an annual 5% rent increase until rents reach the 80% AMI level. A household with income over 80% AMI will receive a 5% rent increase the first year and annual 9% rent increases in subsequent years.

The table below summarizes actions that will occur:

Income Range	Year 1 (Recertification at Higher Income)	Year 2 and following years (Recertification)
61% to 80% AMI	5% rent increase, up to 80% AMI rent level	5% rent increase, up to 80% AMI rent level
81% AMI or higher	5% rent increase	9% rent increase

Other regulations

Certain projects with federal or state funding sources, such as Low-Income Housing Tax Credit (LIHTC), HOME, or Section 8, have separate and distinct requirements which may supersede this policy whenever there is an active affordable agreement in place. Also, in cases where other state or local laws are passed to further regular rents and/or rent increases, these laws may supersede aspects of this policy as well.