



Equitable Housing Initiative

Metro and its partners are finding collaborative solutions so people can find a home that meets their needs and income levels.

Residents from Portland to Wilsonville and Oregon City to Forest Grove are struggling to find affordable places to live. Both nationally and in our region, rents and house prices are rising faster than incomes, increasingly limiting mid- and lower-income households to neighborhoods farther from jobs, transit, social services and other services and amenities. Even households with moderate incomes are finding themselves priced out of neighborhoods where they work or want to attend school.

We all must work together to create real affordable choices for where to live as our region continues to grow and welcome more residents. That means we need to share knowledge and a commitment to solutions across jurisdictional boundaries. Private lenders, foundations, developers, nonprofits and governments all need to come to the table. Metro is stepping up and working

with many partners to address these challenges in a number of ways. In 2015, Metro created the Equitable Housing Initiative to better coordinate efforts already underway and find shared understanding of needs, opportunities and best practices. The initiative supports local jurisdictions, housing developers and advocates to put those best practices to work and to build their own capacity to conduct research and develop policies and resources.

For this work Metro defines equitable housing as diverse, quality, physically accessible, affordable housing choices with access to opportunities, services and amenities. This broad definition includes choices for homes to buy or rent that are accessible across all ages, abilities and incomes and convenient to everyday needs, such as transit, schools, childcare, food and parks.

Building a regional framework

In 2015, Metro researched strategies from around the country, engaging experts and stakeholders to uncover the most pressing barriers and identify promising solutions. Metro conducted this work in partnership with Oregon Opportunity Network, with guidance from a technical work group with diverse expertise on housing issues. In 2016, Metro and partners convened a regional housing summit to dig deeper into this challenge that has been called a state of emergency by advocates and local and state officials. The summit revolved around a regional affordable housing framework (next page) that

To stay connected to the Equitable Housing Initiative

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What does the housing market currently provide? The private market typically provides new housing for households above 80 percent of median family income; public subsidies tend to be targeted at households earning less than 60 percent.

0-30% MFI

Housing affordable at this level requires an ongoing subsidy, such as rental assistance vouchers. Many households in this income bracket also benefit from support services for residents on site, which require additional subsidies or resources. The private market does not provide housing affordable at this level.

30-60% MFI

The private market does not typically provide new housing affordable at this level -- at least not in locations with good access to transit and amenities. Regulated affordable housing at this level often requires subsidies to construct.

60-80% MFI

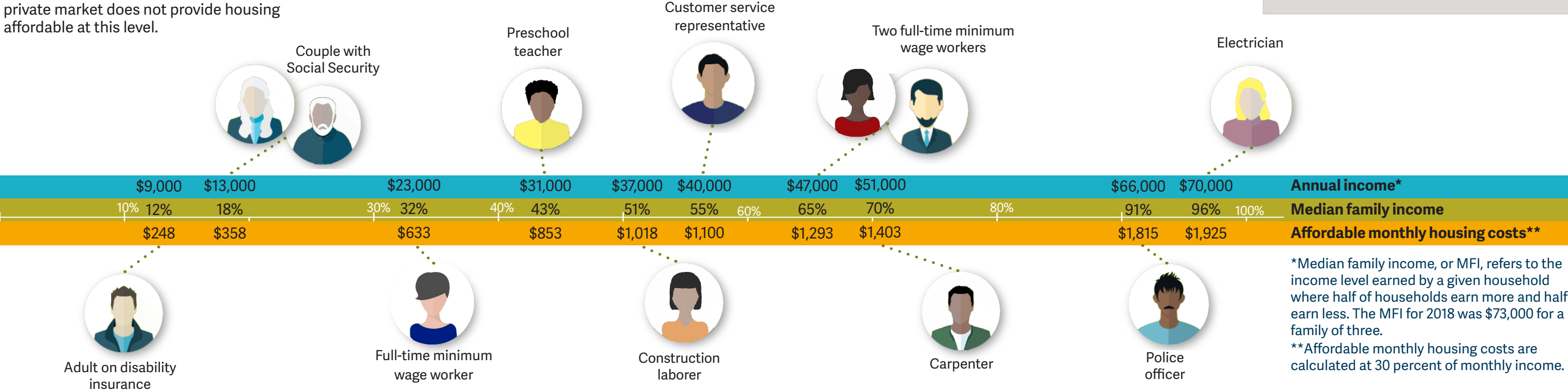
The private market does not provide much new rental housing at this level. Most people in this group live in older rental housing stock that has "filtered" down to become more affordable.

80-120% MFI

Smaller format housing types like condos, cottage clusters and accessory dwelling units can create more modest market-rate housing options for this group, including a mix of rental and homeowner units.

Learn more about Metro's Equitable Housing Initiative at oregonmetro.gov/equitable-housing.

Income data source: HUD 2018 Median Income Percentages for the Portland Vancouver-Hillsboro MSA, Worksystems Inc. 2014, BLS 2016, OASDI/SSI 2017. MFI calculations assume a three-person household.



*Median family income, or MFI, refers to the income level earned by a given household where half of households earn more and half earn less. The MFI for 2018 was \$73,000 for a family of three.
**Affordable monthly housing costs are calculated at 30 percent of monthly income.

Strategies: Regional partners are working with a variety of tools to serve families at different income levels.

Increase and optimize resources (helps families with 0-60% MFI)

- Increase funding flexibility and pursue coordinated investment strategies to expand the region's supply of regulated affordable housing with tools such as:
- tax increment financing
 - revolving loan funds
 - donation of public/surplus land
 - housing trust funds
 - rental assistance vouchers
 - dedicated public funding
 - transit-oriented development grants.

Mitigate displacement (helps families with 0-80% MFI)

- Support public and nonprofit partners to prevent rent increases and evictions that may accompany property improvements and infrastructure investments with tools such as:
- public/nonprofit acquisition/rehabilitation
 - real estate investment trusts
 - rental rehabilitation grants
 - tenant protections (e.g. notifications for no-cause evictions, rent stabilization)
 - short-term rental or utility assistance.

Leverage growth for affordability (helps families with 30-80% MFI)

- Encourage for-profit developers to include some income-restricted units in market-rate projects or to pay into a fund for affordable housing with tools such as:
- tax exemptions
 - density bonuses
 - fast-tracked permitting
 - linkage fees
 - inclusionary zoning.

Increase and diversify market-rate housing (helps families with 60-120% MFI)

- Eliminate regulatory barriers, deliver education, and create incentives for transit oriented development, missing middle housing and accessory dwelling units using tools such as:
- zoning/building code changes
 - developer/homeowner education
 - fast-tracked permitting
 - innovative financing for accessory dwelling units
 - scaled or waived system development charges
 - reduced parking requirements
 - vertical housing tax credits
 - transit-oriented development grants.

Stabilize homeowners and expand access to homeownership (helps families with 60-120% MFI)

- Pursue strategies that bridge the homeownership gap for lower income groups and communities of color and create stability for homeowners with diminishing or fixed incomes with tools such as:
- foreclosure prevention
 - weatherization assistance
 - community land trusts
 - limited equity cooperatives and shared appreciation mortgages
 - accessory dwelling unit financing tools
 - down payment assistance.



offers four primary strategies to respond to the crisis. Each strategy must be part of the solution and requires multiple public and private partners playing a role: increase and diversify market-rate housing, leverage growth for affordability, generate and optimize resources and mitigate displacement.

2016-2018 highlights

Metro's Equitable Housing Initiative has continued to lead research, pursue policy approaches, convene partners and direct funding to implement the framework locally.

Aid to local cities

In 2016, Metro began funding local jurisdictions working to identify and implement strategies to preserve and increase the supply of affordable housing in their communities. Seven funded projects throughout the region work on a number of fronts, including identifying barriers to developing different types of housing choices such as duplexes, courtyard apartments and townhouses; finding sources of money to pay for affordable housing projects; and creating policies to expand and strengthen tenant protections to stop displacing families and individuals. Metro's grants (through the 2040 Grant Program) also support exploring sites for potential affordable and mixed-income housing projects along transit lines and business districts.



In the Southwest Corridor

Multiple regional and local partners are coming together to leverage a \$900,000 federal grant to create an equitable development strategy as part of planning the region's next light rail line. Metro is partnering with local housing advocates and the cities of Tigard and Portland to ensure that housing choices and jobs are available to current and future residents and workers after the light rail is built. Housing advocates are deepening the engagement with residents who may be vulnerable to displacement, collaborating with local jurisdictions who are working to implement strategies to preserve existing housing and identify land for new affordable housing in the corridor.

Think big to build small

Metro convenes the Build Small Coalition, whose mission supports research, policy innovation, education/outreach and new partnerships to promote the creation of and access to smaller housing – including accessory dwelling units, cottage clusters and other options – in greater Portland and across Oregon. Partners are assessing local zoning codes to identify opportunities and barriers to a scaled-up buildout of smaller homes.

The coalition also convenes the Build Small Live Large Summit every two years.

Data-driven approaches

Research staff compiles new data on affordable housing needs and resources on an ongoing basis, including local data on existing funding and incentive tools for subsidized or regulated affordable housing. A regional inventory of regulated affordable housing is used by public and nonprofit partners to track ongoing investments over time and target locations for future affordable housing investments.

Future investment solutions

Tackling the region's shortage of affordable housing will require new dedicated revenue tools, coordinated investment strategies and a mix of short- and long-term approaches. Metro's technical analysis is identifying the region's most significant areas of housing need and identifying promising funding tools and program strategies. Metro is working with partners and the public to develop a regional program that invests in affordable homes in communities throughout greater Portland. Together, we can help more families find affordable, stable homes.