

Anti-Displacement and Gentrification Toolkit Project

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Prepared for

Department of Land Conservation and Development (DLCD)

June 30th, 2020

CONTENTS

1. Introduction

2. Housing Equity and Anti-Displacement in Housing Production Strategy (HPS)

- Conceptual Framework
- Literature Review

3. Toolkit: Assessing Housing Needs, Gentrification, and Displacement Pressure with an Equity Lens

- Review of Existing Analyses in Housing
- Overview: Analyses in Anti-Displacement and Gentrification Toolkit
- Toolkit: Methods and Data
- Appendice
 - Annotated Example of Tigard
 - Model Analysis of Tigard
 - Infographic of Tigard Analysis
 - Model Analysis of Hermiston
 - Infographic of Hermiston Analysis

4. Housing Production Strategies - Equity and anti-displacement assessment

- Assessing the HPS tools for use in an equity and anti-displacement strategy
- Overall analysis of strategies by category
- Presentation of the HPS toolkit
- Examples of Linking Analysis of HPS Tools
- Appendice
 - Housing Production strategies (HPS)
 - Additional Policy Documents

5. Previous Materials

- Memo
- Presentation Slides

INTRODUCTION

The primary objective of this project is to develop a resource for local governments to address racial and ethnic equity in housing production and to provide a list of strategies to mitigate the impacts of gentrification and displacement. The project will assist local governments in establishing a framework for creating housing production strategies with a particular focus on the unintended consequences of those strategies, such as gentrification and displacement. The project will provide needed guidance to local governments in considering the impacts of their housing production strategies by:

- Creating a conceptual framework for local governments to understand how housing production strategies can lead to gentrification and displacement and affect racial/ethnic housing disparities;
- Developing measures of gentrification and displacement pressures to serve as part of housing analysis in plans, recognizing the diverse housing contexts across the state; and
- Building a toolkit for strategies that can mitigate gentrification and displacement to advance racial/ethnic equity in housing in the context of a housing production strategy.

The toolkit will be used to:

- Define a method for assessing equity, gentrification, and displacement as it is occurring at various levels throughout jurisdictions
- Identify a set of Housing Production strategies that work to address, remedy, mitigate, or reverse displacement

HOUSING EQUITY AND ANTI-DISPLACEMENT IN HOUSING PRODUCTION STRATEGY (HPS)

CONCEPTUAL FRAMEWORK: ADDRESSING HOUSING NEEDS CREATES A PARADOX WE MUST MEET WITH PLANNING

More housing supply overall is important for meeting overall and affordable housing needs, and many jurisdictions have not had enough housing production, which exacerbates housing cost problems. Some jurisdictions have not planned for enough housing, at times due to land use and regulatory policies that respond to residents who prefer no new development. Long-term undersupply of housing is further complicated by historic and systemic discrimination that has limited access to housing especially for people of color, immigrants, and also for renters and all people with low incomes. Housing outcomes like cost burdens, homeownership and wealth building, and stability near opportunity do not meet our aspirations for racial and ethnic equity or for providing economic mobility for low-income households. More abundant, accessible housing is important for supporting those who have been historically excluded from neighborhoods and limited in their housing choices.

At the same time, promoting supply side housing can have unintended consequences that do not result in more meeting housing needs for all people, and can even make housing problems worse for low income and BIPOC communities. Knowing that the housing market does not currently serve all equitably, simply adding more units may not address persistent needs, especially those caused by systemic discrimination. Additionally, since housing units of similar types are near one another, the filtering caused by new supply is connected to neighborhood-scale change. Since people are also clustered in neighborhoods by race and class, the impacts of neighborhood change are often not evenly distributed.

As we plan for housing supply, particularly as we consider changes to regulations and adding programs to increase new housing, it is important to understand how the dynamics of the housing market complicate our work. Housing supply is important, and there is a lot of opportunity to support increased production to meet housing needs. Racial equity and segregation, historically and today, complicates the issue because not everyone has equal access to housing and neighborhoods. With good planning, we can choose housing production strategies that aim for equity and inclusion in development and to meet the needs of underserved households. In order to frame this report, the following section reviews research literature about housing supply and equity.

LITERATURE REVIEW

Supply changes in market create filtering

New housing supply creates a market dynamic called *filtering*: as new, high end units are added to the market, households move ‘up’ the housing ladder, leaving units open for others. The housing units are said to *filter down* with lower relative prices. Overall, new construction is the driver of higher priced rental housing; tenure conversion (from owner-occupied to rental) contributes most to moderately priced rental units; and filtering is where the ‘naturally occurring’ affordable rental stock comes from (Joint Center for Housing, 2015). Very little affordable housing is built directly--public subsidy dollars create a small portion of the housing market, and most lower income households live in low-cost market housing. Filtering is the overall process by which housing becomes affordable over time. [Rosenthal \(2014\)](#) conducted the most robust study of long-term housing market dynamics, finding that the occupant of a 50-year-old rental housing unit has about 30% the income of the occupant of a newly built housing unit. Filtering of owner-occupied housing is complicated by conversions to rental, so older owner-occupied housing does not have the same rate of filtering for buyers.

However, Rosenthal also finds that regional population growth can substantially alter the pace of filtering--with the west of the US specifically called out as having a slower rate of filtering. Population growth is one of the frictions that can make filtering inefficient--when new households enter the housing ladder ahead of residents waiting to ‘step up.’ Filtering is not an unimpeded process that smoothly creates low-cost housing. In an extensive critique of a California legislature report [LAO report \(2016\)](#) arguing for filtering as the most effective way to exit the affordable housing crisis in California, [Zuk and Chapple \(2016\)](#) addressed issues with the timing and quality of the filtered housing stock. As the filtering process can take decades, slowed by population growth, it often cannot meet the immediate needs for housing. Changes in housing preferences have increased the desirability of historic buildings and central city locations, which may disrupt the filtering process that has typically been described via suburban growth in greenfields development. According to their nuanced analysis of the relationship between housing production, affordability, and displacement in the Bay Area, both market rate and subsidized housing development can reduce displacement pressures, but subsidized housing is twice as effective at keeping residents in place as is market rate development in the region.

Low-cost market housing or ‘NOAH’ (naturally occurring affordable housing) is a critical element in housing supply; NOAH units significantly outnumber the number of subsidized rental units (Lubell, 2016). Unsubsidized affordable housing stock is generally lost to upmarket pricing and tenure conversion or downward loss through deterioration and demolition ([MPPI, 2013](#)). Downward filtering mechanisms of deterioration can be triggered by landlord decisions about property management, repair, and maintenance, and the landlord’s ability to meet the operating costs of owning rental property (MPPI, 2013). When landlords are unable to meet certain standards of repair and maintenance, their properties become vulnerable to deterioration and demolition. For instance, according to the Joint Center for Housing Studies, 11 percent of rentals available for extremely low-income households were lost from the housing stock between 2003 and 2013 due to demolition. Filtering down is not the only dynamic that pressures the availability of NOAH units. NOAH stock is under tremendous market pressure as the demand for market-rate multifamily housing continues and investors in search of value-add

opportunities convert NOAH to market-rate or luxury product. Sales of multifamily properties can indicate that investment activity is imminent (Sung and Bates, 2017). These kinds of properties are “often located in gentrifying or rapid growth areas, such as those undergoing transit-oriented development or experiencing strong job growth opportunities” (MPPI, 2013).

Filtering and racial equity

Filtering along as a market dynamic does not resolve persistent problems of affordability or of access for people of color or immigrants who have historically faced discrimination and disadvantage in the housing market. Simply producing more housing does not necessarily reach all groups equally. There can still be a mismatch in housing type, size, price; this may be exacerbated by racial/ethnic population change with different household composition, or serious income inequality that leaves some with very low incomes.

Moreover, new housing supply is entering a market that is already deeply racialized. A review of urban development history confirms that filtering through new housing construction, mostly in greenfields locations, cannot be completely separated from the history of consistent disinvestment in communities of color in urban neighborhoods. Indeed, the historic urban decline is a confluence of racially discriminatory practices with both private and public actions at different levels of government interactions. (Zuk et al., 2015). The ugly legacies of institutional and structural racism in housing and urban planning established today’s racial inequity in housing and community development. For example, federal programs provided quick access and large subsidies for homeownership to Whites in the suburbs and both reorganized and deepened racial inequity and segregation in the inner cities (Zuk et al., 2015). The redlining of mostly Black urban neighborhoods meant a lack of access to credit and homebuying and disinvestment and decline of housing stocks (Oliver & Shapiro, 2006), leading to long term and deep inequality between Whites and Blacks in housing outcomes, including homeownership and wealth. Immigrants can be a vulnerable population group due to their lack of language proficiency, financial resources, and institutional know-how in order to achieve homeownership (Myers 2005). Iceland and Scopillitto (2008) found that recent immigrants (post-1990) are less likely to own their homes compared to immigrants who have been in the US longer and native citizens. Immigrants also face discrimination in rental markets and as people with Limited English Proficiency or non-U.S. origin, constitute a protected class in Fair Housing law. Oliveri (2009) found that landlords are likely to take advantage of and discriminate against recent immigrants.

Because filtering is led by new construction at the high end, it is driven by the tastes, preferences, and purchasing of those with the highest incomes—at this point, a small number of predominantly White households who are homeowners buying new units. These households are typically married families with children, in a ‘traditional’ nuclear family ([JCHS 2001](#)). The housing stock that filters down was built for this demographic in the past—even more so when we consider histories of exclusion in the market—and sometimes does not match the household needs of our more diverse population today. New housing constructed today, also responding to those with the highest incomes, structures the supply in the market far into the future. As demographics, household formations, and lifestyle needs change in a more racially diverse society, the housing we have and build today may not match up to the diversity of demand.

The role of land use and planning in housing supply

The housing market is of course, not an unregulated system that is only described as new supply adding steps to a ladder, unimpeded. Development of new housing and the renovation and conversion of older housing stock happen within a complex set of policies, including land use regulations. It is well established that local planning systems have created serious deficiencies in housing supply, including the segregation of renters and people of color through land use regulations. High-income homeowners not only drive the type and location of housing development from their demand for new units; they also are important parts of structuring what housing is available overall. The political power of what Fischel (2015) called 'home-voters' tends to exclude new development of all kinds, and especially housing that is other than single family homes for owner-occupancy. 'NIMBY' residents--those saying 'not in my backyard'--and what are sometimes called 'BANANAs'--for 'build absolutely nothing anywhere near anything'--have greater power over potential residents, future generations, and residents who are not property tax-paying homeowners. Land use and development regulations have significant impacts on the availability and price of housing. O'Regan (2016) demonstrates local zoning regulations and restrictions create more challenges to accommodating increased demand for city living and need for affordable housing. According to Glaeser et al. (2006), a one-acre increase in minimum lot size was associated with about a 40 percent drop in housing permits in Boston. Gyourko et al. (2013) found that the widening of real home price distribution is correlated with variation in adoption of land use restrictions by communities. Further, Quigley and Raphael (2005) assert regulations are particularly restrictive for multi-family housing units as well as they incentivize expensive housing development over moderate price housing development.

However, the empirical literature on how land use regulations relate to housing supply and its price and neighborhood changes suggests that reversing regional and local supply shortages is not as simple as reducing regulations. The 'YIMBY' or 'yes in my backyard' movement counters decades of exclusionary zoning practices with the aim of increasing housing availability; it is generally accepted that more housing supply is essential for regional market health and balance, including affordability. Researchers have been trying to untangle not only how changing land use and development regulations affect supply, but how it affects supply immediately as well as over time, and at a neighborhood scale, acknowledging fears of displacement.

Some very recent papers look directly at land use regulations, housing supply, and affordability. [Dong \(2021\)](#) assesses upzoning in Portland from 2000-2017, concluding that higher density zoning led to a site being more likely to be developed and overall greater housing supply; concluding that under-utilized land could be an asset for a housing production strategy with the right regulations. On the other hand, early analysis of Minneapolis' elimination of single-family zoning caused price increases in properties, because of the new development options that it creates ([Kuhlmann 2021](#)). This impact is especially large in low-cost neighborhoods, and: it remains to be seen whether the upzoning will result in more housing units or more affordable housing overall. Many renters in neighborhoods where market-rate housing is proposed express concern that the construction of new housing will actually make their affordability problems worse by raising rents or house prices, fueling gentrification, and potentially displacing existing

residents (Been et al. 2019). [Asquith, Mast and Reed \(2021\)](#) find that in low-income areas, new buildings absorb high income households and limit rent increases nearby.

However, research in New York suggests that upzoning and increased development is associated with neighborhoods' becoming whiter and in the short term does not mitigate gentrification ([Davis 2021](#)). In Zuk and Chapple's local case studies, they did not find that market housing production was effective for low-income households' stability, even when it was positive at the regional scale. The finding reveals that housing market dynamics regarding housing production operate differently at different scales. The results are aligned with the assertion of Jacobus (2016) regarding the timing and scale of how housing filtering works--as a neighborhood phenomenon. [Jacobus \(2016\)](#) argues that filtering works at the regional scale, where it is easy to see the interaction of supply and demand determining prices. However, at the neighborhood scale, changes in desirability and demand are harder to model in connection with small changes in supply like a single building. Even so, he argues, people are constantly looking for neighborhoods to change, and the resulting investment decisions end up pushing communities into disinvestment or gentrifying investment, rather than stability. Jacobus concludes that we need more strategies for increasing supply in a balanced way, not just with the highest end development. This argument aligns with two recent review papers that assessed the overall state of the field.

[UCLA's Lewis Center for Regional Studies](#) released a review of recent papers that demonstrates the muddled picture: in a close reading of six recent papers on how new market rate housing affects nearby rental housing, they find that while most papers find that neighborhood rents are reduced by new housing, there are still risks of displacement and they conclude that new housing supply should be aimed towards already high-income areas--the very neighborhoods that have been most effective at blocking development.

[Been, Ellen, and O'Regan \(2018\)](#) of the Furman Center at NYU review the concerns about whether new supply at the high end of the market can be effective at maintaining affordability for lower income residents. Their review acknowledges that economic studies have not fully accounted for the ways that new supply might impact low-income residents, but also argue that the greater harms are caused by inadequate supply and continuing to block housing production. They conclude that supply strategies need to include subsidies and tools to target housing at lower-income levels so that communities remain balanced.

Gentrification concerns?

The reviews of the UCLA and NYU researchers do not suggest that gentrification doesn't exist; there are neighborhoods where an influx of higher income residents pushes out lower-income households, especially people of color and renters. Their studies suggest that this dynamic is much more likely to occur when there are restrictive supply regulations in place in those communities that don't allow for more housing to absorb newcomers. It is important to consider gentrification as a neighborhood change dynamic that can be exacerbated by regulation and investments. Housing production strategies can be used to support balanced housing availability, affordability, and maintaining residential stability when there are new public investments that make a neighborhood more attractive; and also housing production strategies

need to include targeted approaches to needed housing to ensure that the market does not produce only the highest end units that increase prices nearby.

While there are intense debates in academic circles about how to describe gentrification as a process, the common characteristics for defining the effects are: housing market changes, economic status changes, and demographic changes in a neighborhood that alter its character. Levy et al (2006) provide an overview of the variations on the gentrification definition that appear in literature since the phenomenon was first described: housing rehabilitation for middle-class residents; new capital flowing to areas of historical disinvestment; racial turnover caused by white in-migrants. Hamnett's "The Blind Man and the Elephant: the explanation of gentrification" (2009) lays out a combination of conditions for gentrification to occur: attractive locations with nevertheless undervalued properties (housing supply), along with sufficient populations of demographic groups who have a taste for urban living and have the financial means to outbid current residents (housing demand). The literature on gentrification lists many dimensions of displacement. Low-income residents may be displaced by rising rents or evictions for tenure conversion; rising property taxes or homeowners' insurance rates; or a loss of subsidized housing units. As the housing market appreciates, the number of housing units available to a lower-income household shrinks, excluding any others who may have chosen the neighborhood.

Understanding how public investments can cause or deepen gentrification pressures is important. Public investments are often made in order to improve living conditions for residents through housing rehab/restoration, economic development, and improvements to infrastructure services—but there can be unintended effects for vulnerable groups. For example, the existing literature suggests that new transit investments can create serious affordable housing problems for the very residents who depend most on transit: lower-income households and people of color (Dawkins and Moeckel, 2014). Public investments – sometimes even just the announcement of a planned investment – increase the investment potential of a neighborhood (Golub et al., 2011). When public investments are made in neighborhoods where markets are already heating up, it can increase the intensity of the change and exacerbate displacement. Studies in the Bay Area found involuntary displacement due to the construction of new rail stations as rent premiums were charged for transit access. Chapple (2009) found that gentrifying neighborhoods were twice as likely to be near transit. Yet, when TOD is equitable, it can have very positive impacts, as reported by the Partnership for Sustainable Communities in Cleveland, where a BRT connects low-income residents with strategic job locations, housing and communities have been stabilized, and affordability is preserved.

Looking across Oregon, 'gentrification' is not the only or main dynamic in neighborhoods, nor is it the sole concern for impacts of housing production strategies on equity outcomes. In many jurisdictions, gentrification will not be the dominant form of market change or cause of displacement. In this assessment of tools for analyzing housing supply and choosing production strategies, we are taking a broader view to think about the unintended consequences and inequitable distribution of benefits when we try to increase housing. Even as housing production is a strategy to increase affordability and accommodate population growth, it can miss the mark by failing to meet existing needs or by lacking mitigation tools that can ensure that residents are not pushed out of their current homes by rising markets.

ASSESSING HOUSING NEEDS, GENTRIFICATION AND DISPLACEMENT PRESSURE WITH AN EQUITY LENS

The analysis methods aim to guide of how to assess the dimensions and dynamics of demographics and housing with a racial equity lens. The analysis allows local governments to incorporate gentrification and displacement pressures in the housing production strategies while identifying the housing mismatch through a racial equity lens.

First, we reviewed existing housing analyses for required planning in order to avoid duplication of work and consider the capacity and resources of local planning agencies. Then, we reframed the previous housing analysis in order to make a clear connection between the housing needs of BIPOC and the housing production while considering the potential population and spatial consequences of housing production. The particular population groups of our concern are BIPOC, low income, and renters, who often become vulnerable to gentrification but hardly featured. The methods assess data sets and maps for people and housing with a racial equity lens.

Briefly, the methods proposed in this analysis include 1) equity analysis in housing needs and projections, 2) considering neighborhood context and change, 3) Combining all the findings and thinking through how to plan equitable housing production strategies. This toolkit contributes to the existing housing analysis for equitable development in three ways: 1) placing the housing needs of key populations, BIPOC, low-income, and renters, to the center of the equity analysis, 2) acknowledging the spatial impacts of the housing market focusing on inequities and displacement in the toolkit, 3) weaving each analysis of trends and spatial patterns of people, housing, and place together to find the appropriate and equitable housing production strategies.

We analyzed two model cities to develop the methods and provide a demonstration of how to do this analysis and planning for equitable housing. While the two model analyses are included as appendices to illustrate the planning exercise utilizing the analysis findings, this chapter instead focuses on laying out each step of the analysis with the details of the method and data source as an instructional manual for jurisdictions to follow.

REVIEW OF EXISTING ANALYSES IN HOUSING

This toolkit began with finding the missing gap of existing housing analyses for required planning. We reviewed Housing Needs Analysis (HNA), Regional Housing Needs Analysis (RHNA), and Affirmatively Furthering Fair Housing (AFFH, as known as Analysis of Impediments, AI) in terms of analysis methods, measures, and connections to establish housing development strategies in response to the identified housing needs.

Prior to completing a Housing Production Strategy (HPS), HNA is required for cities with over 10,000 population on a 6- or 8-year fixed schedule because the city's HNA becomes the baseline to guide how to implement needed production housing units identified in HNA. The Oregon Statewide housing goal provides guidelines of HNA, including the projected housing units by cost through population growth with different income levels and the needed housing units at varying rent ranges and cost levels.

To fulfill the House Bill 2003, RHNA is the most recent effort to create a regionwide guideline to assess the number of needed housing units for all regions and all cities to accommodate population forecasts over the next 20 years. In particular, RHNA provided unmet housing needs analysis in order to address housing disparities in accessibility and affordability across race and other demographic categories having vulnerabilities to housing market changes. To find unmet housing needs across demographic categories by region, the analysis looks at the categories: 1) Non-Asian people of color, 2) Asian by subgroups, 3) Hispanic, 4) Limited English proficiency, 5) People 65 years and older, 6) People with disabilities, 7) Family size, and 8) Household type. For each category, the analysis examines: 1) Rent Burdened and Severely Rent Burdened 2) Household Income Distribution, 3) Housing Type (Single-family & missing middle/multifamily 5+), and 4) Tenure. RHNA suggests replicating or referring to this equity analysis to identify housing inequity for local jurisdictions when planning for local HNA and HPS.

AFFH has required for the Community Development Block Grant (CDBG) entitlement cities. In Oregon, 14 cities and four counties are the grant recipients and required to complete the analysis. The analysis finds barriers to fair housing choice by evaluating local conditions that affect housing location, availability, and accessibility. The analysis particularly focuses on protected classes under the Fair Housing Act, such as race, color, religion, gender, familial status, national origin, and disability. Actually, AFFH engages with spatial analysis by creating maps of racially and ethnically concentrated poverty areas.

We found significant gaps in addressing racial equity in housing production throughout the review of existing housing analyses. First, the lack of a clear focus on racial equity hinders equitable housing production. Although HNA is required to include the housing units by cost and rent range, the analysis misses a racial equity lens to assess the housing needs of BIPOC with low income and renting. RHNA's unmet housing needs analysis applied a racial equity lens to examine housing needs, yet the analysis remains an additional component to the primary housing needs estimation. While AFFH puts in efforts to apply a racial equity lens to the housing needs analysis, the results of AFFH often miss the comprehensive planning thinking of housing needs of marginalized BIPOC.

Also, there is a lack of spatial thinking and integration efforts to link the identified housing needs and implementing equitable housing production. Indeed, spatially concerned and drawn results of housing needs are hardly found in the existing analyses. In particular, a missing link of spatial planning is found between HNA results and implementing HPS. Also, AFFH barely addresses how to incorporate spatially drawn results of housing needs of marginalized populations into planning for equitable housing that can discern the place impacts of housing production.

Thus, this toolkit aims to reframe the existing analyses with a racial equity lens as well as to reconnect the non-spatial equity analysis to spatial dimension while avoiding duplication of work and considering the capacity and resources of local planning agencies. The toolkit highlights racial equity by focusing on low-income BIPOC renters and suggests incorporating spatial consequences of housing production into housing planning through the examination of housing supply with neighborhood typology.

OVERVIEW: ANALYSES IN ANTI-DISPLACEMENT AND GENTRIFICATION TOOLKIT

In order to fill the missing gap found in the existing housing analyses, the anti-displacement and gentrification toolkit couples the housing needs equity analysis with the neighborhood change typology maps to identify and assess the populations and geographies that are vulnerable. The toolkit analysis aims to demonstrate how a planner combines demographic and housing data with mapping in the way of spatial thinking through the planning exercise to create a housing production strategy that addresses needed shelter across all populations, creating equitable outcomes and mitigating unintended consequences.

The notable points differentiating this toolkit from existing housing analyses and planning practices are 1) focusing on BIPOC, low-income, and renters, 2) alerting to displacement risks with changes in people and housing in the city. The data sources used in this analysis toolkit are remained to utilize existing data that are publicly available.

The basic framework of this methodology is two-fold: First, this toolkit investigates the housing and demographic data with a racial equity lens to ask, “what are the housing needs of BIPOC people, low-income and renting households?” and “Does the housing supply meet those needs?” Second, the toolkit pays attention to housing development locations and where people in our interest live now while looking at the neighborhood change trends in the city and where they may be planned.

The method has three components: Housing needs equity analysis; spatial analysis of neighborhood change; and planning analysis.

Housing needs equity analysis. Housing needs equity analysis consists of three different parts. First, the analysis focuses on the housing needs of key populations with a racial equity lens – BIPOC, low-income, and renters. Second, the analysis investigates the trends and patterns of housing inventory and housing market, focusing on rental housing affordability and availability. Last, the analysis reviews the previous housing plans, the recent development pattern, and the projection for the further development orientation.

- Analyze the housing needs of key populations with a racial equity lens
- Analyze the change in housing inventory and market trends
- Analyze the housing units planned, projected, and permitted

Spatial analysis. Incorporating spatial impacts is essential because housing production strategy in a place certainly has place impacts. The spatial analysis in this toolkit aims to find the spatial distribution of housing inequity while considering gentrification and displacement pressures as unintended negative consequences. This analysis particularly investigates spatial patterns and trends in people, housing, and place, to know if affecting the housing market in a place creates inequities and displacement.

The spatial analysis starts with a neighborhood typology representing six stages of change that are characterized by various combinations of income, vulnerable people, housing, and

demographic change. After completing the typology, the analysis examines the spatial patterns of the recent housing supply by neighborhood type. The overlaying housing development patterns on typology results, the analysis identifies any housing inequity that can direct the future planning for equitable housing to discern gentrification and displacement pressures .

- Identify the gentrification and displacement risks through neighborhood typology
- Analyze housing supply trends and patterns with neighborhood typology map

Planning analysis. Throughout all the findings from the housing needs equity analysis and the spatial analysis, planning analysis engages with planning thinking about the context and opportunities for equity housing production strategies both as a people-housing mismatch and as spatial disparities. The analysis results will answer the questions: 1) what would we do to address the problems of the key population we are looking at? 2) how would we mitigate the negative side effects of the strategies we are pursuing for the key populations? Through this analysis, a local jurisdiction may match up and prioritize equity goals for the housing planning that can meet the identified housing needs of key populations while closing racial equity gaps.

- Combine findings of housing needs of key populations and spatial mismatch of people and housing
- Find what tools we have in the plans and align tools to achieve equitable outcomes for the identified needs

The following section presents detailed methods of each analysis as an instructional manual on how to conduct these analyses step-by-step. The manual includes the purposes, questions, methods, and data sources for each component that is critical to be considered racial/ethnic equity in the toolkit analysis. Since each jurisdiction deals with its own housing needs under a different context, the methods aim to be clear and straightforward to capture the housing needs of different local contexts. Hence, the analysis results help to choose housing production strategies with equity in mind.

TOOLKIT: METHODS AND DATA

In this section, the detailed methodologies for each analysis with data sources are presented.

- The housing needs equity analysis methods are laid out into three parts: 1) equity analysis for people, 2) equity analysis for housing, and 3) analysis of plans, with main questions leading the analysis and data sources.
- The spatial analysis starts with how to construct the neighborhood typology, then introduces how to examine the housing development pattern by neighborhood types to find the spatial inequity in people and housing.
- Planning analysis depicts how to align available housing production strategies to meet identified needs and spatial mismatch of people and housing based on the combination of our findings of housing needs equity analysis and spatial analysis.

We analyzed two model cities, Tigard and Hermiston, as each city represents urban and rural contexts. Two cities were examined to see whether our methodology for toolkit points to what is important in the context, such as rural and urban, or under the gentrification pressures or not, and additional planning efforts to address equity housing. Indeed the two model analyses demonstrate how a local context differentiates the analysis results and planning strategies for equitable housing outcomes with different data availability. Two model analyses and an annotated example with details are included as appendices..

1. HOUSING NEEDS EQUITY ANALYSIS

Beginning with identifying the housing needs of BIPOC, low-income, and renters, the analysis examines the current status of housing inventory and housing market trends, focusing on rental housing. Next, analysis of plans finds the gap between housing plans and actual production through reviewing the planning materials, including projections and permits.

The key questions to be asked for each section of the analysis are:

1. What are the housing needs of BIPOC, low income, renters?
2. What is the current, permitted, and planned housing supply?
3. What mismatches or shortages exist and are projected?

The key findings of housing needs equity analysis are answers to those questions above by employing three different but connecting analyses. The table below shows the questions asked in each part of the analysis with indicators used for the analysis.

Table 1. Summary of key questions and indicators of each analysis

	Questions	Indicators
People	<p>What are racial disparities in income and tenure? What are racial disparities in the housing cost burden?</p>	<p>Presented/compared by race/ethnicity</p> <ul style="list-style-type: none"> • % Low-income households • % Low-income renters • % Cost burdened households • % Cost burdened renters • % Severely cost-burdened households • % Severely cost-burdened renters
Housing	<p>Is the current rental supply meeting the needs of BIPOC low-income renters? Is there any disproportionate shortage of affordable rental units by income level? What is the income level of rental housing most in need?</p>	<p>Housing Inventory</p> <ul style="list-style-type: none"> • Housing units by type • Change in housing units by type <p>Housing prices and appreciations</p> <ul style="list-style-type: none"> • Median home value • Rent (Mean gross rent) <p>Rental housing stock by income</p> <ul style="list-style-type: none"> • Mismatch and shortage
Plans	<p>What is projected and planned housing units in a city? What has been permitted and produced housing units in a city? Is the new housing supply going to meet identified needs?</p>	<p>Projection</p> <ul style="list-style-type: none"> • Units projected by income level • Units projected by housing type <p>Planning</p> <ul style="list-style-type: none"> • Units planned by income level • Units planned by housing type <p>Permitted</p> <ul style="list-style-type: none"> • Units permitted by housing type

The analysis period starts from a year of a jurisdiction’s most up-to-date Housing Needs Analysis (HNA) to the current year, 2019. This manual calls the starting and ending years of the analysis period “year 1” and “year 2,” respectively.

For example, the city of Tigard’s HNA is updated in 2013, and the city of Hermiston’s HNA is updated in 2011. Thus, the analysis period for Tigard is between 2013 and 2019, as well as the Hermiston’s period is between 2011 and 2019.

The indicators apply a racial equity lens to the existing measures in housing analyses, such as income, tenure, and race/ethnicity. As the findings of the analysis aim to link equity policy strategies, the indicators in the analysis are aligned with policy-relevant metrics by following the HUD income standards.

The primary data sources in this analysis are 5-year estimates of the American Community Survey (ACS) from the U.S. Census Bureau and the CHAS (Comprehensive Housing Affordability Strategy) data by the U.S. Department of Housing and Urban Development (HUD).

At most, this toolkit tends to employ publicly available data to consider the consistent availability and convenient accessibility of data for all cities in Oregon.

Equity Analysis for People

The particular focus of this analysis is BIPOC, low-income, and renter population groups. Low-income households usually tend to struggle with housing instability due to the unaffordability of housing costs. Significantly, the renters with low income are often vulnerable to displacement as they have the least options to maintain affordable housing. Also, Cost-burdened households have the high potential to be displaced when the housing demands and costs increase due to gentrification. In order to see the housing affordability in a city with a racial equity lens, the analysis examines the racial disparities in cost-burdened households and severely cost-burdened households.

This analysis examines the housing needs of those key populations while highlighting the racial disparities in housing. Starting with the racial disparities in experiencing low income, the analysis delves into the racial disparities in low-income renters. Then, the analysis focuses on the racial gap in housing cost burden with a particular focus on rent-burdened households.

The main questions in this part are:

- What are racial disparities in income and tenure?
- What are racial disparities in the housing cost burden?

The analysis focuses on the current racial inequity in housing needs; thus, the analysis is done for year 2. Each part also includes a separate look at renters only to highlight the housing inequity of low-income renters and cost-burdened renters.

1) Low-income households and renters

Low-income households are defined as households with incomes below 80% of area median income (AMI). As the number of households by income level and race is calculated at the city level, the analysis compares the share of low-income households by the different income levels or by racial group. First, the analysis compares the share of low-income households in each racial group. Then, the analysis finds the distinct patterns of households' distribution by income level between BIPOC and white households or by each racial group. Likewise, the analysis compares the share of low-income renters by income level between BIPOC and white households. Or the analysis looks at the income distribution of renter households by racial group. Also, the comparison aims to find racial disparities in low income among renter households.

The main questions with a racial equity lens are:

- Are there any disparities in experiencing low income by race/ethnicity?
- What are the disparate patterns in the distribution of household income by race/ethnicity?
- Are there any racial disparities in experiencing low income among renters?

- What are the disparate patterns in the income distribution of renter households by race/ethnicity?

Indicators used in this analysis:

- Share of low-income households in each racial/ethnic group (%)
- Households by income level between BIPOC and White (%)
- Share of Low-Income Households in Each Racial Group of Renters (%)
- Renter households by income level between BIPOC and White (%)

Data sources

The 2013-2017 HUD Comprehensive Housing Affordability Strategy (CHAS) dataset is downloaded at the Census Tracts level. Since the CHAS tract-level data is available only as raw data with all values for the U.S. census tracts, this analysis utilizes Table 2 of the dataset. To have a detailed look at different dimension of low-income households, the number of households and their share was calculated by tenure, income level, and race.

BIPOC is defined as all households except for non-Hispanic whites. The detailed income level is followed by National Low Income Housing Coalition (NLIHC). The five different income level has been named as:

- Extremely Low-Income (0-30% of AMI)
- Very Low-Income (31-50% of AMI)
- Low-Income (51-80% of AMI)
- Middle-Income (81%-100% of AMI)
- High-Income (100% or more of AMI)

2) Cost-Burdened households and renters

In order to see the housing affordability in a city with a racial equity lens, the analysis examines the racial disparities in cost-burdened households and severely cost-burdened households. Specifically, the equity analysis narrows down the scope to examine the detailed look at rent-burdened households in order to find the racial disparities experiencing cost burdens in renter households.

In this analysis, households are considered cost-burdened when they spend more than 30% of their incomes on housing expenses, such as rent and utilities. As a more extreme measure, households are considered severely cost-burdened when they spend more than half of their incomes on housing expenses.

The analysis compares the share of cost-burdened households and severely cost-burdened households between BIPOC and white households. Through the breakdown of cost-burdened households by race, the comparison aims to identify any distinctive patterns in experiencing cost burdens by racial group. In the same manner, the analysis examines the racial disparities in experiencing rent burdens.

Questions with a racial equity lens are:

- Are there any disparities in experiencing housing cost burden and severe housing cost burden by race/ethnicity?
- Are BIPOC households disproportionately experiencing cost-burdened housing?
- Are there any disparities in experiencing rent burden and severe rent burden by race/ethnicity?
- Are BIPOC renter households disproportionately experiencing cost-burdened housing?

Indicators

- Share of Cost-Burdened and Severely Cost-Burdened Households in Each Racial Group (%)
- Percent of Cost-Burdened and Severely Cost-Burdened Households Between BIPOC and White households (%)
- Share of Cost-Burdened and Severely Cost-Burdened Households By Each Racial Group of Renters (%)
- Percent of Cost-Burdened and Severely Cost-Burdened Renter Households (%)

Data sources

Table 9 of the 2013-2017 CHAS tract-level dataset is utilized to find the cost-burdened and severely cost-burdened households by tenure and race/ethnicity. Like the preceding, the number of households and their percentages are calculated by the tenure, level of the cost burden, and race.

Equity Analysis for Housing

Coupling with the housing needs of key populations, the equity analysis for housing consists of three sub-analyses looking at housing inventory, affordability, and rental availability.

First, housing inventory and its change over time provide the current supply shortage and the recent housing development patterns. The changes in housing units are regarded as developed/produced units in this analysis, so those will be compared with the planned and projected housing units in the analysis of plans.

Then, housing prices and their appreciations are examined to determine the housing affordability in a city. Prices and their changes are also compared with the county average.

Last, the analysis particularly focuses on the rental housing stock in order to seek the rental shortage due to a mismatch in affordable units to low-income renters. Thus, analysis finds the disparate rental shortage by the rent affordability to different income levels. A mismatch is calculated by looking at the number of affordable rental units for low-income households that higher-income renters occupy.

Besides the indicators above, a local jurisdiction may include additional measures or indicators that can better address the current housing problem in a city. For example, the coastal cities in Oregon may look at the vacation rentals to better address the housing availability in the cities. In

cities with rural contexts, focusing on manufactured homes would be an alternative option to address the racial inequity in housing.

The main questions to be answered:

- Is the current rental supply meeting the needs of BIPOC low-income renters?
- Is there any disproportionate shortage of affordable rental units by income level?
- Which income level of rental housing is most in need?

The analysis employed publicly available data, such as ACS and CHAS. A local jurisdiction actually explores and utilize other data that can have more detailed or up-to-date information about housing market activities through the different sources, such as Zillow, Redfin, Regional Multiple Listing Service (RMLS), or County assessor's data, depending upon the planning capacity of the local jurisdiction. This toolkit encourages cities to customize the indicators or data sources if necessary to better utilize this toolkit to address inequity in housing.

A local jurisdiction also engages with additional indicators that are relevant and helpful to understand the distinctive characteristics of their own housing market. For example, the cities including vacation homes or seasonal rentals may employ the Short-Term Rental (STR) permit data. Also, cities with rural contexts may look at the manufactured homes in-depth, considering that mobile homes have long been homes for low-income households in rural areas.

1) Housing inventory

The analysis starts with looking at the housing inventory by housing type in year 2. Then, it examines the change in housing inventory by type between year 1 and year 2. Finally, the analysis relates the current inventory and the changes in housing units by type to the identified housing needs of key populations.

The main questions to ask in this section are:

- What housing is available in the city?
- What are the changes in housing inventory?

Indicators

- Housing Units by housing type (#, %)
- Housing Inventory Change, year 1 and year 2 (#,%)

Data sources

In this report, housing inventory was drawn from Census-Designated Place (CDP) level of 2015-2019 American Community Services (ACS) data for year 2.

For the year 1, the analysis for Tigard utilized 2009-2013 ACS, and Hermiston used 2007-2011 ACS. Because we set the starting year of the analysis as a year of a jurisdiction's most-up-to-date Housing Needs Analysis (HNA). Therefore, each city's starting year came from its latest HNA.

2) Housing prices

To know housing affordability in a city, the analysis employs median rent and median home values as housing prices as well as the appreciations of those between year1 and year2. The housing prices are compared with the county average to find the relative level of housing affordability

Questions

- What are the changes in housing prices?
- Is housing affordable in the city compared to the region?

Indicators

- The median rent in year 2 (\$)
- Rent Change, year 1, and year 2 (%)
- Median home value in year 2 (\$)
- Median home value change, year 1 and year 2 (%)

Data sources

The median rent and median home values are both drawn from the CDP level of 2015-2019 ACS for year 2.

Similarly to housing inventory data utilization, the data for year 1 was drawn from ACS 2009-2013 and 2007-2011 ACS for Tigard and Hermiston, respectively.

3) Affordable rental unit availability

The analysis examines the disparate rental shortage by the level of affordability of different income groups. First, the rental units are separated by the level of affordability of different income levels. Then the number of rental units for each income level was compared to the number of renter households by income level. Finally, the number of shortages was calculated by subtracting the number of renters from the rental units by income level.

Also, this analysis finds the shortage of rental units due to a mismatch in low-cost units for low-income renters. The mismatch of the rental units is calculated as the number of occupied rental units by higher-income renters, although the units occupied are affordable to the lower-income renters than the occupiers.

Questions

- Is rental housing affordable and available for different incomes?
- What is the income level of rental housing most in need?

Indicators

- Rental units affordable and available by income level (#)
- Rental housing shortage by income level (#)
- Rental housing mismatch by income level (#)

Data sources

Table 18C of the 2013-2017 CHAS tract-level dataset is utilized to calculate the number of affordable rental units to different income levels and that are occupied by renters with higher income than the level of affordability to the designated income level.

Analysis of Plans

In conjunction with the current housing inventory and market trends, the analysis of plans aims to understand the planned, projected, and permitted housing supply in a city in order to find what mismatch or shortages exist in the recent housing production. The analysis finds the patterns of recent housing development and directions of housing planning through the review of existing housing planning documents in a city, the regional housing projection in the RHNA, and housing permit activities.

Analysis of plans examines the patterns and trends in housing production by comparing the planned, projected, and produced housing units between year 1 and year 2. In particular, the gap among housing units planned, projected, and produced is also combined with key populations' unmet housing needs to find the appropriate housing production strategies for racially equitable housing.

The main questions to be answered in this part:

- What is projected and planned housing units in a city?
- What has been permitted and produced housing units in a city?
- Is the new housing supply going to meet identified needs?

Indicators

- Number of housing units projected by income level and, or housing type (depending upon the data available to examine)
- Number of housing units planned by income level and, or housing type
- Number of housing units produced by income level and, or housing type
- Number of housing units permitted by income level and, or housing type

Data sources

The housing units in projection and planning are drawn from each city's most up-to-date Housing Needs Analysis (HNA) and Housing Production Strategies (HPS). Depending upon the details in HNA and HPS, the projected units and planned units are calculated by income level or by housing type. Through RHNA, the analysis also reviewed the regionally estimated housing needs for each city.

In terms of produced units, Tigard and Hermiston utilized the different measures. The produced housing units of Tigard were drawn from the change in housing units by type between 2013 and 2019 from the ACS data used in the equity analysis for housing. The increase of units between 2013 and 2019 has been regarded as produced units. The data for housing units permitted and produced in 2019 is also drawn from Tigard's Housing Production Report, an annual survey of housing permit data reported to DLCD.

For Hermiston, we used the building permit data provided by Hermiston's Building Department between 2011 and 2020. The permits have been sorted out for new construction of residential properties, including manufactured home permits, then calculated by housing type.

2. SPATIAL ANALYSIS

Incorporating spatial impacts is essential because housing production strategy in a place certainly has place impacts. The spatial analysis in this toolkit aims to find the spatial distribution of housing inequity while considering gentrification and displacement pressures as unintended negative consequences. This analysis particularly investigates spatial patterns and trends in people, housing, and place, to know if affecting the housing market in a place creates inequities and displacement.

The spatial analysis begins with constructing neighborhood typology. Neighborhood typology has six types and is assessed by assembling indicators at the Census tract level. Once the neighborhoods in a city are assigned to type, the next step of spatial analysis overlays the housing development patterns onto the typology results map. The analysis examines what housing supply is going into what kind of neighborhood.

The spatial analysis seeks to answer the questions:

- How different are the spatial mismatch of people and housing by neighborhood type?
- How different are the pressures/risks of unintended consequences from housing production by neighborhood type?
- Are we meeting housing needs by neighborhood type while discerning unintended negative consequences (displacement)?

Depending upon the accessibility of the data available, new housing development is mapped out through the building permit data or change in housing units through the ACS or CHAS data. The disparate housing development patterns by the neighborhood type as a result of the spatial analysis help to figure out the equitable housing production strategies that can address the unmet housing needs of key populations as well as mitigate the negative side effects of strategies.

This section presents detailed methodologies for creating each designation: income profile, vulnerable people, precarious housing, housing market activity, and neighborhood demographic change. Also, the methodology for analysis of housing supply with typology is laid out with data sources. As the typology assessment is based on tract level, the spatial analysis utilized the tract-level data with the same analysis period of housing needs equity analysis.

Neighborhood Typology

Typology differentiates places based on their vulnerability. This toolkit utilizes the indicator sets in terms of income, vulnerable people, precarious housing, housing market activity, and demographic change at the census tract level. Neighborhoods as tracts are compared to the city

averages and designated into types based on high levels of different combinations of vulnerability, housing markets and demographic changes. The table XX shows the indicator sets with key questions and measures used in the typology.

First, we categorized each tract by its income level to see where low-income people live. Tract designated as income. Then, we particularly look at where BIPOC and vulnerable people live, especially for people who are generally categorized as protected classes under the fair housing act. We also considered where the precarious housing is located as the neighborhood with older and more multifamily housing may become vulnerable to gentrification. Then, we looked at the housing market through the housing price, rents, and their appreciation rates over time. The last set of indicators was for the gentrification-related demographic change to see whether each tract experienced those changes.

Table 2. Key Questions and Indicators of Neighborhood Typology

Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Where do low-income people live?	Where do BIPOC and vulnerable people live?	Where is precarious housing located?	Is the housing market 'hot'?	What are changes in neighborhood characteristics?
<ul style="list-style-type: none"> • Low-income households • Household income 	<ul style="list-style-type: none"> • BIPOC • Limited English-proficiency • Persons with disabilities • Female-headed household • 65 years and older 	<ul style="list-style-type: none"> • Multifamily housing • Housing units built before the 1970s 	<ul style="list-style-type: none"> • Median Rent • Rent change • Median Home Value • Home value change 	<ul style="list-style-type: none"> • Change in BIPOC • Change in Educational attainment • Change in Homeownership • Change in Household income

Assessing the typology

1) Income Profile

The share of low-income households (%) in year 2 and median household income (\$) in year 2 are the key measures used in assigning tracts as “high” or “low” based on the relative level of the citywide average. The definition of low-income households is the same as used in the equity analysis for people in housing needs equity analysis. Identifying low-income is defined as tracts satisfying **both** of the following criteria is met:

- The tract has a lower median household income than the city’s median in year2
- The tract has a greater percentage of low-income households in year2 than the citywide share of low-income households

Data Source

The percentage of low-income households is drawn from Table 2 of the 2013-2017 CHAS tract-level dataset. The median household's income is drawn from 2015-2019 ACS data.

2) Vulnerable People

Five measures are chosen for representative characteristics of vulnerable households to gentrification and displacement (Pendall et al., 2012). Each measure is calculated at tract level and compared to the citywide average. Having a vulnerable population is defined as tracts with **two or more** of the following criteria is met:

- Above the city average percent of BIPOC in year 2
- Above the city average percent of people with limited English proficiency in year 2
- Above the city average percent of persons with disabilities in year 2
- Above the city average percent of female-headed households in year 2
- Above the city average percent of people who are 65 years or older in year 2

Data sources

The measures in vulnerable people designation are drawn from 2015-2019 ACS.

3) Precarious Housing

Precarious housing is measured through two indicators, the share of multifamily housing (%) and the share of housing units built before the 1970s (%). Each indicator is also compared to the city average. Having precarious housing is defined as tracts with **either** of the following criteria is met:

- Above the city average percent of multifamily housing units in year 2
- Above the city average percent of housing units built before the 1970s in year 2

Data sources

Both the measures are drawn from 2015-2019 ACS.

4) Housing Market Activity

Since housing market activity focuses on housing prices and their changes, we utilized the median rent and median home value in year 2 and calculated each appreciation rate between year1 and year2. Having a hot housing market is defined as tracts with **three or more** of the following criteria is met:

- The tract has a median rent higher than the city average in year 2
- The tract has a median home value higher than the city average in year 2

- The tract experienced an above city's percent change in the median rent between year 1 and year 2
- The tract experienced an above city's percent change in the median home value between year 1 and year 2

Data sources

We used 2015-2019 ACS data for housing prices of year 2.

To calculate the appreciation rate between year 1 and year 2, we utilized 2007-2011 ACS for Hermiston and 2009-2013 ACS for Tigard.

5) Neighborhood Demographic Change

The four measures assess Gentrification-related demographic change following the previous study (Bates, 2013). Having a considerable demographics change in a neighborhood is defined as tracts with **three or more** of the following criteria is met:

- The tract experienced an above city's percent change in the BIPOC population between year 1 and year 2
- The tract experienced an above city's percent change in the Median Household Income between year 1 and year 2
- The tract experienced an above city's percent change in the renter population between year 1 and year 2
- The tract experienced an above city's percent change in the population 25 years, and older with a bachelor's degree increased between year 1 and year 2

Data Sources

Data for year 2 is drawn from 2015-2019 ACS.

Data for year 1 is different for cities in this analysis, 2009-2013 ACS for Tigard and 2007-2011 ACS for Hermiston.

Assigning neighborhood types

Neighborhood types represent different stages of gentrification and different levels of displacement pressures for our key populations, BIPOC, low-income, and renters. The typology uses six categories with the unassigned neighborhoods that are colored with grey. The table XX summarizes the different combinations of tract-level vulnerability of people and housing, demographic change, and housing market conditions represented by the six categories. The description of each category in typology is following by the table.

The defined categories that will support aligning HPS activities in the next step of the toolkit with particular kinds of neighborhood change, but they are not all relevant in all cities. The typology will be useful, especially for places with significant differentiations across places. However, the

neighborhood typology overall still indicates significant alerts to pay attention to, such as spatial separation of affluence and investment or where to focus on more equity needs.

Table 3. Tract Level Neighborhood Typology Representing Different Characteristics and Risks of Displacement

	Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Green Affordable and vulnerable	Low	Yes	Yes	No	-
Yellow Early gentrification	Low	Yes	Yes	Yes	No
Orange Active gentrification	Low	Yes	Yes	Yes	Yes
Red Late gentrification	High	Yes	No	Yes	Yes
Blue Becoming Exclusive	High	No	No	Yes	Yes
Purple Advanced Exclusive	High	No	No	Has higher home value and rent	No
Grey Unassigned	-	-	-	-	-

First three neighborhood types are designated as low-income neighborhoods. Depending upon their housing market activities and demographic changes, their stage of gentrification are differentiated. All of them have vulnerable people to displacement and precarious housing to be easily targeted to gentrification. Indeed, these neighborhoods need extra care by considering various combinations of housing supply production and preservation to mitigate the displacement risks for vulnerable people.

Green: Affordable and Vulnerable

The tract is identified as a low-income tract, which indicates a neighborhood has lower median household income and whose residents are predominantly low-income compared to the city average. The neighborhood also includes precariously housed populations with vulnerability to gentrification and displacement. However, housing market in the neighborhood is still remained

stable with no substantial activities yet. At this stage, the demographic change is not under consideration.

Yellow: Early Gentrification

This type of neighborhoods represents the early phase in the gentrification. The neighborhood is designated as a low-income tract having vulnerable people and precarious housing. The tract has hot housing market, yet no considerable changes are found in demographics related to gentrification.

Orange: Active Gentrification

The neighborhoods are identified as low-income tracts with high share of vulnerable people and precarious housing. Also, the tracts are experiencing substantial changes in housing price or having relatively high housing cost found in their housing markets. They exhibit gentrification related demographic change.

The latter three neighborhoods on the table are designated as high-income tracts. They have hot housing market as they have higher rent and home value with higher appreciation rates than the city average. They also do not have precarious housing anymore. However, Late Gentrification type still has vulnerable people with experiences in gentrification related demographic changes. The last two neighborhood types show the exclusive and affluent neighborhoods.

Red: Late Gentrification

This type of neighborhoods does not have predominantly low-income households, but still have vulnerable population to gentrification. Their housing market exhibits the high housing prices with high appreciations as they have relatively low share of precarious housing. The neighborhoods experienced significant changes in demographics related to gentrification.

Blue: Becoming Exclusive

The neighborhoods are designated as high-income tracts. Their population is no longer vulnerable to gentrification. Precarious housing is not found in the neighborhoods. However, the neighborhoods are still experiencing demographic change related to gentrification with hot housing market activities.

Purple: Advanced Exclusive

The neighborhoods are identified as high-income tracts. They have no vulnerable populations and no precarious housing. Their housing market has higher home value and rent compared to the city average, while their appreciation is relatively slower than the city average. No considerable demographic change is found in the neighborhoods.

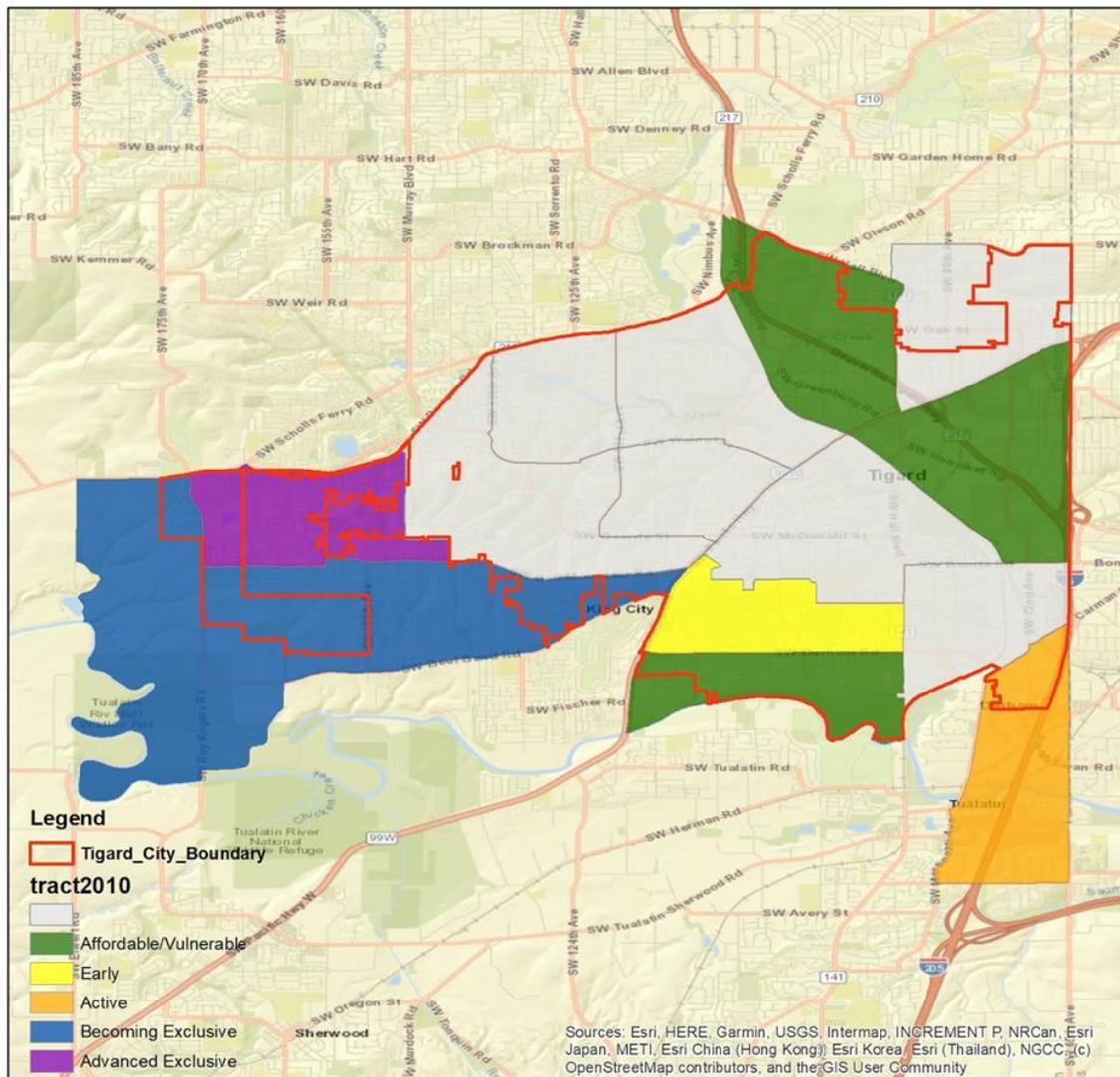
Grey: Unassigned

The unassigned tracts are colored with grey in the typology results map. The tracts have not experienced any remarkable changes in demographics or housing markets. The neighborhood has been stable with unnoticeable change, yet this does not necessarily mean that there is no

need for extra care compared to other neighborhoods with assigned types. This neighborhood may call attention to more care of what is actually going on the ground. Planners need to engage with the communities to make sure the neighborhood is stable while aligning with community needs and desires.

The map (Figure XX) shows the results of the neighborhood typology applied to Tigard. The typology is applied to Tigard Census tracts that are included or intersecting with the city boundary. The map highlights the different stages of changes in people and housing.

Figure 1. Tract Level Neighborhood Typology Results Map of Tigard



Housing Supply with Typology

The spatial patterns of the housing development by neighborhood type alerts where the spatial mismatch of people and housing occurs while considering unintended consequences of housing production, gentrification and displacement. To establish the strategies that can close the racial equity gap in housing, the toolkit finds the spatial mismatch in order to see where caution is needed in terms of market activity and neighborhood locations. To perform this analysis, the housing development pattern can be derived from the data used in the housing needs equity analysis, especially in the analysis of housing and plans.

On top of the typology result map, we overlaid the map of where the new housing development occurred between year 1 and year 2. The analysis compares the recent housing supply by neighborhood type to find a spatial mismatch between people and housing. With the map depicting spatial patterns of housing development with typology results, the analysis also encourages creating a crosstab of housing units produced/permitted by neighborhood type to look at the details of the supply pattern.

The analysis of housing supply with typology has been performed following the questions:

- What housing supply is going into what kind of neighborhood?
- How does this relate to planning for equitable housing going forward?
- How different are the spatial mismatch of people and housing by neighborhood type?

Indicators

- Number of housing units produced by housing type and by neighborhood type between year 1 and year 2
- Number of housing units permitted by housing type and by neighborhood type between year 1 and year 2

Data sources

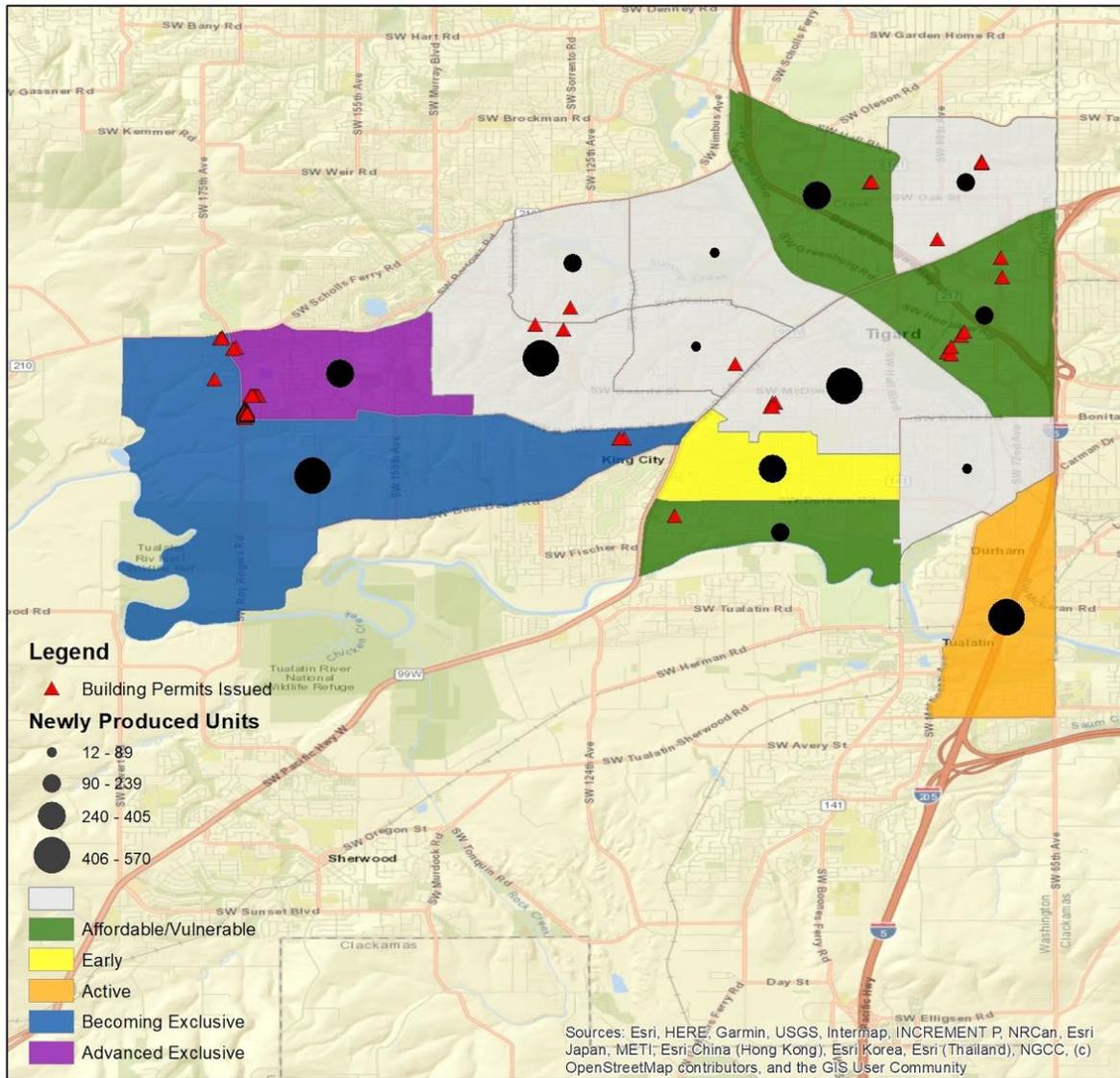
To reduce the redundancy of the data prep and to secure consistency in the analysis, we utilized the same data used in the analysis of plans.

Since each model analysis applies the different data to panning analysis due to the data availability, the produced housing units of Tigard are drawn from calculating housing unit changes between 2013 and 2019 from the ACS data used in the equity analysis for housing. Respectively, the housing development for Hermiston employed the permit data between 2011 and 2020. However, the housing development data can be drawn from the different data sources depending upon a planner's discretion and planning capacity. In the case of that, the data has addresses or spatial information that can be laid out spatially with typology results; the spatial analysis encourages overlaying various spatial data of housing production to reflect better and consider local context.

The map (Figure XX) adds an overlay of the spatial patterns of housing development by neighborhood types to the baseline typology map for Tigard. The black dot on the map indicates the "Housing Units Produced between 2013 and 2019." The red triangle indicates "Housing

permits issued for new construction from 2013 and 2020.” This map provides a city with a quick guide of where to look at the disparate development patterns. Depending upon local contexts and the data employed in the map, the maps for spatial analysis patterns will look different in different places. However, this exercise directs to some areas where have a heightened sense of care and intention to think about. In order for in-depth examination for housing development pattern, a local jurisdiction can employ the crosstab of produced/permitted housing type by neighborhood type

Figure 2. Map of Housing Development Patterns with Neighborhood Typology in Tigard, 2013-2019



Source. ACS 2015-2019, Tigard Community Development's Online Services for Permits
 Notes. Black dot in the map indicates the “Housing Units Produced between 2013 and 2019.” Red triangle indicates “Housing permits issued for new construction from 2013 and 2020.”

3. PLANNING ANALYSIS

Planning analysis combines all the findings from the housing needs equity analysis and the spatial analysis with planning thinking about the context and opportunities for equity housing production strategies both as people-housing mismatch and as spatial disparities. Each analysis is performed to answer the questions:

Key Questions of the housing needs equity analysis:

- What are the housing needs of BIPOC, low income, renters?
- What is the current, permitted, and planned housing supply?
- What mismatches or shortages exist and are projected?

Key Questions of the spatial analysis:

- How different are the spatial mismatch of people and housing by neighborhood type?
- How different are the pressures/risks of unintended consequences from housing production by neighborhood type?
- Are we meeting housing needs by neighborhood type while discerning unintended negative consequences (displacement)?

Step by step, the toolkit analyses are designed to guide how to plan equity Housing Production Strategies (HPS) that can consider local context and planning resources by understanding the current mismatch of people and housing with spatial disparities. A local jurisdiction may narrow down the primary goals for the housing planning that can meet the identified housing needs of key populations while closing racial equity gaps.

Planning analysis relates the overall findings to the questions:

- what would we do to address the problems of the key population we are looking at?
- how would we mitigate negative side effects of the strategies we are pursuing for the key populations?

Through this planning exercise, we can move into selecting the HPS that will best achieve equity goals and minimize unintended consequences of housing production.

Projections and plans are different. Planning for housing starts with the intentions and efforts to achieve the desired future that can actually meet the housing needs of most vulnerable and marginalized people, BIPOC, Low income, and renter households, as well as mitigate the unintended negative consequences of housing production. Thus, housing planning needs to see what HPS seem most important by considering the current unmet housing needs of key populations. Then, plans should consider the areas identified as where caution is needed in terms of market activity and neighborhood locations. Last, housing planning also includes how it can be implemented to reduce unintended inequitable outcomes. The next chapter introduces how to choose, target, and prioritize HPS to achieve equitable housing outcomes.

Summary: Analysis Methods

The analyses in Anti-Displacement and Gentrification Toolkit are designed to serve as a critical starting point for cities attempting to mitigate the impacts of displacement pressures resulting from housing development. Through the housing needs equity analysis and spatial analysis via neighborhood typology of this toolkit, planners can better understand the changes in people and housing with enough variances in assessing gentrification and displacement pressures by considering local contexts. In addition, this toolkit will work as a baseline to find appropriate HPS to address, remedy, mitigate, or reverse displacement in the local context.

Through the analyses applying our new tools for equitable housing production, there should be enough applicability and flexibility to consider the different local and regional housing and neighborhood contexts. Of course, all types of neighborhoods in this typology are not present in all places. However, the neighborhood typology overall still indicates important alerts to pay attention to, such as spatial separation of affluence and investment or where to focus on more equity needs. Thus, as an instruction manual, this toolkit encourages the customization of the indicators or the data sources in the analysis by incorporating the distinctive local contexts of housing and neighborhood change with planning capacity.

Some methodological limitations exist in the toolkit. First, some details are not in the datasets because the indicators are proxy measures for vulnerability and susceptibility of gentrification and displacement. Thus, ground-truthing exercise through community engagement may assist in what actually happens on the ground regarding the change in housing and people in a neighborhood.

Also, the time lag in the dataset creates a problem of discrepancies among housing and demographic analyses. Since most of the dataset in our model analyses for the toolkits utilized the publicly available data sources, the time frames of our demographic information about housing needs are lagged behind the time frames of the actual housing development in response to plans. Thus, the toolkit calls the continual planning attention to local jurisdictions to know if the directions and consequences of housing production are underway as they are planned intentionally.

Inaccurate data due to the unconformity of geographic boundaries between census tracts and cities may call attention to collaborative housing planning needs with adjacent cities. Many cities, especially in the metro areas or in the urban context, are near other places while sharing borders. This locational proximity often makes some places an 'affordable outlet' for nearby housing cost problems. Sometimes, active hot market and displacement may happen at the city's border while interacting with vicinity cities. Through the spillover effects of housing production, the unintended outcomes may negatively affect the regional housing outcomes. Thus, housing planning with collaborative and regional approaches is significantly necessary to incorporate the spatial influences of housing production that can regionally affect.

Appendices

APPENDIX A. ANNOTATED EXAMPLE OF TIGARD

This is an annotated example that will walk planners through the process of analyzing existing data from uniformly available sources in conjunction with their assessments about the local context. This example shows **Tigard** as a model of using the data and sequencing questions about equity and place to link up to effective housing production strategies.

1.1 HOUSING NEEDS EQUITY ANALYSIS

Key Questions to be asked for the analysis

1. What are the housing needs of BIPOC, low income, renters?
2. What is the current, permitted, and planned housing supply?
3. What mismatches or shortages exist and are projected?

1.1.1 Equity Analysis for People

1) BIPOC in Tigard are disproportionately low-income

Except Asians, racial disparities are found in experiencing low-income between White and BIPOC. The comparison of distribution of households by income level between White and BIPOC demonstrates the disproportionate share of extremely low-income and very low-income households of BIPOC.

Table 1. Share of Low-Income Households in Each Racial Group

	Low-income Households		Total
White alone, non-Hispanic	7,526	33.8%	22,235
Black or African-American alone, non-Hispanic	98	45.2%	217
Asian alone, non-Hispanic	424	25.7%	1,653
American Indian or Alaska Native alone, non-Hispanic	49	39.8%	123
Pacific Islander alone, non-Hispanic	104	77.6%	134
Hispanic, any race	1434	61.0%	2350
other (including multiple races, non-Hispanic)	460	55.9%	823
Total	10,107		27,560

Source: Table 2, CHAS 2013-2017, summary level: Census Tract

Finding Housing needs of key population groups: **BIPOC, Low-Income, Renters**

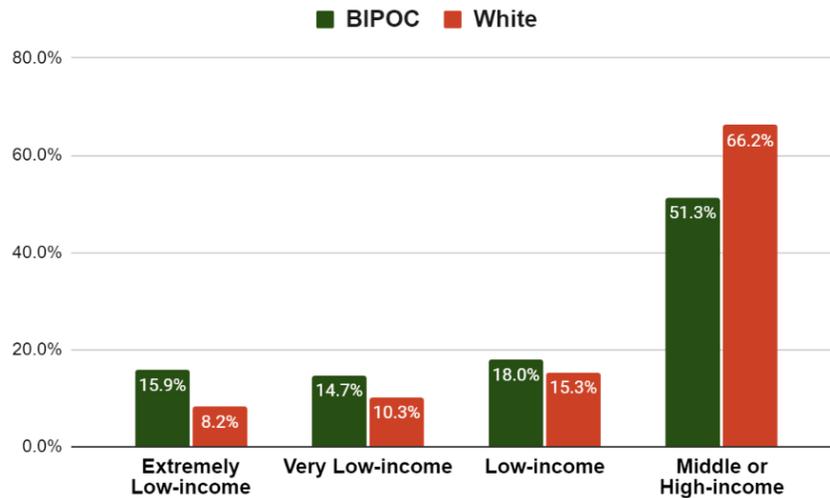
CHAS tract-level data is available as raw data with all values for the U.S. census tracts. Please start with **reading the data dictionary** before you prep data work. You can choose either Table 1 or Table 2 for this table

Compare the percentage of low-income households by each racial group – highlighted part

If necessary, compare the share between BIPOC and white households

Same data with Table 1, but laid out by income level between BIPOC and white households

Figure 1. Distribution of Households by Income Level Between BIPOC and White



What are the **disparate patterns** in the distribution of household income between BIPOC and white households?

Source. Table 2, CHAS 2013-2017, summary level: Census Tract
 Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI), Middle or High-income (more than 80% AMI)

Focusing on Low-income RENTERS, are there any racial disparities in experiencing low income among renters?

2) BIPOC renters have much larger share of extremely low-income groups than white renters

Although the distribution of renter households by income level varies among racial groups, low-income Black renters become disproportionately in the households whose income is between 51% and 80% AMI. Pacific Islander low-income renters are disproportionately extremely low-income, while Hispanic low-income renters show more even distribution.

Table 2. Distribution of Low-Income Renters by Income Level and Race/Ethnicity

	Extremely Low-income	Very Low-Income	Low-income	Total
White alone, non-Hispanic	1,250 (15.4%)	1,615 (19.9%)	1,819 (22.4%)	8,105
Black or African-American alone, non-Hispanic	10 (6.9%)	24 (16.6%)	50 (34.5%)	145
Asian alone, non-Hispanic	83 (20.0%)	83 (20.0%)	48 (11.6%)	414
American Indian or Alaska Native alone, non-Hispanic	4 (4.8%)	15 (17.9%)	20 (23.8%)	84
Pacific Islander alone, non-Hispanic	59 (51.8%)	25 (21.9%)	0	114

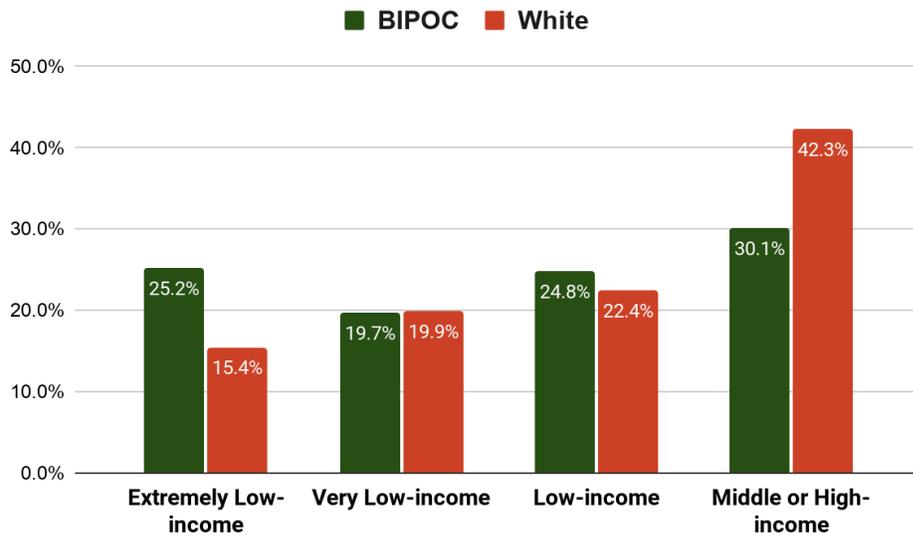
% indicates the share of households in the income level in each racial group (e.g., 1,250/8,105 = 15.4%: 15.4% of white households are extremely low-income)

Hispanic, any race	445 (25.1%)	389 (22.0%)	460 (26.0%)	1770
other (including multiple races, non-Hispanic)	150 (33.4%)	49 (10.9%)	159 (35.4%)	449
Total	2,001 (18.0%)	2,200 (19.8%)	2,556 (23.0%)	11,090

Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI)

Figure 2. Distribution of Renters by Income Level Between BIPOC and White



What are the **disparate patterns** in the distribution of **renter household income** between BIPOC and white households?

Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI), Middle or High-income (more than 80% AMI)

Are there any **disparities in experiencing housing cost burden and severe housing cost burden** by race/ethnicity?

3) Racial disparities in experiencing cost burdens

A greater share of Pacific Islanders, Hispanics, and other people of color households experience housing cost burdens than White households. Especially, BIPOC renters are more cost-burdened than white renters.

Cost-Burdened when they spend more than 30% of their incomes on housing expenses

Severely Cost-Burdened when they spend more than 50% of their incomes on housing

Table 3. Distribution of Cost-Burdened Households by Race/Ethnicity

	Cost-Burdened Households		Severely Cost-Burdened Households		Total
White alone, non-Hispanic	7,080	31.8%	3,140	14.1%	22,235
Black or African-American alone, non-Hispanic	68	31.3%	14	6.5%	217
Asian alone, non-Hispanic	442	26.7%	156	9.4%	1,653

American Indian or Alaska Native alone, non-Hispanic	19	15.4%	4	3.3%	123
Pacific Islander alone, non-Hispanic	84	62.7%	84	62.7%	134
Hispanic, any race	1,284	54.6%	535	22.8%	2,350
other (including multiple races, non-Hispanic)	361	43.9%	278	33.8%	823
Total	9,338	33.9%	4,211	15.3%	27,560

Source. Table 9, CHAS 2013-2017, summary level: Census Tract

Highlighted shares – greater than the share of white households

Table 9 in the CHAS tract-level dataset – only table has the info of race x tenure x cost burden

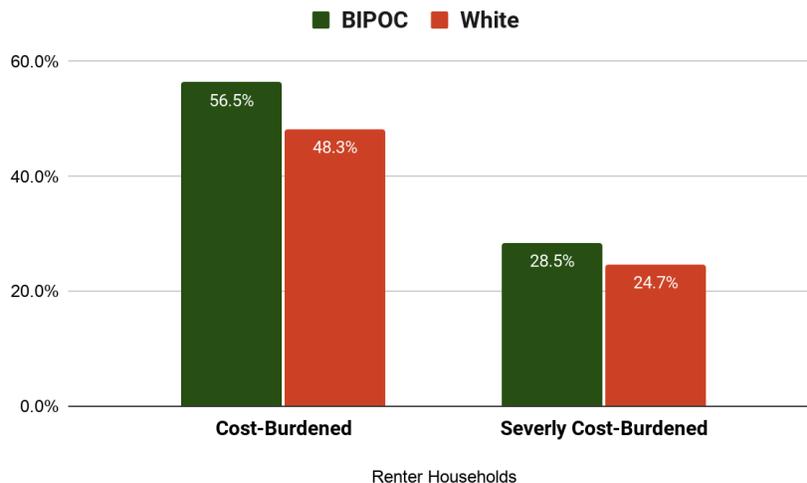
Table 4. Distribution of Rent-Burdened Households by Race/Ethnicity

	Cost-Burdened Renter Households		Severely Cost-Burdened Renter Households		Total Renter
White alone, non-Hispanic	3,915	48.3%	2,005	24.7%	8,105
Black or African-American alone, non-Hispanic	54	37.2%	4	2.8%	145
Asian alone, non-Hispanic	149	36.0%	47	11.4%	414
American Indian or Alaska Native alone, non-Hispanic	19	22.6%	4	4.8%	84
Pacific Islander alone, non-Hispanic	84	73.7%	84	73.7%	114
Hispanic, any race	1,084	61.2%	470	26.6%	1,770
other (including multiple races, non-Hispanic)	290	64.6%	240	53.5%	449
Total	5,595	50.5%	2,854	25.7%	11,090

Source. Table 9, CHAS 2013-2017, summary level: Census Tract

Focusing on renters only, Are there any disparities in experiencing rent burden and severe rent burden by race/ethnicity?

Figure 3. Share of Renter Households by level of Cost Burdens Between BIPOC and White



Same data with Table 4, but laid out by cost burden level between BIPOC and white households

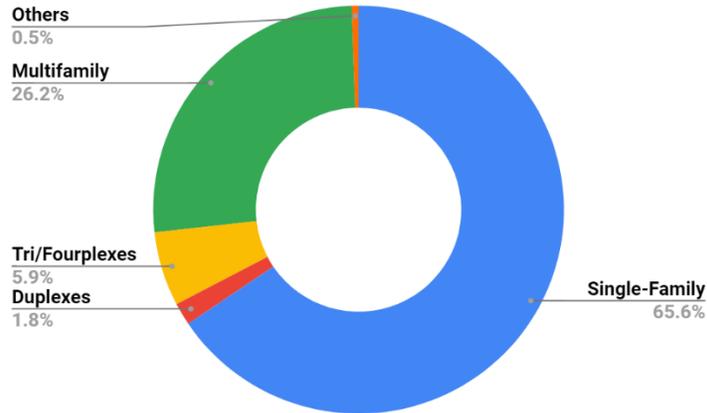
Source. Table 9, CHAS 2013-2017, summary level: Census Tract

three sub-analyses looking at **housing inventory**, **affordability**, and **rental availability**

1.1.2 Equity Analysis for Housing

1) Single-family and owner-occupied properties are predominant housing features in Tigard

Figure 4. Share of Housing Units by Housing Type in 2019



Source. ACS 2015-2019

Data was pulled out from the **Census-Designated Place (CDP)** level 2015-2019 ACS (e.g., **Advanced search** filter of Census data website: Geography>Place>Oregon > **Tigard city**)

HOUSING INVENTORY - What housing is available in the city?

Table 5. Housing Inventory Change Between 2013 and 2019

	2013	2019	Change
Single-Family (up to fourplexes)	15,240	16,093	853 (5.3%)
Multifamily (more than five units)	4,937	5,842	905 (15.5%)
Others (mobile homes, boats, or RV)	70	116	46 (39.7%)
Total Housing units	20,247	22,051	1,804 (8.2%)

Source. 2009-2013 ACS, 2015-2019 ACS

What are the changes in housing inventory?

Housing affordability by looking at **Rent**

- What are the changes in rent?
- Is rent affordable in the city compared to the region?

2) Tigard's rents are relatively affordable compared to the regionwide

Tigard's median rent has been affordable to renters having incomes at 65% AMI in the Portland metro area. However, renters earning less than 50% AMI still face the continual challenge to find affordable and available rentals. The rent appreciation rate has been relatively lower than the regionwide for the last five years.

Figure 5. Median Rent in Tigard Compared with Regional Median Rent

Comparison of regional median rent provides the relative level of rental affordability

If necessary, compare with rent of neighboring cities

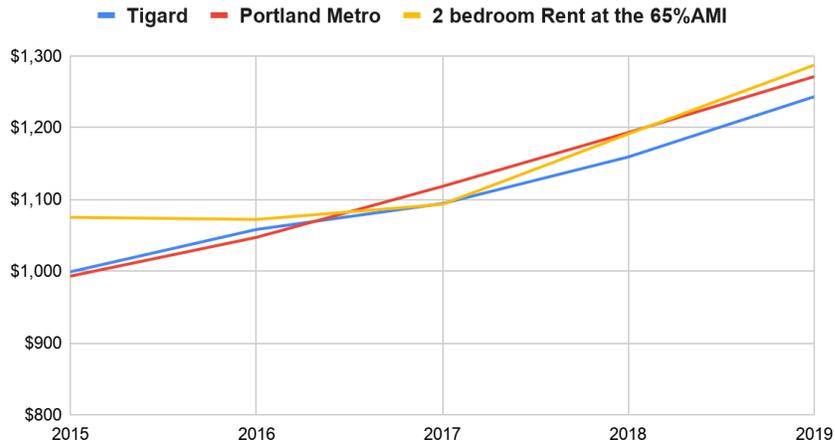


Source. ACS 2015-2019, Table of Housing Affordability from Portland Housing Bureau (PHB) ¹

If your city is not in Portland metro area, please check it on the HUD **INCOME LIMITS** website

Figure 6. Change in Median Rent in Tigard Compared with Regional Median Rent, 2015-2019

Median Rent, 2015-2019



Source. 2011-2015 ACS, 2012-2016 ACS, 2013-2017 ACS, 2014-2018 ACS, 2015-2019 ACS, Table of Housing Affordability from PHB

¹ Maximum Monthly Rent Including Utilities by Median Income with a Housing Burden of 30% by HUD's calculations for the Portland-Vancouver-Hillsboro, OR-WA MSA.

Data downloaded

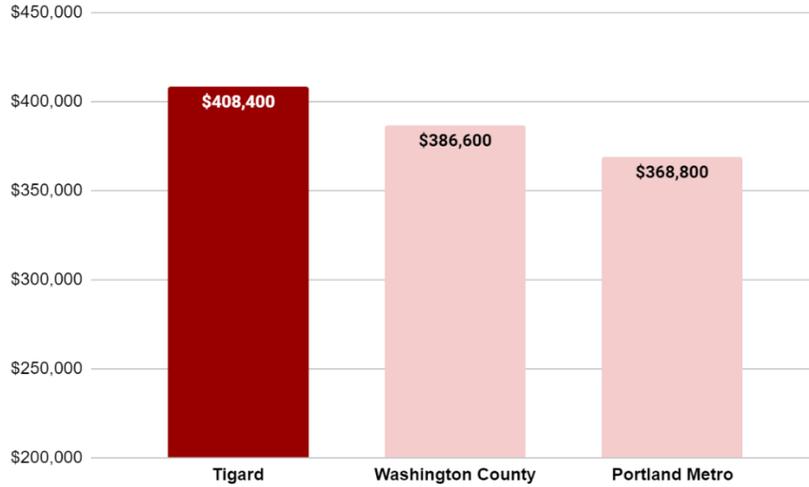
<https://efiles.portlandoregon.gov/Record?q=recContainer%3A13468896&sortBy=recTypedTitle->

Housing affordability by looking at **Home Value**

- What are the changes in home value?
- Is home value affordable in the city compared to the region?

3) Median home value of Tigard is less affordable to the regional market
 Tigard's home value has maintained higher than the regional housing market for the last five years.

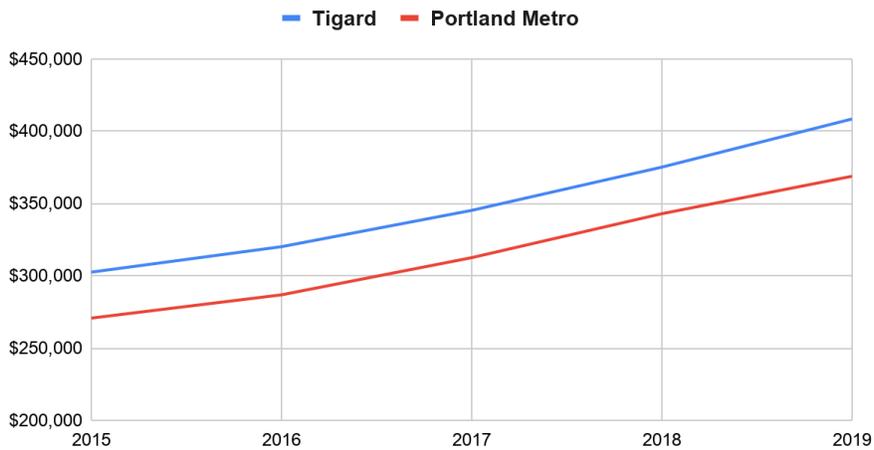
Figure 7. Median Home Value in Tigard Compared with Regional Home Values



Source. 2015-2019 ACS

Figure 8. Change in Median Home Value in Tigard Compared with Regional Home Values, 2015-2019

Median Home Value, 2015-2019



Source. 2011-2015 ACS, 2012-2016 ACS, 2013-2017 ACS, 2014-2018 ACS, 2015-2019 ACS

Rental Availability by looking at **Rental Supply and Shortages**

- Is rental housing affordable and available for different incomes?

- What is the income level of rental housing most in need?

4) Not enough affordable rental homes are available to the extremely and very low-income households

Table 6. Affordable Rental Supply and Shortages

	Units	Renter households	Shortage
Units affordable for below 30% AMI Extremely Low Income	248	2,001	-1,753
Units affordable for 30-50% AMI Very Low Income	1,426	2,200	-774
Units affordable for 50-80% AMI Low income	6,503	2,556	3,947
Units affordable for greater than 80% AMI	2,854	4,324	-1,470

Source. Table 2 and 18C, CHAS 2013-2017, summary level: Census Tract

Number of rental units are drawn from Table 18C in CHAS dataset.

Renter households by income level were pulled out from Table 2 in CHAS dataset.

Shortage is calculated by subtracting renter households from units

Rental Availability by looking at **Home Value**

- How many units are mismatched between unit affordability by income level and occupiers' income level?

5) The mismatch among low-cost rental units occupied by higher-income renters exacerbates housing cost burdens of extremely low-income renters

Table 7. Rental Housing Mismatch between by Unit Affordability by Income Level and Occupiers' Income Level

	Units Occupied by Renters with Higher Income Level	Total Rental Units
Units affordable for below 30% AMI Extremely Low Income	178 (71.7%)	248
Units affordable for 30-50% AMI Very Low Income	509 (35.7%)	1,426
Units affordable for 50-80% AMI Low income	2,298 (35.3%)	6,503
Units affordable for greater than 80% AMI	-	2,854
Total	2,985 (27.1%)	11,031

Source. Table 18C, CHAS 2013-2017, summary level: Census Tract

Number of mismatched units are drawn from Table 18C in CHAS dataset.

e.g., Interpretation of the highlighted: 178 units affordable to extremely low-income renters are occupied by the renters with higher income than 30% AMI.

71.7% of rental units affordable to extremely low-income renters are mismatched to renters with higher income.

Housing Production

patterns and trends

- What is projected and planned housing units in a city?
- What has been permitted and produced housing units in a city?
- Is the new housing supply going to meet identified needs?

1.1.3 Analysis of Plans

1) Regional Housing Needs Analysis (RHNA)'s estimated housing needs for extremely low-income are not enough to cover the current shortage in affordable rentals for them

RHNA (2020)'s estimated current shortage shows the sum of rental units and ownership units. However, they are less than the current rental shortage found in the CHAS data above, especially the affordable and available home for extremely low-income renters (1,753 units) and very low-income renters (774 units). This may still push vulnerable renters with continual housing cost burdens.

Table 8. 2020-2040 Projected Housing Needs of Tigard by RHNA (2020)

	Projected Housing Needs for Future Population in 2040	Current Shortage in Housing Units in 2019	Housing Needs for People Experiencing Homelessness in 2019	Total Units Needed to Meet 2040 Projected Population and Today's Shortage
Median Family Income 0-30%	953	592	391	1,936
Median Family Income 30-50%	924	579	35	1,539
Median Family Income 50-80%	1,458	706	13	2,178
Median Family Income 80-120%	1,706	402	0	2,108
Median Family Income +120%	4,521	166	0	4,687
Total	9,563	2,445	439	12,448

Source. Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations (2020), Appendix D.

What is in the housing plan?

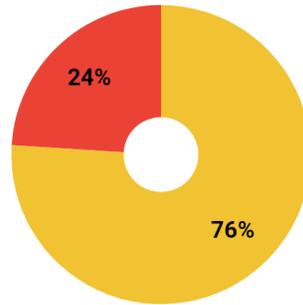
What are you planning for?

Are planning activities aligned with meeting the key populations' needs?

2) Rental housing in Tigard's housing plan was not sufficient

Tigard's Housing Strategies Report (2013) planned over 6,500 new housing units by 2030 and only 24% of new planned units were for rental properties. Although it is useful to maintain single family home ownership as attainable, it is not aligned with meeting the housing needs of key population of this equity analysis.

Figure 9. Planned Housing Units by Tenure over 2030



● Ownership Units ● Rental Units

Source. City of Tigard's Housing Strategies Report (2013)

Flexibility of data sources
- You can review other planning documents for the data of housing units projected and planned.

3) Planned units are not aligned with meeting the housing needs for BIPOC and low-income renters

Most of the units planned in Tigard's HPS (2030) were single-family properties. However, actual produced units are multifamily properties as the recent regulated affordable multifamily housing has been permitted. However, it is still not enough to fill in the current rental shortage (2,527 units) for renters having less than 50% AMI, who are the most suffered from a housing shortage and rental unaffordability in Tigard. Also, middle housing is the most under produced over time.

What is planned housing units in a city?

What has been permitted and produced housing units in a city?

Is the new housing supply going to meet identified needs?

Table 9. Housing Supply Gap Among Planned, Produced, and Permitted Units in Tigard, 2013-2019

	Planned Units over 2030	Produced Units, 2013-2019	Permitted Units in 2019	Total Units Produced and Permitted
Single-Family Detached	3,445	799	255	1,054 (30.6%)
Single-Family Attached	1,300	51	69	120 (9.2%)
2,3,4 plex	520	86	0	86 (16.5%)
Multifamily (5+ attached)	1,170	905	312	1,217 (104%)
Manufactured Home	65	51	0	51 (78.5%)
Total Units	6,500	1,892	572	2,464 (37.9%)

Source. City of Tigard's Housing Strategies Report (2013), Tigard's Housing Production Report (2019)

Produced units were drawn from the change in housing units by type between 2013 and 2019 from the ACS data used in the equity analysis for housing.

Permitted Units are drawn from Tigard's Housing Production Report

Reminding ourselves of **key questions** of equity analysis

- What are the housing needs of BIPOC, low income, renters?
- What is the current, permitted, and planned housing supply?
- What mismatches or shortages exist and are projected?

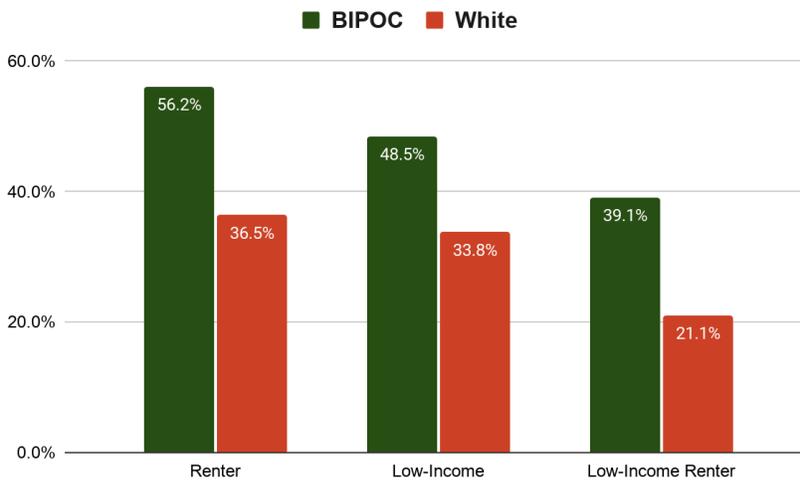
Combine the findings from each section

1.1.4 Key takeaways of Housing Needs Equity Analysis

1) BIPOC are more disadvantaged than whites in the housing market

BIPOC in Tigard are disproportionately low income and renting. Especially, BIPOC renters have much larger share of extremely low-income groups as well as they tend to struggle with more housing cost burdens than white renters. However, Tigard does not have enough rental homes that are affordable and available to the low-income households. The affordable rental shortages affect the rent burdens on the poor BIPOC renters.

Figure 10. Racial Disparities in tenure and income in Tigard (2019)



Source. Table 2, CHAS 2013-2017, summary level: Census Tract

2) Affordability crisis for extremely and very low-income renters

Although one out of four BIPOC renters are extremely low-income, rental units that are affordable to those income groups face a shortage of 1,753 units. Especially, BIPOC renters are more cost-burdened than white renters, the severe rental shortage in low-cost units exacerbates the ongoing struggles of marginalized BIPOC renters.

The recent housing supply pattern shows the large shares of produced units are multifamily properties. While new subsidized multifamily is coming according to the permit data, but it is still not enough to close the current gaps of low-cost rental homes and the identified housing needs of key populations. In particular, middle housing is significantly under-production, which relates to rising homeownership cost that can become a barrier for renters who pursue upward mobility to attain the secured and stable housing through homeownership.

1.2 SPATIAL ANALYSIS

Key Questions to be asked for the analysis

1. How different are the spatial mismatch of people and housing by neighborhood type?
2. How different are the pressures/risks of unintended consequences from housing production by neighborhood type?
3. Are we meeting housing needs by neighborhood type while discerning unintended negative consequences (displacement)?

1.2.1 Neighborhood Typology

The neighborhood typology represents six stages of change that are characterized by various combinations of income, vulnerable people, housing, and demographic change. First, the typology assesses each indicator by comparing with city averages. Then, neighborhoods as tracts are designated into types based on high levels of different combinations of categories.

Tigard's values are citywide averages and the standard for comparison to assess typology for each neighborhood at tract level

Table 10. Indicators and City Averages for Neighborhood Typology Assessment

Income Profile	Tigard	Criteria
Low-income households (2019)	37.30%	↑
Median Household Income (2019)	\$79,809	↓
Vulnerable People		
BIPOC	18.10%	↑
Limited English proficiency	7.10%	↑
Persons with disabilities	10.80%	↑
Female-headed households	26.90%	↑
Senior: 65 years and older	10.80%	↑
Precarious Housing		
Multifamily housing units (%)	26.4%	↑
Housing units built before the 1970s (%)	15.8%	↑
Housing Market Activity		
Median Rent, 2019	\$1,243	↑
Median Home Value, 2019	\$408,400	↑
Change in Median Rent (%), 2013-2019	32.7%	↑
Change in Median Home Value (%), 2013-2019	37.0%	↑

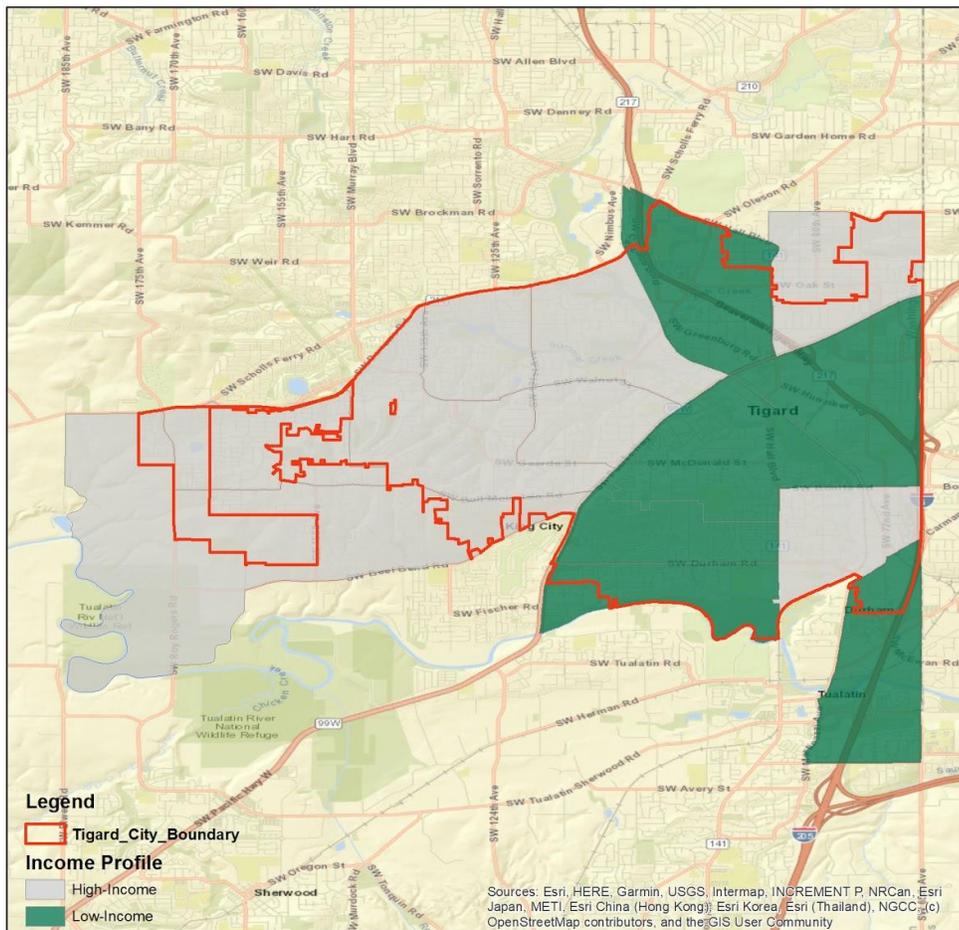
Neighborhood Demographic Change		
BIPOC population	0.30%	↓
Median Household Income	29.20%	↑
Renter	0.03%	↓
Bachelor's degree or higher	3.90%	↑

Source. 2009-2013 ACS, 2015-2019 ACS

Next, we mapped out each component of typology separately to build up to the final map. Each map also provides the spatial patterns of people and housing.

1) Income Profile

Figure 11. Income Profile Map: Where Do Low-Income Households Live in 2019



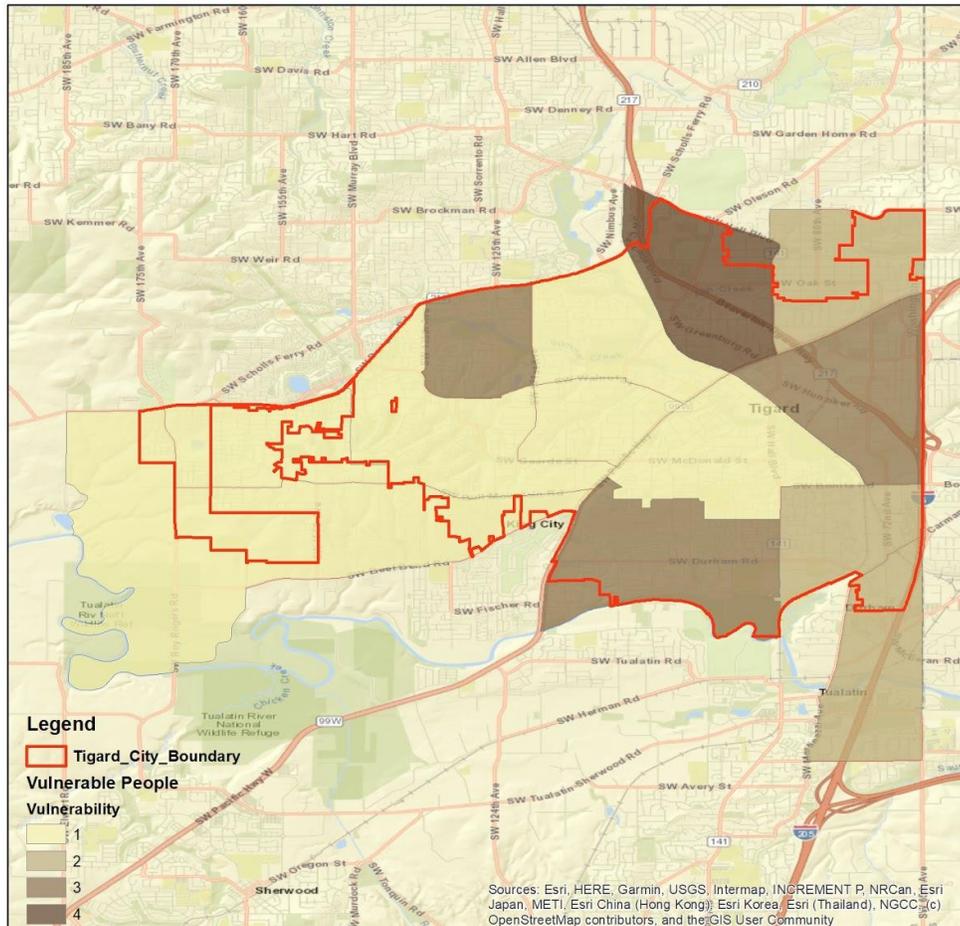
Source. Table 2, CHAS 2013-2017, summary level: Census Tract

The map shows identified tracts having larger percentages of households having income at or below 80% AML in 2019 and having lower median household income than the city's median in 2019. Low-income households clustered along highway 217 and around the intersection between 217 and 99W.

2) Vulnerable People

Figure 12. Vulnerable People Map: Where Do BIPOC and Vulnerable People Live in 2019

This map shows the scores of vulnerable people calculated by sum of measures in this category

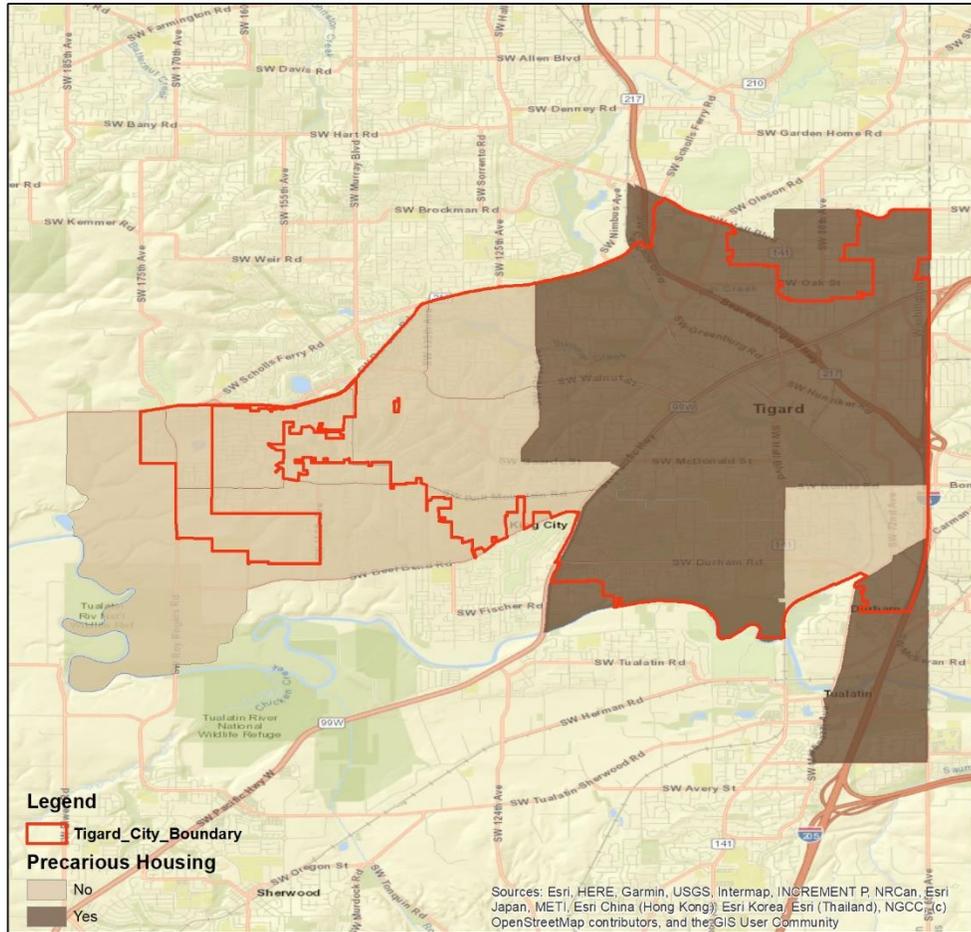


Source. ACS 2015-2019

The population groups with high vulnerability to gentrification and displacement live along with 217 Highway. Around the intersections of 99W and 217 Highways, vulnerable population groups are densely located. After the intersection, the south side of the 99W has more vulnerable populations.

3) Precarious Housing

Figure 13. Precarious Housing Map: Where Is Precarious Housing Located in 2019



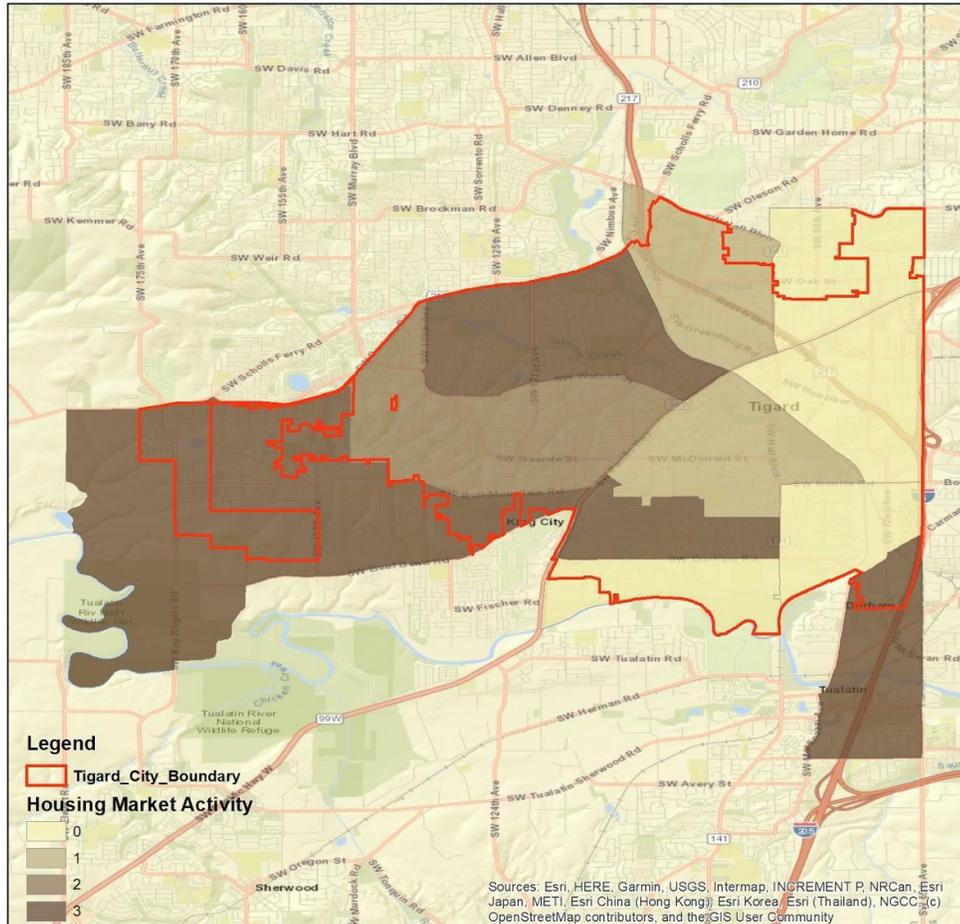
Source. ACS 2015-2019

The left map shows where the housing units built before the 1970s are located. It tells vulnerable housing units to demolition or remodeling while showing the relatively older and affordable housing. The map on the right shows the percentage of multi-family housing units. The darker means more multi-family housing units in the tract. The bright yellow dot means the subsidized multifamily housing units.

4) Housing Market Activity

Figure 14. Housing Market Activity Map: Where is the Hot Housing Market in 2019

This map shows the scores of housing market activity calculated by sum of measures in this category

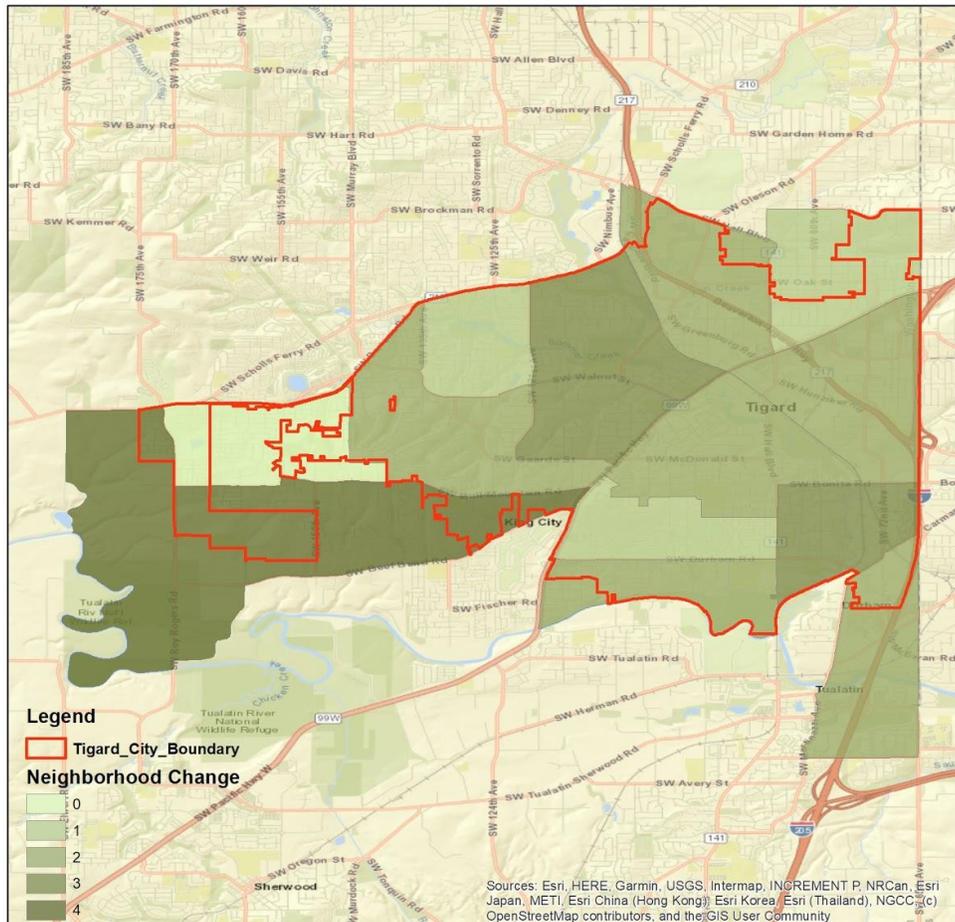


Source. ACS 2015-2019

The west side of the city has higher home value and rent with greater growth of housing price compared to the rest of the area. However, the southside of the city, after the intersection of 217 and 99W has marked a significant increase in housing price although the area still has affordable housing prices.

5) Neighborhood Demographic Change

Figure 15. Neighborhood Demographic Change Map, 2013-2019



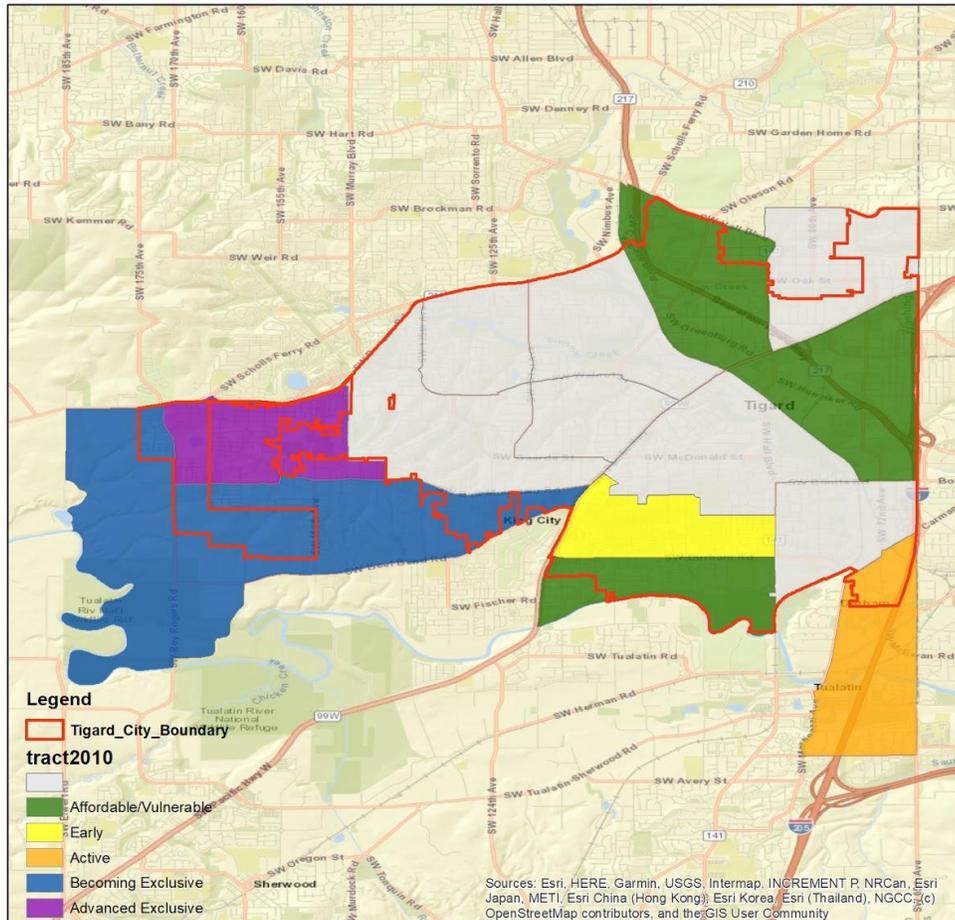
This map shows the scores of neighborhood demographic change calculated by sum of measures in this category

Source. ACS 2009-2013, ACS 2015-2019

The particular areas in the west and south side of Tigard show remarkable demographic changes that are possibly related to gentrification or displacement. Those areas also have hot housing market.

6) Neighborhood Typology Results

Figure 16. Tract Level Neighborhood Typology Results Map



How different are the stages of change in people and housing by a neighborhood in Tigard?

Green: Affordable and Vulnerable

- North and northeast neighborhoods along highway 217 and 99W
 - The neighborhoods have a high share of vulnerable population with low-income as well as a larger share of multifamily properties and older properties in the neighborhoods than the citywide.
 - East side of Tigard (West side of Lake Oswego) seems to be where lower-income people find affordable rental homes due to their relatively lower cost compared to Lake Oswego where is the affluent neighborhood with exclusive housing market.
- South of Tigard where is adjacent to the city of Tualatin

- The neighborhood has a high share of vulnerable population with low-income with a greater share of multifamily properties than the citywide.

Yellow: Early Gentrification

- The neighborhood has a high share of vulnerable population with low-income as well as a greater share of multifamily properties. This neighborhood experienced a larger increase in rent and home value with higher rent in 2019 than the city average. However, no considerable demographic change has occurred yet in the neighborhood.

Orange: Active Gentrification

- The identified neighborhood is located in the south of the city along I-5 highway. Tigard has only small portion of this neighborhood (Census tract) as the part of the city, as the tract is shared with neighboring cities, Tualatin and Durham.
- The neighborhood is home to vulnerable population with low-income including a greater share of multifamily properties than the citywide. This neighborhood's housing market is hot as the market shows significantly high appreciation in housing prices with higher rent in 2019 than the city average. Especially, the neighborhood experienced gentrification related changes regarding considerable demographic changes in people with bachelor's degrees or higher and median household income.

Blue: Becoming Exclusive

- The identified neighborhood includes only a small part of the westside of Tigard. The neighborhood has high income at the neighborhood level with no vulnerable population. The housing market in the neighborhood becomes exclusive with higher appreciation of housing prices with higher rent in 2019 than the city average. With hot housing market, the neighborhood actually experienced considerable demographic changes in all measures related to gentrification.

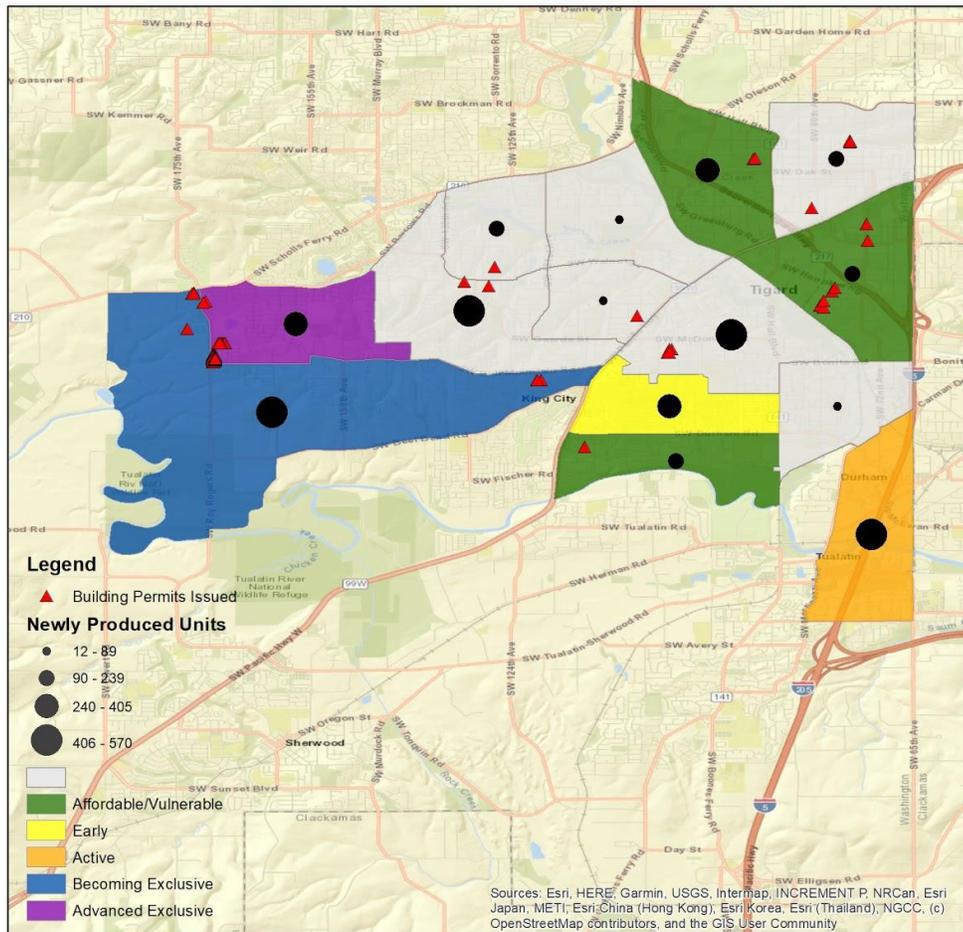
Purple: Advanced Exclusive

The identified neighborhood has high income at the neighborhood level with no vulnerable population. As the neighborhood shows no demographic change, the housing market in this neighborhood is exclusive as it has higher rent and home value than the city average.

1.2.2 Housing Supply with Typology

the next step of spatial analysis is to add an overlay of the recent housing development pattern. The spatial patterns of the housing development by neighborhood type alerts where the spatial mismatch of people and housing occurs while considering unintended consequences of housing production, gentrification and displacement.

Figure 17. Map of Housing Development Patterns with Neighborhood Typology, 2013-2019



Source. ACS 2015-2019, Tigard Community Development's Online Services for Permits Notes. Black dot in the map indicates the "Housing Units Produced between 2013 and 2019." Red triangle indicates "Housing permits issued for new construction from 2013 and 2020."

What housing supply is going into what kind of neighborhood?

How different are the spatial mismatch of people and housing by neighborhood type?

Table 11. Number of Units Produced by Neighborhood Types Identified

	Single-Family Homes	Middle Housing (2,3,4 plex)	Multifamily Homes
Green Affordable and vulnerable	147	266	1,172
Yellow Early gentrification	86	0	319
Orange Active gentrification	0	102	344
Blue Becoming Exclusive	434	110	8
Purple Advanced Exclusive	220	22	60
Total	887	500	1,903

Source. 2009-2013 ACS, 2015-2019 ACS

Where is the new supply?

How does that relate to neighborhood type?

Are the new supply meeting the identified needs from equity analysis?

Disparate Housing Development Patterns between Multifamily and Single-Family Homes

Most of multifamily housing production occurred in the neighborhoods where are designate as low-income tracts with vulnerable people with precarious housing. Especially, a significant increase of multifamily homes occurred in affordable and vulnerable places where rental homes are in need the most.

However, new single-family homes account for 77% of newly produced housing units in the high-income neighborhoods with an exclusive housing market. The neighborhood becoming exclusive has the most housing units produced in total.

Also, middle housing was relatively less developed compared to other housing types over time.

Although a significant increase in multifamily homes occurred in the neighborhoods with low-income and vulnerable people, market-rate multifamily properties may have the unintended consequences in low-income neighborhoods with displacement risks. In order to clarify the affordability of newly produced multifamily rental units, this analysis suggests ground truthing exercise so the analysis can have detailed information to better understand the neighborhood change regarding the housing production.

1.2.3 Key Takeaways of Spatial Analysis

Reminding ourselves of **key questions** of spatial analysis

- How different are the spatial mismatch of people and housing by neighborhood type?
- How different are the pressures/risks of unintended consequences from housing production by neighborhood type?
- Are we meeting housing needs by neighborhood type while discerning unintended negative consequences (displacement)?

Combine the findings from each section and ask how does that relate to needs?

Planning thinking
What might we want to watch out for? And why?

Housing planning and actual production of units have matched with the housing needs by neighborhood type

- Multifamily housing development occurred where they are most needed.
 - Affordable and Vulnerable, Early gentrification, and Active gentrification neighborhoods experienced significantly large development of multifamily housing than the neighborhoods identified as becoming exclusive or advanced exclusive.
 - However, we need the data to look at whether newly produced multifamily buildings were market-rate multifamily properties or subsidized affordable housing. The additional examination through either supplemental dataset for rents or ground truthing exercise through community engagement activities helps to figure out the gentrification and displacement risks in the neighborhood.
- Relatively small increase in middle housing type (duplex, triplex, fourplex) compared to single-family homes and multifamily homes

Displacement alert in low-income neighborhoods

- A couple of neighborhoods are identified as gentrification is underway. Both neighborhoods also experienced large housing unit developments over the period.
- Active Gentrification neighborhood may have high displacement risks of low-income households.
 - The neighborhood experienced a larger increase in rent and home value with higher rent in 2019 than the city average.
 - Considerable demographic change in adults with bachelors' degrees and median household income occurred in the neighborhood as an indicative of gentrification.

Collaborative housing planning needs with neighboring cities

- Inconsistent data due to unconformity of geographic boundaries between census tract and cities may create the inaccurate typology results with the spatial analysis for housing supply patterns.

- In particular, active gentrification neighborhood in the map shows a large number of housing production without any issued building permits from Tigard. This indicates that actual housing production occurred in the neighboring cities where share the tract with Tigard.
- The inconsistent problem of geographic boundaries and data also indicates the spillover effects of housing development, which may lead the unintended consequences that can negatively affect the regional housing outcomes.

Reminding ourselves for housing production: do we have an equity HPS?

- What would we do to address the problems of the key population we are looking at? Are we doing it?
- How would we mitigate negative side effects of the strategies we are pursuing for the key population?

1.3 PLANNING ANALYSIS

Unmet housing needs of low-income renters

The housing needs of extremely low-income and very low-income households are still not met, although 313 units of subsidized multifamily housing is in pipeline. Tigard needs to accommodate various housing production strategies that can maintain low-cost rentals affordable to those renters, since the affordable rental homes for them will not be created by market alone. Considering spatial factors, how can new multifamily production support housing stability rather than igniting gentrification and displacement of low-income renters?

More middle housing

The existing housing plan of Tigard suggests more single-family development over 2030. Indeed, large development of single-family housing occurred in the neighborhoods with exclusive housing market. While increase in single family homes may open up housing opportunities for moving up potential and overall housing needs in Tigard, the city's median home value has been increased more than the regional average. In order to foster Tigard's homeownership accessibility, the city may consider 'middle housing' options in plans and production strategies, since there's a lack of middle housing among the recently produced housing units. Then, will single-family or middle housing production deepen segregation or lead to opportunities? What should we do for equitable HPS?

Collaborative housing planning – regional look needed

A spatial flag notices boundaries and jurisdiction problems. Especially, Active Gentrification neighborhood is located at the border of Lake Oswego, Durham, Tualatin, and Tigard. The neighborhood perhaps serves as an affordable outlet for nearby housing cost problems, such as relatively lower-cost housing than those in Lake Oswego or other

What are the people-housing mismatch in the analysis findings?

What is currently in the plans?

Remember: As planners, we do not make the housing, for the most part. Think carefully about the supply tools we have.

How can we align the HPS tools to these identified needs?

neighboring cities. Those kinds of neighborhoods may experience spillover effects of housing development from other cities, which may negatively affect the regional housing outcomes. Then, collaborative housing planning arises for equitable HPS. How can all jurisdictions meet needed housing, rather than having some serve as outlets?

2. HOUSING PRODUCTION STRATEGIES - EQUITY AND ANTI-DISPLACEMENT PRACTICES

Through the findings both from the housing needs equity analysis and spatial analysis, relevant housing production strategies (HPS) are selected and targeted to achieve equity outcomes. This section presents the examples of the chosen HPS by neighborhood type considering the spatial mismatch of people and housing with displacement risks in the neighborhood. The examples show how the conclusions of analyses support moving to this toolkit.

Affordable and Vulnerable

- Make sure to know and address the needs of BIPOC, low-income, and renters with planning for equitable housing outcomes
 - B11. Pro-Housing Agenda.
 - B12. Pro-Affordable Housing Agenda.
- In Affordable and Vulnerable area with a transit center
 - Plan to maintain and increase affordability near this amenity
 - F19. Affordable Housing Preservation Inventory
 - A18. Increase Density near Transit Stations and Regional Multi-use Trails
 - F2. Joint Development Agreements - consider ridership and affordable housing together
- Proactively address needs of low-income BIPOC
 - F5. Preserving Low-Cost Rental housing to Mitigate Displacement

After considering all the analysis, we match up HPS tools to the analysis findings.

What kind of strategies can achieve equitable outcomes for both the findings from equity analysis and spatial analysis?

what are the relevant planning tools in the HPS?

How can we align the HPS tools to these identified needs?

Active Gentrification

- Careful planning to secure low-income housing and mitigate displacement
- Ensure the availability of affordable housing as more development comes
 - A10. Inclusionary Zoning – with increased development in a hot market
 - A11. Add Restrictive Covenants to Ensure Affordability - when new development occurs, add this restriction to ensure the affordable rent
- Collaborative planning approaches to address regional housing needs

APPENDIX B. MODEL ANALYSIS OF TIGARD

HOUSING NEEDS EQUITY ANALYSIS

1. Equity Analysis for People

1) BIPOC in Tigard are disproportionately low-income

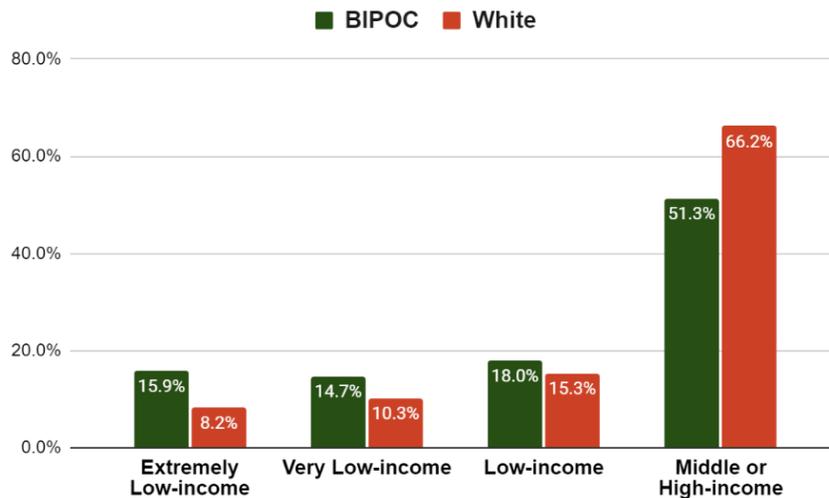
Except Asians, racial disparities are found in experiencing low-income between White and BIPOC. The comparison of distribution of households by income level between White and BIPOC demonstrates the disproportionate share of extremely low-income and very low-income households of BIPOC.

Table 1. Share of Low-Income Households in Each Racial Group

	Low-income Households		Total
White alone, non-Hispanic	7,526	33.8%	22,235
Black or African-American alone, non-Hispanic	98	45.2%	217
Asian alone, non-Hispanic	424	25.7%	1,653
American Indian or Alaska Native alone, non-Hispanic	49	39.8%	123
Pacific Islander alone, non-Hispanic	104	77.6%	134
Hispanic, any race	1434	61.0%	2350
other (including multiple races, non-Hispanic)	460	55.9%	823
Total	10,107		27,560

Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Figure 1. Distribution of Households by Income Level Between BIPOC and White



Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI), Middle or High-income (more than 80% AMI)

2) BIPOC renters have much larger share of extremely low-income groups than white renters

Although the distribution of renter households by income level varies among racial groups, low-income Black renters become disproportionately in the households whose income is between 51% and 80% AMI. Pacific Islander low-income renters are disproportionately extremely low-income, while Hispanic low-income renters show more even distribution.

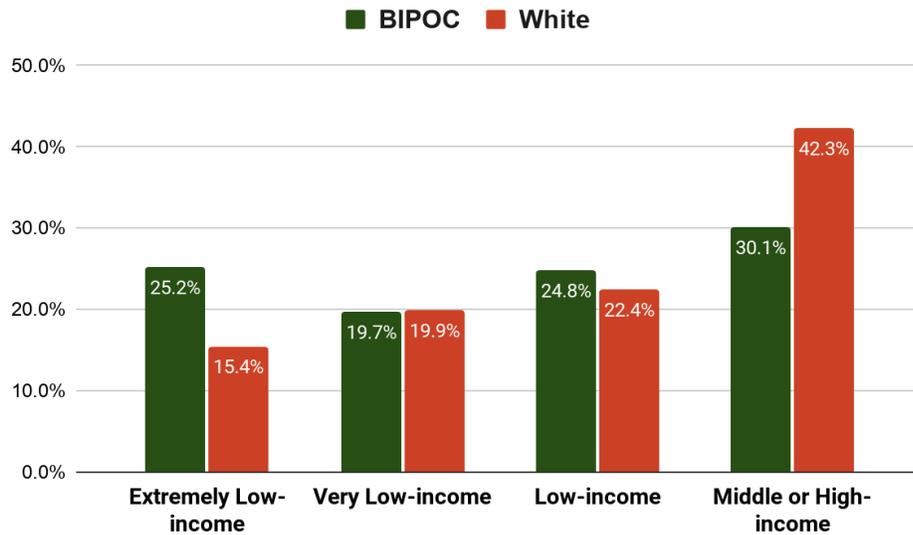
Table 2. Distribution of Low-Income Renters by Income Level and Race/Ethnicity

	Extremely Low-income	Very Low-Income	Low-income	Total
White alone, non-Hispanic	1,250 (15.4%)	1,615 (19.9%)	1,819 (22.4%)	8,105
Black or African-American alone, non-Hispanic	10 (6.9%)	24 (16.6%)	50 (34.5%)	145
Asian alone, non-Hispanic	83 (20.0%)	83 (20.0%)	48 (11.6%)	414
American Indian or Alaska Native alone, non-Hispanic	4 (4.8%)	15 (17.9%)	20 (23.8%)	84
Pacific Islander alone, non-Hispanic	59 (51.8%)	25 (21.9%)	0	114
Hispanic, any race	445 (25.1%)	389 (22.0%)	460 (26.0%)	1770
other (including multiple races, non-Hispanic)	150 (33.4%)	49 (10.9%)	159 (35.4%)	449
Total	2,001 (18.0%)	2,200 (19.8%)	2,556 (23.0%)	11,090

Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI)

Figure 2. Distribution of Renters by Income Level Between BIPOC and White



Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI), Middle or High-income (more than 80% AMI)

3) Racial disparities in experiencing cost burdens

A greater share of Pacific Islanders, Hispanics, and other people of color households experience housing cost burdens than White households. Especially, BIPOC renters are more cost-burdened than white renters.

Table 3. Distribution of Cost-Burdened Households by Race/Ethnicity

	Cost-Burdened Households		Severely Cost-Burdened Households		Total
	Count	Percentage	Count	Percentage	
White alone, non-Hispanic	7,080	31.8%	3,140	14.1%	22,235
Black or African-American alone, non-Hispanic	68	31.3%	14	6.5%	217
Asian alone, non-Hispanic	442	26.7%	156	9.4%	1,653
American Indian or Alaska Native alone, non-Hispanic	19	15.4%	4	3.3%	123
Pacific Islander alone, non-Hispanic	84	62.7%	84	62.7%	134
Hispanic, any race	1,284	54.6%	535	22.8%	2,350
other (including multiple races, non-Hispanic)	361	43.9%	278	33.8%	823
Total	9,338	33.9%	4,211	15.3%	27,560

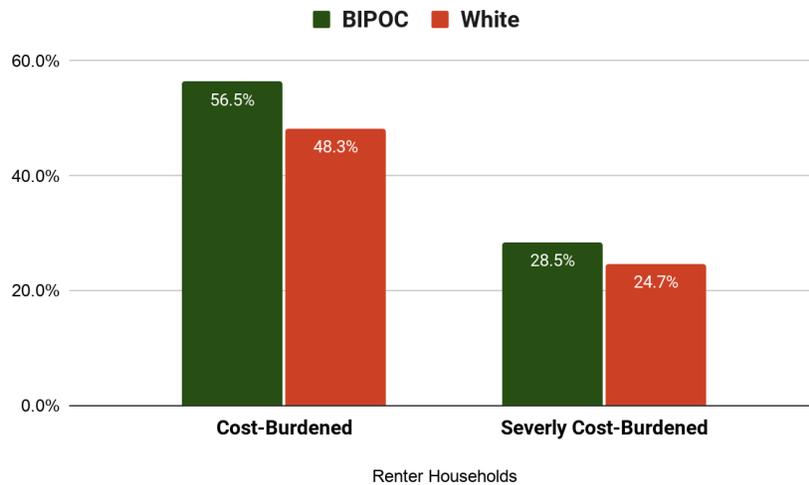
Source. Table 9, CHAS 2013-2017, summary level: Census Tract

Table 4. Distribution of Rent-Burdened Households by Race/Ethnicity

	Cost-Burdened Renter Households		Severely Cost-Burdened Renter Households		Total Renter
White alone, non-Hispanic	3,915	48.3%	2,005	24.7%	8,105
Black or African-American alone, non-Hispanic	54	37.2%	4	2.8%	145
Asian alone, non-Hispanic	149	36.0%	47	11.4%	414
American Indian or Alaska Native alone, non-Hispanic	19	22.6%	4	4.8%	84
Pacific Islander alone, non-Hispanic	84	73.7%	84	73.7%	114
Hispanic, any race	1,084	61.2%	470	26.6%	1,770
other (including multiple races, non-Hispanic)	290	64.6%	240	53.5%	449
Total	5,595	50.5%	2,854	25.7%	11,090

Source. Table 9, CHAS 2013-2017, summary level: Census Tract

Figure 3. Share of Renter Households by level of Cost Burdens Between BIPOC and White

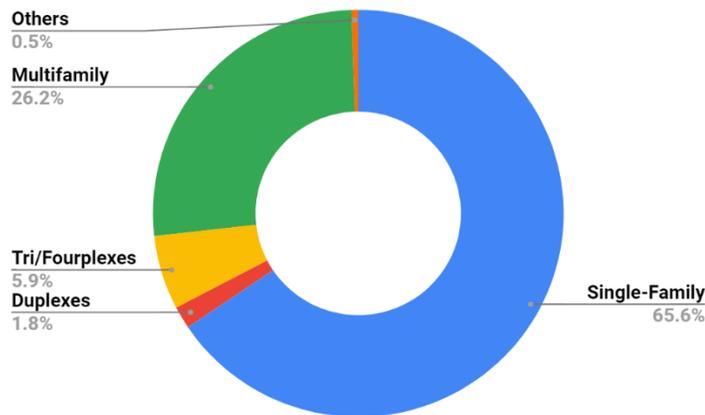


Source. Table 9, CHAS 2013-2017, summary level: Census Tract

2. Equity Analysis for Housing

1) Single-family and owner-occupied properties are predominant housing features in Tigard

Figure 4. Share of Housing Units by Housing Type in 2019



Source. ACS 2015-2019

Table 5. Housing Inventory Change Between 2013 and 2019

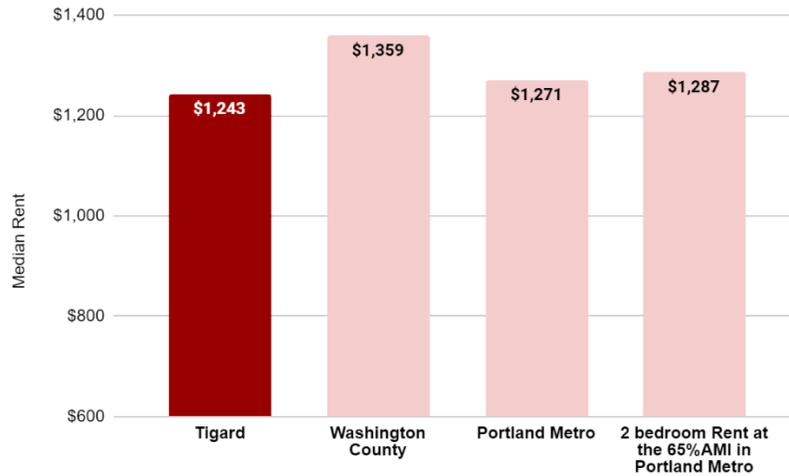
	2013	2019	Change
Single-Family (up to fourplexes)	15,240	16,093	853 (5.3%)
Multifamily (more than five units)	4,937	5,842	905 (15.5%)
Others (mobile homes, boats, or RV)	70	116	46 (39.7%)
Total Housing units	20,247	22,051	1,804 (8.2%)

Source. 2009-2013 ACS, 2015-2019 ACS

2) Tigard's rents are relatively affordable compared to the regionwide

Tigard's median rent has been affordable to renters having incomes at 65% AMI in the Portland metro area. However, renters earning less than 50% AMI still face the continual challenge to find affordable and available rentals. The rent appreciation rate has been relatively lower than the regionwide for the last five years.

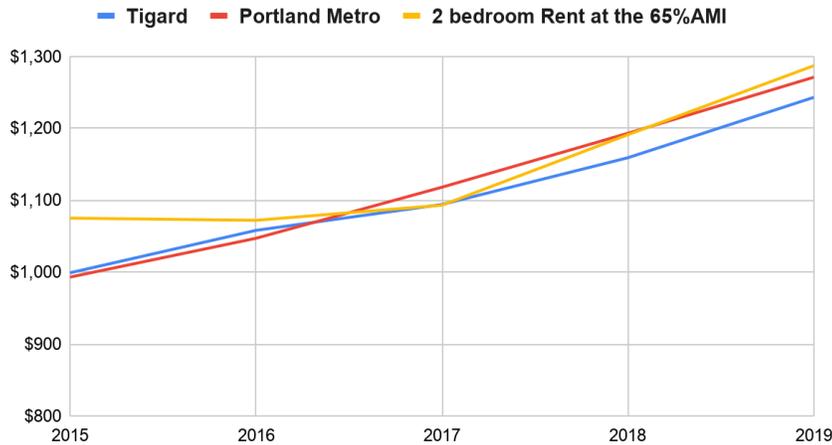
Figure 5. Median Rent in Tigard Compared with Regional Median Rent



Source. ACS 2015-2019, Table of Housing Affordability from Portland Housing Bureau (PHB) ¹

Figure 6. Change in Median Rent in Tigard Compared with Regional Median Rent, 2015-2019

Median Rent, 2015-2019



Source. 2011-2015 ACS, 2012-2016 ACS, 2013-2017 ACS, 2014-2018 ACS, 2015-2019 ACS, Table of Housing Affordability from PHB

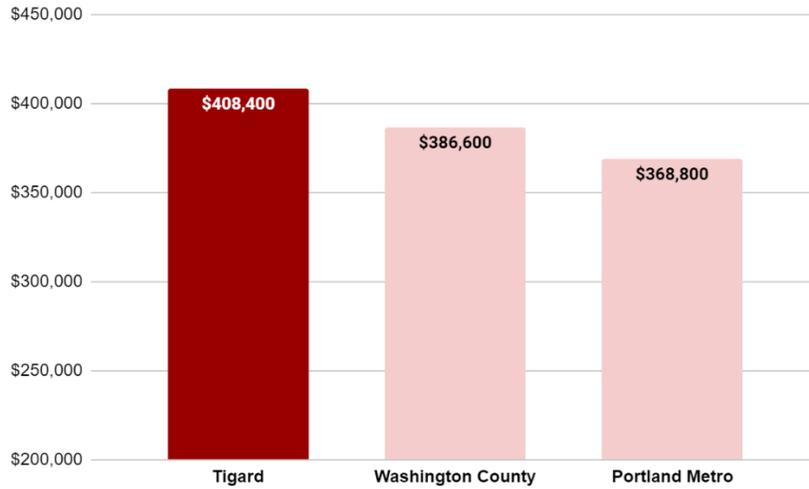
¹ Maximum Monthly Rent Including Utilities by Median Income with a Housing Burden of 30% by HUD's calculations for the Portland-Vancouver-Hillsboro, OR-WA MSA.

Data downloaded <https://efiles.portlandoregon.gov/Record?q=recContainer%3A13468896&sortBy=recTypedTitle->

3) Median home value of Tigard is less affordable to the regional market

Tigard's home value has maintained higher than the regional housing market for the last five years.

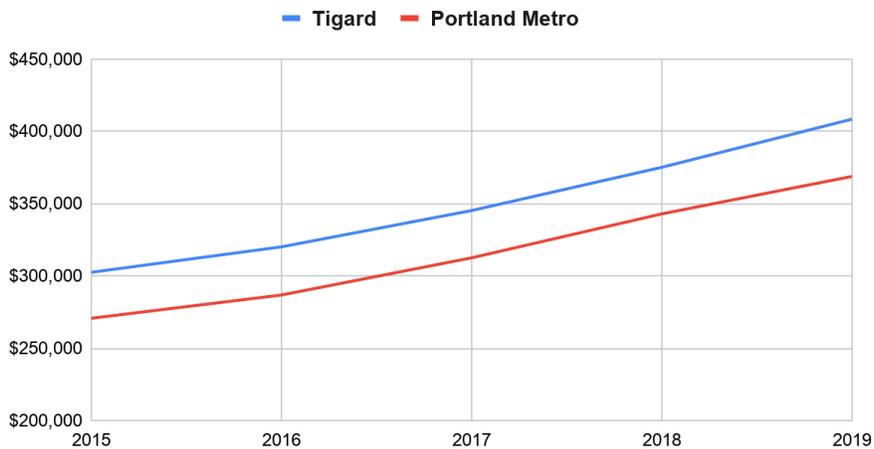
Figure 7. Median Home Value in Tigard Compared with Regional Home Values



Source. 2015-2019 ACS

Figure 8. Change in Median Home Value in Tigard Compared with Regional Home Values, 2015-2019

Median Home Value, 2015-2019



Source. 2011-2015 ACS, 2012-2016 ACS, 2013-2017 ACS, 2014-2018 ACS, 2015-2019 ACS

4) Not enough affordable rental homes are available to the extremely and very low-income households

Table 6. Affordable Rental Supply and Shortages

	Units	Renter households	Shortage
Units affordable for below 30% AMI Extremely Low Income	248	2,001	-1,753
Units affordable for 30-50% AMI Very Low Income	1,426	2,200	-774
Units affordable for 50-80% AMI Low income	6,503	2,556	3,947
Units affordable for greater than 80% AMI	2,854	4,324	-1,470

Source. Table 2 and 18C, CHAS 2013-2017, summary level: Census Tract

5) The mismatch among low-cost rental units occupied by higher-income renters exacerbates housing cost burdens of extremely low-income renters

Table 7. Rental Housing Mismatch between by Unit Affordability by Income Level and Occupiers' Income Level

	Units Occupied by Renters with Higher Income Level	Total Rental Units
Units affordable for below 30% AMI Extremely Low Income	178 (71.7%)	248
Units affordable for 30-50% AMI Very Low Income	509 (35.7%)	1,426
Units affordable for 50-80% AMI Low income	2,298 (35.3%)	6,503
Units affordable for greater than 80% AMI	-	2,854
Total	2,985 (27.1%)	11,031

Source. Table 18C, CHAS 2013-2017, summary level: Census Tract

3. Analysis of Plans

1) Regional Housing Needs Analysis (RHNA)'s estimated housing needs for extremely low-income are not enough to cover the current shortage in affordable rentals for them

RHNA (2020)'s estimated current shortage shows the sum of rental units and ownership units. However, they are less than the current rental shortage found in the CHAS data above, especially the affordable and available home for extremely low-income renters (1,753 units) and very low-income renters (774 units). This may still push vulnerable renters with continual housing cost burdens.

Table 8. 2020-2040 Projected Housing Needs of Tigard by RHNA (2020)

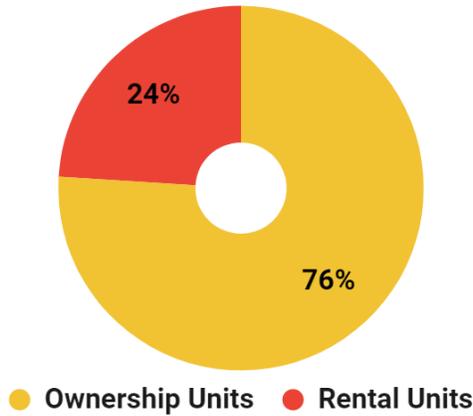
	Projected Housing Needs for Future Population in 2040	Current Shortage in Housing Units in 2019	Housing Needs for People Experiencing Homelessness in 2019	Total Units Needed to Meet 2040 Projected Population and Today's Shortage
Median Family Income 0-30%	953	592	391	1,936
Median Family Income 30-50%	924	579	35	1,539
Median Family Income 50-80%	1,458	706	13	2,178
Median Family Income 80-120%	1,706	402	0	2,108
Median Family Income +120%	4,521	166	0	4,687
Total	9,563	2,445	439	12,448

Source. Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations (2020), Appendix D.

2) Rental housing in Tigard's housing plan was not sufficient

Tigard's Housing Strategies Report (2013) planned over 6,500 new housing units by 2030 and only 24% of new planned units were for rental properties. Although it is useful to maintain single family home ownership as attainable, it is not aligned with meeting the housing needs of key population of this equity analysis.

Figure 9. Planned Housing Units by Tenure over 2030



Source. City of Tigard’s Housing Strategies Report (2013)

3) Planned units are not aligned with meeting the housing needs for BIPOC and low-income renters

Most of the units planned in Tigard’s HPS (2030) were single-family properties. However, actual produced units are multifamily properties as the recent regulated affordable multifamily housing has been permitted. However, it is still not enough to fill in the current rental shortage (2,527 units) for renters having less than 50% AMI, who are the most suffered from a housing shortage and rental unaffordability in Tigard. Also, middle housing is the most under produced over time.

Table 9. Housing Supply Gap Among Planned, Produced, and Permitted Units in Tigard, 2013-2019

	Planned Units over 2030	Produced Units, 2013-2019	Permitted Units in 2019	Total Units Produced and Permitted
Single-Family Detached	3,445	799	255	1,054 (30.6%)
Single-Family Attached	1,300	51	69	120 (9.2%)
2,3,4 plex	520	86	0	86 (16.5%)
Multifamily (5+ attached)	1,170	905	312	1,217 (104%)
Manufactured Home	65	51	0	51 (78.5%)
Total Units	6,500	1,892	572	2,464 (37.9%)

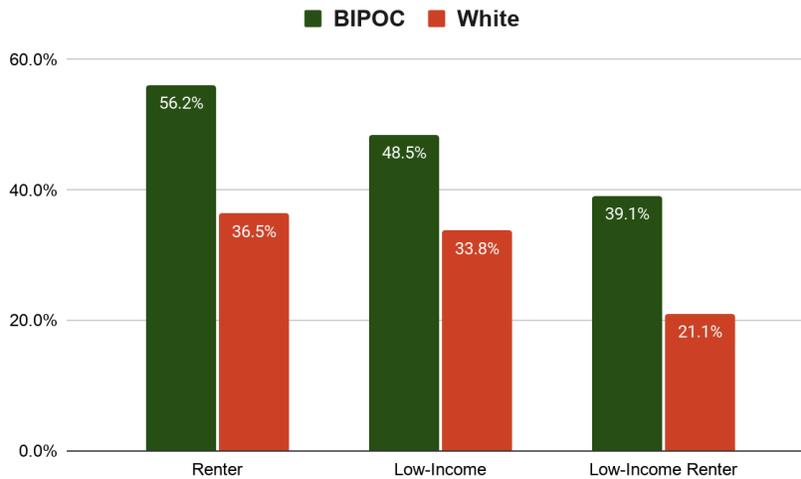
Source. City of Tigard’s Housing Strategies Report (2013), Tigard’s Housing Production Report (2019)

4. Key takeaways of Housing Needs Equity Analysis

1) BIPOC are more disadvantaged than whites in the housing market

BIPOC in Tigard are disproportionately low income and renting. Especially, BIPOC renters have much larger share of extremely low-income groups as well as they tend to struggle with more housing cost burdens than white renters. However, Tigard does not have enough rental homes that are affordable and available to the low-income households. The affordable rental shortages affect the rent burdens on the poor BIPOC renters.

Figure 10. Racial Disparities in tenure and income in Tigard (2019)



Source. Table 2, CHAS 2013-2017, summary level: Census Tract

2) Affordability crisis for extremely and very low-income renters

Although one out of four BIPOC renters are extremely low-income, rental units that are affordable to those income groups face a shortage of 1,753 units. Especially, BIPOC renters are more cost-burdened than white renters, the severe rental shortage in low-cost units exacerbates the ongoing struggles of marginalized BIPOC renters.

The recent housing supply pattern shows the large shares of produced units are multifamily properties. While new subsidized multifamily is coming according to the permit data, but it is still not enough to close the current gaps of low-cost rental homes and the identified housing needs of key populations. In particular, middle housing is significantly under-production, which relates to rising homeownership cost that can become a barrier for renters who pursue upward mobility to attain the secured and stable housing through homeownership.

SPATIAL ANALYSIS

1. Neighborhood Typology

The neighborhood typology represents six stages of change that are characterized by various combinations of income, vulnerable people, housing, and demographic change. First, the typology assesses each indicator by comparing with city averages. Then, neighborhoods as tracts are designated into types based on high levels of different combinations of categories.

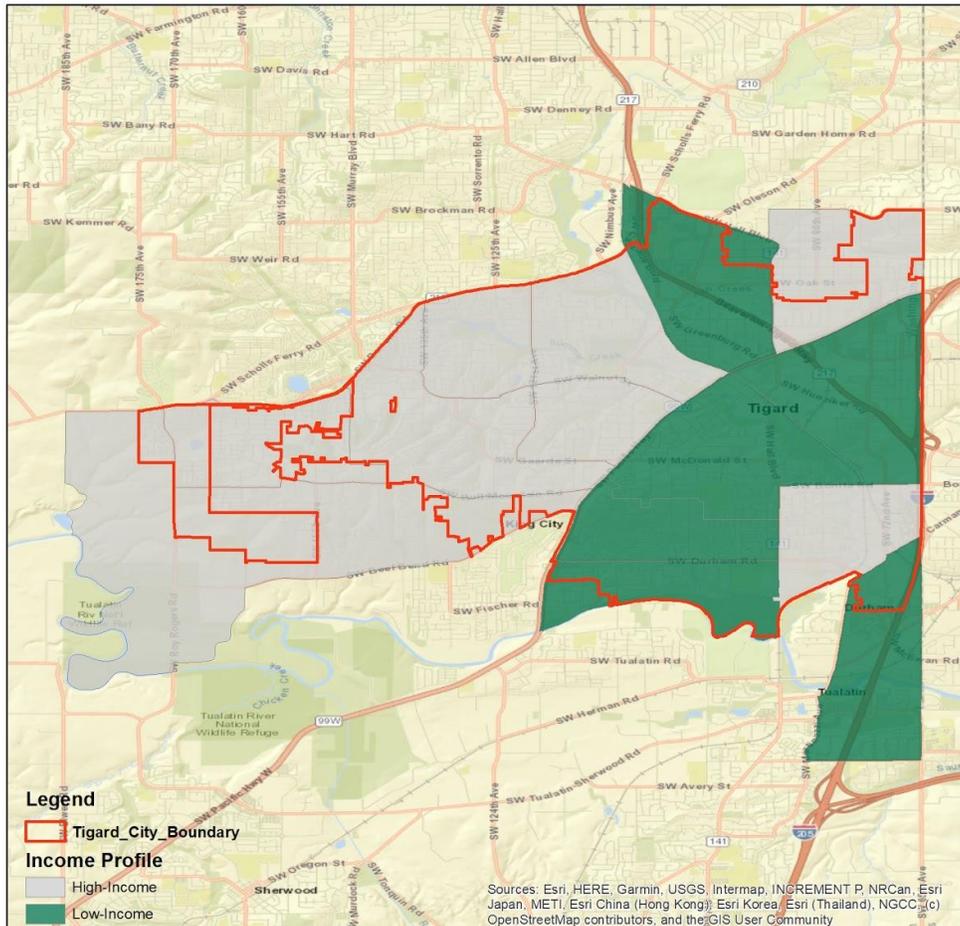
Table 10. Indicators and City Averages for Neighborhood Typology Assessment

Income Profile	Tigard	Criteria
Low-income households (2019)	37.30%	↑
Median Household Income (2019)	\$79,809	↓
Vulnerable People		
BIPOC (2019)	18.10%	↑
Limited English proficiency (2019)	7.10%	↑
Persons with disabilities (2019)	10.80%	↑
Female-headed households (2019)	26.90%	↑
Senior: 65 years and older (2019)	10.80%	↑
Precarious Housing		
Multifamily housing units (2019)	26.4%	↑
Housing units built before the 1970s (2019)	15.8%	↑
Housing Market Activity		
Median Rent (2019)	\$1,243	↑
Median Home Value (2019)	\$408,400	↑
Change in Median Rent (2011-2019)	32.7%	↑
Change in Median Home Value (2011-2019)	37.0%	↑
Neighborhood Demographic Change		
BIPOC population (2011-2019)	0.30%	↓
Median Household Income (2011-2019)	29.20%	↑
Renter (2011-2019)	0.03%	↓
Bachelor's degree or higher (2011-2019)	3.90%	↑

Source. 2009-2013 ACS, 2015-2019 ACS

1) Income Profile

Figure 11. Income Profile Map: Where Do Low-Income Households Live in 2019

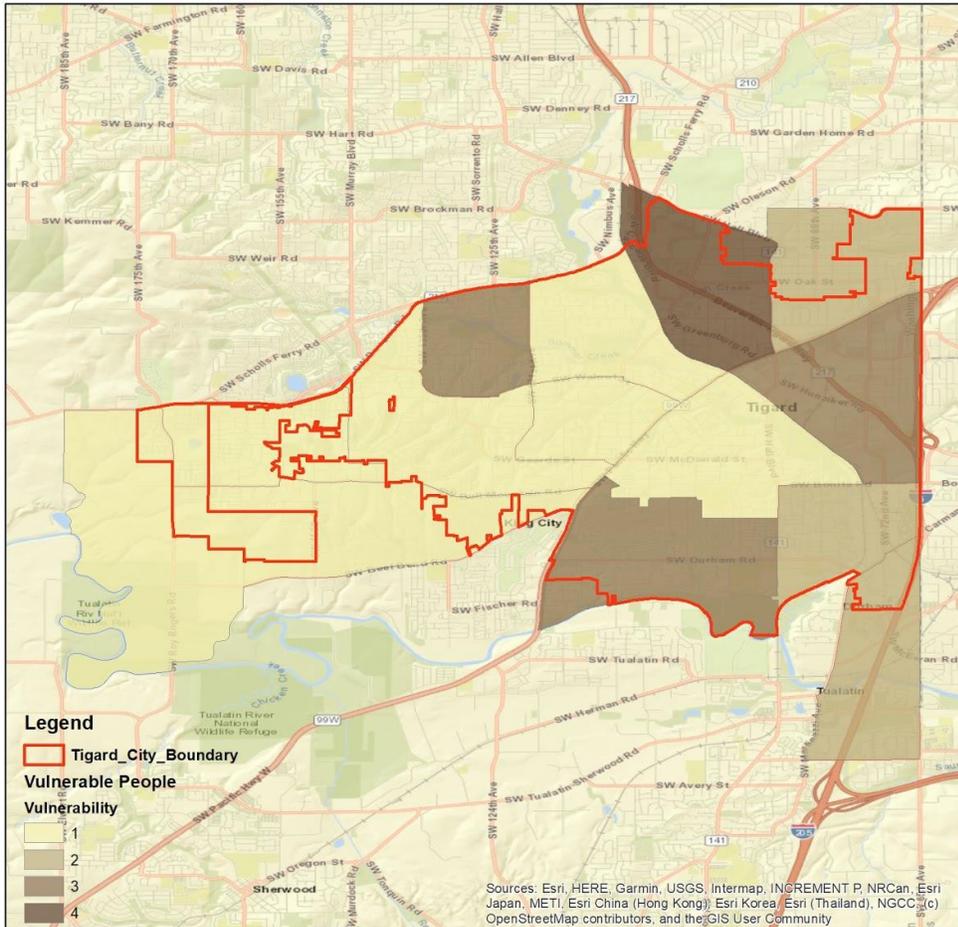


Source: Table 2, CHAS 2013-2017, summary level: Census Tract

The map shows identified tracts having larger percentages of households having income at or below 80% AMI in 2019 and having lower median household income than the city's median in 2019. Low-income households clustered along highway 217 and around the intersection between 217 and 99W.

2) Vulnerable People

Figure 12. Vulnerable People Map: Where Do BIPOC and Vulnerable People Live in 2019

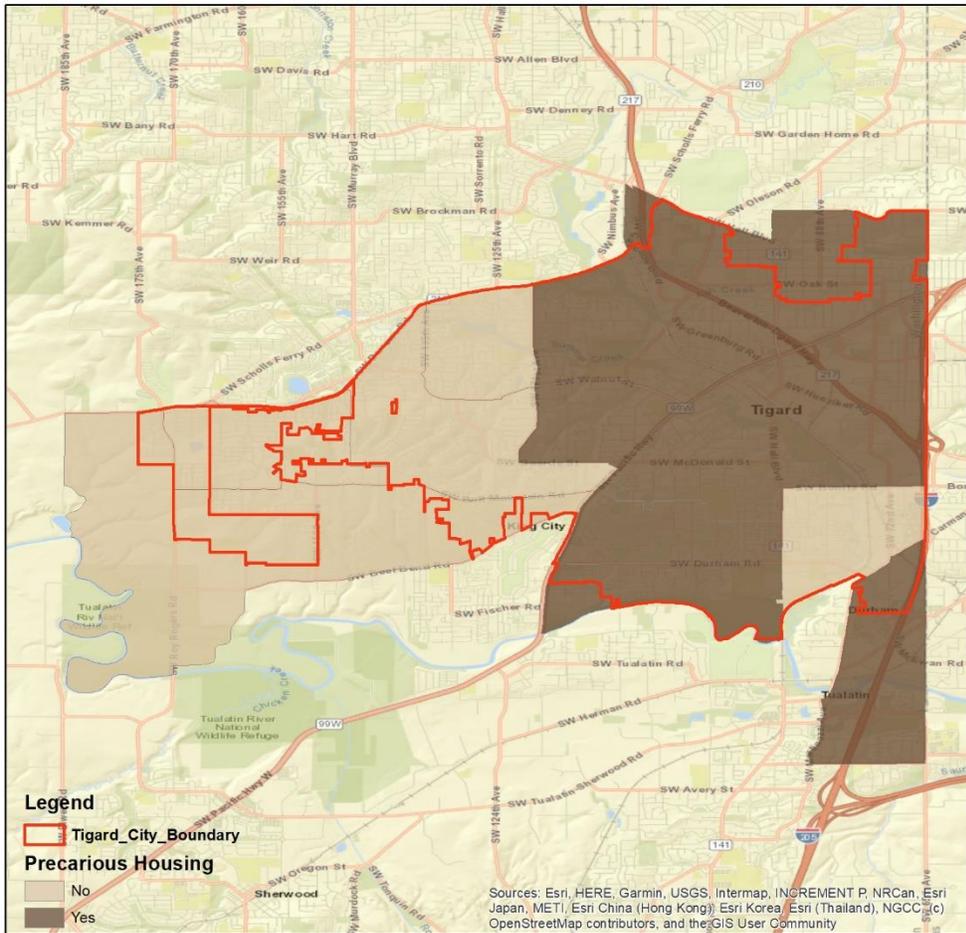


Source. ACS 2015-2019

The population groups with high vulnerability to gentrification and displacement live along with 217 Highway. Around the intersections of 99W and 217 Highways, vulnerable population groups are densely located. After the intersection, the south side of the 99W has more vulnerable populations.

3) Precarious Housing

Figure 13. Precarious Housing Map: Where Is Precarious Housing Located in 2019

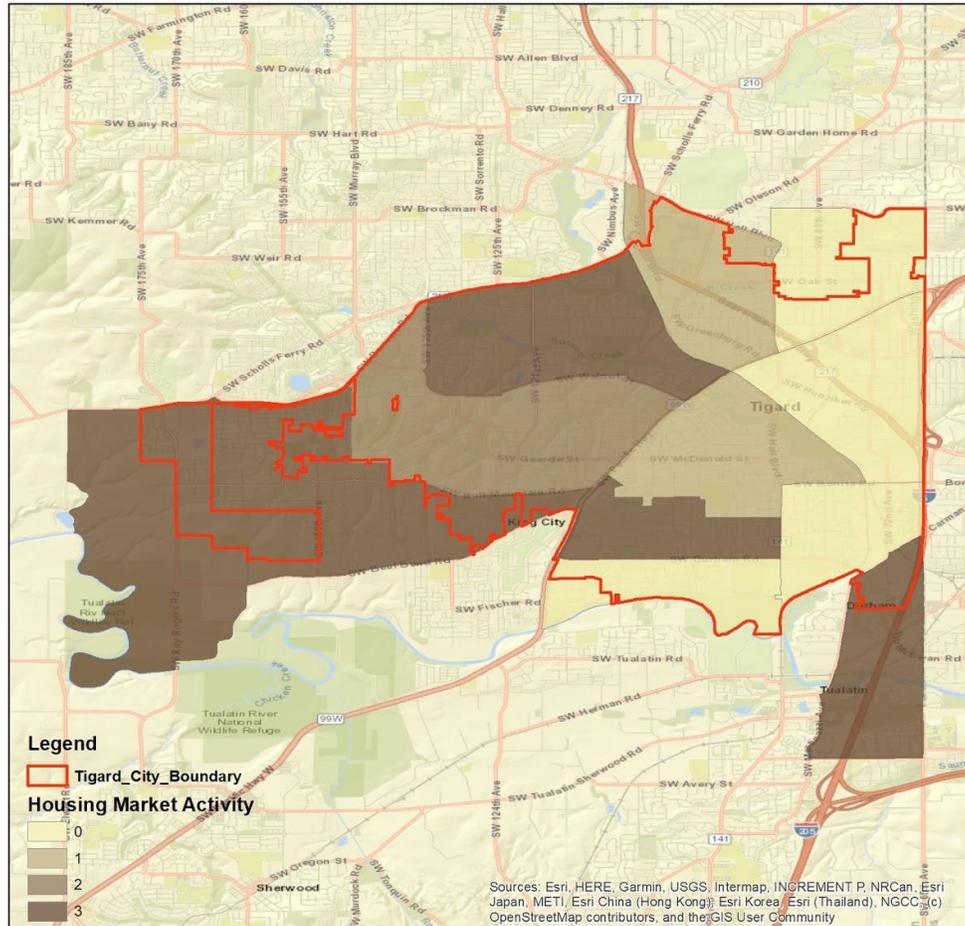


Source. ACS 2015-2019

The left map shows where the housing units built before the 1970s are located. It tells vulnerable housing units to demolition or remodeling while showing the relatively older and affordable housing. The map on the right shows the percentage of multi-family housing units. The darker means more multi-family housing units in the tract. The bright yellow dot means the subsidized multifamily housing units.

4) Housing Market Activity

Figure 14. Housing Market Activity Map: Where is the Hot Housing Market in 2019

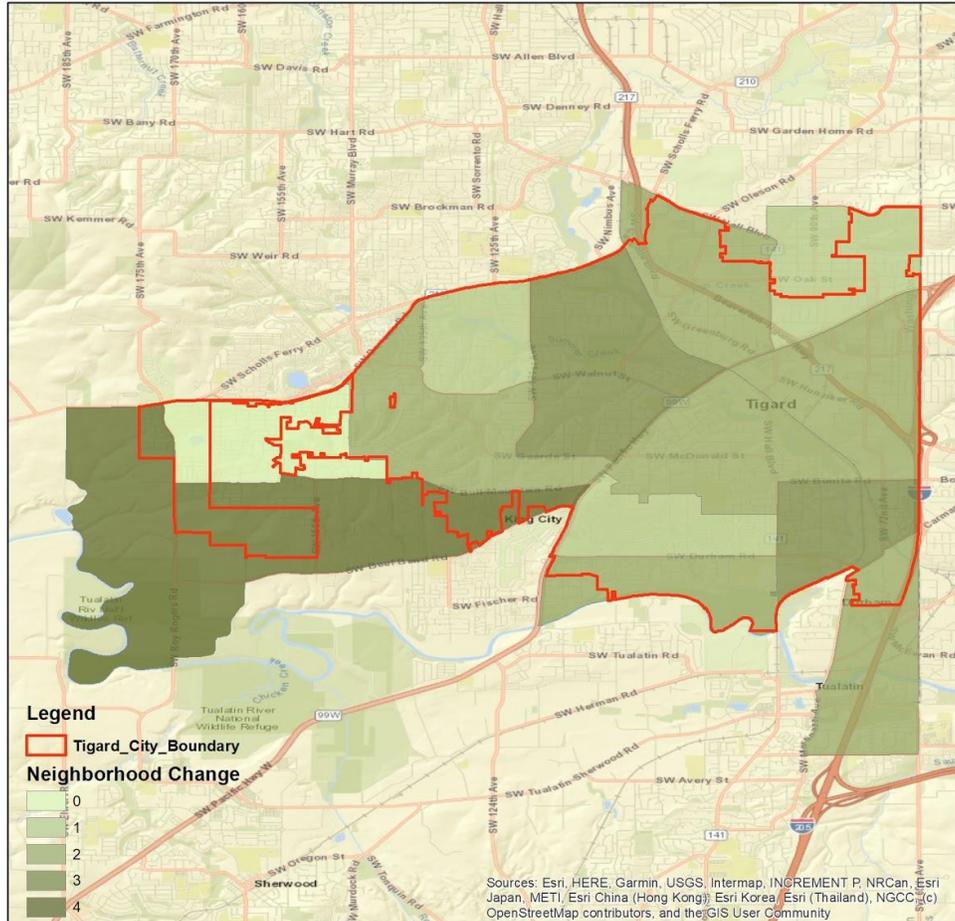


Source. ACS 2015-2019

The west side of the city has higher home value and rent with greater growth of housing price compared to the rest of the area. However, the southside of the city, after the intersection of 217 and 99W has marked a significant increase in housing price although the area still has affordable housing prices.

5) Neighborhood Demographic Change

Figure 15. Neighborhood Demographic Change Map, 2013-2019

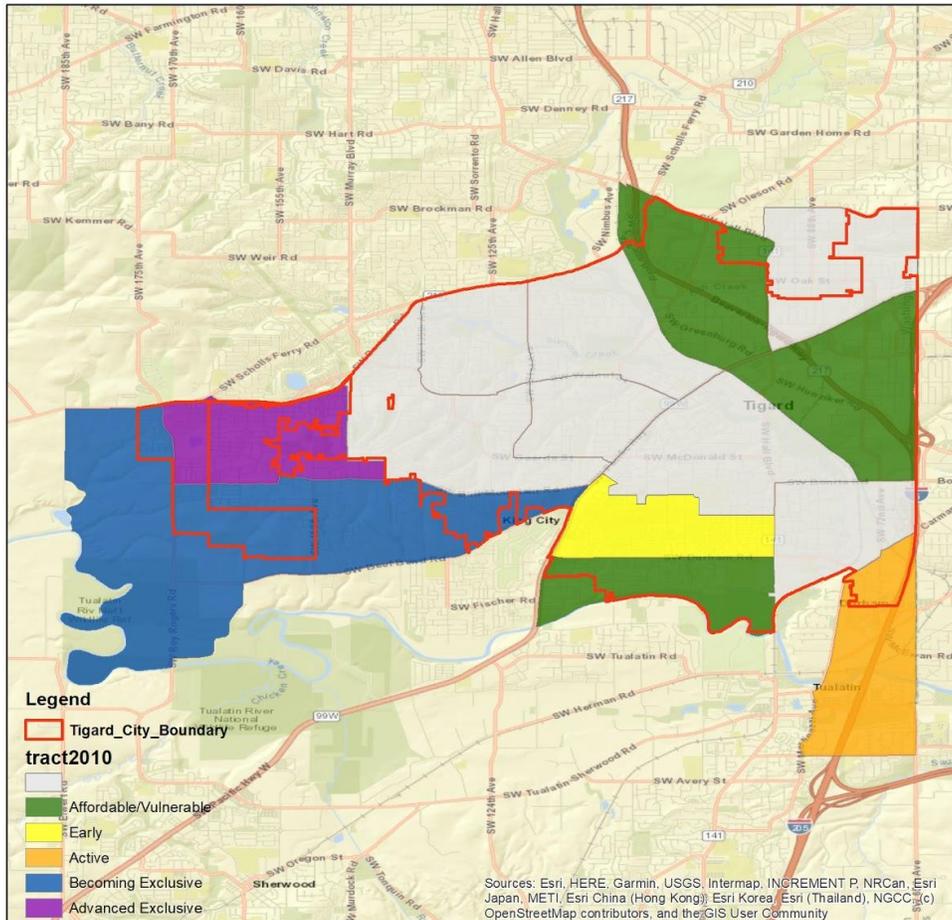


Source. ACS 2009-2013, ACS 2015-2019

The particular areas in the west and south side of Tigard show remarkable demographic changes that are possibly related to gentrification or displacement. Those areas also have hot housing market.

6) Neighborhood Typology Results

Figure 16. Tract Level Neighborhood Typology Results Map



Green: Affordable and Vulnerable

- North and northeast neighborhoods along highway 217 and 99W
 - The neighborhoods have a high share of vulnerable population with low-income as well as a larger share of multifamily properties and older properties in the neighborhoods than the citywide.
 - East side of Tigard (West side of Lake Oswego) seems to be where lower-income people find affordable rental homes due to their relatively lower cost compared to Lake Oswego where is the affluent neighborhood with exclusive housing market.
- South of Tigard where is adjacent to the city of Tualatin
 - The neighborhood has a high share of vulnerable population with low-income with a greater share of multifamily properties than the citywide.

Yellow: Early Gentrification

- The neighborhood has a high share of vulnerable population with low-income as well as a greater share of multifamily properties. This neighborhood experienced a larger increase in rent and home value with higher rent in 2019 than the city average. However, no considerable demographic change has occurred yet in the neighborhood.

Orange: Active Gentrification

- The identified neighborhood is located in the south of the city along I-5 highway. Tigard has only small portion of this neighborhood (Census tract) as the part of the city, as the tract is shared with neighboring cities, Tualatin and Durham.
- The neighborhood is home to vulnerable population with low-income including a greater share of multifamily properties than the citywide. This neighborhood's housing market is hot as the market shows significantly high appreciation in housing prices with higher rent in 2019 than the city average. Especially, the neighborhood experienced gentrification related changes regarding considerable demographic changes in people with bachelor's degrees or higher and median household income.

Blue: Becoming Exclusive

- The identified neighborhood includes only a small part of the westside of Tigard. The neighborhood has high income at the neighborhood level with no vulnerable population. The housing market in the neighborhood becomes exclusive with higher appreciation of housing prices with higher rent in 2019 than the city average. With hot housing market, the neighborhood actually experienced considerable demographic changes in all measures related to gentrification.

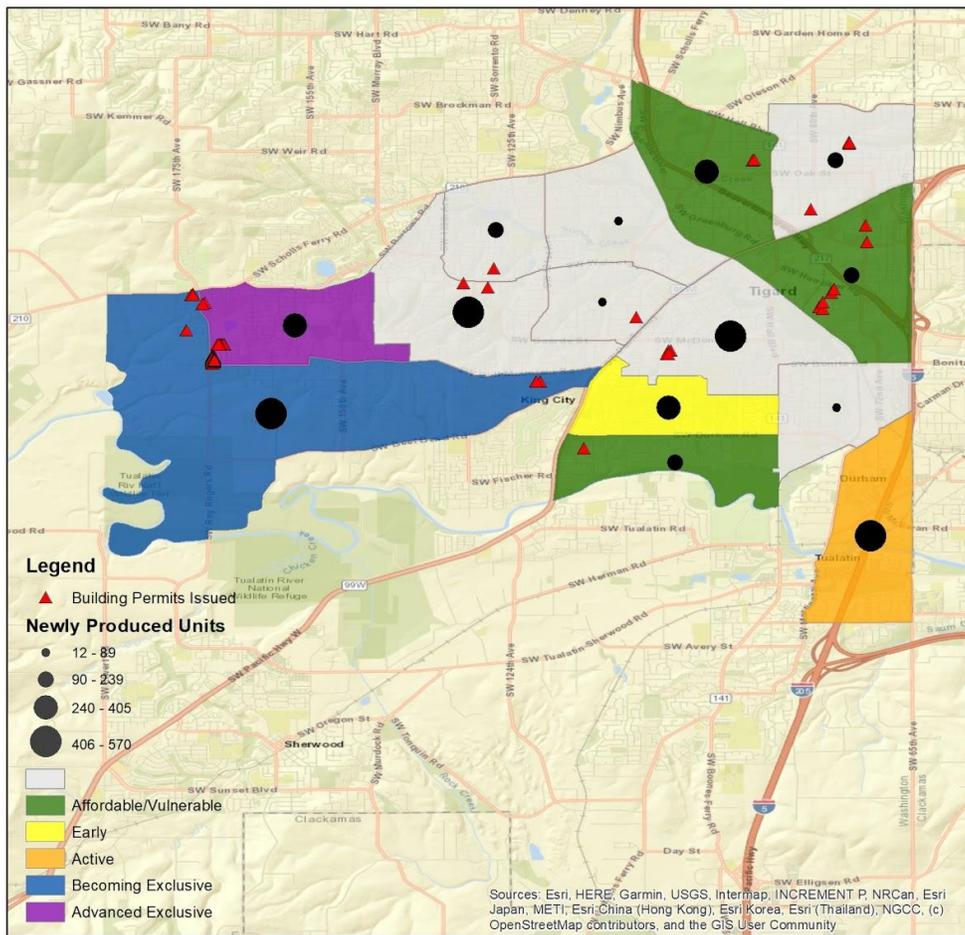
Purple: Advanced Exclusive

The identified neighborhood has high income at the neighborhood level with no vulnerable population. As the neighborhood shows no demographic change, the housing market in this neighborhood is exclusive as it has higher rent and home value than the city average.

2. Housing Supply with Typology

the next step of spatial analysis is to add an overlay of the recent housing development pattern. The spatial patterns of the housing development by neighborhood type alerts where the spatial mismatch of people and housing occurs while considering unintended consequences of housing production, gentrification and displacement.

Figure 17. Map of Housing Development Patterns with Neighborhood Typology, 2013-2019



Source. ACS 2015-2019, Tigard Community Development's Online Services for Permits

Notes. Black dot in the map indicates the "Housing Units Produced between 2013 and 2019." Red triangle indicates "Housing permits issued for new construction from 2013 and 2020."

Table 11. Number of Units Produced by Neighborhood Types Identified

	Single-Family Homes	Middle Housing (2,3,4 plex)	Multifamily Homes
Green Affordable and vulnerable	147	266	1,172
Yellow Early gentrification	86	0	319
Orange Active gentrification	0	102	344
Blue Becoming Exclusive	434	110	8
Purple Advanced Exclusive	220	22	60
Total	887	500	1,903

Source. 2009-2013 ACS, 2015-2019 ACS

Disparate Housing Development Patterns between Multifamily and Single-Family Homes

Most multifamily housing production occurred in neighborhoods that are designated as low-income tracts with vulnerable people with precarious housing. Especially, a significant increase of multifamily homes occurred in affordable and vulnerable places where rental homes are in need the most.

However, new single-family homes account for 77% of newly produced housing units in the high-income neighborhoods with an exclusive housing market. The neighborhood becoming exclusive has the most housing units produced in total.

Also, middle housing was relatively less developed compared to other housing types over time.

Although a significant increase in multifamily homes occurred in the neighborhoods with low-income and vulnerable people, market-rate multifamily properties may have the unintended consequences in low-income neighborhoods with displacement risks. In order to clarify the affordability of newly produced multifamily rental units, this analysis suggests ground truthing exercise so the analysis can have detailed information to better understand the neighborhood change regarding the housing production.

3. Key Takeaways of Spatial Analysis

Housing planning and actual production of units have matched with the housing needs by neighborhood type

- Multifamily housing development occurred where they are most needed.
 - Affordable and Vulnerable, Early gentrification, and Active gentrification neighborhoods experienced significantly large multifamily housing development than the neighborhoods identified as becoming exclusive or advanced exclusive.
 - However, we need the data to determine whether newly produced multifamily buildings were market-rate multifamily properties or subsidized affordable housing. The additional examination through either supplemental dataset for rents or ground-truthing exercise through community engagement activities helps figure out the neighborhood's gentrification and displacement risks.
- A relatively small increase in middle housing type (duplex, triplex, fourplex) compared to single-family homes and multifamily homes

Displacement alert in low-income neighborhoods

- A couple of neighborhoods are identified as gentrification is underway. Both neighborhoods also experienced large housing unit developments over the period.
- Active Gentrification neighborhood may have high displacement risks of low-income households.
 - The neighborhood experienced a larger increase in rent and home value with higher rent in 2019 than the city average.
 - Considerable demographic change in adults with bachelors' degrees and median household income occurred in the neighborhood as an indicative of gentrification.

Collaborative housing planning needs with neighboring cities

- Inconsistent data due to unconformity of geographic boundaries between census tract and cities may create inaccurate typology results with the spatial analysis for housing supply patterns.
- In particular, the active gentrification neighborhood in the map shows a large number of housing production without any issued building permits from Tigard. This indicates that actual housing production occurred in the neighboring cities where share the tract with Tigard.
- The inconsistent problem of geographic boundaries and data also indicates the spillover effects of housing development, which may lead the unintended consequences that can negatively affect the regional housing outcomes.

PLANNING ANALYSIS

Unmet housing needs of low-income renters

The housing needs of extremely low-income and very low-income households are still not met, although 313 units of subsidized multifamily housing is in pipeline. Tigard needs to accommodate various housing production strategies that can maintain low-cost rentals affordable to those renters, since the affordable rental homes for them will not be created by market alone. Considering spatial factors, how can new multifamily production support housing stability rather than igniting gentrification and displacement of low-income renters?

More middle housing

The existing housing plan of Tigard suggests more single-family development over 2030. Indeed, large development of single-family housing occurred in the neighborhoods with the exclusive housing markets. While an increase in single-family homes may open up housing opportunities for moving up potential and overall housing needs in Tigard, the city's median home value has been increased more than the regional average. In order to foster Tigard's homeownership accessibility, the city may consider 'middle housing' options in plans and production strategies, since there's a lack of middle housing among the recently produced housing units. But, then, will single-family or middle housing production deepen segregation or lead to opportunities? What should we do for equitable HPS?

Collaborative housing planning – regional look needed

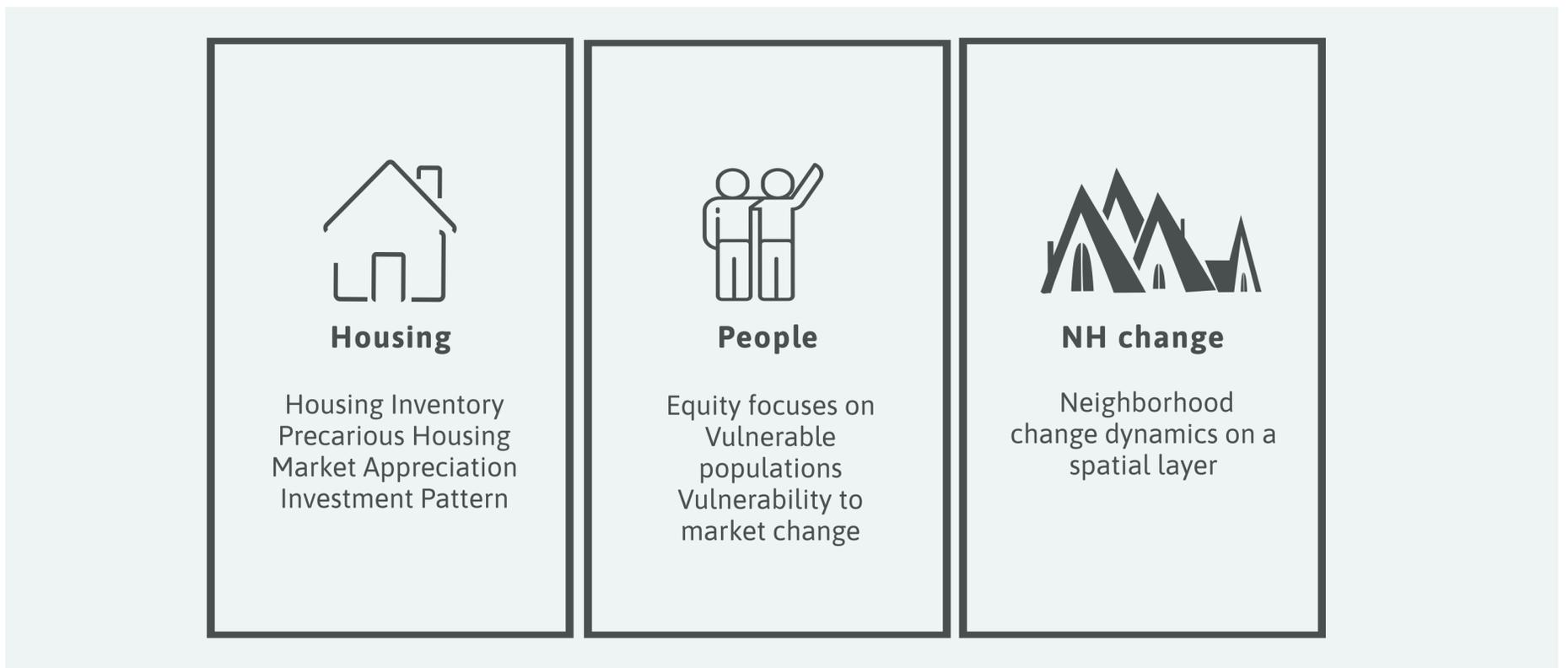
A spatial flag notices boundaries and jurisdiction problems. Especially, Active Gentrification neighborhood is located at the border of Lake Oswego, Durham, Tualatin, and Tigard. The neighborhood perhaps serves as an affordable outlet for nearby housing cost problems, such as relatively lower-cost housing than those in Lake Oswego or other neighboring cities. Those kinds of neighborhoods may experience spillover effects of housing development from other cities, which may negatively affect the regional housing outcomes. Then, collaborative housing planning arises for equitable HPS. How can all jurisdictions meet needed housing, rather than having some serve as outlets?



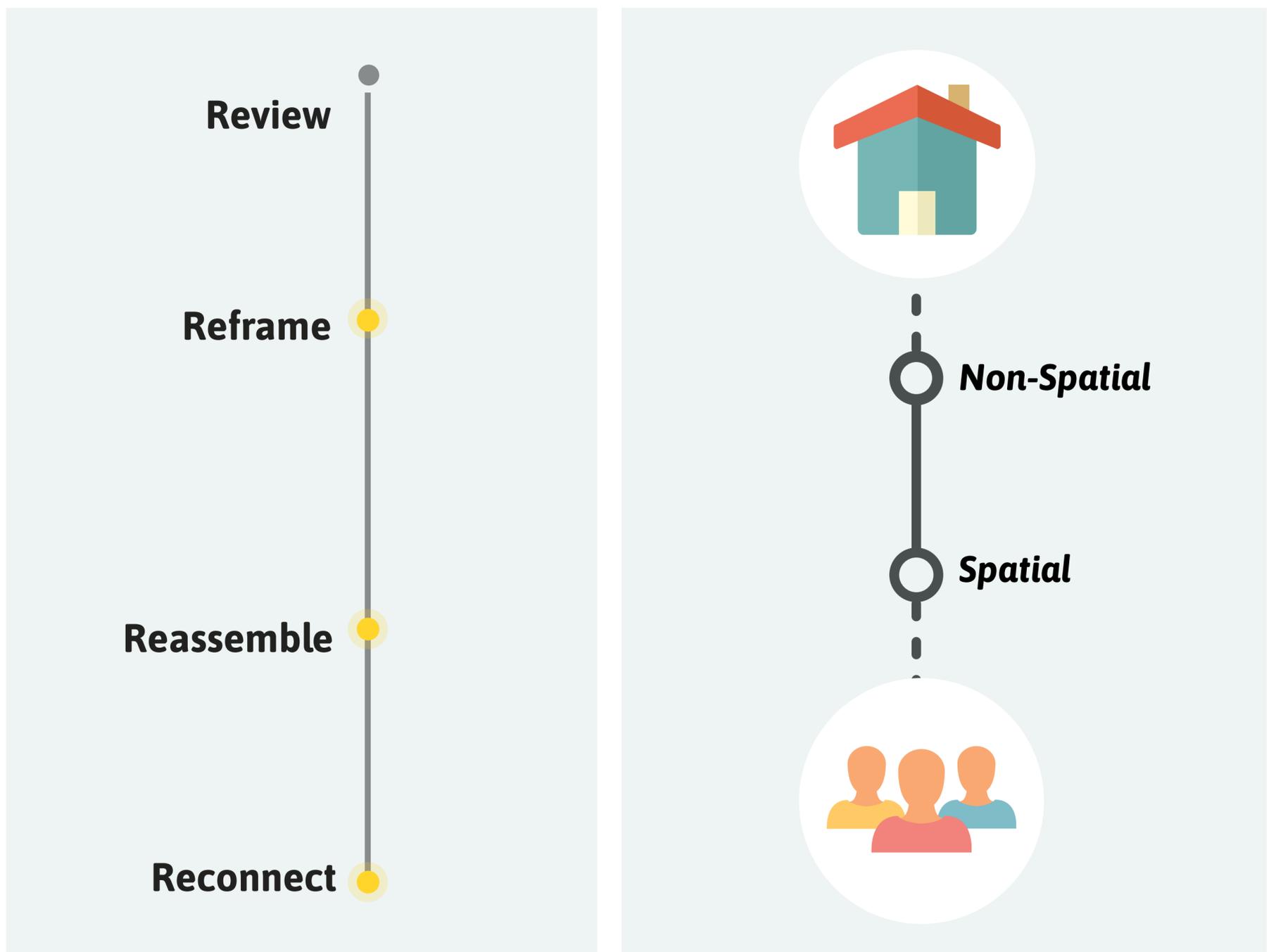
ASSESSMENT TOOLKIT-TIGARD

Anti-Displacement and Gentrification Toolkit Project

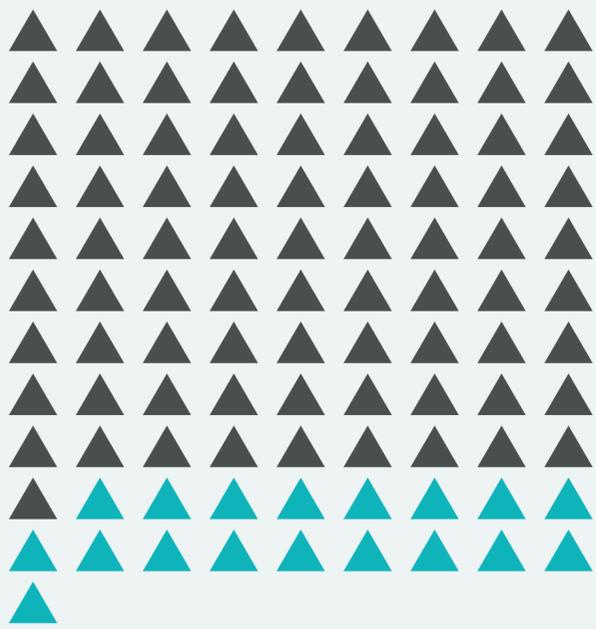
CONCEPTUAL FRAMEWORK



APPROACH



Tigard: People



■ Total Population (81.9%) ■ BIPOC (18.1%)

Population
53,312
 ▲ 8.7%

Bachelor's degree or higher
44.2%
 ▲ 3.9%

Renter
39.4%
 (=)

MHI
\$79,809
 ▲ 29.2%

Low-income Households
37.3%
 ▲ 2.5%

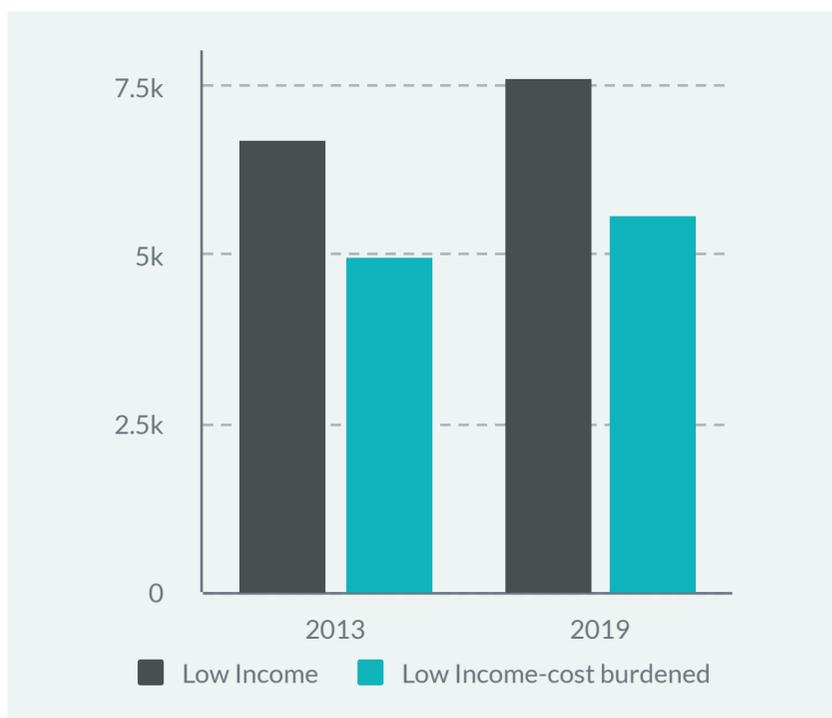
Low-income renters
25.0%
 ▲ 2.4%

Cost-Burdened households
33.6%
 ▼ 3.5%

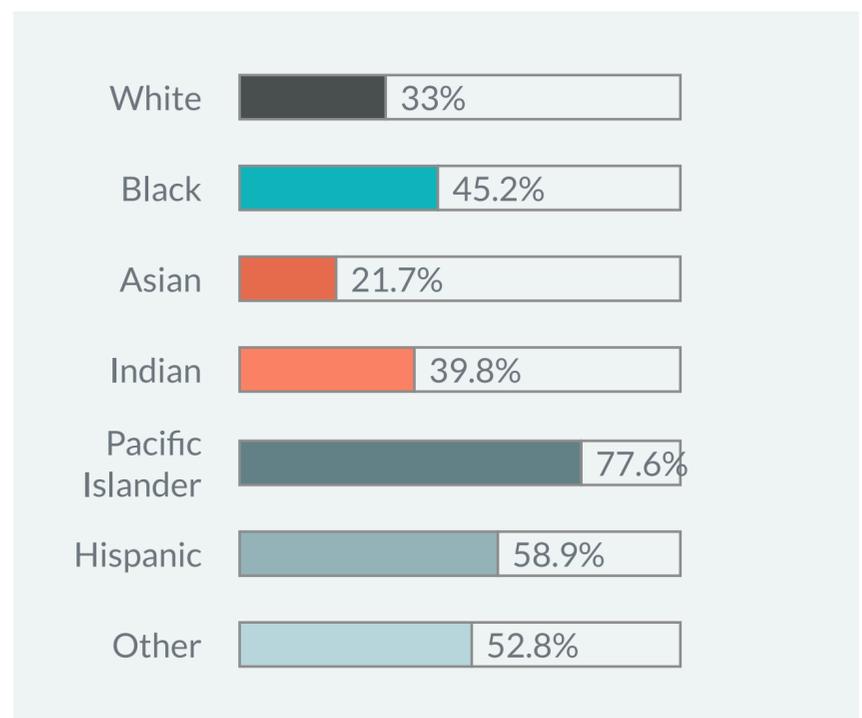
Severe housing cost-burden
14.4%
 ▼ 1.0%

Change between 2013 and 2019,
 =Tigard HNA (2013), ACS 2015-2019

Low-Income Households



BIPOC*Low-Income



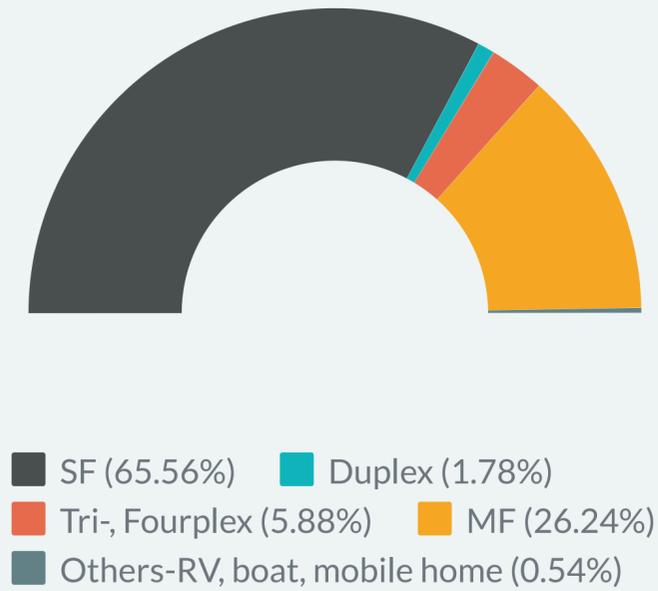
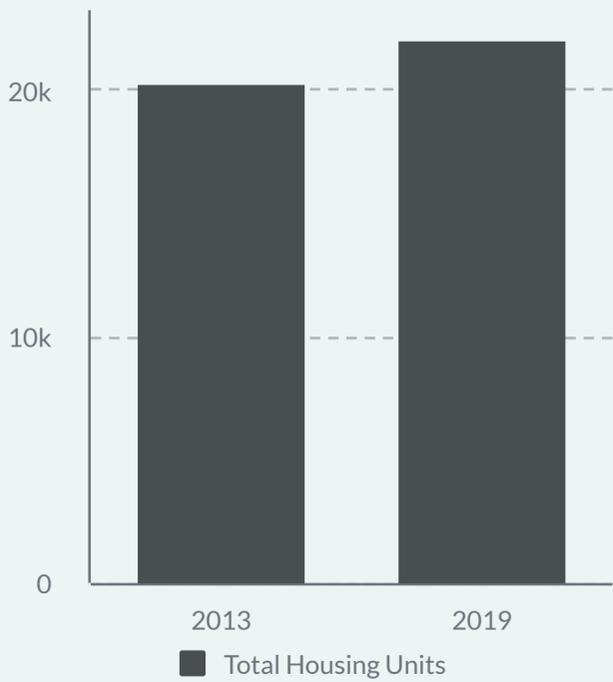
BIPOC*Cost-Burden



BIPOC*Low-income Renters



Tigard: Housing



\$1,243

Median Rent

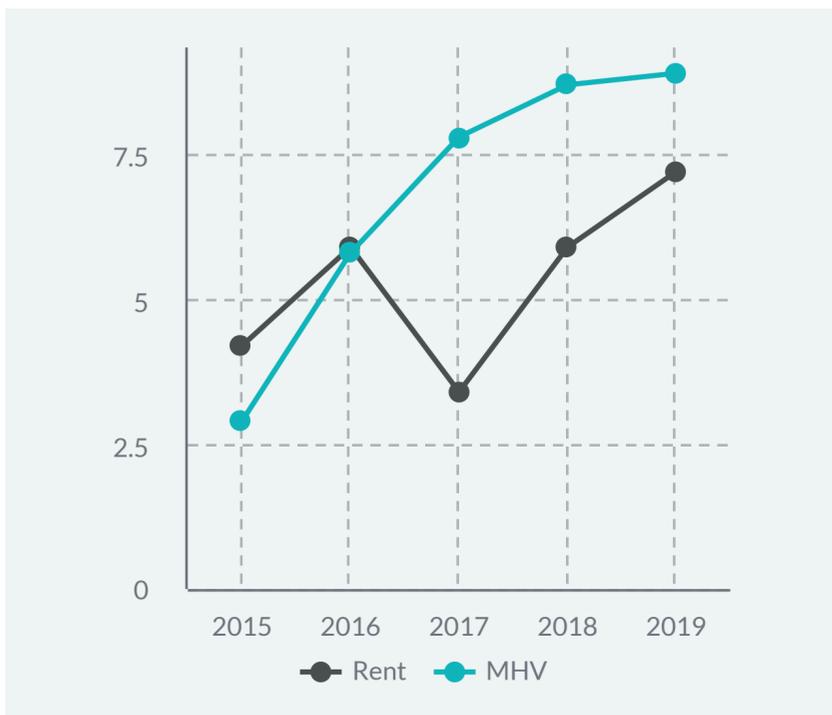
▲ 33%

\$408,400

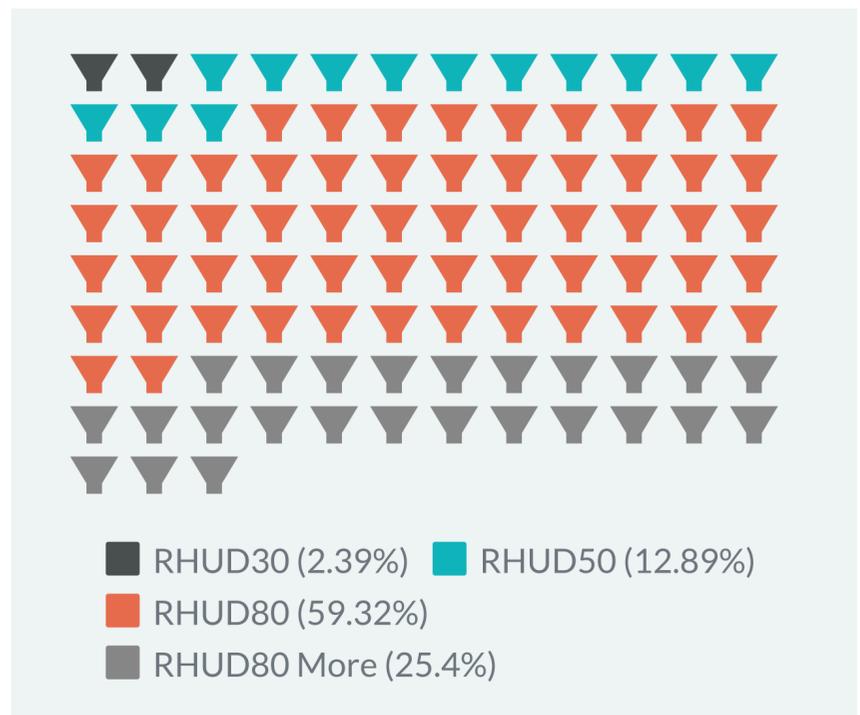
Median Home Value

▲ 37%

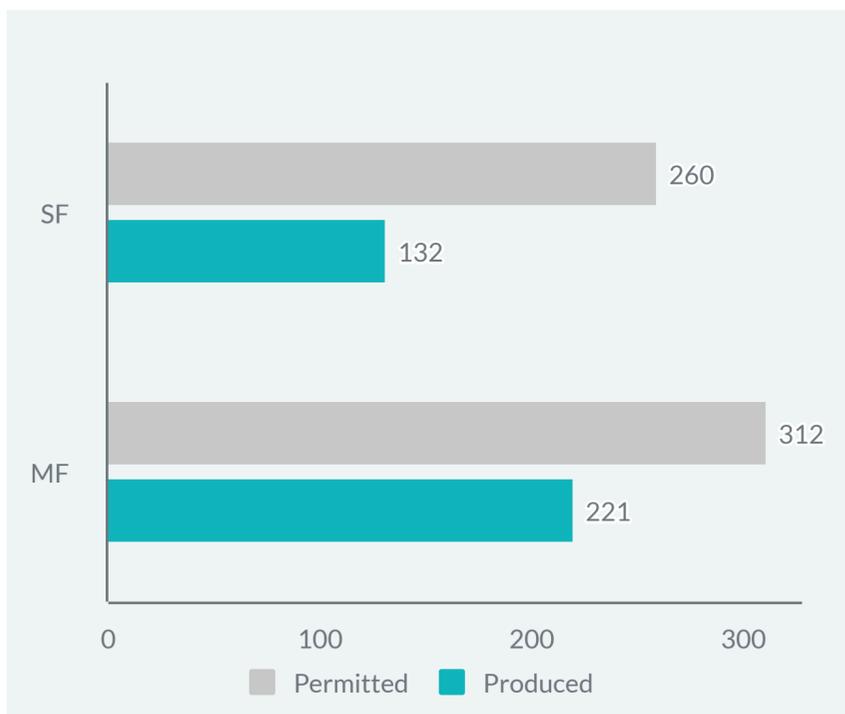
Housing Price + Rent % Change



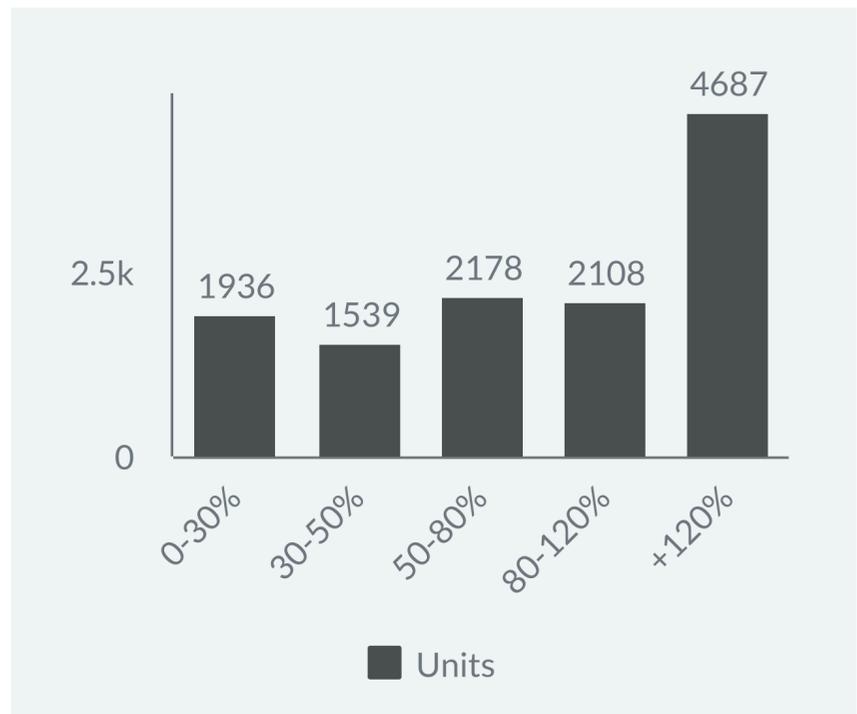
Affordable Rental Units



Building Permits



Housing Projection-RHNA



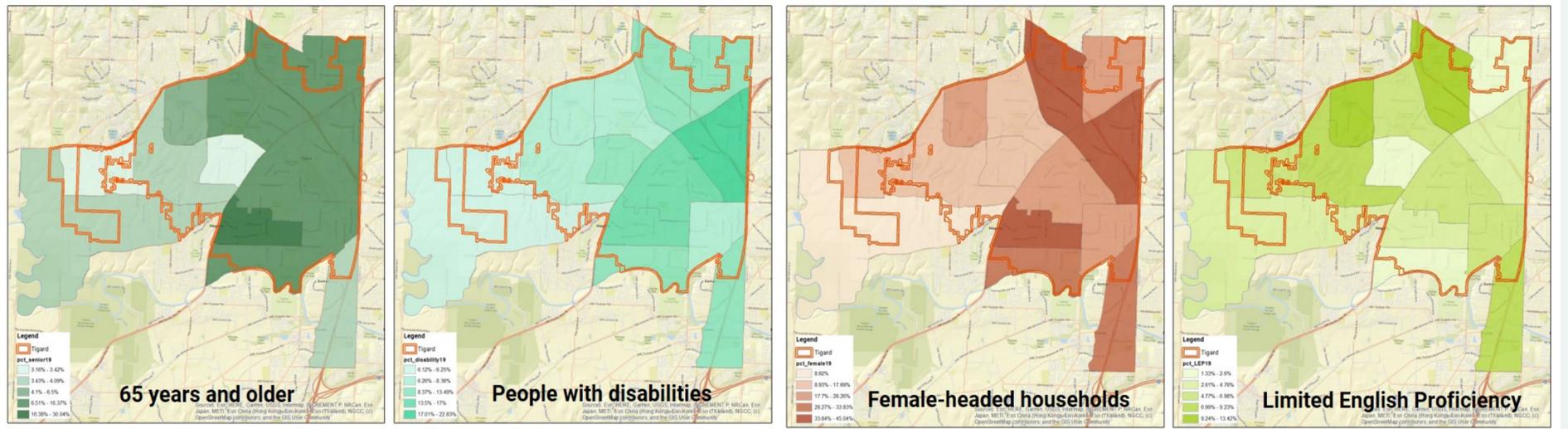
Tigard: NH Change

1

VULNERABLE PEOPLE

Where do BIPOC+Vulnerable population group live?

+ Limited English Proficiency, Persons with disabilities, Female-headed Households, 65 Years and Older

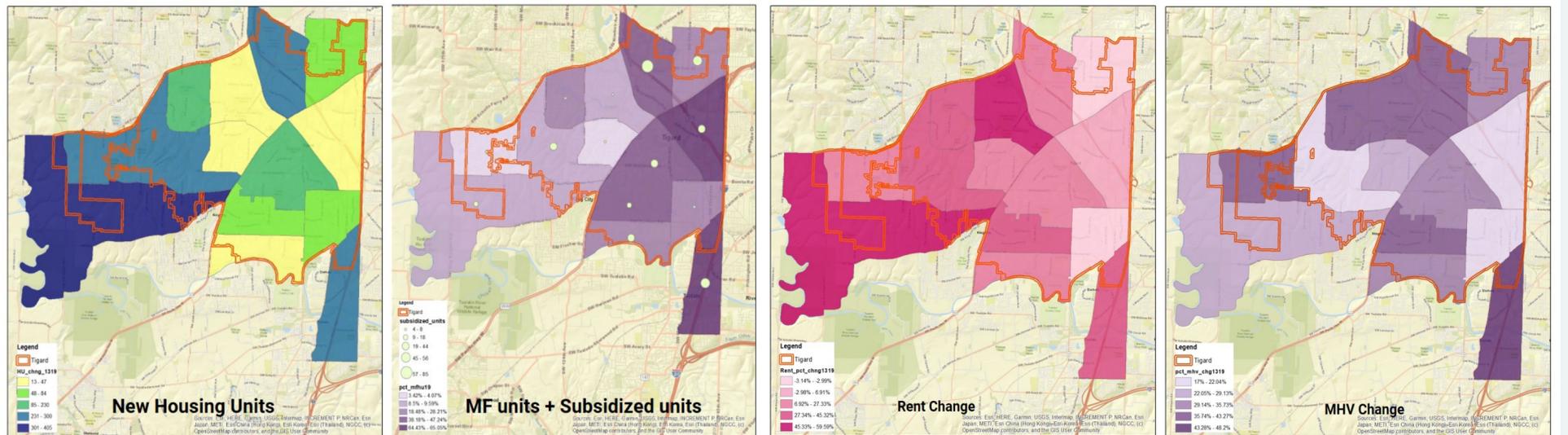


2

HOUSING MARKET

How are the housing market spatially and where is a new development?

+ Housing inventory, Precarious housing, New development, Rent and Home Value

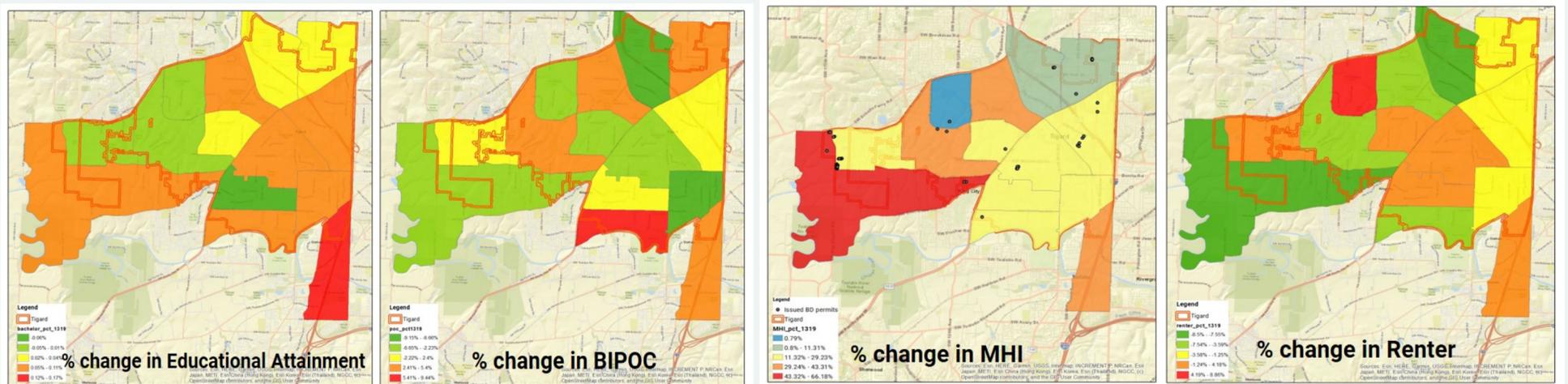


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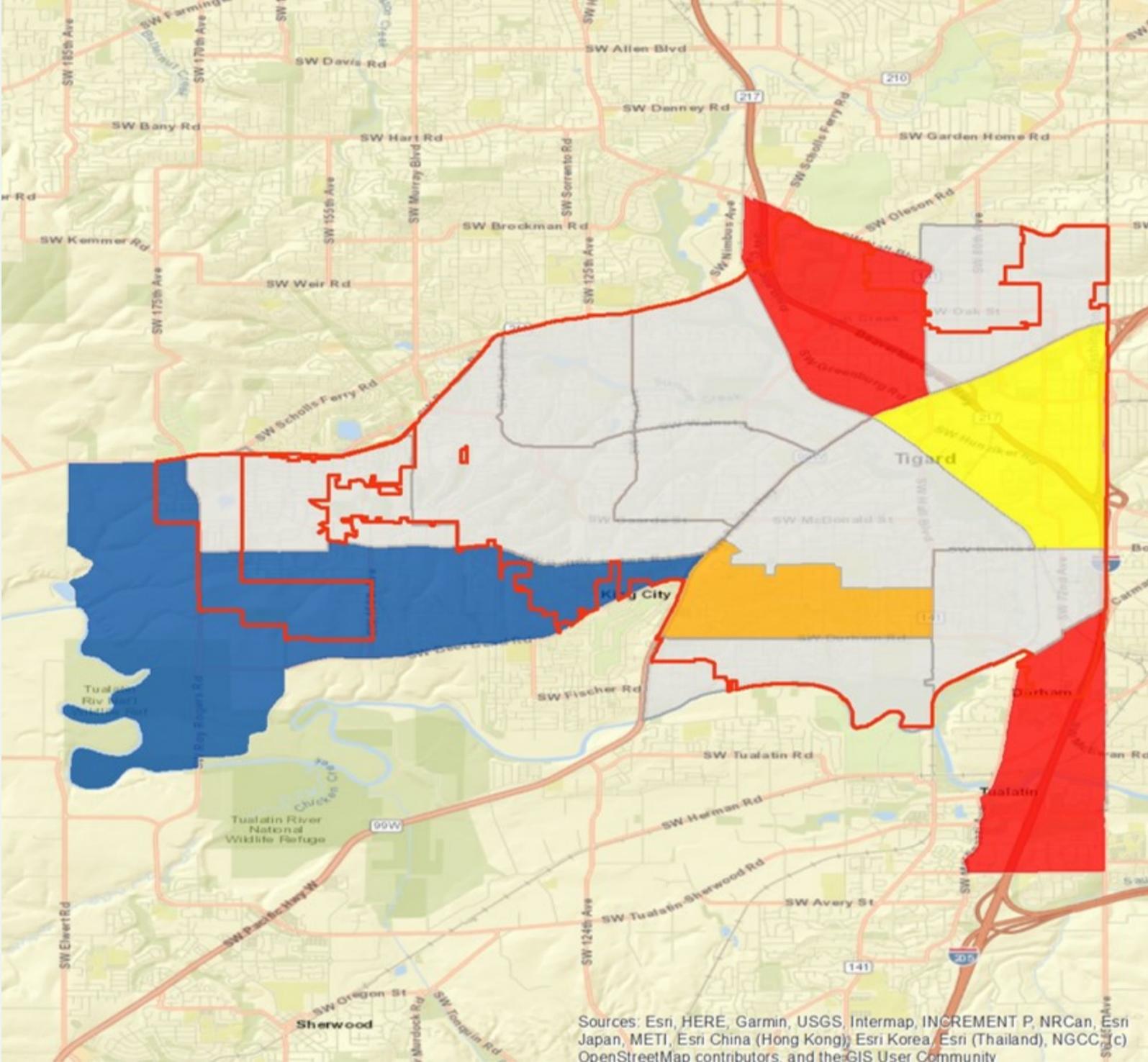
NEIGHBORHOOD CHANGE

How are the changes in neighborhood characteristics? Any signs of gentrification or displacement?

+ Change in POC, Educated people, Ownership, Household income in a neighborhood



Tigard: Findings



 **Blue**

 **Yellow**

 **Orange**

 **Red**

APPENDIX C. MODEL ANALYSIS OF HERMISTON

HOUSING NEEDS EQUITY ANALYSIS

1. Equity Analysis for People

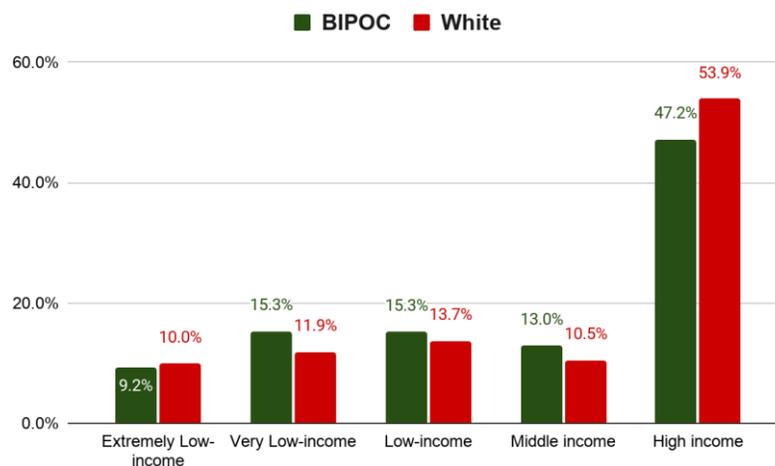
1) Racial disparities in household income

BIPOC households disproportionately experience low-income than White households. A larger share of low-income BIPOCs has income between 30% AMI and 80% AMI than low-income White households.

Table 1. Share of Low-Income Households in Each Racial Group

	Low-income Households		Total
White alone, non-Hispanic	1,855	35.5%	5,220
Black or African-American alone, non-Hispanic	8	100.0%	8
Asian alone, non-Hispanic	20	83.3%	24
American Indian or Alaska Native alone, non-Hispanic	0	0.0%	49
Pacific Islander alone, non-Hispanic	0	0.0%	0
Hispanic, any race	865	40.6%	2,130
other (including multiple races, non-Hispanic)	30	28.6%	105
Total	2,778	28.6%	7,536

Source. Table 2, CHAS 2013-2017, summary level: Census Tract



Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income(0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI), Middle or High-income (more than 80% AMI)

2) Different patterns in the share of low-income renters between BIPOC and White households

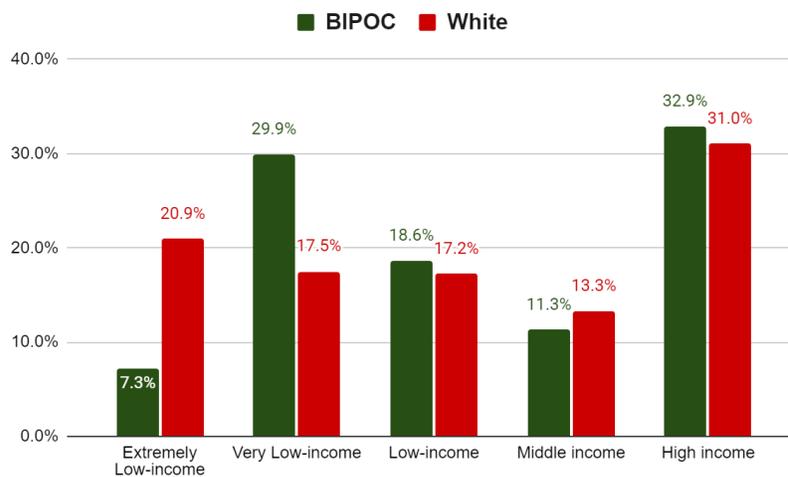
Renters Overall, White renters are more evenly distributed by income level. However, BIPOC renters are disproportionately distributed by income, with a high concentration in very low-income groups.

Table 2. Share of Low-Income Households in Each Racial Group of Renters

	Low-income Renter Households		Total Renter
	Count	Percentage	
White alone, non-Hispanic	1,130	55.7%	2,030
Black or African-American alone, non-Hispanic	4	100.0%	4
Asian alone, non-Hispanic	20	100.0%	20
American Indian or Alaska Native alone, non-Hispanic	0	0.0%	20
Pacific Islander alone, non-Hispanic	0		0
Hispanic, any race	515	54.5%	945
other (including multiple races, non-Hispanic)	30	100.0%	30
Total	1,699	55.7%	3,049

Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Figure 1. Distribution of Renters by Income Level Between BIPOC and White



Source. Table 2, CHAS 2013-2017, summary level: Census Tract

Note. Extremely Low-Income (0-30% of AMI), Very Low-Income (31-50% of AMI), Low-Income (51-80% of AMI), Middle or High-income (more than 80% AMI)

3) BIPOC folks are more likely to suffer from housing cost burdens

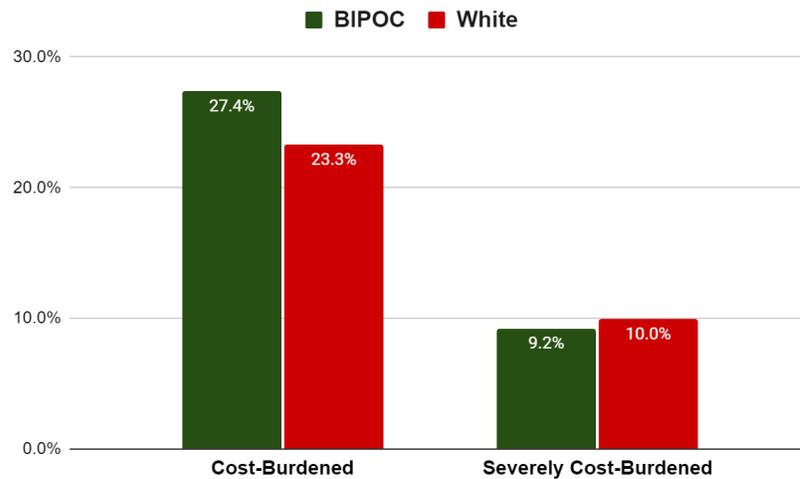
A slightly larger share of BIPOC households' experiences housing cost burdens than white households. Especially, all cost-burdened Asian and Black households are found as severely burdened.

Table 3. Distribution of Cost-Burdened Households by Race/Ethnicity

	Cost-Burdened Households		Severely Cost-Burdened Households	
	Count	Percentage	Count	Percentage
White alone, non-Hispanic	1,215	23.3%	520	10.0%
Black or African-American alone, non-Hispanic	4	50.0%	4	50.0%
Asian alone, non-Hispanic	20	83.3%	20	83.3%
American Indian or Alaska Native alone, non-Hispanic	0	0.0%	0	0.0%
Pacific Islander alone, non-Hispanic	0	0.0%	0	0.0%
Hispanic, any race	580	27.2%	190	8.9%
other (including multiple races, non-Hispanic)	30	28.6%	0	0.0%
Total	1,849	24.5%	734	9.7%

Source. Table 9, CHAS 2013-2017, summary level: Census Tract

Figure 2. Percent of Cost-Burdened and Severely Cost-Burdened Households Between BIPOC and White households



Source. Table 9, CHAS 2013-2017, summary level: Census Tract

4) Different patterns in renter households experiencing cost burdens

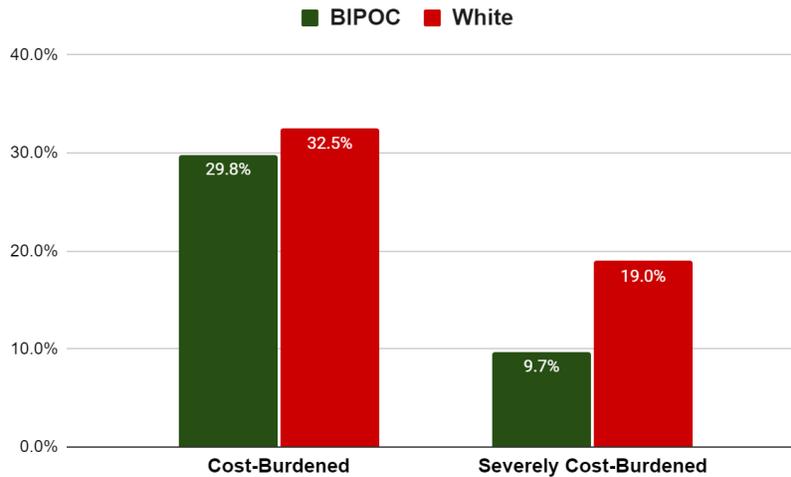
While a more significant percentage of White renters suffer from housing cost burdens than Latinx renters, the rest of all other races, such as Black, Asian, and other renters, experience housing cost burdens. In fact, white renters are more likely to suffer from severe housing cost burdens than Latinx renters.

Table 4. Distribution of Rent-Burdened Households by Race/Ethnicity

	Cost-Burdened Renter Households		Severely Cost-Burdened Renter Households	
	Count	Percentage	Count	Percentage
White alone, non-Hispanic	660	32.5%	385	19.0%
Black or African-American alone, non-Hispanic	4	100.0%	4	100.0%
Asian alone, non-Hispanic	20	100.0%	20	100.0%
American Indian or Alaska Native alone, non-Hispanic	0	0.0%	0	0.0%
Pacific Islander alone, non-Hispanic	0	0.0%	0	0.0%
Hispanic, any race	250	26.5%	75	7.9%
other (including multiple races, non-Hispanic)	30	100.0%	0	0.0%
Total	964	31.6%	484	15.9%

Source. Table 9, CHAS 2013-2017, summary level: Census Tract

Figure 3. Percent of Cost-Burdened and Severely Cost-Burdened Renter Households



Source. Table 9, CHAS 2013-2017, summary level: Census Tract

2. Equity Analysis for Housing

1) Increased share of multifamily properties and manufactured homes with decreased middle housing

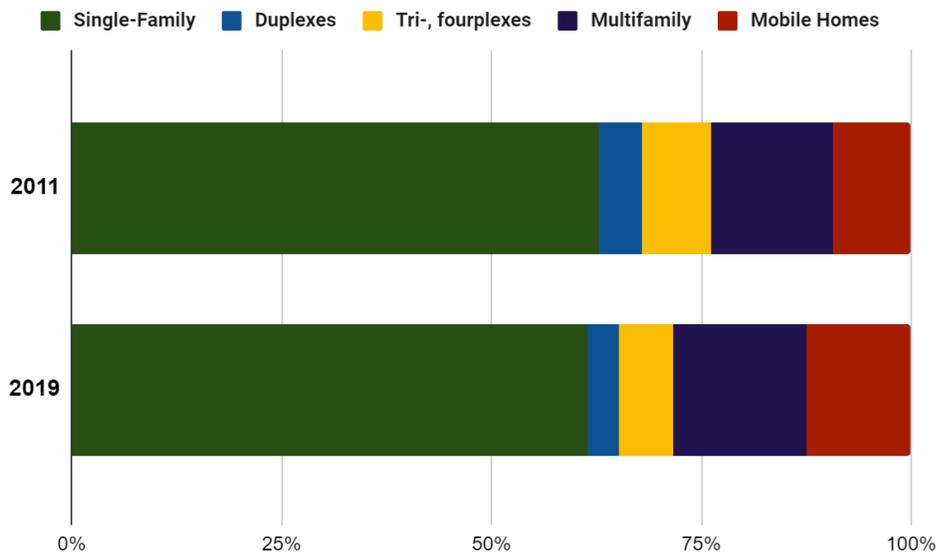
Single-family dwellings have been predominant in Hermiston’s housing market over the decade. Multifamily properties and manufactured homes have increased their share in the market, while middle housing has decreased.

Table 5. Housing Unit Change by Housing Type, 2011-2019

	2011	2019	Unit Change
Single-Family	3,855	4,096	241
Duplexes	320	245	-75
Tri-, fourplexes	503	431	-72
Multifamily (more than five units)	893	1,057	164
Others (mobile homes, boats, or RV)	573	836	263
Total Housing units	7,549	8,156	607

Source. 2007-2011 ACS, 2015-2019 ACS

Figure 4. Share of Housing Inventory Change, 2011 and 2019

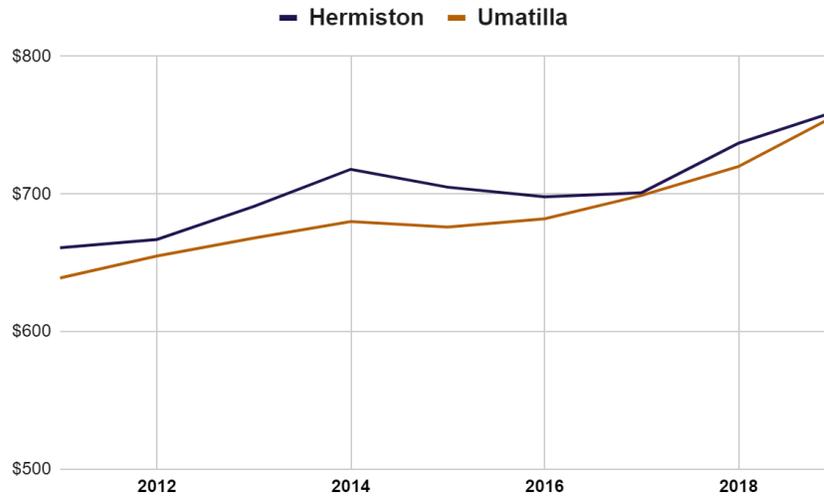


Source. 2007-2011 ACS, 2015-2019 ACS

2) Housing prices in Hermiston largely matches the regional level

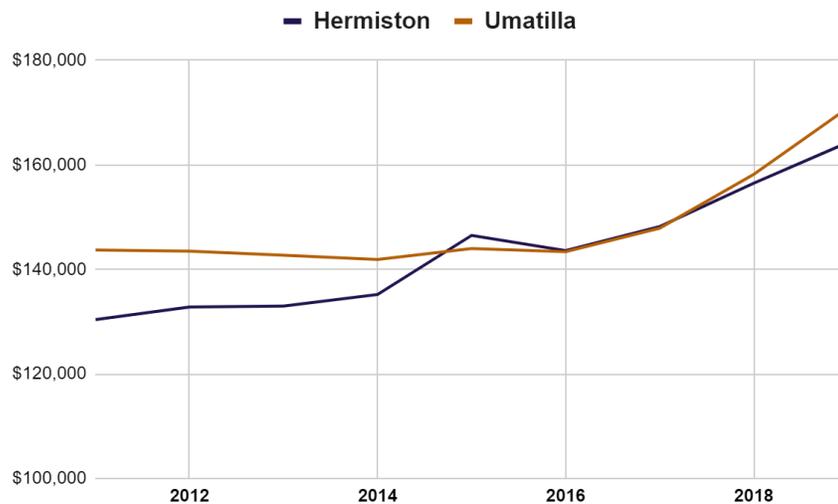
Overall, the rental affordability in Hermiston has been similar to regionwide. Hermiston's median rent has been affordable to renters having incomes at 60% AMI. However, renters in Hermiston, whose income is less than 50% AMI, still face the continual challenge of affording rent. Also, the median home value of Hermiston has been affordable than the regional market over time.

Figure 5. Rent in Hermiston and Umatilla County, 2011-2019



Source. ACS 2007-2011, ACS 2008-2012, ACS 2009-2013, ACS2010-2014, ACS 2011-2015, ACS 2012-2016, ACS 2013-2017, ACS 2014-2018, ACS 2015-2019

Figure 6. Median Home Value in Hermiston and Umatilla County, 2011- 2019



Source. ACS 2007-2011, ACS 2008-2012, ACS 2009-2013, ACS2010-2014, ACS 2011-2015, ACS 2012-2016, ACS 2013-2017, ACS 2014-2018, ACS 2015-2019

3) Not enough rental units that are affordable to extremely, and very low-income families

Table 6. Affordable Rental Unit Availability by Income level in 2019

	Units	Renter households	Shortage
Units affordable for below 30% AMI Extremely Low Income	465	710	-245
Units affordable for 30-50% AMI Very Low Income	430	445	-15
Units affordable for 50-80% AMI Low income	1,915	490	1,425
Units affordable for greater than 80% AMI	170	820	-650
Total	3,060	2,465	

Source. Table 2 and 18C, CHAS 2013-2017, summary level: Census Tract

4) Mismatch exacerbates housing cost burdens of extremely, and very low-income renters

Table 7. Rental Housing Mismatch between by Unit Affordability by Income Level and Occupiers' Income Level

	Units Occupied by Renters with Higher Income Level	Total Rental Units
Units affordable for below 30% AMI Extremely Low Income	255 (54.8%)	465
Units affordable for 30-50% AMI Very Low Income	240 (55.8%)	430
Units affordable for 50-80% AMI Low income	995 (52.0%)	1,915
Units affordable for greater than 80% AMI	-	170
Total	1,490 (53.0%)	3,060

Source. Table 18C, CHAS 2013-2017, summary level: Census Tract

3. Analysis of Plans

1) Regional Housing Needs Analysis (RHNA)'s estimated housing needs for extremely low-income are not enough to cover the current shortage in affordable rentals for them

Table 8. 2020-2040 Projected Housing Needs of Hermiston by RHNA (2020)

	Projected Housing Needs for Future Population in 2040	Current Shortage in Housing Units in 2019	Housing Needs for People Experiencing Homelessness in 2019	Total Units Needed to Meet 2040 Projected Population and Today's Shortage
Median Family Income 0-30%	154	0	96	250
Median Family Income 30-50%	194	0	9	202
Median Family Income 50-80%	275	0	3	278
Median Family Income 80% or more	361	0	0	361
Median Family Income +120%	895	0	0	895
Total	1,879	0	108	1,987

Source. Regional Housing Needs Analysis in Oregon (2020), Appendix D.

2) Underproduction in middle housing and multifamily housing

Overall, almost 20% of total units projected over 2030 have been permitted between 2011 and 2020. However, single-family homes and manufactured homes account for 83% of permitted units over time. The under-produced seems severe in middle housing and multifamily housing.

Table 9. Comparison of Projected Units and Permitted Units by Housing Type

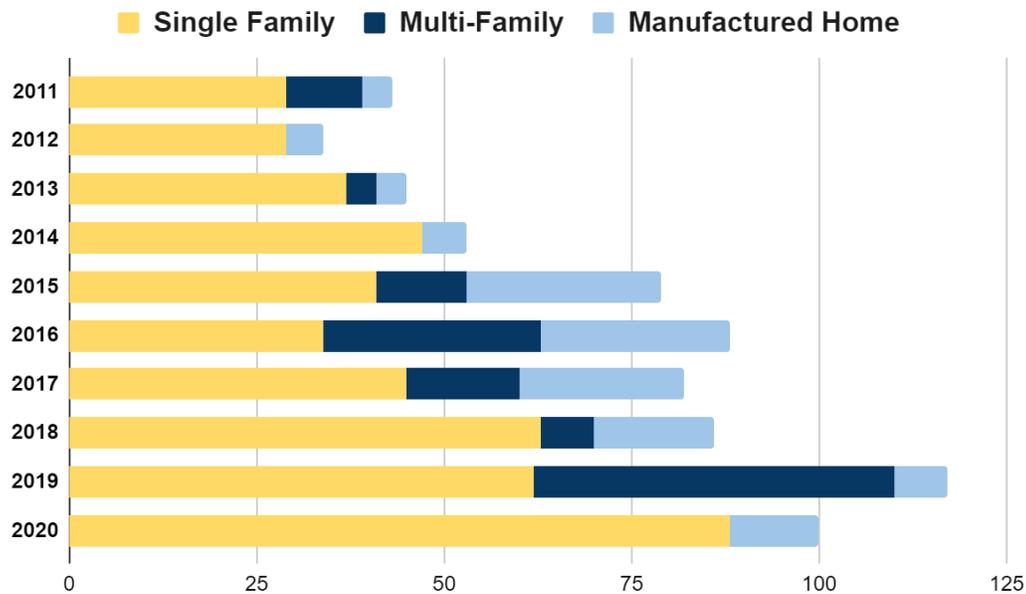
	Projected housing units over 2030	Permitted housing units, 2011-2020
Single-Family	2,716	475 (17.5%)
Duplex	288	5 (1.7%)
3- or 4- plex	216	30 (13.9%)
Multifamily (5 or more)	660	90 (13.6%)
Manufactured Home	0	127
Total	3,881	727 (18.7%)

Source. Hermiston's Housing Needs Analysis (2011), City of Hermiston Building Department

3) Disproportionate patterns in permit activities

Multifamily units have been disproportionately less permitted than single-family homes over the decade. However, the recent permit activity confirms a large number of multifamily units in a pipeline. Manufactured homes are shown consistently permitted.

Figure 7. Housing Units Permitted by Housing Type, 2011-2020



Source. City of Hermiston Building Department

Notes. Multifamily units include duplexes, townhouses, and apartments.

4. Key takeaways

1) The pressing housing demands of extremely and very low-income households

Overall, a large share of people in Hermiston experience extremely low income and very low-income. In fact, BIPOC folks disproportionately experience low income, especially the Latinx community in Hermiston. Hermiston needs to address housing needs of the households having an income less than 50% AMI.

2) Diversification of housing supply with a particular focus on low-income rental units

Rental units affordable to households with incomes less than 50% AMI are the most needed for BIPOC renters. The last decade's permit activities of Hermiston were far from the affordable housing needs of low-income BIPOC renters, as more than 83% of permitted units are single-family or manufactured homes. Also, there exists missing middle in the housing pipeline of

Hermiston. Hermiston has to provide various options and secure more affordable rental units for low-income BIPOC renters by ensuring more housing types in the housing production strategy.

SPATIAL ANALYSIS

1. Neighborhood Typology

The neighborhood typology represents six stages of change that are characterized by various combinations of income, vulnerable people, housing, and demographic change. First, the typology assesses each indicator by comparing it with city averages. Then, neighborhoods as tracts are designated into types based on high levels of different combinations of categories.

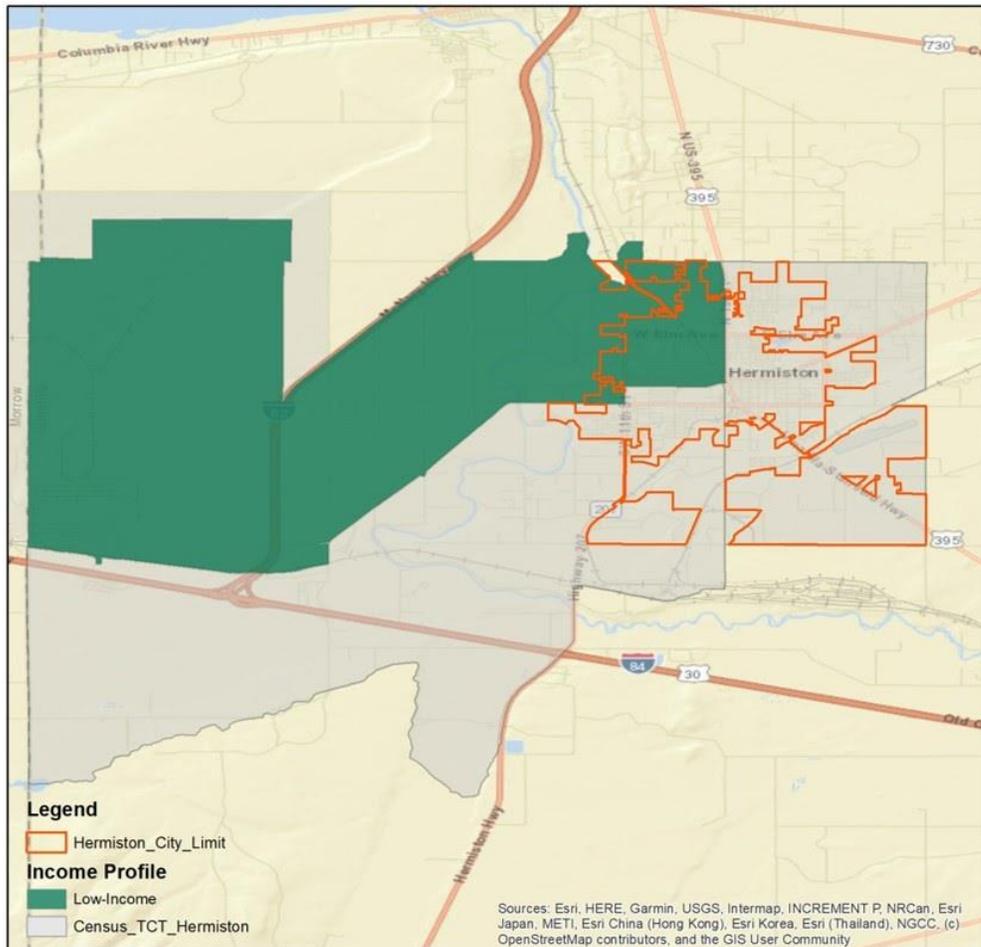
Table 10. Indicators and City Averages for Neighborhood Typology Assessment

Income Profile	Hermiston	Criteria
Low-income households (2019)	38.6%	↑
Median Household Income (2019)	\$54,123	↓
Vulnerable People		
BIPOC (2019)	48.9%	↑
Limited English proficiency (2019)	14.9%	↑
Persons with disabilities (2019)	13.3%	↑
Female-headed households (2019)	24.1%	↑
Senior: 65 years and older (2019)	9.0%	↑
Precarious Housing		
Multifamily housing units (2019)	15.9%	↑
Housing units built before the 1970s (2019)	25.8%	↑
Housing Market Activity		
Median Rent (2019)	\$760	↑
Median Home Value (2019)	\$164,300	↑
Change in Median Rent (2011-2019)	15.0%	↑
Change in Median Home Value (2011-2019)	26.0%	↑
Neighborhood Demographic Change		
BIPOC population (2011-2019)	11.9%	↓
Median Household Income (2011-2019)	22.9%	↑
Renter (2011-2019)	-2.8%	↓
Bachelor's degree or higher (2011-2019)	3.1%	↑

Source. 2015-2019 ACS, 2007-2011 ACS

1) Income Profile

Figure 8. Income Profile Map: Where Do Low-Income Households Live in 2019

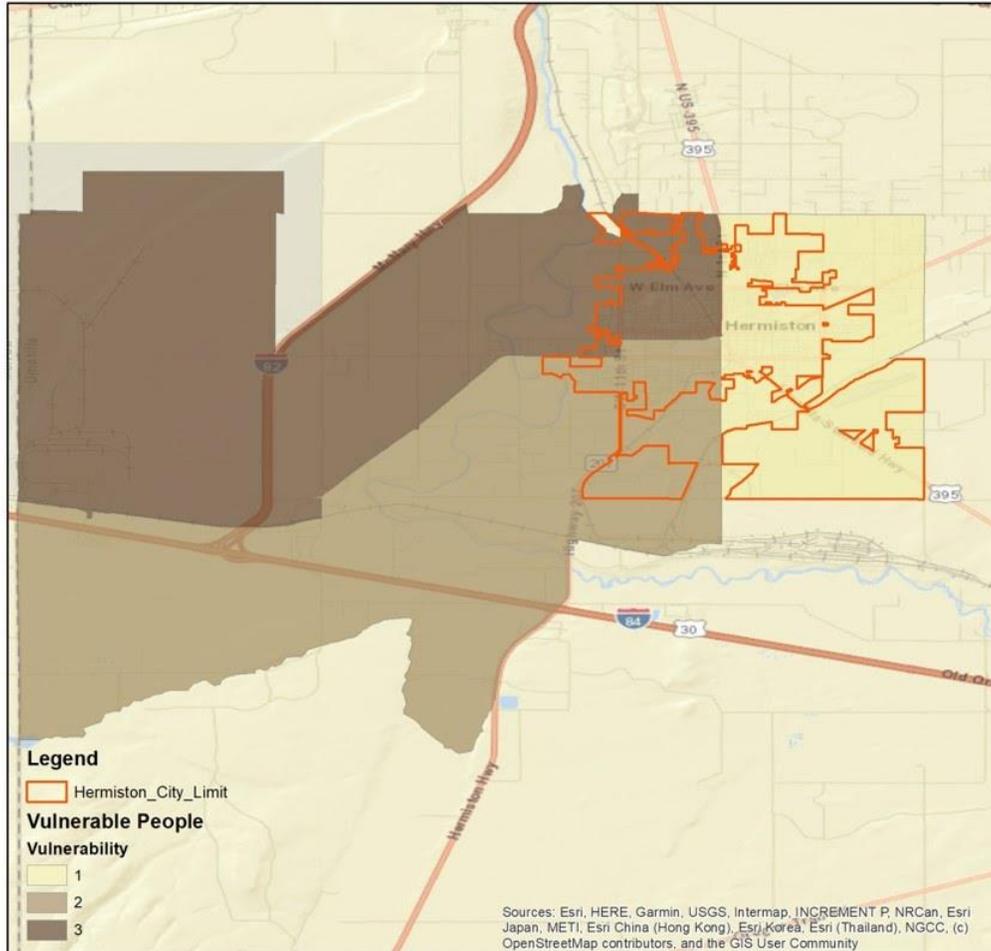


Source. Table 2, CHAS 2013-2017, summary level: Census Tract

The northwest side of the city has been identified as a low-income neighborhood. The identified tract in this map indicates where has the larger share of the households having low-income at or below 80% AMI in 2019 than other tracts in Hermiston. Also, the low-income tract has a lower median household income than the city's median in 2019.

2) Vulnerable People

Figure 9. Vulnerable People Map: Where Do BIPOC and Vulnerable People Live in 2019

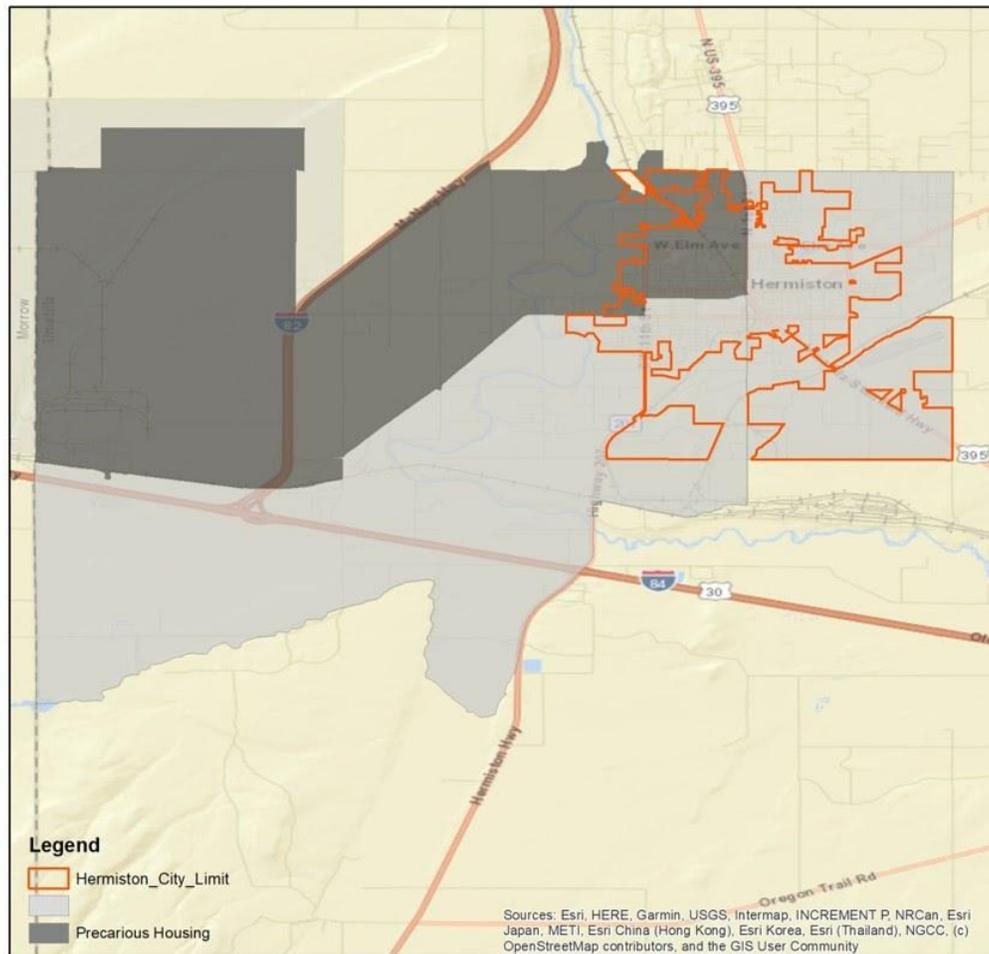


Source. ACS 2015-2019

The west side of the city has a larger share of the vulnerable population than the east side neighborhood. In particular, the tract located in the northwest of the city has a higher percentage of people with disabilities, female-headed households, and senior people compared to the city average. Also, the southwest neighborhood marked a higher percentage of people with limited English proficiency and disabilities than other tracts.

3) Precarious Housing

Figure 10. Precarious Housing Map: Where Is Precarious Housing Located in 2019

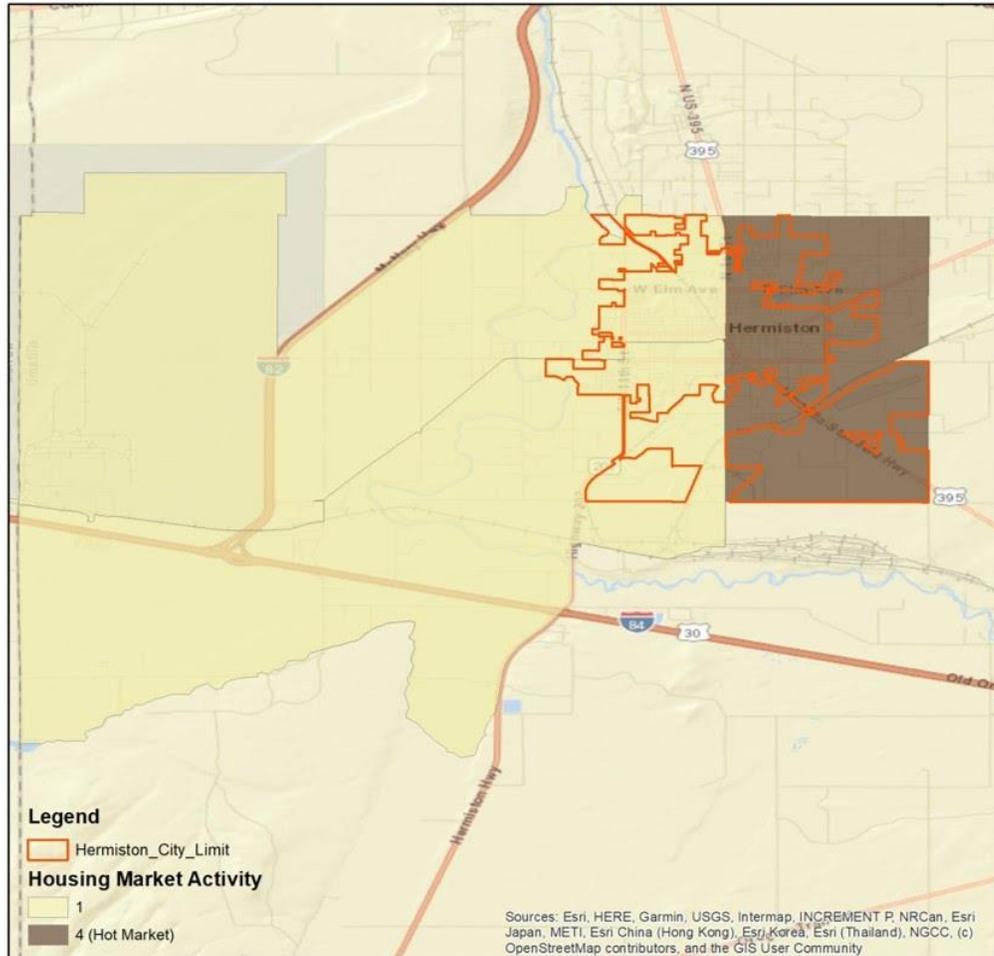


Source. ACS 2015-2019

The northwest part of the city shows where the precarious housing has aggregated more than other parts of the city. The neighborhood has a larger share of the old residential units built before 1970s as well as the multifamily housing units in the neighborhood than others.

4) Housing Market Activity

Figure 11. Housing Market Activity Map: Where is the Hot Housing Market in 2019

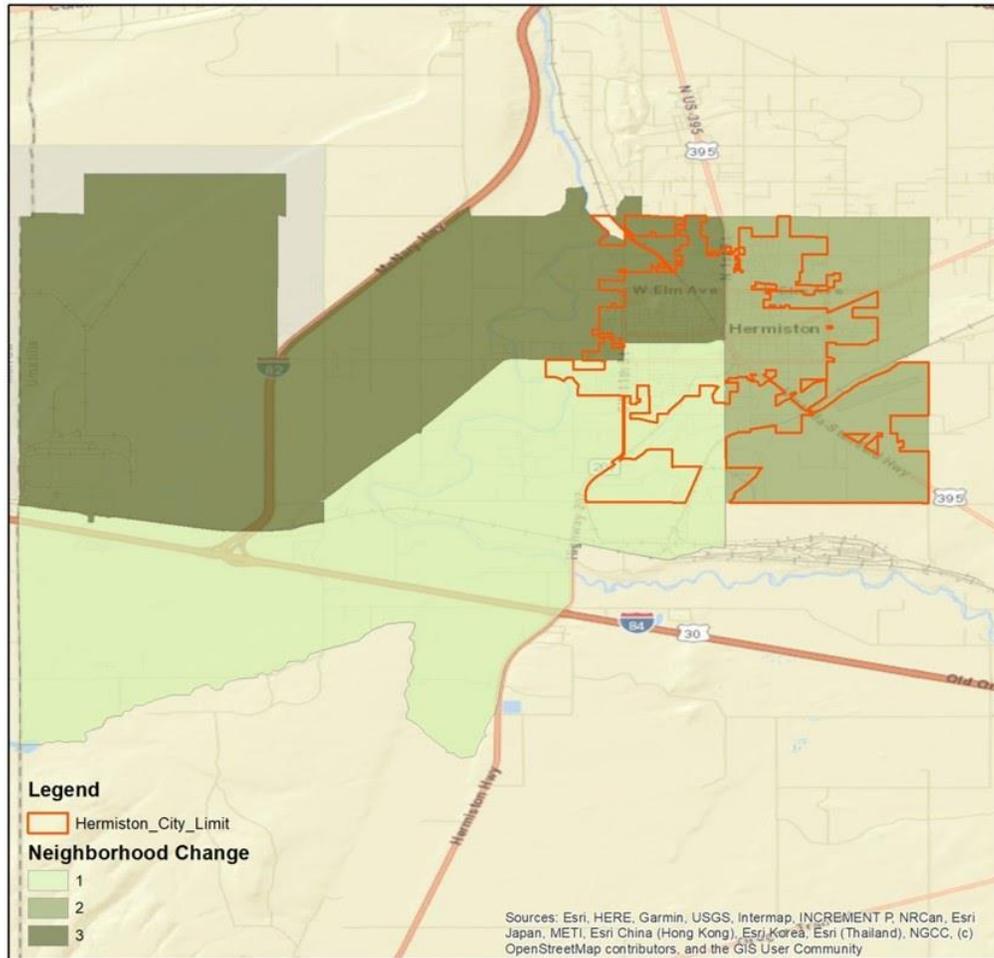


Source. 2007-2011 ACS, 2015-2019 ACS

Although all three neighborhoods have a higher median home value than the city average, the eastern neighborhood of the city has shown a higher increase in home price and rent appreciation than the city mean as well as higher housing and rental price than the city average.

5) Neighborhood Demographic Change

Figure 12. Neighborhood Demographic Change Map, 2013-2019

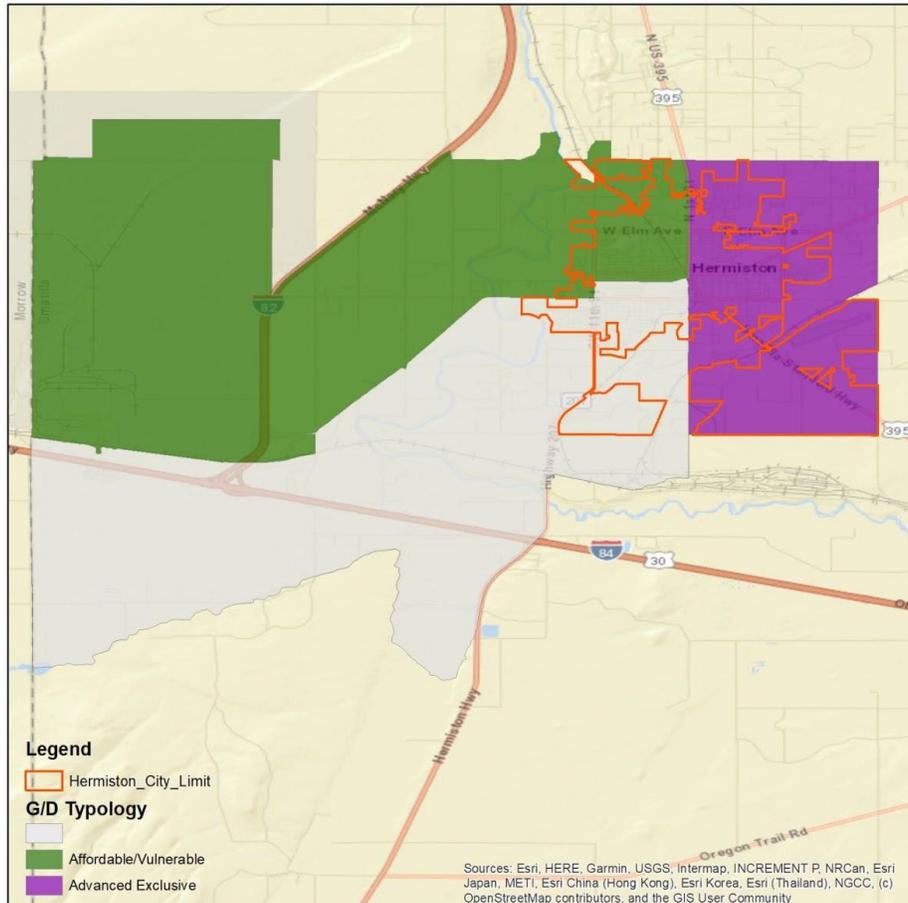


Source. 2007-2011 ACS, 2015-2019 ACS

The northwest part of the city has experienced a decrease in people of color and renters, as well as an increase in people with higher education over time. The eastern part of the city experiences a decrease in people of color and an increase in people with higher education.

5) Neighborhood Typology Results

Figure 13. Tract Level Neighborhood Typology Results Map



Green: Affordable and Vulnerable

The neighborhood is designated as a low-income tract where predominantly low-income households live in this neighborhood. Also, the neighborhood has a larger share of precariously housed populations with vulnerability to gentrification/displacement than the citywide.

Although no substantial housing market activity has been found in the neighborhood, some signs of demographic change have been captured.

Purple: Advanced Exclusive

The neighborhood is identified as a high-income tract, with a higher median neighborhood income with a lower percentage of low-income residents than the city average. The neighborhood has no vulnerable population, and no precarious housing with no considerable demographic change is shown in the neighborhood. However, the housing market in this

neighborhood has been hot as the neighborhood has higher home value and rent than other neighborhoods with higher appreciation rates than the city average.

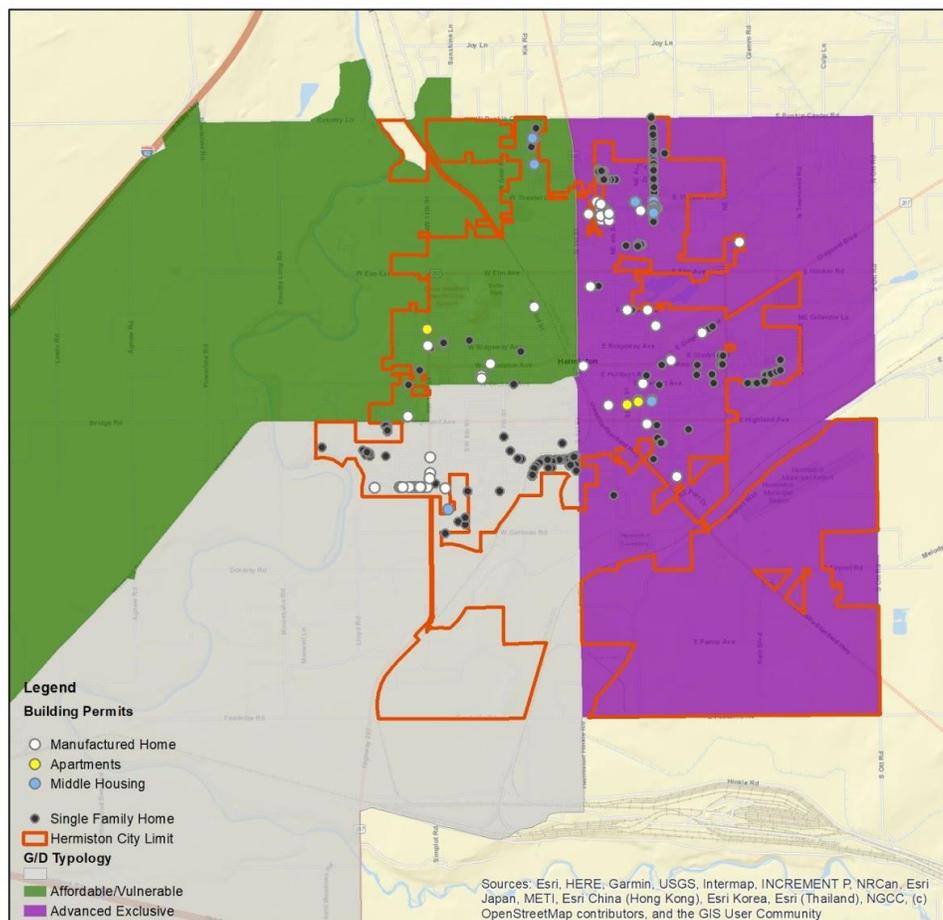
Unassigned neighborhood - Grey

The neighborhood remained demographically stable with no remarkable housing market change. Also, the neighborhood does not have a considerable share of vulnerable populations compared to the other neighborhoods citywide.

2. Housing Supply with Typology

the next step of spatial analysis is to add an overlay of the recent housing development pattern. The spatial patterns of the housing development by neighborhood type alerts where the spatial mismatch of people and housing occurs while considering unintended consequences of housing production, gentrification, and displacement.

Figure 14. Map of Housing Development Patterns with Neighborhood Typology, 2013-2019



Source. City of Hermiston Building Department

Table 11. Number of Units Permitted by Neighborhood Types Identified

	Single-Family	Middle Housing (2,3,4 plex)	Multifamily (5 or more)	Manufactured Home	Total Units Permitted
Green-Affordable and Vulnerable	78	3	10	7	98
Purple- Advanced Exclusive	275	57	54	78	464
Grey- Stable with unnoticeable Change	122	1	0	42	165
Total Units Permitted, 2011-2020	475	61	64	127	727

Source. City of Hermiston Building Department

Stark Differences in Housing Developments Across the City

- Disproportionated housing development by housing type
 - The housing development by type in Hermiston appears to have consistently high development for a single-family home. In contrast, multifamily and middle housing units are much less developed over the decade.
- Uneven development by neighborhood type
 - Most housing units were developed in the affluent neighborhood, “Advanced Exclusive,” between 2011 and 2020, with a disproportionate share of single-family dwellings. “Affordable and Vulnerable” neighborhood has not received much development during the last decade. The uneven investment and housing development may accelerate the segregation among neighborhoods by income.
 - Although the grey area has experienced a fair amount of single-family homes and manufactured homes, the development of residential units has not affected much housing price appreciation or stirred the demographic changes in the neighborhood.

3. Key Takeaways

No gentrification but spatially divided neighborhoods across the city

Although Hermiston is a small city with three Census tracts only, the neighborhood typology map demonstrates spatially divided neighborhoods across the city. The identified neighborhoods are either “Advanced Exclusive,” an affluent neighborhood with a hot housing market, or “Affordable and Vulnerable,” a low-income neighborhood where precariously housed and vulnerable people live.

The gap between housing plan and outcome

In terms of housing development by type, disproportionate development for single family homes have occurred, while multifamily or middle housing have not developed as many as the city projected over 2030.

Although manufactured homes were missing in the housing projection over 2030, manufactured homes have been developed significantly over the last decade.

Uneven Development

Housing development has not been spatially balanced by neighborhoods in the city. Most housing development occurred in the affluent neighborhood which is categorized as advanced exclusive. Relatively affordable and vulnerable neighborhoods received deficient levels of housing development over the decade regardless of housing type.

This divided and unbalanced housing development between neighborhoods by income may increase the segregation of neighborhood by income. The city needs to advance spatial equity of housing development with diverse housing options.

PLANNING ANALYSIS

Unmet housing needs of extremely low-income and very low-income

- BIPOC renters with very low income are disproportionately high among renter households, while white renters are disproportionately experiencing extremely low income. The current shortage in affordable rentals to households with income less than 50% AMI continuously exacerbates the cost burdens on low-income renters, both BIPOC and white, as the recent housing permit activities have not responded to those needs yet.
- The city may consider the subsidy funding for affordable rentals through working with the State on rural development. Non-recourse low-interest debt funding would be a valuable tool to secure the resources for more affordable rental housing in a rural community like Hermiston.

Uneven Development

- BIPOC households are disproportionately experiencing low income, especially in the income range between 30% AMI and 80% AMI, while disproportionately cost-burdened. However, the recent housing supply was not aligned with meeting their needs as most housing developments were made in the city's affluent neighborhood, creating large numbers of single-family homes. Also, middle housing and multifamily housing units are primarily developed in the affluent neighborhood.
- The city already shows some signs of segregation as the assigned neighborhood types by typology are “Affordable and Vulnerable” and “Advanced Exclusive,” the extremes of neighborhood types. Hermiston needs to engage with mixed housing development while planning it as spatially even across the city. In particular, developing middle housing is encouraged to meet the housing needs of low-income households.

Increase in manufactured housing

- As manufactured housing provides an affordable option for low-income households who pursue homeownership, Hermiston experienced an increase in manufactured housing across all the neighborhoods in the city. In fact, the city did not project or plan any manufactured housing units in the last HPS, yet 17% of permits were issued to manufactured homes over the decade.
- Considering that manufactured home has been affordable home to low-income households in Hermiston, the city may need to incorporate specialized policies and programs that can overcome regulatory barriers to manufactured housing.
- A land tenancy of manufactured home parks is often problematic. Hermiston may help stabilize the ownership of land for manufactured home parks or communities. The city may cooperate with residents to convert private ownership to cooperative ownership by park residents to enhance residents' stability.
- Better utilizing manufactured housing will become accessible housing options for low- to moderate- renters to achieve homeownership.



ASSESSMENT TOOLKIT-HERMISTON

Anti-Displacement and Gentrification Toolkit Project

METHODS



Housing

Housing Inventory
Precarious Housing
Market Appreciation
Development Pattern



People

Equity focuses on
Vulnerable
populations
BIPOC
Low-Income
Renting



Neighborhood change

Neighborhood
change dynamics on a
spatial layer

**Housing Equity
Needs Analysis**



Spatial Context

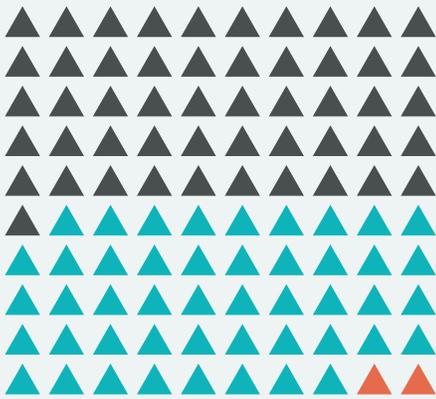
Housing Production Strategy

Racial Equity + Displacement

Hermiston: People

Demographics in 2019

Change between 2011 and 2019

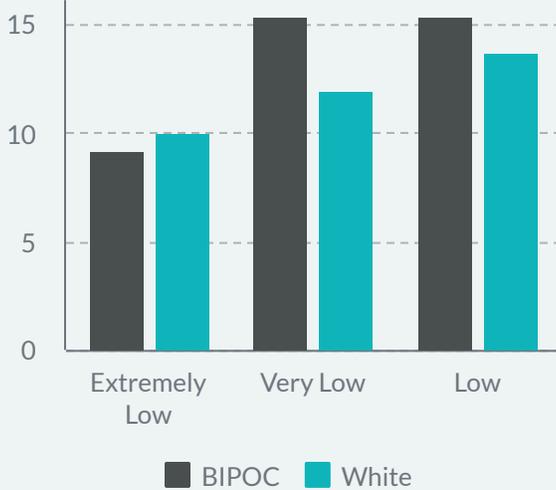


- White Alone (51.12%)
- Hispanic or Latino (46.56%)
- BIPOC other than Latino (2.31%)

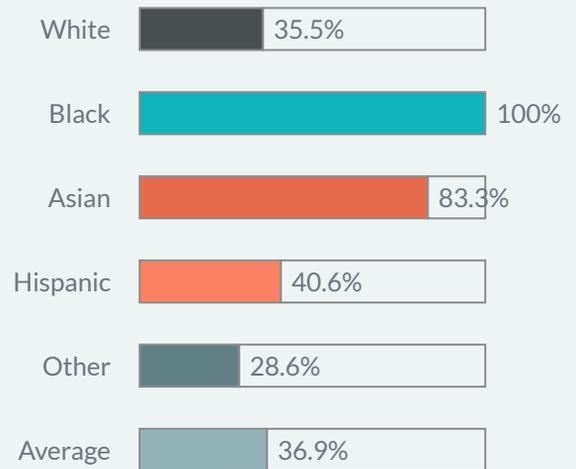


Source: ACS 2007-2011, ACS 2015-2019

Low-Income Households by Income Level (2019)

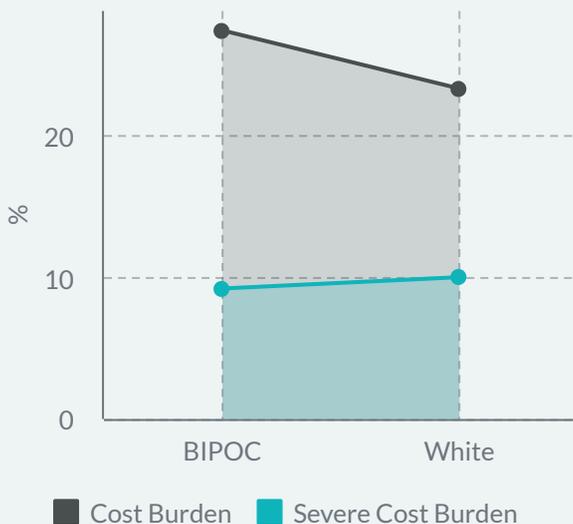


Share of Low-Income in Each Race (2019)

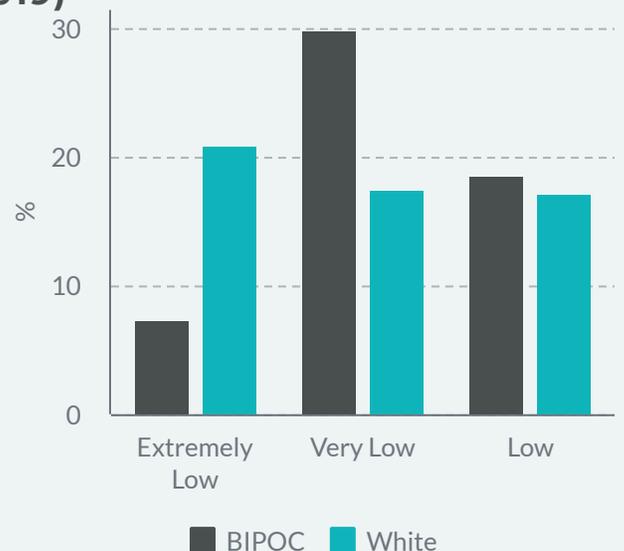


No American Indians/Alaska Native and Pacific Islanders

Cost-Burdened Households (2019)



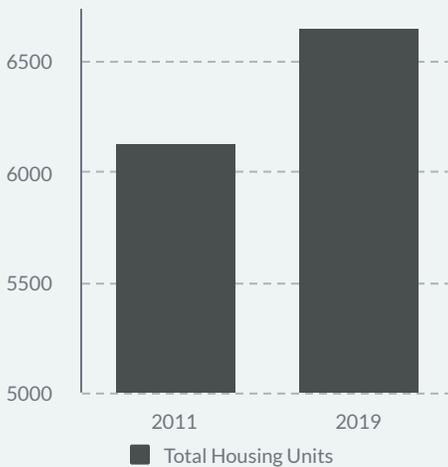
Low-income Renters by Income Level (2019)



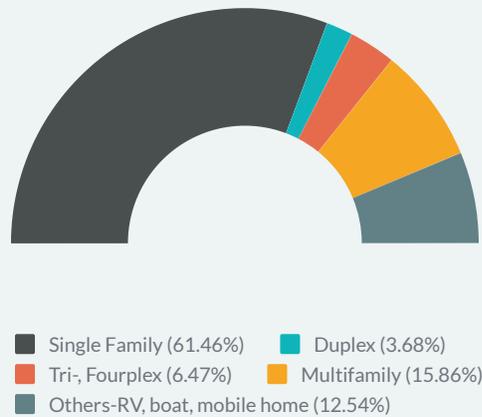
Hermiston: Housing

Housing in 2019

Change between 2011 and 2019



Housing Inventory by Type (2019)



\$760

Median Rent

▲ 15%

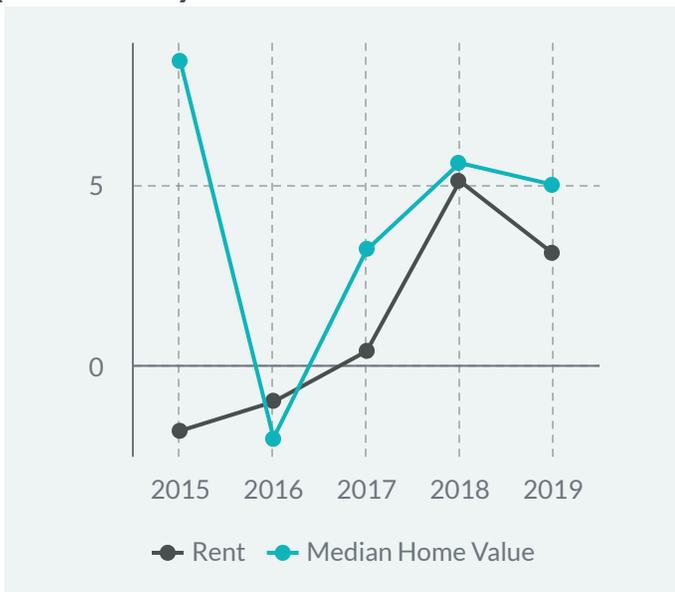
\$164,300

Median Home Value

▲ 26%

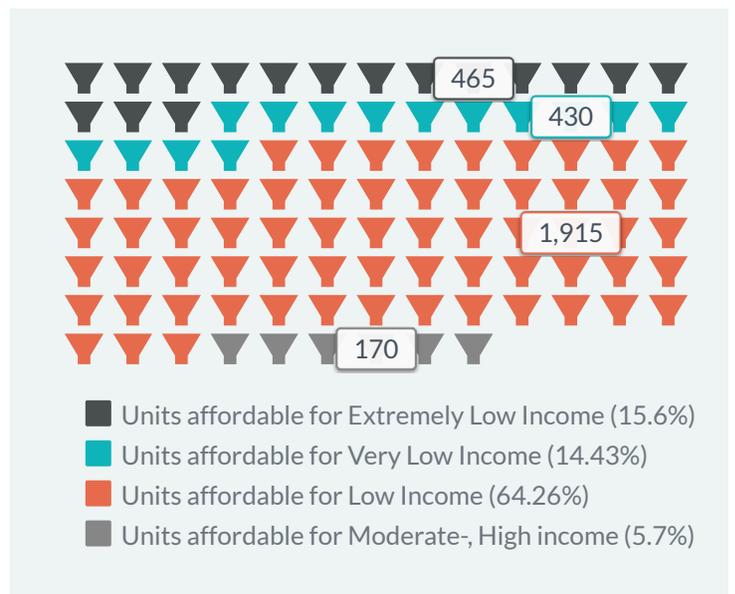
Source: ACS 2007-2011, ACS 2015-2019

% Change in Housing Price & Rent (2015-2019)



Source: ACS 5 year estimates, 2015-2019

Affordable Rental Units by Income Level (2019)

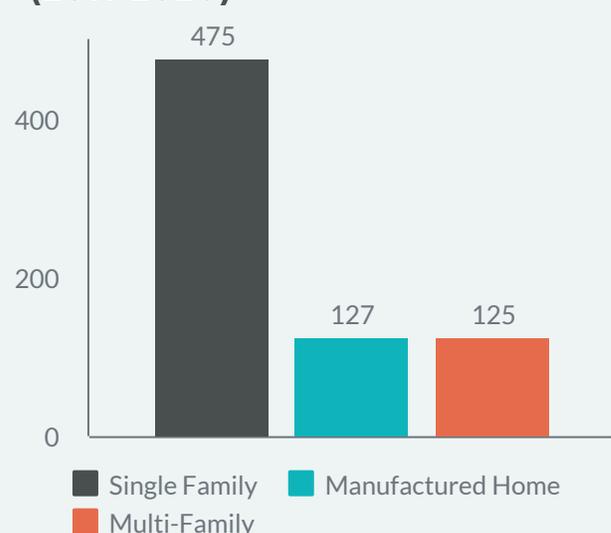


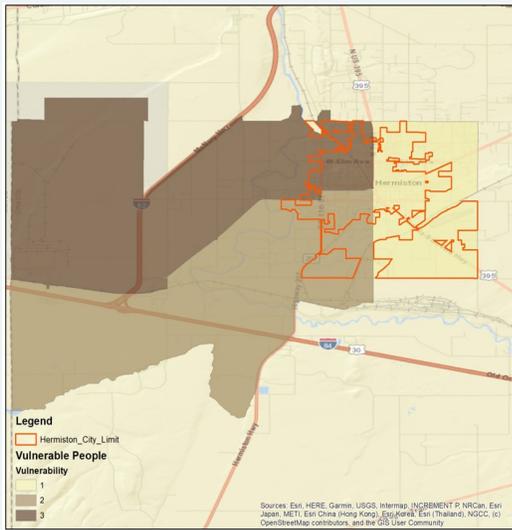
Source: CHAS 2013-2017, summary level: Census Tract

Housing Units Permitted (2011-2020)

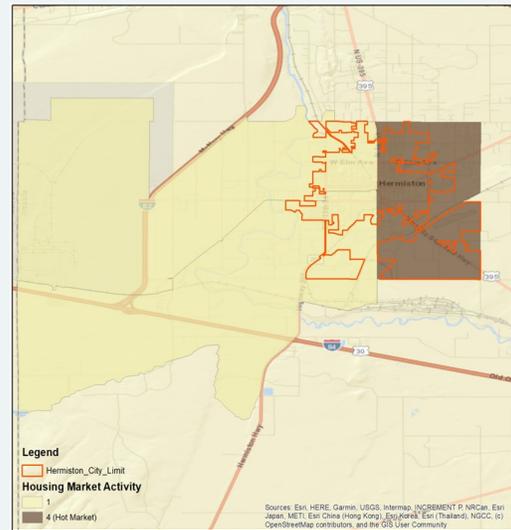


Units Permitted by Housing Type (2011-2020)





Vulnerable People
Where do BIPOC and vulnerable people live?

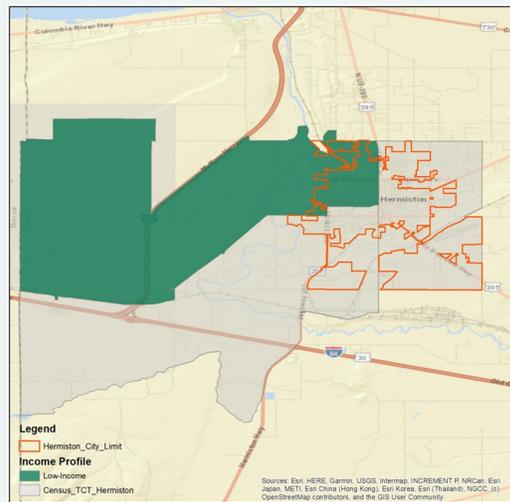


Housing Market Activity
Is the housing market 'hot'?



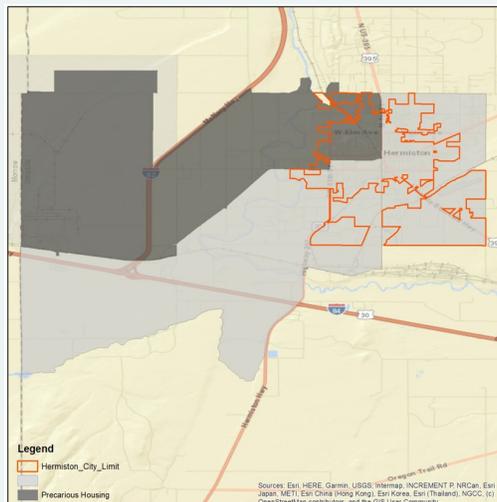
Income Profile

Where do low-income people live?



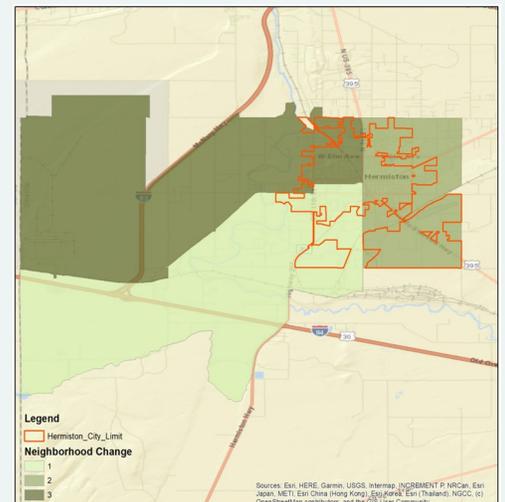
Precarious Housing

Where is precarious housing located?

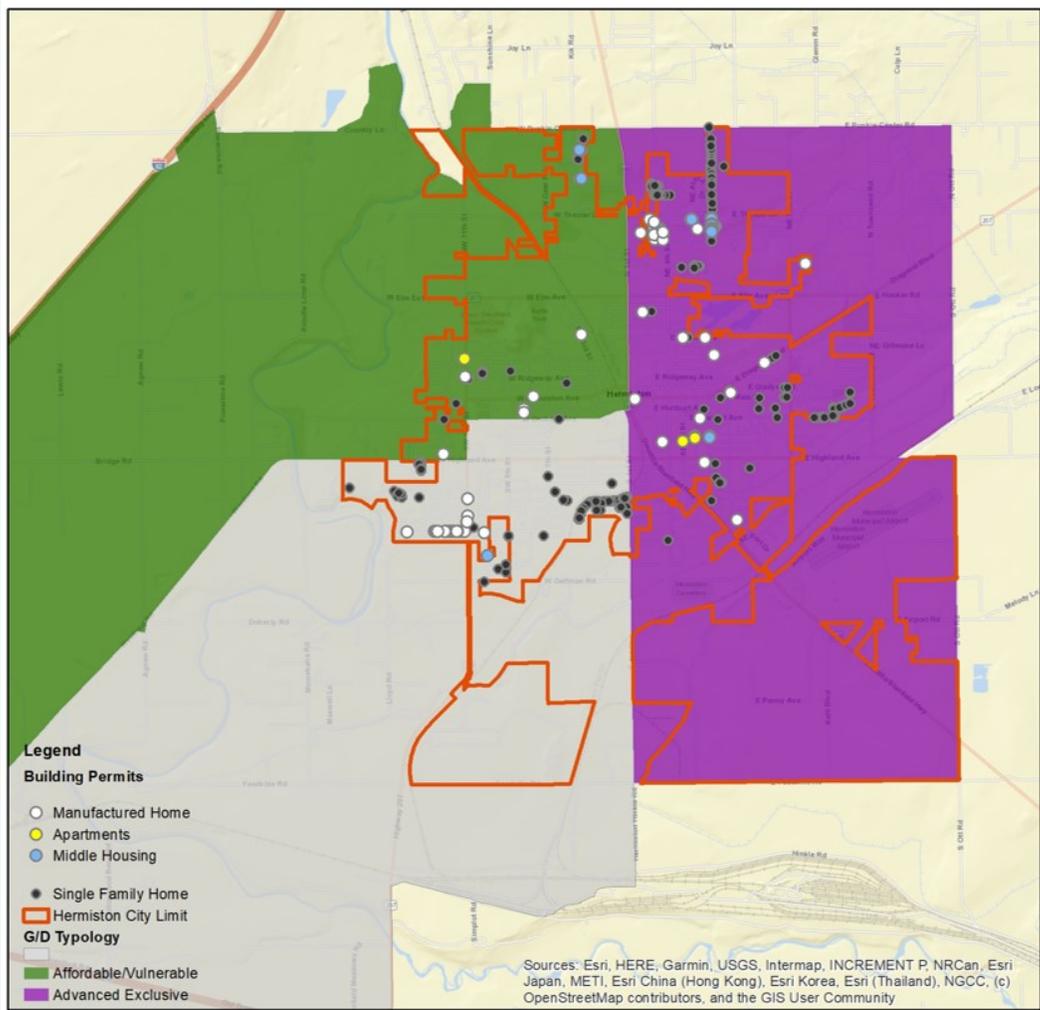


Neighborhood Demographic Change

What are changes in neighborhood characteristics?



Hermiston: Typology+ Developments

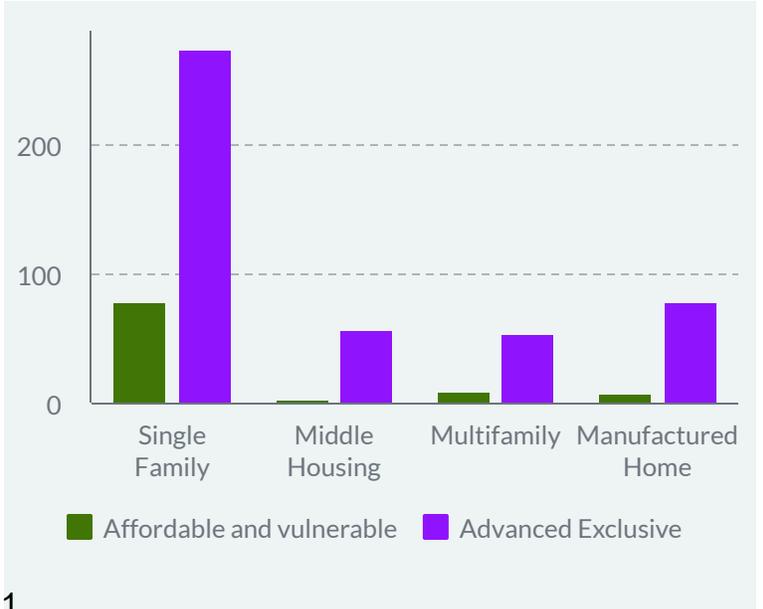


- ▶ **Affordable & Vulnerable**
- ▶ **Early Gentrification**
- ▶ **Active Gentrification**
- ▶ **Late Gentrification**
- ▶ **Becoming Exclusive**
- ▶ **Advanced Exclusive**

Total Units Permitted by Neighborhood, 2011-2020



Units Permitted by Housing Type, 2011-2020



HOUSING PRODUCTION STRATEGIES - EQUITY AND ANTI-DISPLACEMENT PRACTICES

Housing production strategies are important for creating new units that can accommodate a jurisdiction's population. At the same time, housing production can fail to actually improve equitable outcomes, or even have unintended consequences that result in displacement. As jurisdictions choose a set of strategies to increase housing supply, planners should assess equity goals and pay attention to communities at risk for displacement.

To consider these questions, planners need to assess the Housing Needs Equity Analysis and the neighborhood change typology maps to identify the populations and geographies that are vulnerable.

This planning should include: prioritizing HPS that directly address the needs of vulnerable populations, including mitigating additional strategies to HPS that might have negative consequences; and aligning HPS to geographies where they are best suited to support housing stability and prevent displacement.

Strategies that align land use and development codes to housing types that meet housing needs are important, because without a regulatory framework that allows for developing these housing types (smaller, ADU, SRO, etc), they are difficult or even impossible to build. It is especially important that land use plans allow for all needed housing types ahead of development activity, whether in newly annexed land or in areas where infrastructure is being extended. It is also important that planning processes have community engagement and continue to involve a diverse set of community stakeholders in monitoring neighborhood change and stability, especially when we are planning ahead for near-term development and infrastructure activities that could shift a neighborhood into a new stage of market activity and potentially gentrification.

It is also important to recognize that land use alignment and overall market housing production strategies by themselves do not necessarily address equity needs or create better outcomes for those most vulnerable to displacement. For example, allowing ADUs by-right in a neighborhood creates smaller units; it does not on its own meet a need for rental housing for low-income households. Additional programs and incentives can be added to target new supply to realize equity goals, along with directly producing housing that is subsidized or specifically focused on equity targets for the highest, direct, and short-term impact.

Spatial impacts of housing supply are also very important to consider, using the neighborhood typology. The way that new development that is not targeted to specific groups supports anti-displacement, through 'filtering' or the movement of households on the housing ladder, is indirect, long-term, and spatially diffuse— in other words, adding more housing in one location does not necessarily reduce displacement in that neighborhood, even though it can 'free up' units in other areas. Indeed, more high-end housing in a neighborhood can prompt displacement from that neighborhood, shifting communities into more affordable areas of a city/town, and deepening social segregation into 'green' areas of affordability and vulnerability.

Care should be taken with ongoing assessment of housing and neighborhood stability to consider additional tools and focused interventions into creating affordable and accessible housing as neighborhoods change over time.

ASSESSING THE HPS TOOLS FOR USE IN AN EQUITY AND ANTI-DISPLACEMENT STRATEGY

The HPS toolkit is organized by strategy, with labels that indicate the most effective use of each tool by affordability level and tenure target.

The extended toolkit adds two columns, equity and displacement, and notes for selected tools that are most important for equitable housing outcomes, or that require the most caution in their utilization. These assessments are based on research literature findings about effectiveness of tools and strategies for accomplishing equity and anti-displacement goals. Every strategy in the HPS is not annotated for these columns; we are focusing on the most important areas for activation or for warning.

These assessments are made based on the literature on housing policies and their efficacy in different market contexts, with emphasis on recent reviews by UC Berkeley's Urban Displacement Project on [Anti-Displacement Strategy Effectiveness](#) and UCLA's Lewis Center for Regional Policy Studies on the [spatial impacts of market rate development](#), and findings from analysis of Portland's [broad upzoning](#) and Minneapolis' [elimination of single family zoning](#). We also rely on previous works by the PSU team that are included in the policy appendix and categorize equity policies for each stage of gentrification and consider how preservation strategies address supply.

OVERALL ANALYSIS OF STRATEGIES BY CATEGORY

Category A: Zoning and Code Changes

Category B: Reduce Regulatory Impediments

The tools in these categories are important precursors to a housing production strategy that is effective; they are especially useful when a jurisdiction can plan ahead to prepare for public investments. Because of the history of exclusionary zoning, many of these tools are necessary for increasing the supply of housing that meets equity and anti-displacement goals.

Category D: Financial Resources

Financial resources are the biggest barrier to developing, operating, and preserving affordable housing that is regulated for limited income households. The financial resources are often focused to low-income households for the most targeted production. Constructing new subsidized, regulated affordable housing is a slow process that can require assembling multiple sources of funding. Preserving 'naturally occurring' affordable housing is also a strong strategy for anti-displacement, especially in neighborhoods where the housing market is becoming 'hot.' Other programs, like eviction prevention, foreclosure prevention, and supportive services are also highly effective anti-displacement tools that have immediate impacts.

Category C: Financial Incentives
Category E: Tax Exemption and Abatement

The incentives tools reduce the cost of housing development by reducing costs through fee waivers, tax breaks, and reducing requirements for developers. Removing parking requirements has especially strong impacts on increasing housing development. In general, when markets are strong, strategies that can promote more housing production do reduce displacement; however, these are long term strategies for increasing housing overall in order to balance the market. Incentives can be targeted to specific needed housing like smaller units and those affordable to moderate and low income households.

Category F: Land, Acquisition, Lease, and Partnership

Land acquisition is a significant cost for affordable housing; and the location of available, cost-effective land in hot markets is a barrier to creating new, inclusive housing opportunities. Using publicly owned lands and coordinating land-based investments like transit with housing is a strong strategy for enabling more housing development. Converting land from the private market to nonprofit or cooperative ownership is a very strong anti-displacement strategy, when funds are available to do so. Likewise, preserving 'naturally occurring' affordable housing with public or nonprofit purchase is an important component of a needed housing supply strategy, and can keep residents in place immediately if the property is occupied. These strategies require forward planning and resources. Partnerships can be important for development strategies, but public-private partnerships and community benefits agreements need to have guidelines and accountability to produce equity outcomes.

PRESENTATION OF THE HPS TOOLKIT:

Equity: DIRECT, (DIRECT), INDIRECT, AND (INDIRECT)

DIRECT strategies for meeting housing equity needs are focused on the supply immediately and persistently needed by groups that are vulnerable in the housing market. These strategies directly produce or protect affordable housing, especially for communities of color and other protected class communities. They have strong impacts for anti-displacement that can be seen

in the short-term. A (DIRECT) strategy is one that is specific to affordable housing and/or protected classes and vulnerable populations, but does not actually create housing.

In general, market housing production strategies have strong anti-displacement impacts (Chapple and Loukaito-Sideris, 2021), but they are long term strategies that also require strong markets to have sufficient production over time that creates enough housing to meet forecasted needs. When market housing production occurs in actively gentrifying neighborhoods, it can even create more displacement if it is not paired with direct strategies to address stability for those who are vulnerable to housing loss--these strategies must be deployed with caution in 'hot' markets. Market housing production strategies are INDIRECT ways to address equity and displacement. With additional incentives, they can be more targeted.

Strategies that allow for more housing overall are INDIRECT; strategies that are oriented towards smaller units or diverse housing types are (INDIRECT)--they are more likely to address equity needs, but may also require additional tools to focus on affordability, tenure, or accessibility. Likewise, strategies for housing preservation can be important for anti-displacement planning, if they are focused on maintaining affordability along with quality.

G/D typology: Green, Yellow, Red when using strategies in neighborhoods

The second column, G/D Typology, will list which of the typology's housing and population dynamics could be best matched with the strategy. Many strategies work without particular concern across any kind of neighborhood, including newly developable land; these are not especially labelled. However, some housing production strategies are better suited for some neighborhood types, and some need caution, and to add mitigation for potential displacement impacts.

Where it is especially important to consider the typology, the annotation is a 'green/yellow/red' list of typology categories:

- Green, GO! if a tool is especially useful in this neighborhood type
- Yellow, PROCEED CAUTIOUSLY if caution should be taken--for example, if a strategy needs to be monitored for impacts and possibly paired with more direct strategies in this neighborhood type
- Red, STOP AND PLAN if the strategy is highly likely to create displacement pressures and must be paired with mitigation in this neighborhood type

Table. Gentrification stages: people and housing dynamics

	Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Affordable and vulnerable	Low	Yes	Yes	No	---
Early gentrification	Low	Yes	Yes	Yes	No
Active gentrification	Low	Yes	Yes	Yes	Yes
Late gentrification	High	Yes	No	Yes	Yes
Becoming Exclusive	High	No	No	Yes	Yes
Advanced Exclusive	High	No	No	Has higher home value and rent	No

When/how : Notes

This column adds notes on when and how the planner should deploy these tools, with additional notations on how the strategy could be made more effective in creating equitable outcomes.

The HPS Toolkit Assessment is included in its entirety after this section.

EXAMPLES OF LINKING ANALYSIS OF HPS TOOLS

Through the findings both from the housing needs equity analysis and spatial analysis, relevant housing production strategies (HPS) are selected and targeted to achieve equity outcomes. This section presents the examples of the chosen HPS by neighborhood type considering the spatial mismatch of people and housing with displacement risks in the neighborhood. The examples show how the findings of planning analysis support choosing supply strategies and additional programs to best achieve equity and anti-displacement goals.

Tigard

Planning Analysis Findings

Unmet housing needs of low-income renters

The housing needs of extremely low-income and very low-income households are still not met, although 313 units of subsidized multifamily housing is in pipeline. Tigard needs to accommodate various housing production strategies that can maintain low-cost rentals affordable to those renters, since the affordable rental homes for them will not be created by market alone. Considering spatial factors, how can new multifamily production support housing stability rather than igniting gentrification and displacement of low-income renters?

More middle housing

The existing housing plan of Tigard suggests more single-family development over 2030. Indeed, large development of single-family housing occurred in the neighborhoods with the exclusive housing markets. While an increase in single-family homes may open up housing opportunities for moving up potential and overall housing needs in Tigard, the city's median home value has been increased more than the regional average. In order to foster Tigard's homeownership accessibility, the city may consider 'middle housing' options in plans and production strategies, since there's a lack of middle housing among the recently produced housing units. But, then, will single-family or middle housing production deepen segregation or lead to opportunities? What should we do for equitable HPS?

Collaborative housing planning – regional look needed

A spatial flag notices boundaries and jurisdiction problems. Especially, Active Gentrification neighborhood is located at the border of Lake Oswego, Durham, Tualatin, and Tigard. The neighborhood perhaps serves as an affordable outlet for nearby housing cost problems, such as relatively lower-cost housing than those in Lake Oswego or other neighboring cities. Those kinds of neighborhoods may experience spillover effects of housing development from other cities, which may negatively affect the regional housing outcomes. Then, collaborative housing planning arises for equitable HPS. How can all jurisdictions meet needed housing, rather than having some serve as outlets?

Choosing and Targeting HPS – two types of neighborhoods are chosen for example

Particular neighborhoods in this example are green-colored, "Affordable and Vulnerable" and orange-colored, "Active Gentrification" neighborhoods in the map. Those two neighborhoods are designated as low-income neighborhoods with a higher share of precariously vulnerable people than the citywide.

- Proactively address needs of low-income BIPOC
 - F5. Preserving Low-Cost Rental housing to Mitigate Displacement
 - In particular, parts of the neighborhoods are adjacent to Lake Oswego, an affluent neighborhood with the exclusive housing market. Those neighborhoods seem to be where lower-income people find affordable rental homes due to their relatively lower cost. Preserving affordable rental units in those neighborhoods will help to prevent displacement of low-income BIPOC.

- In Affordable and Vulnerable area with a transit center
 - Plan to maintain and increase affordability near this amenity
 - F19. Affordable Housing Preservation Inventory
 - A18. Increase Density near Transit Stations and Regional Multi-use Trails
 - F2. Joint Development Agreements
 - As the neighborhood has a large share of vulnerable people who are also transit-dependent, maintaining housing affordability for those people is essential. Planning with grants or development partnerships for transit-oriented development can help to create subsidized affordable housing or preserving affordable housing. Considering ridership and affordable housing together is key to achieve equitable housing outcomes in this area.

Active Gentrification

- Careful planning to secure low-income housing and mitigate displacement
 - D14. Eviction Prevention Program
 - E8. Property Tax Relief for Income-Qualified Homeowners

→ As the neighborhood has a strong market with significantly high appreciation of housing prices, tools that are useful for strong market have been chosen to prevent displacement and preserve affordable housing for low-income households. Considering low-income owners struggling in the neighborhood, preservation strategy is necessary to support owners to maintain the affordability.

- Ensure the availability of affordable housing as more development comes
 - A10. Inclusionary Zoning – with increased development in a hot market

- A11. Add Restrictive Covenants to Ensure Affordability - when new development occurs, add this restriction to ensure the affordable rent

→ Inclusionary zoning will help to secure more affordable housing in the neighborhood as more development occurs in a hot market. Also, adding the restriction to ensure the affordable rent in the neighborhood when new development occurs.

- Collaborative planning approaches to address regional housing needs

→ Above all, collaborative planning with neighboring cities are most important for this neighborhood as only a small part of neighborhood is included in Tigard due to the inconsistency between Census tract and city boundary. Thus, when planning housing in this neighborhood, it would be helpful to collaborate with cities sharing this tract with.

Hermiston

Planning Analysis Findings

Unmet housing needs of extremely low-income and very low-income

- BIPOC renters with very low income are disproportionately high among renter households, while white renters are disproportionately experiencing extremely low income. The current shortage in affordable rentals to households with income less than 50% AMI continuously exacerbates the cost burdens on low-income renters, both BIPOC and white, as the recent housing permit activities have not responded to those needs yet.
- The city may consider the subsidy funding for affordable rentals through working with the State on rural development. Non-recourse low-interest debt funding would be a valuable tool to secure the resources for more affordable rental housing in a rural community like Hermiston.

Uneven Development

- BIPOC households are disproportionately experiencing low income, especially in the income range between 30% AMI and 80% AMI, while disproportionately cost-burdened. However, the recent housing supply was not aligned with meeting their needs as most housing developments were made in the city's affluent neighborhood, creating large numbers of single-family homes. Also, middle housing and multifamily housing units are primarily developed in the affluent neighborhood.

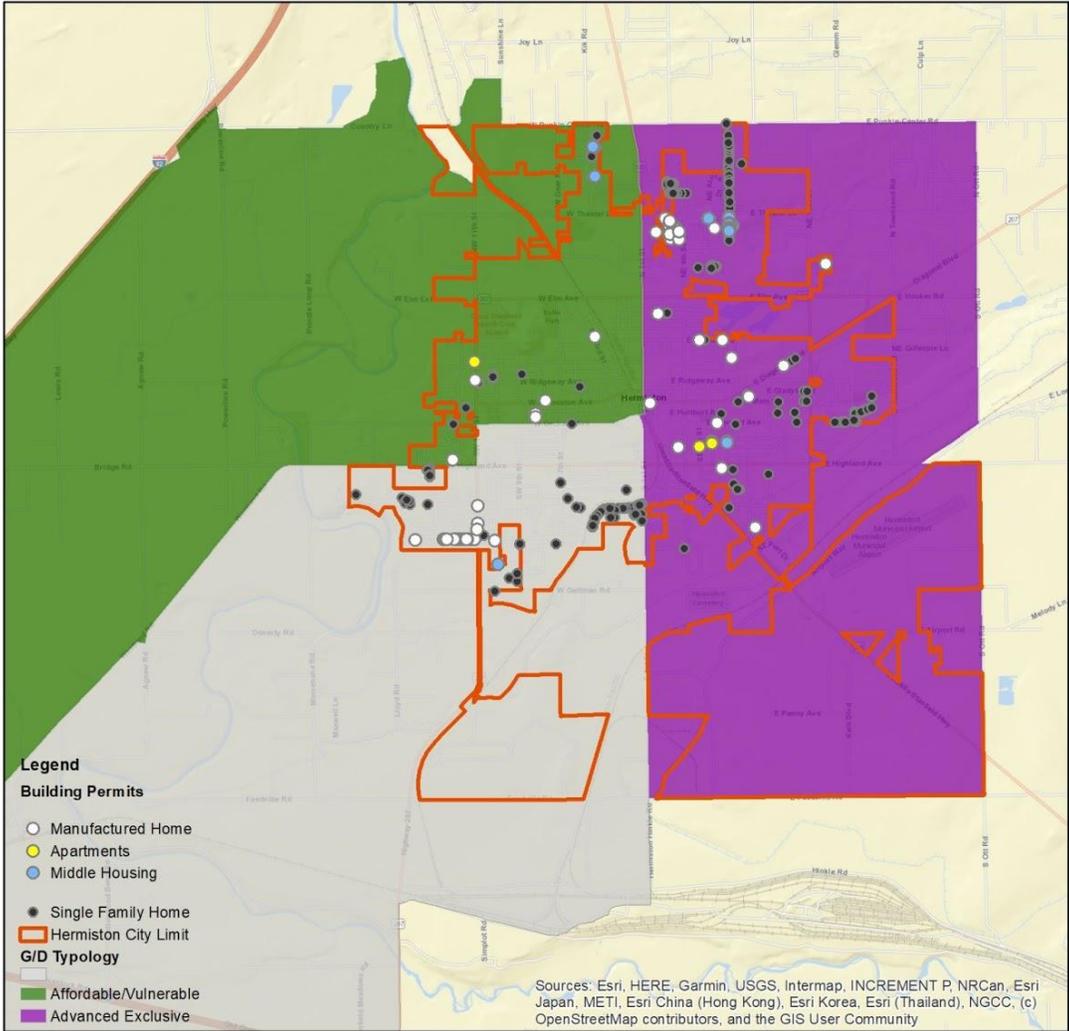
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Increase in manufactured housing

- As manufactured housing provides an affordable option for low-income households who pursue homeownership, Hermiston experienced an increase in manufactured housing across all the neighborhoods in the city. In fact, the city did not project or plan any manufactured housing units in the last HPS, yet 17% of permits were issued to manufactured homes over the decade.
- Considering that manufactured home has been affordable home to low-income households in Hermiston, the city may need to incorporate specialized policies and programs that can overcome regulatory barriers to manufactured housing.
- A land tenancy of manufactured home parks is often problematic. Hermiston may help stabilize the ownership of land for manufactured home parks or communities. The city may cooperate with residents to convert private ownership to cooperative ownership by park residents to enhance residents' stability.
- Better utilizing manufactured housing will become accessible housing options for low- to moderate- renters to achieve homeownership.

Choosing and Targeting HPS

Figure 2. Map of Housing Development Patterns with Neighborhood Typology in Hermiston, 2013-2019



Source. City of Hermiston Building Department

Citywide-common (entire jurisdiction)

- Ensure more diverse type of housing
 - A22. Mixed Housing Types in Planned Unit Development
 - C4. Incentivized Manufactured and Modular Housing
- Although the tools have medium impact on preventing displacement, this can help increase middle housing types, which can help affordable and accessible

homeownership for low-income households. Considering manufactured housing can become accessible housing options for low- to moderate- renters to achieve homeownership, incentive for manufactured housing will help to relieve the cost burdens and rental shortage.

- Maintain affordable housing
 - B12. Pro-Affordable Housing Agenda
 - D23. State of Oregon Debt
- Adopting an overall equitable housing agenda is an important foundation for making a plan to prioritize housing supply tools; one important subsidy for this city may be the program for affordable rentals especially designed to help rural communities.

Affordable and Vulnerable

- B8. Waive Off-Site Infrastructure Requirements for Needed or Affordable Housing
 - D20. Local Innovation and Fast Track (LIFT) Program for Affordable Rental Housing Development
- To foster availability of affordable housing in the neighborhood, the city may utilize tools related to promote affordable housing development that can provide incentives or get rid of barriers. In areas without strong markets, subsidies and financial incentives are important for getting development to happen.

Advanced Exclusive

- A15. Encourage Diverse Housing Types in High-Opportunity Neighborhoods
 - A16. Manufactured Housing Community Preservation Zone
- Although the neighborhood has an exclusive hot housing market, it also has large developments of multifamily and middle housing development, including manufactured homes. As the housing market heated up, manufactured home parks may become unstable with increased risk of converting the land for other uses (including higher-priced housing). Thus, preservation of manufactured home parks and communities may prevent displacement in the neighborhood.

Category A: Zoning and Code Changes

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
A1	Ensure Land Zoned for Higher Density is not Developed at Lower Densities	INDIRECT	all stages	Planning and continued monitoring with attention to displacement in gentrifying areas; add incentives for direct production of equity needs
A2	Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	DIRECT	all stages	Planning and continued monitoring of production vs. needs
A3	FAR, Density, or Height Bonuses for Affordable Housing	DIRECT	Aff/vul Early G Active G Late G Exclusive	These tools work best in strong markets; have a medium impact on displacement
A4	Housing Rehabilitation Codes	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Where naturally occurring affordable housing is being lost to rehab; add incentives to maintain affordability to increase anti-displacement impacts

Category A: Zoning and Code Changes

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
A5	Code Provisions for ADUs	(INDIRECT)	all stages	ADUs, cottage, and middle housing have a medium impact on preventing displacement, with planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
A6	Broaden the Definition of Housing Type	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Planning and continued monitoring of production and locations; add incentives and programs to increase impact and avoid clustering
A7	Allow for Single Room Occupancy in Residential Zones	DIRECT	Aff/vul Early G Active G Late G Exclusive	Planning and continued monitoring of production and locations; add incentives and programs to increase impact and avoid clustering
A8	Promote Cottage Cluster Housing	(INDIRECT)	all stages	ADUs, cottage, and middle housing have a medium impact on preventing displacement, with planning and continued monitoring of production; add incentives and programs to target affordability and increase impact

Category A: Zoning and Code Changes

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
A9	Short-Term Rentals Regulations	DIRECT	all stages	High impact on displacement especially in hot neighborhoods
A10	Inclusionary Zoning	DIRECT	Aff/vul Early G Active G Late G Exclusive	These tools work best in strong markets; have a medium impact on displacement; they pair with incentives that can be customized to context for maximum overall impact
A11	Add Restrictive Covenants to Ensure Affordability	DIRECT	all stages	Strong tool for subsidized housing preservation in all markets
A12	Align Lot Division Density with Zoning Density	INDIRECT	all stages	Planning and continued monitoring of production; add incentives and programs to target affordability and increase impact

Category A: Zoning and Code Changes

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
A13	FAR & Density Transfer Provisions	DIRECT	Aff/vul Early G Active G Late G Exclusive	These tools work best in strong markets; have a medium impact on displacement when paired with affordability tools
A14	Re-examine Requirements for Ground-floor Retail/Commercial	INDIRECT	all stages	
A15	Encourage Diverse Housing Types in High-Opportunity Neighborhoods	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
A16	Manufactured Housing Community Preservation Zone	DIRECT	Aff/vul Early G Active G Late G Exclusive	Planning and monitoring for potential displacement; may need additional incentives and programs in active gentrification for higher impact

Category A: Zoning and Code Changes

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
A17	Small Dwelling Unit Developments	(INDIRECT)	all	ADUs, cottage, and middle housing have a medium impact on preventing displacement, with planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
A18	Increase Density near Transit Stations and Regional Multi-use Trails	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Planning for transit extensions, especially in areas of early gentrification, is important; add incentives and programs to target affordability and increase impact for anti-displacement of transit-riding populations
A19	High Density Requirements for to-be-Annexed Land	INDIRECT	(before)	Planning and continued monitoring for housing needs; add incentives for direct production of equity needs
A20	Pre-Approved Plan Sets for Middle Housing Typologies	(INDIRECT)	all	ADUs, cottage, and middle housing have a medium impact on preventing displacement, with planning and continued monitoring of production; add incentives and programs to target affordability and increase impact

Category A: Zoning and Code Changes

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
A21	Pre-Approved Plan Sets for ADUs	(INDIRECT)	all	ADUs, cottage, and middle housing have a medium impact on preventing displacement, with planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
A22	Mixed Housing Types in Planned Unit Developments	INDIRECT	(before)	ADUs, cottage, and middle housing have a medium impact on preventing displacement, with planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
A23	Accessible Design	DIRECT	all	Directly addresses equity need

Category B: Reduce Regulatory Impediments				
#	Strategy	EQUITY	G/D Typology	WHEN/HOW
B1	Remove or Reduce Minimum Parking Requirements	INDIRECT	all stages	
B2	Remove Development Code Impediments for Conversions	(indirect)	Aff/vul Early G Active G Late G Exclusive	Conversions that upgrade and upscale may displace through broader neighborhood changes; conversions that create more rental and moderate cost housing may stabilize
B3	Expedite Permitting for Needed Housing Types	(indirect)	all stages	
B4	Expedite Lot Division for Affordable Housing	(direct)	all stages	
B5	Reduce Regulatory Barriers to Lot Division	(indirect)	all stages	Increased density in gentrifying neighborhoods may not serve to stabilize; add incentives and programs to target affordability and increase impact

Category B: Reduce Regulatory Impediments				
#	Strategy	EQUITY	G/D Typology	WHEN/HOW
B6	Streamline Permitting Process	Indirect	all stages	Planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
B7	Flexible Regulatory Concessions for Affordable Housing	(direct)	all stages	Planning and continued monitoring of production and locations; add incentives and programs to increase impact and avoid clustering
B8	Waive Off-Site Infrastructure Requirements for Needed or Affordable Housing	(indirect)	all stages	Planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
B9	Capital Improvements Programming (CIP)	indirect	(before)	
B10	Public Facility Planning	indirect	(before)	

Category B: Reduce Regulatory Impediments				
#	Strategy	EQUITY	G/D Typology	WHEN/HOW
B11	Pro-Housing Agenda	Indirect	entire jurisdiction	A more focused agenda on affordable housing will address NIMBY and stigma issues with rental housing, affordable housing, and protected classes.
B12	Pro Affordable Housing Agenda	(direct)	entire jurisdiction	A pro-affordable housing agenda does not create housing directly; but it is an important component of planning to ensure that equity is achieved. Including Fair Housing and addressing protected classes such as race/ethnicity and national origin will further target this strategy to equitable outcomes
B13	Align Bike Parking Requirements with Actual Use	indirect	all stages	
B14	Adopt Affirmatively Furthering Fair Housing as a Housing Policy in Comprehensive Plan	(direct)	entire jurisdiction	addressing affordability and equitable access for all people; as well as considering neighborhood clustering and neighborhood change as part of access to opportunity. It is an important undergirding for housing planning and directing resources; but does not create housing.
B15	Reduce the Power of NIMBYism to stop, slow, change, or reduce affordable housing	(Direct)	entire jurisdiction	Removing policies is a stronger and more direct impact than educating communities.

Category B: Reduce Regulatory Impediments				
#	Strategy	EQUITY	G/D Typology	WHEN/HOW
B16	Holistic Planning to Distribute New Density More Equitably	(indirect)	entire jurisdiction	Planning and continued monitoring of production; add incentives and programs to target affordability and increase impact
B17	Reduce on-site Common/Active Open Space Requirements	indirect	Aff/vul Early G Active G Late G Exclusive	Take care with neighborhoods that are seeking more holistic revitalization to balance non-housing needs with housing production.
B18	Prioritize Home Ownership	(Indirect)	all stages	To ensure access to homeownership to under-represented groups, pair development of owner-occupied housing types with homebuyer education, financial assistance like downpayments and low-cost loans, and affirmative marketing.

Category C: Financial Incentives

#	Strategy	EQUITY	G/D Typology	When/How
C1	Reduce or Exempt SDCs for Needed Housing	(indirect)	all	Increase impacts by focusing SDC incentives on needed housing types from the equity housing needs analysis
C2	Modify SDC fee schedules	(indirect)	all	Increase impacts by focusing SDC incentives on needed housing types from the equity housing needs analysis
C3	Reduce or Exempt SDCs for ADUs	(indirect)	Aff/vul Early G Active G Late G Exclusive	In strong market, this can produce more housing units; ADUs have medium anti-displacement impact, can be increased with programs to target affordability and equity
C4	Incentivize Manufactured and Modular Housing	(Direct)	all	

Category C: Financial Incentives

#	Strategy	EQUITY	G/D Typology	When/How
C5	Waive or Finance Park Impact Fees for Affordable Housing	(Direct)	all	Reduced fees have medium impacts on displacement
C6	Publicly Funded Infrastructure Improvements	(Direct)	all	Reduced fees have medium impacts on displacement
C7	Reconsider Applying Park SDCs	(indirect)	Aff/vul Early G Active G Late G Exclusive	Reduced fees have medium impacts on displacement in strong markets; make more impact by targeting to affordable development
C8	Transportation SDCs Tied to Parking	indirect)(Aff/vul Early G Active G Late G Exclusive	Reduced fees have medium impacts on displacement in strong markets; make more impact by targeting to affordable development

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D1	Community Development Block Grant (CDBG)	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D2	Low Income Housing Tax Credit (LIHTC)	DIRECT	Aff/vul Early G Active G Late G Exclusive	In strong markets, LIHTC can be used to create mixed-income housing that provides cross-subsidy to affordable units; LIHTC can also be combined with additional programs to extend the affordability period for the housing.
D3	Housing Trust Funds	DIRECT	all	
D4	Operating Subsidies for Affordable Housing Developments	DIRECT	all	

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D5	Employer - Assisted Housing Programs	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Employer-assisted housing in areas near transit or near workplaces can support stability and equity, and contribute to a 'pro-housing agenda.'
D6	HOME Program	DIRECT	all	
D7	Dedicated Revenue Sources for Affordable Housing	<u>DIRECT</u>	all	
D8	Demolition Taxes	INDIRECT	Aff/vul Early G Active G Late G Exclusive	Medium impacts to prevent displacement in strong markets with lots of demolition and conversion, with impacts in the short term and potential to fund housing. Plan and monitor production vs. needs

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D9	Construction Excise Tax (CET)	DIRECT	Aff/vul Early G Active G Late G Exclusive	Plan and monitor production vs. needs
D10	Tax Increment Financing (TIF) Set-Aside	DIRECT	Aff/vul Early G Active G Late G Exclusive	the TIF set-aside can fund housing; but it is a financing mechanism that relies on overall property values increasing to create the increment. TIF is associated with gentrification and displacement, especially for people of color. This may be exacerbated by Oregon's restriction of TIF funds to physical development; add community and economic development activities for low-income and POC to support their staying in place as neighborhoods improve.
D11	Flexible Use of Housing Choice Vouchers	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D12	Targeted Vouchers	DIRECT	Aff/vul Early G Active G Late G Exclusive	

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D13	Low-Interest Loans / Revolving Loan Fund	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D14	Eviction Prevention Programs	DIRECT	Aff/vul Early G Active G Late G Exclusive	Eviction prevent programs have high anti-displacement impacts, in the short term, and across all markets. They are especially useful in strong markets where there are economic incentives to evict.
D15	Bond - for Resident Support Services and Permanent Supportive Housing Services	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D16	General Obligation Bonds – for Affordable Housing	DIRECT	Aff/vul Early G Active G Late G Exclusive	

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D17	Use IHBG funds for Urban Native Americans	<u>DIRECT</u>	Aff/vul Early G Active G Late G Exclusive	
D18	Weatherization Funds through Community Action Agencies	DIRECT	Aff/vul Early G Active G Late G Exclusive	Weatherization funds can address displacement by improving habitability in low-income neighborhoods; and by reducing energy costs and needs for expensive repairs that may displace owners in gentrifying neighborhoods.
D19	Transit-Oriented Development Grants	<u>(INDIRECT)</u>	Aff/vul Early G Active G Late G Exclusive	Planning ahead for affordability in TOD is important for not displacing households who are most likely to use transit (low-mod income, renters, POC, and immigrants); making it an effective strategy for equity and to support multi-modal transportation.
D20	Local Innovation and Fast Track (LIFT) Program for Affordable Rental Housing Development	<u>DIRECT</u>	Aff/vul Early G Active G Late G Exclusive	

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D21	Mental Health Trust Fund Awards	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D22	Foundations Awards	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D23	State of Oregon Debt	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D24	State of Oregon Debt Support	DIRECT	Aff/vul Early G Active G Late G Exclusive	

Category D: Financial Resources

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
D25	Luxury Tax for Equitable Housing	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D26	Reallocate Health and Public Safety Resources to Housing	DIRECT	Aff/vul Early G Active G Late G Exclusive	
D27	Georgist Land Tax	DIRECT	Aff/vul Early G Active G Late G Exclusive	A land tax promotes equity among homeowners, if properly calibrated, and incentivizes more development of housing supply. This requires state law changes. https://www.pdx.edu/news/psu-study-portland-land-value-tax-would-improve-equity-homeowners-incentivize-development

Category E: Tax Exemption and Abatement

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
E1	Nonprofit Low-Income Rental Housing Exemption	DIRECT	Aff/vul Early G Active G Late G Exclusive	
E2	Property Tax Exemption for Affordable Housing Tied to Level of Affordability	(DIRECT)	Aff/vul Early G Active G Late G Exclusive	Take care to include homebuyer and post-purchase financial education to avoid loss of assets in gentrifying neighborhoods, where owners can be pressured to sell or to take out refinance loans.
E3	Vertical Housing Development Zone Tax Abatement	DIRECT	Aff/vul Early G Active G Late G Exclusive	calibrate incentives to needed housing types, e.g. affordability levels. Incentives for inclusion of affordable units work best in strong markets
E4	Multiple Unit Property Tax Exemption (MUPTE)	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	calibrate incentives to needed housing types, e.g. affordability levels. Incentives for inclusion of affordable units work best in strong markets
E5	Multiple Unit Limited Tax Exemption (MULTE)	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	calibrate incentives to needed housing types, e.g. affordability levels. Incentives for inclusion of affordable units work best in strong markets

Category E: Tax Exemption and Abatement

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
E6	Homebuyer Opportunity Limited Tax Exemption Program (HOLTE)	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	calibrate incentives to needed housing types, e.g. affordability levels. Incentives for inclusion of affordable units work best in strong markets
E7	Homestead Tax	(DIRECT)	Aff/vul Early G Active G Late G Exclusive	
E8	Property Tax Relief for Income-Qualified Homeowners	(DIRECT)	Aff/vul Early G Active G Late G Exclusive	Supporting owners to stay in place as housing markets heat up is an important preservation strategy; it does not maintain the affordability of the unit at sale.
E9	Investing into Federal Opportunity Zones (OZ)	INDIRECT	Aff/vul Early G Active G Late G Exclusive	The OZ program has been found to be generally poorly targeted and monitored; as with any investment incentive it is important to include strong anti-displacement protections for vulnerable residents and ensure their inclusion in economic opportunities.
E10	Delayed Tax Exemptions	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	

Category F: Land, Acquisition, Lease, and Partnerships

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
F1	Land Banking	(DIRECT)	Aff/vul Early G Active G Late G Exclusive	Planning ahead for areas of public investment with land banking can support affordable housing development without needing to purchase lots. In already developed, exclusive areas, using public land may be the only cost effective strategy for building new affordable units.
F2	Joint Development Agreements	(INDIRECT)	all	Important foundation with focus on housing for transit dependent people (Low income, renters, POC and immigrants)
F3	Community Land Trusts	DIRECT	all	Land trusts are a very strong anti-displacement measure in all neighborhood types, with immediate and long term impacts.
F4	Public/Private Partnerships (P3)	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Setting clear public goals; including monitoring of provision of public benefits; and including financial penalties for not meeting goals are important for strengthening community benefits agreements in public-private partnerships.
F5	Preserving Low-Cost Rental Housing to Mitigate Displacement	DIRECT	Aff/vul Early G Active G Late G Exclusive	Preservation is cost-effective compared to new construction and can prevent displacement in the immediate term for households in place.

Category F: Land, Acquisition, Lease, and Partnerships

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
F6	Preserving Safe, Affordable Manufactured Homes	DIRECT	Aff/vul Early G Active G Late G Exclusive	
F7	Providing Information and Education to Small Developers	INDIRECT	all	
F8	Conversion of Underperforming or Distressed Commercial Assets	DIRECT	Aff/vul Early G Active G Late G Exclusive	Most likely to be cost effective in some neighborhood market types.
F9	Enhanced Use Lease of Federal Land	(DIRECT)	all	
F10	Prioritize Housing on City/County Owned Land	(DIRECT)	all	

Category F: Land, Acquisition, Lease, and Partnerships

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
F11	Combine Community Land Trust with Limited Equity Cooperative Model	DIRECT	all	
F12	Surplus Land for Affordable Housing	(DIRECT)	all	
F13	McKinney-Vento Federal Surplus	(DIRECT)	all	
F14	Right of First Refusal for Land Purchase	(DIRECT)	all	
F15	Ordinances that Address Zombie Housing	INDIRECT	Aff/vul Early G Active G Late G Exclusive	

Category F: Land, Acquisition, Lease, and Partnerships

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
F16	Regulatory Agreement	(DIRECT)	Aff/vul Early G Active G Late G Exclusive	Prepare for agreement expiration with preservation plans
F17	Designated Affordable Housing Sites	(DIRECT)	all	
F18	Utilize Surplus Land Owned by Faith-Based Organizations for Affordable Housing	(DIRECT)	all	
F19	Affordable Housing Preservation Inventory	(DIRECT)	all	
F20	Fair Housing Education, Referral, and Other Services	(DIRECT)	all	

Category F: Land, Acquisition, Lease, and Partnerships

#	Strategy	EQUITY	G/D Typology	WHEN/HOW
F21	Public or Mission-Driven REITs and Turn-Key Delivery	(DIRECT)	all	

6 Policy toolkit: best practices

This section lists resources for specific tools and policies used as best practices for mitigating the harms of gentrification.

To simplify the implementation of a gentrification strategy, the six types of changing neighborhoods are collapsed into three categories. *Early* includes susceptible and both types of early gentrification neighborhoods; *Mid* includes dynamic neighborhoods; and *Late* are late and continued loss neighborhoods.

6.1 Plan for inclusive, equitable development

Tool	Early	Mid	Late
<i>Health Impact Assessment/Environmental Impact Assessment</i>	X	X	X
<i>Community Impact Report</i>	X	X	X
<i>Community Benefits Agreement and tools</i>		X	X
<i>Neighborhood planning process</i>	X	X	
<i>Support community building initiatives</i>	X	X	
<i>Task force/community advisory committee</i>	X	X	

6.2 Increase/preserve opportunities for affordable housing

6.2.1 Generate revenue for housing programs

Strategy	Early	Mid	Late
<i>Housing levy</i>	X	X	X
<i>Document recording fee</i>	X	X	X
<i>Housing Trust Fund</i>	X	X	X
<i>Developer exactions</i>	X	X	X
<i>Tax Increment Financing</i>	X	X	X
<i>Real estate transfer taxes</i>	X	X	

6.2.2 Create new affordable housing

Tool	Early	Mid	Late
<i>Commercial linkage program</i>		X	X
<i>Inclusionary zoning</i>		X	X
<i>Vacant/underutilized land</i>	X	X	
<i>Revise zoning</i>	X	X	X

6.2.3 Preserve affordable housing

Strategy	Early	Mid	Late
<i>Code enforcement</i>	X	X	
<i>Replacement ordinance and “right to return” policy</i>			X
<i>Retain expiring-subsidy units</i>	X	X	X
<i>Rent control</i>		X	X
<i>Eviction protection laws</i>	X	X	

6.3 Build assets and retain residents and businesses

Tool	Early	Mid	Late
<i>Homeownership programs</i>	X	X	
<i>Commercial stabilization</i>	X	X	
<i>Individual Development Accounts</i>	X		
<i>Property tax relief</i>		X	X
<i>Resident ownership</i>	X	X	
<i>Targeted economic development</i>	X	X	
<i>Resident stakeholders</i>	X	X	
<i>Preserve cultural facilities and landmarks</i>	X	X	

Links to major online resources:

Partnership for Working Families Policy and Tools: <http://www.forworkingfamilies.org/>

HousingPolicy.org Toolbox: <http://www.housingpolicy.org>

PolicyLink Equitable Development Toolkit: <http://www.policylink.org>

Descriptions and resources for individual tools:

6.1 Plan for inclusive, equitable development

Health Impact Assessment/Environmental Impact Assessment

Modify Environmental and Health Impact Assessments to include socioeconomic impacts; use to minimize adverse effects of development.

Malekafzali, S. and Bergstrom, D. (2011). [Healthy Corridor for All: A Community Health Impact Assessment of Transit-Oriented Development in Saint Paul, Minnesota \(Summary\)](#). Washington, DC: PolicyLink.

The Healthy Corridor summary report describes the use of a Health Impact Assessment to measure risks and opportunities for communities near the Twin Cities' Central Corridor light rail project. It discusses the HIA process and methodology and presents findings related to economic development, affordable housing, and transportation for affected communities.

Community Impact Report

Utilize Community Impact Reports during early stages of development process to assess fiscal, employment, housing, neighborhood services, and smart growth impacts of projects.

Partnership for Working Families. (2012). [Policy and Tools: Community Impact Reports](#). Washington, DC.

This tool provides an overview of Community Impact Reports and their benefits, and includes links to existing CIR measures and draft ordinance language.

Community benefits tools

Support community-negotiated Community Benefits Agreements (CBAs) with commercial developers to include living wage jobs, local hiring, and/or affordable housing; create incentives for large businesses to create employee-assisted housing programs; incorporate community benefits into City policies (e.g., first-source hiring for contracting jobs).

East Bay Alliance for a Sustainable Economy. (2008). [Building a Better Bay Area: Community Benefits Tools and Case Studies to Achieve Responsible Development](#). Oakland, CA.

This report makes a case for a new framework for responsible development and discusses opportunities for communities to pursue project-based negotiated agreements and Community Benefits Agreements. It offers several examples of agreements formed around commercial, retail, mixed-use and residential projects.

Good Jobs First and California Partnership for Working Families. (2005). [Community Benefits Agreements: Making Development Projects Accountable](#). Washington, DC.

This handbook is intended to help community organizations understand how Community Benefits Agreements work. It covers CBA basics, pros and cons, implementation, monitoring and enforcement, and the range of benefits for which community groups can negotiate. Several examples are included as well as CBA language from existing agreements.

Partnership for Working Families. (2009). [Community Benefits: Practical Tools for Proactive Development](#). Washington, DC.

This tool for local government officials describes the community benefits model and examples of Community Benefits Agreements that have created job and housing opportunities, neighborhood amenities, and environmental wealth for underserved communities. It discusses local government's role in encouraging private CBA negotiations and enacting citywide community benefits policies.

Partnership for Working Families (2010). [The Tracking Toolbox](#). Washington, DC.

The Tracking Toolbox is designed to help community groups and organizers understand the basics of the development process so they can engage with it to influence development outcomes. It maps out the involved actors and typical steps most large projects go through, and offers suggestions on ways for community groups to keep track of development projects.

Neighborhood planning process

Allow local residents to create neighborhood plan that guides development; proposals at odds with plan trigger review by neighborhood planning team.

Sobel, E. (2008). [Austin, TX: The East Austin Neighborhood](#). Dallas, TX: Federal Reserve Bank of Dallas.

This case study of East Austin describes the City of Austin's neighborhood planning process, through which community members can create a neighborhood plan and review proposals that do not fit with their development vision. After review, the neighborhood team makes recommendations to the planning board regarding the proposed project.

Support community building initiatives

Support local community organizations working to empower residents through community building initiatives.

Task force/community advisory committee

Convene a gentrification/affordable housing task force; create community advisory committee to guide development decisions

Levy, D.K., Comey, J., & Padilla, S. (2006). [In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement](#). Washington, DC: The Urban Institute.

This report's case study of Atlanta's Reynoldstown neighborhood describes how local government created task forces to make policy recommendations related to gentrification and affordable housing, a strategy that complemented other anti-displacement efforts pursued by the City.

6.2 Increase/preserve opportunities for affordable housing

6.2.1 Generate revenue for housing programs

Housing Levy

Establish a property tax levy to raise funds for affordable housing development and preservation.

City of Seattle. (2012). [Housing Levy Impact: 2011 Report of Accomplishments](#).

This progress report for Seattle's 2009 housing levy provides background information about the levy and the programs--used to create and preserve affordable housing, assist first-time homebuyers, and provide emergency rent assistance--that it supports. The report briefly describes levy policies regarding allocation of funds and program monitoring by the Housing Levy Oversight Committee, and provides 2011 funding summaries for each of the levy-funded programs.

Levy, D.K., Comey, J., & Padilla, S. (2006). [In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement](#). Washington, DC: The Urban Institute.

This report's case study of Seattle's Central Area provides more information about the housing levy, including the City's efforts to get it passed, the housing programs it funds, and various implementation challenges.

Document recording fee

Establish fee for filing of deeds, mortgages, real property contracts, etc. to finance affordable housing development and preservation.

Housing Trust Fund

Establish Housing Trust Fund as a dedicated funding source for affordable housing development and preservation.

PolicyLink. (2002). [Equitable Development Toolkit: Housing Trust Fund](#). Washington, DC.

This report describes the creation of Housing Trust Funds as a stable funding source for a variety of uses, including acquisition, new construction, rehabilitation, emergency repairs, and housing-related programs such as rental assistance and homeownership education. It covers program administration and oversight, program

design (including the awards process, disbursement options, eligible applicants, and income guidelines), and revenue sources; key players, implementation challenges, and related policy are also discussed. The report includes case studies of Housing Trust Fund programs at the local (Boulder, CO), regional (King County, WA), and state (Florida) level along with links to additional resources.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 2 of this report focuses on strategies to develop affordable housing, including creation of a Housing Trust Fund. The authors provide a brief description of the strategy and discuss anticipated outcomes, implementation challenges, and timing considerations.

Developer exactions

Use impact fees to finance affordable housing development and preservation.

PolicyLink. (2002). [Equitable Development Toolkit: Developer Exactions](#). Washington, DC.

This report describes types of developer exactions and briefly discusses key players and implementation.

Tax Increment Financing

Dedicate a portion of tax increment funds to financing affordable housing development and preservation.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 2 of this report focuses on strategies to develop affordable housing, including Tax Increment Financing. Traditionally used to finance economic development projects, some jurisdictions attach other requirements to TIF legislation, such as requiring a certain amount of revenue to be set aside for developing affordable housing. The authors find that TIF is a promising strategy for leveraging additional capital, and note that because the tax rate remains constant for the duration of the TIF period, existing property owners are protected from tax increases during the TIF lifetime and any additional revenue comes from new developments. Implementation challenges include the risk that the designated TIF area's values will not rise or that businesses attracted by TIF funds will go out of business, resulting in a shortfall for repayment of financing.

Real estate transfer taxes

Establish real estate transfer taxes to deter speculation in gentrifying areas; use funds to finance affordable housing development and preservation.

6.2.2 Create new affordable housing

Commercial linkage program

Require commercial developers to construct affordable housing units or pay in-lieu fee.

PolicyLink. (2002). [Equitable Development Toolkit: Commercial Linkage Strategies](#). Washington, DC.

This report describes commercial linkage programs and the variety of options available for designing a linkage strategy. It also discusses key players, financing, implementation, and related policy. Three case studies are included, including a regional variation of this strategy used in the Chicago metro area.

Inclusionary zoning

Require or incentivize inclusion of affordable units for new residential developments.

PolicyLink. (2002). [Equitable Development Toolkit: Inclusionary Zoning](#). Washington, DC.

This report describes voluntary and mandatory inclusionary zoning and descriptions of cost-offsets for developers. It discusses key players, financing, implementation, and related policy, and offers four short case studies and links to additional resources.

California Homebuilders Association and the Nonprofit Housing Association of Northern California. (2005). [On Common Ground: Joint Principles on Inclusionary Housing Policies](#).

This paper sets forth a set of recommended principles that the two organizations have agreed can be incorporated into inclusionary zoning programs to enhance their effectiveness in producing affordable units.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 2 of this report focuses on strategies to develop affordable housing, including inclusionary zoning. The authors provide a brief description of the strategy and discuss anticipated outcomes, implementation challenges, and timing considerations.

Vacant/underutilized land

Utilize vacant property receivership; undertake housing rehab for vacant/boarded single-family homes; pursue infill development; land bank publicly owned vacant land.

Center for Community Progress. [Toolkit: Vacant Property Receivership](#). Retrieved December 1, 2012 from:

This webpage provides a brief overview of receivership as a tool to restore vacant properties to productive use. It includes a link to a report on the use of receivership to revitalize neighborhoods and empower communities in Baltimore.

Alexander, F. (2011). [Land Banks and Land Banking](#). Washington, DC: Center for Community Progress.

This comprehensive report offers community leaders a step-by-step guide for creating land bank programs to take control of problem properties and leverage them for equitable development. It includes several case studies, provides examples of state enabling legislation, and discusses financing, implementation, and governance of land bank programs.

Revise zoning

Revise zoning code to allow for greater flexibility in affordable housing development.

Levy, D.K., Comey, J., & Padilla, S. (2006). [In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement](#). Washington, DC: The Urban Institute.

This report's case study of St. Petersburg's Bartlett Park neighborhood describes how, in conjunction with other strategies to increase affordable housing production, the local government changed its zoning code to allow for mixed-use developments and increased density.

6.2.3 Preserve affordable housing

Code enforcement

Use penalties attached to housing code enforcement to negotiate benefits for tenants of multi-family dwellings with negligent owners (e.g., reduce tenants' rent until compliance is achieved or transfer ownership to tenants or community organizations).

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 2 of this report focuses on strategies to develop and retain affordable housing, including the use of code enforcement policies to penalize negligent property owners, creating an opportunity to negotiate for the benefit of tenants. The authors note that because landlords may be required to pay for improvements to their properties, code enforcement could result in higher rents for tenants and therefore increase the risk of displacement unless used in connection with other strategies. Such strategies include programs requiring the retention of units as affordable housing or the inclusion of affordable units in rehabilitated buildings, and connecting tenants to a community organization that can help them navigate the negotiation process and/or the transfer of ownership to an entity that will preserve affordability.

PolicyLink. (2002). [Equitable Development Toolkit: Code Enforcement](#). Washington, DC. Retrieved from:

This report describes the use of housing code enforcement as a tool to transfer ownership of multi-family dwellings to tenants or community organizations in cases where codes have been violated. It discusses implementation, key players, and related policy, and includes a case study for Washington DC's Columbia Heights neighborhood.

Replacement ordinance and "right to return" policy

Enact replacement ordinance requiring one-for-one replacement of affordable units lost due to revitalization; enact "right to return" policy under which new affordable housing must give an admissions preference to persons displaced by revitalization.

Damewood, R. and Young-Laing, B. (2011). [Strategies to Prevent Displacement of Residents and Businesses in Pittsburgh's Hill District](#).

This paper provides an overview of the Hill District's history of disinvestment and recent development pressures. It reviews anti-displacement strategies that have been used throughout the country and discusses the efforts of a neighborhood advocacy group and community development law firm to have these strategies implemented in the Hill District. The paper includes Hamtramck, Michigan's "right to return" policy, the result of African American former residents' class action lawsuit against the city for discriminatory urban renewal efforts, that requires the city to develop affordable replacement housing and give children and grandchildren of displaced residents first priority for returning. The authors recommend adopting a right to return policy for the Hill District under which all new housing development plans must give admissions preference for displaced persons, including residents who were displaced by urban renewal and their descendants.

Retain expiring-subsidy units

Offer tax incentives to renew contracts for expiring affordable multi-family housing; encourage owners to seek federal incentives to renew contracts and/or restructure mortgages; grant local government, nonprofits, or tenants right of first refusal for purchase of property; require owners to pay a conversion fee to cover tenant relocation costs.

PolicyLink. (2002). [Equitable Development Toolkit: Expiring Use](#). Washington, DC.

This report describes the problem of expiring subsidies for affordable properties. The authors note that preservation of affordable units is an important strategy for maintaining housing for a mix of income levels in gentrifying areas and can be a cost-effective means of preventing displacement before it happens. They lay out a framework for a successful housing preservation campaign that includes picking and researching properties, helping tenants organize, and choosing a strategy (litigation, persuasion to renew, or purchase by a third party). The report offers case studies of San Francisco, which passed ordinances designed to prevent market-rate

conversions, organized tenants, and committed significant funding to affordable housing preservation, and tenant-organizing in Anoka, MN to preserve an affordable multi-family building.

Achtenberg, E. (2002). [Stemming the Tide: A Handbook on Preserving Subsidized Multifamily Housing](#). New York, NY: Local Initiatives Support Coalition.

This comprehensive report discusses ways to preserve the affordability of HUD-assisted multifamily properties for low-income households. It includes tools and strategies available for preservation at all levels of government.

Rent control

Enact rent control policies to maintain affordability.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 2 of this report focuses on strategies to develop and retain affordable housing, including the use of rent control policies. The authors provide a brief description of the strategy and discuss anticipated outcomes, implementation challenges, and timing considerations.

PolicyLink. (2002). [Equitable Development Toolkit: Rent Control](#). Washington, DC.

This report describes elements of strong rent control laws to protect tenants from rising housing costs and provides counterarguments to the most common arguments against rent control policies. The authors provide brief case studies for Hoboken, NJ, Santa Monica, San Francisco, and Baltimore as well as links to rent control legislation and ordinances.

Eviction protection laws

Enact strong eviction protection laws to prevent eviction without just cause in neighborhoods experiencing speculation.

PolicyLink. (2002). [Equitable Development Toolkit: Just Cause Eviction Controls](#). Washington, DC.

This report describes ordinances to protect renters by ensuring that landlords can evict only with just cause. Such controls typically apply to owners of buildings with more than a certain number of units, protect vulnerable tenants (e.g., low-income, elderly, people of color), and protect tenants in danger of eviction due to a bank foreclosure on the property. Effective just cause ordinances include enforcement mechanisms and expedited processes to deal with unjust evictions. The report discusses several advantages associated with this tool, including protection of tenants who have month-to-month leases, prevention of the steep rental increases that often accompany rapid resident turnover, and stabilization of communities. Challenges include a nationwide trend of dismantling laws that restrict property owner rights, the need for widespread tenant rights education, and the need to

couple just cause eviction controls with other tools such as rent controls. The report includes two short case studies and links to additional resources.

6.3 Build assets and retain residents and businesses

Homeownership Programs

Provide downpayment and closing-cost assistance to first-time homebuyers; support Section 8 Homeownership program; establish homeownership and foreclosure education and counseling programs; provide funds for home repair and rehab; provide assistance to owners to create accessory dwelling units to reduce financial burden of homeownership.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

See Section 3 of this report focuses on asset-building strategies, including homeownership education and counseling and the Section 8 Homeownership program. For each strategy, the authors provide a brief description and discuss outcomes, implementation challenges, and timing considerations.

Commercial Stabilization

Provide technical assistance, financial advising, microlending, design assistance, and storefront improvement funds to small businesses; undertake basic streetscape improvement projects.

PolicyLink. (2002). [Equitable Development Toolkit: Commercial Stabilization](#). Washington, DC.

This report describes the range of available commercial stabilization tools, which can include capital investment, design guidelines, business attraction, facade improvement, and commercial development. It discusses key players, financing, implementation, and related policies and offers case studies of commercial stabilization efforts in Oakland and Berkeley.

Sobel, E. (2008). [Austin, TX: The East Austin Neighborhood](#). Dallas, TX: Federal Reserve Bank of Dallas.

This case study of East Austin identifies several issues facing the gentrifying neighborhood, including challenges for small businesses. Faced with rising rents, business owners have reported a desire to increase their ability to network with other local businesses to create an East Austin business district with a distinct identity to draw customers, as well as a preference for working with microenterprise lenders rather than large banks. To help small businesses retain their viability in a changing market, local nonprofits provide technical assistance and microlending and run a forum series to inform owners about local economic and political trends. The city

also provides loans of up to \$20,000 to nonprofits and new and existing neighborhood-serving small businesses that relocate to East Austin.

Individual Development Accounts

Establish savings program that provides matching funds for contributions from residents; allowable uses include homeownership costs, education, entrepreneurship, etc.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 3 of this report focuses on asset-building strategies, including Individual Development Accounts. The authors provide a brief description of the strategy and discuss anticipated outcomes, implementation challenges, and timing considerations.

Property tax relief

Defer property taxes for lower-income homeowners facing rising property values.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 2 of this report focuses on strategies to retain affordable housing, including tax relief for homeowners in the form of legislation that defers payment of property tax increases resulting from gentrification-related appreciation. When the home is sold, the deferred tax payments can be paid for using profits from the sale. Tax relief may be coupled with low-interest loans or grants to lower-income residents to assist with home maintenance costs. The authors note that elderly homeowners in particular may benefit from property tax deferral and financial assistance, as they often do not have sufficient income to cover increased tax payments or repairs. Garnering local support for tax deferral policies and financial assistance programs is cited as the primary challenge to implementation.

Resident ownership

Create financing program to enable tenants to purchase expiring-subsidy properties and maintain them as affordable housing; support creation of limited-equity housing co-ops with purchase priority given to current neighborhood residents; support Community Land Trust (CLT) programs.

PolicyLink. (2002). [Equitable Development Toolkit: Limited Equity Housing Cooperatives](#). Washington, DC.

This report describes models of cooperative housing ownership and discusses financing strategies, key players, related policies, and implementation challenges. It includes a case study of limited-equity housing cooperatives in New York.

Levy, D.K., Comey, J., & Padilla, S. (2006). [Keeping the Neighborhood Affordable: Housing Strategies for Gentrifying Areas](#). Washington, DC: The Urban Institute.

Section 3 of this report focuses on asset-building strategies, including limited-equity housing cooperatives and Community Land Trusts. The authors provide a brief description of the strategy and discuss anticipated outcomes, implementation challenges, and timing considerations.

PolicyLink. (2002). [Equitable Development Toolkit: Community Land Trusts](#). Washington, DC.

This report describes the Community Land Trust model, under which a private nonprofit organization creates affordable homeownership opportunities by leasing land for a nominal fee to individuals who own the buildings on the land. By retaining ownership of the land, CLTs are able to greatly reduce the cost of purchasing a home. Buyers agree to limit the amount of profit they make on the sale of the home, ensuring permanent affordability. The authors discuss land acquisition, financing, related policies, and implementation challenges. Case studies of CLTs in Albuquerque, Portland, and Burlington, VT are included.

Targeted economic development

Create organization or program dedicated to job training and business development for residents in at-risk areas.

Levy, D.K., Comey, J., & Padilla, S. (2006). [In the Face of Gentrification: Case Studies of Local Efforts to Mitigate Displacement](#). Washington, DC: The Urban Institute.

This report's case study of Seattle's Central Area describes how the local Chamber of Commerce created an Urban Enterprise Center focused on job training and business development for residents in that neighborhood.

Gibbons, A. and Haas, G. (2002). [Redefining Redevelopment: Participatory Research for Equity in the Los Angeles Figueroa Corridor](#). Los Angeles, CA: Figueroa Corridor Coalition for Economic Justice.

This report summarizes research undertaken by the coalition to identify best practices for designing a community jobs program. Now operational, [the program](#) trains low-income residents for jobs generated by investment in the corridor.

Resident shareholders

Offer residents stock ownership in CDC commercial real estate projects; support cooperative business enterprises in at-risk neighborhoods.

PolicyLink. (2001). [Equitable Development Toolkit: CDCs with Resident Shareholders](#). Washington, DC.

This report describes the emerging strategy of offering residents stock ownership in CDC projects, and discusses financing, related policies, and implementation challenges. It includes a case study of Good Hope Marketplace, a retail shopping

center in Washington, DC that is owned by a local economic development corporation that makes 10% of its stock available for purchase by neighborhood residents.

PolicyLink. (2002). [Equitable Development Toolkit: Cooperative Ownership](#). Washington, DC.

This report describes models of cooperative business ownership, including worker cooperatives, employee stock ownership plans, consumer cooperatives, and producer cooperatives. It covers financing, related policies, and implementation challenges and includes case studies for a worker cooperative temp agency in Baltimore and a producer cooperative in Puerto Rico.

Preserve cultural facilities and landmarks

Preserve culturally important institutions, sites, landmarks and art.

Indiana Landmarks. [African American Landmarks](#). Retrieved December 1, 2012.

This website for Indiana Landmarks, a nonprofit historical preservation group, describes the work of its African American Landmarks Committee to find properties important to Indiana's African American history and offer technical assistance and grant funding to help owners preserve endangered landmarks.

Weber, J. (2003). [Politics and Practice of Community Public Art: Whose Murals Get Saved?](#) Los Angeles, CA: The Getty Conservation Institute.

This essay describes the loss of culturally historic murals through redevelopment processes and makes the case for their preservation.

Early

Commercial stabilization
Homeownership programs
Individual Development Accounts
Preserve cultural facilities and landmarks
Resident ownership
Resident shareholders
Support community building initiatives
Targeted economic development
Task force
Revise zoning
Vacant/underutilized land
Developer exactions
Document recording fee
Housing levy
Housing Trust Fund
Tax Increment Financing
Eviction protection laws
Health Impact Assessment/Environmental Impact Assessment
Community Impact Report
Neighborhood planning process
Real estate transfer taxes
Code enforcement
Retain expiring-subsidy units

Mid

Commercial stabilization
Homeownership programs
Preserve cultural facilities and landmarks
Resident ownership
Resident shareholders
Support community building initiatives
Targeted economic development
Task force
Property tax relief
Revise zoning
Vacant/underutilized land
Commercial linkage program
Inclusionary zoning
Developer exactions
Document recording fee
Housing levy
Housing Trust Fund
Tax Increment Financing

Eviction protection laws
Health Impact Assessment/Environmental Impact Assessment
Community Impact Report
Neighborhood planning process
Real estate transfer taxes
Community Benefits Agreement and tools
Rent control
Code enforcement
Retain expiring-subsidy units

Late

Property tax relief
Revise zoning
Commercial linkage program
Inclusionary zoning
Developer exactions
Document recording fee
Housing levy
Housing Trust Fund
Tax Increment Financing
Health Impact Assessment/Environmental Impact Assessment
Community Impact Report
Community Benefits Agreement and tools
Rent control
Retain expiring-subsidy units
Replacement ordinance and “right to return” policy

Memo

Re: NOAH Preservation funds and program review

To: Ryan Curren, BPS

From: LK Bates

In the past several years, preserving affordable rental housing—both NOAH type units and expiring subsidy units—has received new attention in the policy and finance world. For high cost cities in particular, “preservation is the new construction.” Programs to preserve low-cost rental housing vary depending on the targets (market or subsidized housing), the developer/owners (non-or for-profit), and the goals with respect to tenant income and neighborhood focus. The following provides baseline information about preservation programs that are relevant for the region’s discussion in the Southwest Corridor and elsewhere, as the market for NOAH multifamily housing threatens housing affordability for thousands of tenants.

Considerations in evaluating policy practices:

- All of these programs begin with the buy-in and substantial financial contributions across the public, philanthropic, and private sector. Processes to set up collaboration, the approach, and to determine the structure of programs can take time and resources to develop and finalize.
- Despite this time to program launch, once created, funds have goals of ‘quick strike’ and moving as fast as the market. The capacity of developer/managers’ Identifying properties and assembling the funds to acquire them must be strong to be able to act quickly.
- Financing structures that support multifamily housing to continue to operate without subsidy have household income levels around 60-80% AMI (of course, the buildings tend to be currently housing tenants in/near this income range, rather than those with extremely low incomes).
- Many programs work with mostly private/for profit buyer/managers and therefore have terms of affordability that are substantially shorter than the Portland norm (similar to the LIHTC program, buildings can be sold or refinanced at market rates after the term). The Denver program, managed by a Community Land Trust, is a notable exception. In the REIT model (as in HPET), the investment fund maintains ownership of the properties with income from the stream of rents and the affordability can be long term.

Oregon NOAH <https://noah-housing.org/financing/acquisition-and-preservation/>

Impetus and goals. Oregon NOAH is a Community Development Financial Institution, established by Oregon banks to increase affordable housing; and the organization has new goals to increase lending through 2020. Its fund for acquisition and preservation provides financing for market affordable multifamily and for rental housing with expiring federal subsidies, using a mix of philanthropic, public, and traditional bank capital sources.

Program targets. The Oregon Housing Acquisition Fund (OHAF) is used to transition market housing to affordable housing, rented with a maximum of 80% AMI rents. Further targeting requirements are that 40% of units must be affordable at 60% AMI and 20% of units affordable at 50% AMI.

Nonprofit and for profit entities are eligible borrowers, as are public corporations.

NOAH works statewide.

Financing Structure. OHAF is a short term financing pool that has a maximum loan of \$5m and limited interest rates (currently 5%), for a term of 4 years at most. Its funds are a mix of philanthropic, public, and bank capital.

Challenges. With the exit of MacArthur Foundation from housing programs, NOAH is in need of additional low cost funds to provide the foundation of their capital stack. (*this is likely a challenge for several of the reviewed funds given MacArthur's withdrawal)

Greater Minnesota Housing Fund's NOAH Impact Fund <http://gmhf.com/finance/noah-impact-fund/>

Impetus and goals. Minnesota Housing Partnerships' studies of NOAH housing in the Minneapolis-St. Paul 7 county region showed substantial losses of affordable housing to sales and upgrading. After studying market segments, MHP focused on larger multifamily apartments that are on the market for sale.

The NOAH Impact Fund has a goal of capturing 10% of the annual sales of units of moderate-lower quality apartment buildings—preventing 2-3,000 households from being displaced.

Program targets. The NOAH Impact fund targets Class B and C rental buildings with more than 50 units that are not subsidized. According to fund manager Rachel Robinson, at the 50-100 unit size, economies of scale reduce transactions costs, providing a bang for the buck, and allow for a more market-like financing structure. The ideal building size, however, is more than 100 units.

The buildings targeted by the NOAH Impact fund have rents affordable in the 60-80% AMI range; the program does fund mixed-income buildings, but three-quarters of tenants must be below 80% AMI. Tenants must qualify by income, but managers are not required to create extensive compliance procedures beyond income.

Most of the buildings financed by the fund have been in 'opportunity areas' that are changing, with new and replacement housing that is more upscale. In these areas, buildings often sell without being listed, and private market actors with access to information about sales are able to act quickly to purchase and evict tenants.

Financing structure. Given the market conditions and lack of tenant protections, the fund seeks to be "nimble" and serve as a "quick strike" against housing loss. Property transactions can be approved in a few days, with closing in 90 days, comparable to a routine transaction.

The fund was capitalized with \$25 million dollars; The fund acts as the equity partner for developer-managers proposing property acquisition. Buildings will remain affordable for 15 years, with the Fund exiting the deal after 10 years.

The rotating fund has a capital stack that includes public sector, philanthropic, and banks. Philanthropic foundations (GMHF, McKnight) provided funds (\$6m) for credit enhancement. The Hennepin County government provided \$3m in capital that may not be paid back. The Minnesota Housing Finance Agency is a patient capital investor, with a low interest loan to the fund; and finally three local banks provided the senior loan capital. Investors see predictable returns and the fund is repaid when owners refinance or sell after 10 years.

Challenges. As the fund has been operating, the costs per unit for purchase have increased quite a bit, from \$60-90k per unit up to 1.5 times that amount, with additional costs for renovating to a habitable standard. However, high median incomes in the area mean that rents are sufficient at this time.

Rachel Robinson, personal interview. 8-16-16

NOAH Impact Fund investment term sheet. 6-1-2017. Provided by R. Robinson.

"Sold Out" report, Minneapolis Housing partnership report.

Denver TOD Fund <https://www.urbanlandc.org/denver-transit-oriented-development-fund/>

Impetus and goals. With a major public transit expansion, including light rail, commuter rail, and bus rapid transit, Denver was poised to address its extremely high housing + transportation cost index. The TOD Fund emerged from work by Mile High Connects, a collaboration of the city, county, and Enterprise Community Partners with philanthropic, nonprofit, and business leaders to address livability and TOD issues.

Program targets. The TOD fund started as a program with the Urban Land Conservancy, Denver's Community Land Trust that holds multifamily properties, community facilities, and commercial spaces. ULC acquires and holds sites and describes its model as "in-placement" for residents, rather than anti-displacement (per ULC VP Tony Pickett). The goal was to preserve 1000 units of housing near new and future transit stations, and to include commercial space as part of a larger economic development strategy.

The fund has now expanded regionally and with additional borrowers working to preserve NOAH housing outside the city of Denver.

Multifamily housing can be rental or owner-occupied. Rental housing incomes are 60% AMI and below; while for-sale unit incomes can be up to 95% of AMI. Projects to date have included supportive housing, workforce housing, and senior housing. Some projects are new construction, while others have been for preservation.

The fund targets across several neighborhood types, and its investments are balanced among preservation in transitioning (gentrifying) areas, stabilization in distressed communities, and inserting affordability into desirable, amenity rich areas. The sites are near to current and planned rail or high frequency bus stations.

Financing Structure. The TOD fund was capitalized with \$15 million from Enterprise, the City, and ULC, and has grown to \$24 million. ULC continues to lead the real estate acquisition strategy and works with other developers.

Acting quickly to underwrite and close loans is an important factor for the TOD fund. Loans can be up to \$5 million.

The TOD fund capital stack includes public and philanthropic sector as well as traditional loan capital. Borrowers provide 10% cash equity for purchases; public dollars provide credit enhancement. The philanthropic grant and program-related investment capital receives a modest financial return. Banks and CDFIs participate as CRA-eligible lending; and Enterprise Community loan fund acts as the fund manager and senior lender. Many projects include LIHTC from the Colorado Housing and Finance Agency.

Challenges. With limited LIHTC availability and other resource constraints, ULC has to hold land awaiting developers' assembly of financing beyond the fund. The expansion of the TOD fund outside of the City of Denver is an important goal, given the regional expansion of light rail and increasing costs and suburbanization of poverty; however, it has been difficult due to smaller municipal budgets and less buy-in to the concept of affordable housing near transit.

Bates 2017. NOAH preservation examples, Portland

Urban Land Conservancy TOD Fund

Denver TOD Fund: A strategic funding tool to preserve and create affordable housing near transit.

Confronting Suburban Poverty in America report. Brookings Institute. 2014.

Enterprise Community Partners TOD fund term sheet.

Interview, Tony Pickett, ULC. Shelterforce. 7-18-2014.

Bay Area TOAH Fund www.bayareatod.com

Impetus and goals. The Bay Area is facing extraordinarily high housing costs, with households moving to distant suburbs to save on housing and then experiencing high transportation costs. Transit use can help households to save money, if there is sufficient housing near transit. As the region conducted planning for more compact land use and connecting transportation and housing with land use and climate change/GHG reduction, local organizations created a workgroup on housing. Urban Land Institute, SPUR, and the Great Communities Collaborative (community and national foundations) created a workgroup to assess the potential for a fund.

Program targets. The TOAH fund works across the nine county Bay Area. It funds housing, mixed use development, and community facilities for low income people' use. There is equal priority in the fund given to preservation and new construction.

The fund has an overall affordability target of 75% of units affordable at 80% AMI across all its investments. For multifamily rental housing, the project by project target is 20% of units affordable at 50% AMI or 40% of units at 60% AMI. According to the Great Communities' background report, there was extensive debate over income targets and the feasibility of financing only affordable housing during the four year start up period.

The Association of Bay Area Governments (ABAG) with MTC designates Priority Development Areas that are sites with opportunities for infill development or preservation that are pedestrian friendly and within a half mile of quality transit service.

Financing Structure. The TOAH fund was capitalized with \$50 m, including \$10 m from the regional transit agency, MTC. Like the other funds, it includes a capital stack with philanthropic and public funds; banks, and CDFIs. The combination of sources of funds stretches what would be possible with CDFI capital alone—longer terms, higher LTVs, and higher loan sizes with lower interest rates.

The Low Income Investment Fund (LIIF) is the fund manager and originating lender, with 5 CDFIs (including Enterprise and LISC); Citi Capital and Morgan Stanley; and initial investments from Ford Foundation and the San Francisco Foundation.

The TOAH fund has 5 loan products, with up to 7 year lending terms. It can fund acquisition, but also construction, predevelopment, and bridge funding. Applicants must show that the fund is needed for project feasibility.

Challenges. As of late September 2017, the TOAH fund is on hiatus "as we work to retool the program to respond to the current and future needs of the Bay Area." Great Communities.

Bay Area TOAH: Assessment and Lessons Learned. May 2013, prepared by Seifel Consulting and ICF international.

Regional Equitable Development Initiative Fund-Puget Sound

Impetus and goals. Puget Sound Regional Council led the Growing Transit Communities Partnership along with Vision 2040 plan to develop programs for “thriving and equitable transit communities.” During this three year process, the work of fund establishment was started with Enterprise Community Partners and Impact capital CDFI.

A key challenge noted was that existing CDFIs were limited in their effectiveness in NOAH preservation by lower LTVs and higher interest rates than borrowers could afford. Other funds for affordable housing required deep and long term affordability targeting, or were geographically limited, or were only available for nonprofits. The REDI sought to address other market actors and make it possible to work in concert with transit planning to assemble sites and land use approvals over a longer period of time.

Program targets. The REDI is expected to add/preserve 500-700 affordable housing units during its first round of lending. It can be used to purchase buildings with existing market affordability (NOAH) or with expiring subsidies that could be renewed. REDI can also be used to fund community facilities and nonprofit space.

REDI funds mixed income housing development. The preservation projects’ housing is targeted to 80% AMI households. There must be 10% of units affordable at 80% AMI (or with rents at 20% below market rate). However, the fund seeks to maximize affordability on site and the overall fund affordability must reach 25% of units affordable to 50% AMI households. There is also a goal of having 15 units available for below 30% AMI tenants.

Sites are in transit oriented areas near to rail or frequent service bus or streetcar.

Financing Structure. The REDI includes public investments, philanthropic funds and program-related investments, and senior capital from the two main CDFIs involved in its origination. The fund has started with \$21 m available.

The REDI is a revolving loan structure, which is expected to be recirculated in 3-5 years as borrowers secure permanent takeout financing.

The fund is more flexible than public dollars in that there are no minority/women owned business requirements on contracting.

Challenges. This fund is market-oriented and is working on incorporating public sector values and thinking. Abello reports that the fund is structured to include two seats for public sector representatives on the five seat lending committee. These public sector representatives may rotate with project location. He quotes: “It will be a little bit of a learning curve,” says Devin Culbertson, Enterprise senior program director. “Things we think about in approving loans are different, public versus private sector, but that’s part of the challenge and the risk.”

Central Puget Sound Regional Equitable Development Initiative Fund. Business Plan Framework, 2014. Enterprise Community Partners, REDI fund information sheet.

Abello, OP. “Seattle starts \$21m loan fund to promote affordable housing near transit.” Next City, 12-14-2016.

Capps, K. “Battling inequality, Seattle bets on transit-oriented housing.” Citylab. 12-14-2016.

Housing Partnership Equity Trust (HPET)

Impetus and goals. The HPET was launched in 2013 as a social purpose REIT—Real Estate Investment Trust—working with 14 nonprofit partners around the country to preserve NOAH. The fund started with \$100m in equity and seeks to ‘quickly and efficiently’ acquire multifamily buildings. As of 2017 it holds 2,600 units with \$244 m in value across 41 markets. The goal is to achieve 12,000 units by 2020 and to have an additional \$300 m in equity.

Program targets. HPET acquisition targets include: market-rate affordable buildings (unsubsidized) of 150-300 units; expiring LIHTC buildings; and smaller (under 150 units) buildings held by the GSEs. The buildings are Class B and Class C properties with rents averaging affordability for households earning 80% of AMI.

HPET operates across the country, including in ‘secondary’ real estate markets. Properties tend to be in ‘high opportunity’ neighborhoods at risk of gentrification. Proximity to schools, transit, and jobs are part of the opportunity concept.

The REIT’s acquisition team monitors deals with information via its nonprofit members, who seek to act quickly to compete against for-profit actors.

Financing Structure. The HPET’s institutional investors are social investors; they agree to the REIT’s financing for the long term. That means there is no date for property sale; the income to investors come from the stream of rents in buildings that are now well-managed by competent nonprofits.

Challenges. HPET is currently working to demonstrate liquidity for its investors; since buildings do not sell in this program, they have to make shares in the REIT tradeable so investors can enter and exit the fund.

“Capital for Communities” report by Philadelphia FED.

“Minding the Gap in Affordable Housing.” REIT news. Dec 2016.

Ades, D. “Preserving Existing Affordability through a Social Purpose REIT.” Journal of Case Study Research: A publication of the Center for California Real Estate. Summer 2016.

Austin's Affordable Central Texas fund <http://www.affordablectx.org/>

Impetus and goals. Mayor Steve Adler prioritized the preservation of not only affordable housing, but also music venues and other cultural spaces in his election campaign. After an initial investment of \$150,000 to study the potential structure for a “strike fund” the nonprofit Affordable Central Texas was created this year. Affordable Central Texas will administer the private investment fund for preservation of “middle income housing.”

Program targets. The Austin Affordable Fund intends to purchase existing multifamily NOAH, targeting housing serving 60-120% of AMI. The fund average income target will be 80% AMI serving units. Housing purchased through the AAF will be in ‘high opportunity’ areas that are transit rich, and it aims to address gentrification.

Financing Structure. Not yet disclosed. The Mayor’s office states that “this will be a market driven investment—neither subsidized nor philanthropic and not at taxpayer cost.”

Challenges. The fund has not yet been in operation. It is also unclear whether this or other organizations will address cultural preservation, which is a priority for some advocates.

Small rental properties as part of the ‘naturally occurring’ affordable housing stock

According to the State of the Nation’s Housing report for 2016, there are 18.5 million renter households who qualify as very low-income and eligible for housing subsidy. Yet, only about one in four of those households receives assistance. The great majority of low-income tenants live in the unregulated market for low-cost housing due to very scarce resources for housing subsidy. This reality poses challenges for policymakers seeking to address affordable housing needs. First, it is often difficult to know what renting in the ‘naturally affordable’ market is like, due to limitations of data collection (compared to subsidized housing, which has more regulatory involvement). Second, the variation in type of housing and ownership of housing makes intervening in the low-cost market very complex. This review provides information about one dimension of the ‘naturally occurring’ affordable housing market, the single family and small multi-unit housing that is often owned by individuals and less-than professionally managed.

The share of single-family homes in the nation’s rental stock has been increasing substantially over the last decade. It is now about 40% of the overall rental market, or 12 million units (JHCS 2015). Another approximately 10% of the rental stock is in a 2 to 4 unit dwelling. This pattern of largely small rental housing holds in Portland as well, despite recent increases in multifamily construction. These small rental units tend to be older, with a quarter built before 1950 (Drew 2015).

While there has been an increase in institutionally owned single-family rental houses, through mass buy-ups after the foreclosure crisis, nearly all of these units are owned by individuals. These individuals may be small investors, but are often “mom and pop” or “DIY” type owners who manage just one or two units. The decisions of these owners therefore have a large effect on the availability, habitability, and affordability of rental housing for low-income households.

Changing rental housing stock

Unsubsidized affordable housing stock is generally lost to upmarket pricing and tenure conversion or downward loss through deterioration and demolition (MPPI, 2013). These upward and downward filtering mechanisms are directly related to landlord decisions. Investments in major rehabilitation projects often allow property owners to set higher rents. Landlords may also decide to raise rents according to increased demand for their property -- changes that are often linked to patterns of economic growth and development (MPPI, 2013). These kinds of properties are “often located in gentrifying or rapid growth areas, such as those undergoing transit-oriented development or experiencing strong job growth opportunities” (MPPI, 2013).

Conversely, downward filtering mechanisms of deterioration can be triggered by landlord decisions about property management, repair, and maintenance, and the landlord's ability to meet the operating costs of owning rental property (MPPI, 2013). Indeed, since new rental construction is priced out of reach for low-income households, low-cost rental units become available through this downward filtering mechanism (JCHS 2015). When landlords are unable to meet certain standards of repair and maintenance, their properties become vulnerable to deterioration and demolition. For instance, according to the Joint Center for Housing Studies, 11 percent of rentals available for extremely low income households were lost from the housing stock between 2003 and 2013 due to demolition. This failure to meet habitability standards may be due to the challenges of "DIY" management and non-professional ownership, or due to deliberate decisions to disinvest in property for profit motive. In the former case, it might be possible to preserve properties that are at risk of deterioration by helping owners meet the challenge of maintenance, management, and repair. In order to consider such programming, it is important to understand the continuum of rental property ownership.

Rental property ownership: a continuum

Landlord decisions about property management and housing quality are reflected in their relationship to property as a business investment and source of income. Owners' interests are weighed between cash-flow generated from rents and the long-term investment potential of property value appreciation. Focus groups conducted by MPPI (2013) uncovered three general types of landlords; DIY Part-Time, Small-Scale Professional, and Large-Scale Professional. We are primarily working with this typology that we've found especially useful, and adding in concepts from other literature aligning it with this typology.

DIY Part-Time Owners tend to own small portfolios of duplexes, fourplexes, and single family homes that are, generally, self-managed sources of secondary income or investment (MPPI, 2013). They mostly purchase rental property as long-term investments which 'break-even' as rental income pays the mortgage, leading to a steady source of cash-flow after the mortgage is paid (MPPI, 2013). DIY Owners are sensitive to cash flow; they are motivated to minimize vacancies and turnover periods because short-term vacancies can jeopardize the financial stability of the DIY Owner (MPPI, 2013). They may minimize rents to attract tenants and avoiding rent increases to reduce the chance of turnover (MPPI, 2013). These owners are sensitive to time demands, have a tendency to minimize paperwork, and may procrastinate maintenance and management issues by prioritizing ongoing operation and maintenance costs while forgoing periodic reinvestments and major replacements (MPPI, 2013).

Many DIY owners also fall under the category of "*unintentional landlords*" described by Yates (1996). Unintentional landlords did not make a conscious decision to invest in rental property (Yates, 1996). This category describes landlords who acquired their property through

inheritance, or homeowners who decide to move and decide to rent their former residence. Anderson (1998) uses the term “informal landlord” to describe the same phenomenon of landlords who did not buy property to invest money or have it generate income. The property is seen as a personal belonging, but short-term returns are important to these landlords because they often lack capital to invest (Anderson, 1998). They usually have close relations with their tenants, and do most administration work and repairs themselves (Anderson, 1998). Tend to be well kept, but lacking in modern standards. If they do not like a tenant they are likely not to invest money into repairs (Anderson, 1998).

Some DIY landlords can be considered what Anderson (1998) calls “Small investor landlords.” These landlords tend to be professionals who inherited or bought the property to keep for savings or income (Anderson, 1998). Many have other careers, and some contract work out to professional firms, but most attempt to do their own administration work (Anderson, 1998). Garboden and Newman (2013) do find differentiation between small owners who make the conscious decision to invest in rental property for cash flow and those who simply inherited a house or are renting out their own formerly owner-occupied dwelling. Anderson (1998) states that many of the small investor landlord types are still not highly professionalized in their administration. Short-term profitability is the most important even though they do think of the long-term (Anderson, 1998). Relationships are still close, but further away than the informal landlord (Anderson, 1998).

For lenders in the multi-family market, the small rental property owner as a borrower is a challenge. Research conducted by Fannie Mae (Fannie Mae 2011), summarized the description by real estate market actors of the small rental property owner borrower as: “generally a small business owner, who has a small portfolio of multifamily real estate, typically a local or regional owner/ operator that is not as financially savvy or as sophisticated in the commercial real estate market, and may not have the financial strength of a large traditional multifamily borrower. Many borrowers have additional jobs and sources of income and they or their relatives often live in the properties” (Fannie Mae 2011:9)

Small-Scale Professional Owners typically own properties with 40-100 units, and devote themselves to full-time operation and property management (MPPI, 2013). These owners purchase rental properties as long-term investments with primary concern for immediate cash flow (MPPI, 2013). They are only slightly less concerned with the impact of housing turnover than DIY/Part-Time owners; which is more of an issue for small-scale professional owners with the most affordable rents, and whose renters are particularly price sensitive (MPPI, 2013). In current markets, they are more willing to push significant rent increases (MPPI, 2013). Some owners hire third-party professional management when this option is financially attractive, and there tends to be some shared identity of interest between the two ownership and management entities (MPPI, 2013). Small-Scale Professional Owners are time constrained and resist

significant additional workload (MPPI, 2013). These landlords tend to meet the experience and financial capacity requirements of lenders and have access to very low-interest financing (MPPI, 2013).

Large-Scale Professional Owners own large properties of 100 or more units tend to buy for long-term investment and are interested in appreciation value and cash flow (MPPI, 2013). These owners aren't as concerned with turnover and are more likely to balance turnover with maximizing rents (MPPI, 2013). These owners achieve economies of scale, and have the resources to dedicate to specialized programs and paperwork (MPPI, 2013). They are able to think about long-term strategic investment (MPPI, 2013). Their properties are managed by professional management companies that are often affiliated with the owner (MPPI, 2013).

Anderson (1998) lumps both small- and large-scale professional landlords into what they call "professional landlords;" those landlords who own rental property as their primary income, and view long-term economic impacts as very important. The management of these properties tend to be very professional, and tenants are seen as customers (Anderson, 1998).

The rest of the Yates (1996) typology relates to the investment behaviors of landlords and is useful to understanding landlord behaviors with regard to their relationship to property as a business investment. Yates (1996) describes the rest of the typology, following unintentional landlords, investment landlords and breaks them down into the following categories:

- Security Investment landlords; who have a high level of equity in a small number of properties, and are concerned with the returns available from long-term ownership.
- Tax Reduction Investment landlords; who have low equity in their rental property and large incomes from other sources.
- Capital Accumulator landlords; who own a steadily increasing number of properties.
- Renovator/Short-Term Speculator landlords; who are owners who make their returns from short term holding of rental property.

<p>Do-It-Yourself (DIY)/ Part-Time Owners</p>	<ul style="list-style-type: none"> ● Small Portfolios ● Duplexes, fourplexes, and single family homes ● Self-Managed ● Secondary income sources ● Sensitive to cash-flow ● Sensitive to time demands ● Minimize vacancies ● Minimize rent increases
<p>Small-Scale Professional</p>	<ul style="list-style-type: none"> ● 40-100 unit properties ● Full-Time operation and management ● Concerned with long-term investment ● Primary concern for cash-flow ● Sensitive to turnover only in affordable rental markets ● Time constrained ● Low-interest financing
<p>Large-Scale Professional</p>	<ul style="list-style-type: none"> ● 100+ unit properties ● Concerned with appreciation value and cash-flow ● Rent maximization ● Economies of scale ● Specialized programs and paperwork ● Long-term investment strategy ● Professional management

Affordable housing preservation in the ‘naturally occurring’ low-cost housing stock

There is little research on preserving affordability of housing in the unsubsidized, unregulated low-cost end of the rental market. Most programs focus on recapitalizing and repairing units that are subsidized, often non-profit owned. However, there is a growing consensus that “preservation is the new production” --meaning that there needs to be additional focus on finding resources to maintain the low-cost, unregulated/unsubsidized housing that makes up most affordable housing, given the very high cost to produce new units. These emerging programs to preserve naturally occurring affordable housing tend to be structured to focus on the larger multifamily stock.

While the literature on housing preservation is mostly focused on extending the life of subsidized housing, including nonprofit managed housing, there are some common lessons learned that would apply to unsubsidized housing as well. Treskon and McTarnaghan (2016) note that successful preservation projects include:

- Multiple sources of funding, matching federal dollars with local and state resources
- Understanding the local policy and market context to tailor programs to conditions, especially in robust housing markets
- Building collaborative relationships among owners, buyers/sellers, and developers with capacity

These authors further encourage sharing models among policy networks around the country to continue to develop programs and implementation plans. In a much earlier report by U.S. HUD (1984), the agency also emphasizes that local program creation is needed to target programs to not only a city’s housing market, but to neighborhood conditions. In weak market neighborhoods, there may be a need for additional public controls to ensure quality maintenance; while in low vacancy markets, it is likely to be challenging to recruit rental property owners into programs due to the difficulty of creating economic incentives greater than the rewards of the market. One program recommendation in the HUD report is using CDBG money to create a loan fund, which must be carefully aligned so that an owner can meet new debt service obligations given rental income, expenses, and other debt payments.

Challenging in preservation of small rental properties.

The search for ‘best practices’ for the preservation of Naturally Occurring Affordable Housing (NOAH) finds more efforts focused on financing vehicles for large-scale multifamily acquisition and rehab than towards small multi-family and single family homes. While small properties are a large share of the NOAH market, there are some inefficiencies in addressing these properties with finance and regulatory approaches.

The one-to four unit housing stock is a substantial portion of the overall rental stock, and it is dominated by the DIY/Part-time owner type. Well over three-quarters of the single family detached and two-to-four unit rental stock manage their own properties, historically. Mallach (2007) finds that a substantial percentage of owners of duplex to quad properties are also occupants of those properties. These owner types, according to Mallach, are more likely to be “urban, blue-collar and less affluent than single family homeowners.” These DIY Owners, who typically have regular jobs unrelated to property ownership, may be very challenged by the cost and complexities of adequate management and maintenance, tenant relations, and participation in government programs, especially if they involve debt financing.

Literature identifies several challenges for this owner/rental stock type:

- General management know-how: Newman (2005) identifies a need for basic management training, including assisting owners with assessing their own maintenance and improvement needs and future needs, as well as tenant relations. Many small scale property owners do not have the know-how for how to make efficient purchases for supplies, bookkeeping, analyzing cash flow, identifying trouble spots, screening tenants, and handling tenant problems. Small scale landlords need technical assistance in assessing present and future rehabilitation needs, estimating costs of their properties, and finding sources of financing (Newman, 2005).
- Cash flow: Rental income from property ownership can be unstable and uncertain. Mallach (2007) advises that “rental cash flow is a highly uncertain route to wealth.” This is particularly true for owners of small properties[11]. HUD’s Property Owners and Managers Survey found that fewer than 40% of owners in the 1-4 unit stock reported being profitable (Mallach, 2007). The DIY owner renting at the low end of the market have limited cash flow, along with other employment commitments and resource constraints. Mallach (2007) expresses a truism of property management, that “a threshold condition of the viability of the one to four family rental industry” is containing the ratio of expenses to rents.
- Debt: Unstable cash flow is of special concern for small scale landlords whose assets are wrapped up in mortgage debt. A lack of residual income after paying debt reduces the ability to provide for routine maintenance and larger capital investments.
- Maintenance: DIY/part-time owners are more likely to own distressed properties, increasing the chance that properties will become lost from the inventory of affordable rental housing. Those self-managing their properties are less likely spend enough time and effort on adequately managing their properties (MPPI, 2013). Part-time DIY owners are often unaware of the amount of time and resources needed to keep their property well

maintained, and make the decision to purchase property with the idea that it will be a “passive investment” (MPPI, 2013). Some of these owners are also burdened by a debt to income ratio that limits their ability to keep up with maintenance.

- Renovation needs: Landlord decisions to make costly repairs or renovations are often made out of necessity in order to maintain rental cash-flow and minimize the chance of vacancy. Most landlords renovate their properties if it will increase their ability to fill vacancies (Andersen, 1998). Many landlords do not have renovation plans, but wait for tenants to complain of an issue before they make repairs (Andersen, 1998).
- Tenant relations: Relations with tenants are extremely important to small landlords, compared to a larger building where turnover or disruption can be absorbed by consistent cash flow from many other tenants. Finding and retaining “good tenants” is critical (Mallach 2007). Owners decisions about rent levels may relate to their experiences with an individual tenant-- Those with poor rental history with a landlord are more likely to be charged more on rent with the change of a contract, and those who have a positive relationship with the landlord are likely to keep rent prices low (Herbert, 1995). Having good relationships can lead to improved maintenance through cooperative relationships with landlords; but tenants of small buildings are also more likely to be vulnerable to retaliatory eviction (Ellen et al 2013:18).
- Relations with regulators: Motivated by investment, landlords are continuously concerned about their ability to increase rents and evict tenants -- processes which are often regulated by government. Mallach (2007) describes a tendency for small scale landlords to take an adversarial approach to government involvement, noting that “most often, contact with government occurs through the workings of the elaborate but erratic systems that exist in most of the United States to regulate the physical condition and the operation of rental property” Mallach, 2007).

While these challenges for working with small rental owners are real, it is also important to note that small owners and DIY owners are not necessarily providing worse properties or having negative tenant relations. The practices of landlords living on-site are particularly complicated. Resident landlords have been found to positively affect housing quality conditions, affordable rents, and tenant stability (Ellen et al 2013:3). Since the price of managing tenant turnover is relatively high to the small owner, keeping long-term stable tenants is an important factor for keeping rents in check. Living on site or having relatives in a dwelling incentivizes better upkeep, and generally is thought to create more positive relationships for addressing problems.

Best Practices research on small rental housing preservation

Two primary strategies have emerged for preserving small-scale affordable rental units on the private market: rental licensing and inspection programs and low-cost rental rehabilitation loans. Rental licensing/ proactive inspection programs and low-cost rental rehabilitation loan programs complement each other and work well when implemented together (Ackerman, Galbreth, & Pearson, 2014, p. 27-28). Technical assistance is often built into the design of these programs and may be necessary for their success. Building programs with comprehensive features to address challenges for both landlord and tenant is important to mitigate potential harms of these programs and ensure that the goals of preservation of low-cost housing are met.

Rental Licensing and Proactive Inspection

Key Points

- Rental registration, a necessary prerequisite to licensing, allows cities to better track landlord information and housing quality data -- a significant barrier to NOAH if this data does not exist.
- Rental licensing and proactive inspection allow cities to standardize their approach to housing code enforcement instead of relying on tenant complaints.
- The cost of staffing and administration is also a challenge.
- Comprehensive programs pair licensing and proactive inspection with assistance to landlords to bring properties up to code, including low-cost rehabilitation loans, technical assistance, and education services.
- Tenant displacement is a significant concern for low quality properties, and funded relocation is an important mitigation tool.

Rental licensing ordinances enforce codes through systematic property inspection to ensure quality and prevent deterioration in the market housing stock. Goals may vary. Programs oriented towards preserving units from deterioration may look different than programs oriented towards preserving affordability from up-market rent increases. For rental licensing programs oriented towards preserving the NOAH stock, they must balance requiring landlords to make repairs and maintain their properties while also protecting the health and safety of vulnerable tenants. The comprehensive program of addressing rental quality that includes rental registration, licensing, and code enforcement programs is called Proactive Rental Inspections (PRI).

Registration versus licensing. Mallach (2010) and Hackett (2014) distinguish between rental registration and rental licensing programs. *Rental registration* generally refers to an ordinance requiring rental owners to register information about themselves and their properties. It is the

collection of information about landlords, rental properties, and tenants, and may include information about housing conditions. Rental registration should be the foundation of a rental licensing program. Information obtained through registration is vital to issuing licenses (Crichton, Rosenberg, & Thompson, 2003:12). Rental registration programs require that cities put effort towards ensuring registration compliance. A number of cities requiring registration report that only a fraction are actually registered (Mallach, 2010: 51). *Rental licensing* refers to an ordinance which requires landlords to obtain licensing similar to a business license. Licensing ordinances generally require that landlords comply with periodic inspections. These inspections typically move from a tenant complaint-based system to a systematic inspection system.

Proactive Rental Inspection programs. In ChangeLab Solution's extensive review of these programs (Ackerman et al. 2014), they use the term *Proactive Rental Inspection (PRI)* to describe programs to address health and safety in rental housing through an across the board, regular programmatic activity of housing quality/building code inspections. Rental properties are registered and the licensed upon inspection.

Rental licensing, or PRI, programs vary by license type (large vs. small scale rentals), frequency of inspection, scope of inspection (interior vs. exterior), code enforcement practices, and program goals.

PRI presents opportunities and challenges for NOAH: as a public health intervention, it improves the quality of low-cost housing for residents who are often the most disadvantaged in terms of their indoor environmental health; however, it can drive displacement of those same tenants if landlords cannot meet standards.

The "proactive" component of these programs is a move away from request-based systems where inspections are only made upon receiving tenant complaints. Mallach (2010:58) says that "a complaint-driven system is inherently inefficient and uneven" in addressing code enforcement. Tenants are often unfamiliar with the complaints process and are hesitant to report code violations out of fear of landlord retaliation. This is particularly relevant to vulnerable populations who are most likely to live in substandard housing.

Some rental licensing programs target specific neighborhoods to focus licensing regulations. Sacramento, Kansas City, and St. Louis incrementally expanded their rental licensing programs after successfully implementing them in target areas that were in need of rental stabilization (Ackerman et al. 2014:8). Targeting licensing and registration efforts towards specific neighborhoods is helpful for cities with limited program resources available, as an intermediary step before citywide implementation.

Challenges for PRI

Owner/landlord challenges and technical assistance opportunities

Small owners in particular struggle with deferred maintenance and having capital available to make repairs. PRI programs can be helpful for landlords by actually reducing their repair and maintenance costs. Code enforcement can make them aware of conditions before they are dire, allowing for more cost effective preventative maintenance. Many small owners are hesitant to participate or do not have the capacity in their management to engage with complex regulatory and finance programs.

Even so, PRI should be paired with other programs to ensure that landlords have the resources to make needed repairs and the information needed to comply with regulation. Ackerman et al. (2014) suggest that PRI programs should implement complementary programs of financial assistance, such as reward systems that benefit landlords who participate in education programs or landlord associations (i.e. Reduced costs and fees for participation), and Affordable Rental Housing Preservation Loans that provide financial assistance given requirements to maintain affordability for a period of time.

Technical assistance may be needed in a variety of forms: helping with program participation itself, working with financial capacity constraints, and addressing physical and operating costs. Newman (2005), assessing a program in Baltimore to combine project-based voucher funding with small rental repairs of under \$1,000, found that many property owners with fewer than 5 units did not know what programs were available, how to fill out forms, and needed much more extensive technical assistance than was made available for program participants. Newman (2005:55-56) noting that private lenders are unlikely to provide rehabilitation financing to small property owners due to their assessment of the risk-return payoff, instead suggests transforming small property ownership through adding professional management to handle portfolios of small properties.

The MPPI reports there are current efforts in the Minneapolis-St Paul area to preserve the small rental stock, including through boosting management capacity through technical assistance. It notes two rental rehabilitation small loan pools in Brooklyn Park and Duluth, offering low-interest financing. The success of such programs depends on the ability to subsidize interest rates below market and the ability of owners to take on additional debt, which requires financial education.

An example of focused technical assistance to reduce landlord costs is part of the MacArthur Foundation's Windows of Opportunity program in the Chicago area. As part of this philanthropically-funded effort to lower operating costs for unsubsidized rental properties, The

Preservation Compact (TPC) helped small owners get relief from specific building code elements that had to do with electrical load centers and conduits and energy efficiency standards that apply to new buildings, while also assisting with navigating energy conservation programs and directly funding energy retrofits (TPC 2017). TPC also helps landlords appeal property tax assessments in declining neighborhoods, and promotes the use of the Illinois tax abatement for landlords in strong market areas who accept Housing Choice Vouchers.

Reports on efforts to address quality and affordability in the small rental stock are limited, but clear themes emerge that relate to the management capacity of small property owners. Mallach (2006) and MPPI (2013) both acknowledge the tension between government and small scale rental property owners, who may be suspicious of or hesitant to be involved with regulatory requirements. For Small DIY/Part-Time Landlords, MPPI (2013) suggests that preservation programs should be implemented by existing organizations that these landlords trust or are already familiar with.

Tenant challenges.

The review of these programs finds them used frequently for single-family rental homes as a way to impact health for families who are renting. However, these programs, if not implemented alongside resources for funded tenant relocation, financial assistance for repairs (income tested for low-income owners), and rent stabilization regulations, could increase instability for tenants. Displacement can occur as inspectors find units that are not up to code, are unregistered, or have tenant-side violations like hoarding or overcrowding (Ackerman et al. 2014: 23-24). In a literature review on rental licensing, Hackett (2012:6) refers to many authors that express concern that landlords may pass the increased costs of management and maintenance to their tenants as habitability laws and codes are enforced. Because tenant health and safety is a large part of the effort to preserve housing quality, tenant displacement should be prevented as it clearly triggers poor health outcomes for vulnerable residents. It is also important for prospective tenants to be able to learn about housing quality in the units they are seeking, so public access to code violation data is important.

Staffing and administration. Hackett (2012:14) reports that cities struggle with the cost of staffing and administration of rental licensing programs. Cities that switch from a complaint-based model of housing code violation reporting to a proactive inspection or rental licensing program increase the number of inspections that take place. Cities have expressed concern over staffing limitations for inspections and an inability to recoup the additional cost of administration (Hackett, 2013: 13). In the long-run, though, licensing and inspection programs could stabilize the low-end rental stock and save cities costs of addressing blight and abandonment. [this may be of less relevance in Portland]

In starting a PRI program, ChangeLab Solutions best practice review suggests:

1. Involve Diverse Stakeholders in Designing the Program.
2. Involve Community-Based Organizations in Implementation
3. Provide Training for Code Enforcement Staff
4. Provide Education, Outreach and Ongoing Support for Landlords and Tenants

All of these programmatic elements require time and resources for implementation.

Acquisition and rehabilitation financing

A key challenge in preserving the 1-4 unit NOAH rental stock is the lack of available loan products for this housing segment. While investment capital for preserving larger multifamily buildings and subsidized rental housing is a more prevalent approach to NOAH preservation, loan products and programs are needed to combat disinvestment and deterioration in unsubsidized 1-4 unit rental properties (Schwartz et al. 2016: 63).

A key barrier to small rental preservation strategies is the absence of standard commercial loan products and financing tools for investment in this market. In a survey of lenders by Fannie Mae, researchers conclude that the challenges of non-standard borrowers leads to the lack of standard funding sources, particularly long-term take-out financing. One reason for the limited attention to small multifamily rental properties in the industry—and in publicly funded programs—is the inefficiency of underwriting, origination, and servicing. Multifamily loan costs for the lender are not significantly lower with a small loan value.

Indeed, because of the need for “relationship lending” and underwriting the borrower—the small property owner—costs may even be higher than for a large commercial property business. Per Fannie Mae’s research: “Unlike larger multifamily loans that are driven almost exclusively by cash flow, Fannie Mae has observed, through analysis of its own small loan delinquencies, that a small loan borrower’s ability to repay is driven by the strength of the property cash flow, as well as the borrower’s own financial strength and repayment history – much like a single family loan” (Fannie Mae 2011:10).

Apgar and Narisimhan (2007), in their assessment of the potential to enhance capital access for smaller rental properties, also emphasize the risk aversion of the small multifamily owner as an important aspect of the lender-borrower dynamic. They attribute the social aspect of ownership—having lived in or currently living in the properties, having family members in properties, and having closer relationships with tenants—changes the assessment of debt financing or opportunities to sell. However, they suggest that improving mortgage insurance products and learning to better assess credit-worthiness of small rental owners could lead to improvements in serving this market niche.

Traditional financing options for small multifamily

There are lending programs through Fannie Mae and the FHA that can be used for small multifamily rental properties. However, these have typical underwriting standards that may be difficult for the small owner to achieve.

Fannie Mae's Small Apartment Loan program creates a secondary market for lenders to improve access to capital. Eligible property types include town homes and duplexes, although most loans go to buildings of more than 5 units. Per the SAL website: "Fannie Mae has specific financial capacity requirements for its Small Loan program (net worth and liquidity) and there is no gray area -- you either meet them or you don't." Professional third-party management is also required for these properties, due to findings that owners' challenges, more than the property's potential, is what causes default on apartment loans for smaller buildings.

FHA 203(k) rehabilitation mortgage insurance for owner-occupants can finance the acquisition and residential upgrading of mixed use buildings with small residential components (1-4 units, one occupied by the owner). For current owners, the Title I rehab loan is the equivalent; it allows up to \$60,000 in financing to rehabilitate living units. These mortgages convert to long term amortizing mortgages ("take-out" financing) once the renovation is complete.

Affordable Rental Preservation Loan Programs or Rental Rehabilitation Loans are low-interest loans designed to help landlords access finance capital for repair and maintenance. These programs are designed to increase the longevity of the housing stock, prevent loss to deterioration, increase the quality of housing for low-income tenants, and stabilize property values in distressed neighborhoods. Many rental rehab loans require that landlords agree to rent to low-income tenants and to keep rents affordable for an agreed upon period.

Low-cost rehab loans could be a standalone program that operates without a proactive inspections operation. However, without registration and licensing, the program would operate somewhat differently. First, a loan program would not have as much opportunity for tracking, prioritizing, and evaluating outcomes across the entire city. Second, for small owners, participation in a citywide registration and inspection program, would be a proving ground, as they would have to have a baseline of record-keeping and interaction with city government. Using compliance in general as a criteria for receipt of a low-interest loan ensures that competent and responsible owners are part of the program, rather than those who do not engage in upkeep and management due to non-financial reasons.

Investment loans for acquisition and rehab are a challenge and opportunity. This is a different strategy for small-scale preservation that involves making financing available for real estate

investors to purchase small rentals -- possibly saving them from disrepair due to foreclosure and vacancy. This strategy may be best suited for places that vacancy is a problem.

The Preservation Compact (TPC) is a partnership of public, private, and nonprofit organizations working with WOO funding in Cook County (Chicago). The low property appraisals caused by distressed sales activity after the 2008 recession limited the amount of financing available from banks, creating a significant gap between available financing and the total cost of acquisition and rehab (Schwartz et al. 2016: 63). TPC created a \$26 million rental development loan for 1-4 unit buildings in clusters—in other words, for the purchase and rehabilitation of multiple small buildings in distressed neighborhoods.

Locally relevant policy development

Appendix 6 of the report is a table of key characteristics of these programs.

Proactive Inspection Programs

Seattle, WA

Basic program structure

In 2010, Seattle City Council passed Ordinance 123311, a rental registration and inspection program to help ensure properties meet basic safety, sanitation, and structural standards.¹ The program was implemented in stages based on the size (number of units) of the property. Properties with 10+ units were phased in during 2014, 5-9 unit properties in 2015, and 1-4 unit in 2016. The program includes registration and inspection of single-family rentals. Only a handful of units are required for inspection in larger multifamily, but all single-family rentals will be inspected.

Seattle states their intention is to make the inspection process as easy as possible for landlords, giving landlords many opportunities to correct code violations without penalty. The City has created a checklist that minimizes code requirements to focus on those rental housing problems that would put the health tenants in direct danger. Cosmetic, surface-level problems are not the focus of inspection. Like most other inspection programs, health and safety are the focus of inspection requirements.

Registration must be renewed every five years and costs \$175 for a property and its first unit with a \$2 fee for every additional unit. All registered properties must be inspected once every ten years, performed by either a city inspector or approved private inspector. Properties with prior code violations will be prioritized for re-inspection. Landlords were given 60 day notice if their properties are selected for inspection and are alerted to which units will be inspected ten days in advance of the inspection.

In order to address concerns about possible tenant displacement, the city has relocation assistance if issues are found that prevent a rental from meeting inspection criteria. In 2016, the

¹ 2012, Nick Licata, "Monday Full Council Vote on Rental Housing Inspection Legislation" <http://licata.seattle.gov/2012/09/28/monday-full-council-vote-on-rental-housing-inspection-legislation/> Seattle has a relatively large amount of information available about the planning process of their rental inspection program, in particular via the blog of former City Councilmember Nick Licata, who wrote about the process, challenges, and greater political context in his blog.

Seattle City Council adopted the Carl Haglund Law prohibiting rent increases on properties that do not meet housing code requirements.²

Impetus for the program

While a not insignificant number of Seattle rental units were reported as being in poor condition in American Community Survey data, there were very few housing complaints registered by the city. According to former Council member Nick Licata, there were nearly 15,000 rental units reported as having moderate to severe problems in the 2009 ACS; but only about 500 complaints about rental housing registered by the Department of Planning and Development per year.³

This apparent mismatch was cause for question and suggested that substandard rental conditions were far greater than understood by the city due to underreporting of housing code violations. At the core of the argument is the ineffectiveness of complaint-based systems of code enforcement. Several studies have indicated that tenants living in poor housing conditions tend not to report housing code violations for fear of landlord retaliation and eviction. A primary function of a proactive inspection system is to collect accurate data on rental housing conditions.

Implementation and challenges

The most significant legal challenge was aligning a local rental inspection ordinance with Seattle State Law. Landlord organizations fought the process and continue to voice their displeasure with mandatory rental licensing and inspection programs. Even so, many Washington cities have followed suit with Seattle and have established recent rental licensing and inspection ordinances (outlined below).

Seattle had a Rental Housing Inspection Program that was suspended in the mid-90's because of legal issues.⁴ In 1993, the City of Seattle v. Margola, the City won a suit by landlords arguing that the fees collected for the registration program constituted an illegal tax. Then, in 1994, Seattle v. McCready, landlords sued the city on the grounds that city housing inspectors had no legal right or authority to enter their premises. After this, the inspection program was suspended.

Significant effort went into aligning the new inspection program with Washington State Law, beginning with lifting state pre-emption of mandatory rental registration and inspection programs. Landlord organizations lobbied heavily against the ordinance. In 2008, the Mayor proposed \$75,000 in funding for DPD to develop a rental housing licensing and inspection

² 2016, Council Unanimously Adopts Tenant Protection Legislation, Prohibits Rent Increases on Substandard Properties

<http://council.seattle.gov/2016/06/06/council-unanimously-adopts-tenant-protection-legislation-prohibits-rent-increases-on-substandard-properties/>

³ 2012, Nick Licata, "Monday Full Council Vote on Rental Housing Inspection Legislation"

<http://licata.seattle.gov/2012/09/28/monday-full-council-vote-on-rental-housing-inspection-legislation/>

⁴ 2012, Nick Licata, "Monday Full Council Vote on Rental Housing Inspection Legislation"

<http://licata.seattle.gov/2012/09/28/monday-full-council-vote-on-rental-housing-inspection-legislation/>

program, starting by examining best-practices for proactive inspection programs. In 2010, DPD convened a stakeholder group that “met 14 times between December 2010 and January 2012 resulting in a series of recommendations on the scope of a rental housing program. Still, the rental owner interest groups remain opposed to the policy.

Because tenant groups have argued the notice period is too lenient⁵ the City Council has now recently adopted an addendum that now gives landlords only 10 days’ notice of which units will be inspected.⁶ Landlords were potentially able to simply fix-up the units slated for inspection, passing inspections while many other units in the same building are still in poor condition. The City has also increased the number of units inspected during random inspections, and have created policy where code violations trigger more inspections in the same building.

Seattle has also created new rules to require private inspection agencies to hand over reports for buildings that fail inspection. Geoff Talent says that about 60 to 70 percent of landlords hire private inspectors (Groover 2017a), who were only required to report whether the units passed or failed inspection, not to collect detailed information on housing conditions. For a city whose goal is to collect information on rental conditions, allowing private inspection agencies should be thought through carefully to avoid this problem of not having more detailed data.

Gresham, OR

Basic program structure

The Gresham City Council passed a mandatory rental housing inspection program in 2007 to improve rental housing conditions. This was the first of its kind in Oregon, where code enforcement is generally carried out through complaint-based enforcement systems with tenants expected to report unsafe conditions and housing code violations. Gresham’s program includes both a rotating sample of proactive inspections and tenant-based complaints processes.

City staff conduct inspections through a random selection process. Owners have three weeks’ notice of inspections, which occur in some or all units of multifamily properties. If a property has a violation, there is a follow-up after 30 days, followed by civil penalties for further noncompliance. The choice of units is meant to create a statistical sample for research purposes. According to the program policy, one-third of Gresham’s 16,000 rental units are to be inspected annually. In 2009, Gresham inspected 1,633 units, almost a third of their rental households. They found 4,297 violations, an average of 2.6 per household, most commonly due to

⁵ <http://www.thestranger.com/slog/2017/06/06/25194521/how-seattles-landlord-inspection-program-is-failing-renters>

⁶ <http://www.thestranger.com/slog/2017/07/13/25283832/seattle-city-council-strengthens-failing-rental-inspection-program>

‘unmaintained surfaces,’ insufficient smoke detectors, inoperable doors, and mold.⁷ According to reports from Gresham staff, mold is the most common issue in the tenant complaint process.⁸

The program is paid for by registration fees from property owners. The program has four full-time inspectors and two administrative assistants. Program staff work with owners to try to resolve issues; owners receive code checklists and informational resources. According to a report of the program, city staff felt they were not over capacity with the combined complaint-driven process and mandatory inspections that must be carried out. Complaint-driven inspections were occurring with a turnover time of 24-48 hours.⁹

Impetus for the program

Gresham spokeswoman, Laura Bridges-Shepard refers to the underreporting of housing code violations under a complaint-based inspection system due to fear of retaliatory/eviction from landlords who are reported.¹⁰ The city established a Rental Housing Task Force to implement the program. In 2008, a group was announced to convene and begin working on the program details.¹¹

Implementation and Challenges

Since the initial rollout of Gresham’s program, there have been two significant changes. First, the program was scaled back substantially after having inspected most of the city’s complexes. Second, properties that have a record of safe conditions are awarded a less frequent inspection schedule.

After most of the city’s housing complexes had already been inspected, staff were able to assess the needs of the program moving forward and approved of cutting back to the bare essentials. In 2007, the inspection program was estimated to cost \$675,000 per year.¹² In 2013, the Gresham City Council voted to reduce the rental license fees, which would reduce the program budget by \$115,000 per year.¹³ Gresham Community Development Director, Erick Schmidt, remarks on

⁷ <http://www.pewtrusts.org/~media/assets/2012/08/ophihiafinalreport829.pdf>

⁸ Camassia Community Planning. (2014). Map Gresham, Background Report. P 55
<https://www.pdx.edu/usp/sites/www.pdx.edu.usp/files/Gresham%20Background%20Report.pdf>

⁹ Camassia Community Planning. (2014). Map Gresham, Background Report. P 55
<https://www.pdx.edu/usp/sites/www.pdx.edu.usp/files/Gresham%20Background%20Report.pdf>

¹⁰ 2007, Tyler Graf, “Gresham apartments will face mandatory inspections” DJC Oregon
<http://dicoregon.com/news/2007/11/02/gresham-apartments-will-face-mandatory-inspections/>

¹¹ 2008, Jim Camin, The Oregonian
http://blog.oregonlive.com/breakingnews/2008/01/advisory_group_to_begin_meetin.html

¹² 2007, Jim Camin, “Gresham gives final approval to rental housing inspection program” The Oregonian
http://blog.oregonlive.com/breakingnews/2007/12/gresham_gives_final_approval_t.html

¹³ 2013, Jillian Daley, “Gresham City Council reduces rental housing fees” The Oregonian

the adaptability of the inspection program, commenting on the ability to apply for grants if necessary and a continuous process of listening to stakeholders and evolving the program in response to what is needed.

Gresham has also initiated the Habitability Achievement Award at bronze, silver, and gold levels. These awards remove properties from the random inspection sample for 1, 2, or 3 years. This is a reward to owners who keep up their properties. Single-family rentals have been the predominant type of unit receiving habitability awards, and are over-represented in the award class compared to their prevalence in the market.

New proactive inspections programs in Washington

Bellingham, WA

Basic Program structure

Bellingham has a rental inspection program called the Rental Registration & Safety Inspection Program (RR&SIP) which requires all residential rental properties to be inspected once every three years.¹⁴ The goal of the program is to make sure all rental properties comply with a minimum health and safety standard that will prevent life threatening harm and injury.

It was approved by the Bellingham City Council on March 9, 2015 and was scheduled to be implemented by July, 2015. The first phase of registration resulted in 15,000 units being registered in 2015; then the inspections phase began. Bellingham followed through on recommendations to phase the program in by creating a timeline of inspection that cover specific neighborhoods, or “inspection zones.” All of the inspection zones are due to be inspected over a three year period—zone 1 inspections are complete as of August 2017, with continuation into zones 2 and three beginning.

All properties for rent are registered with an annual renewal fee, as well as licensed. The registration fee and inspection are waived for duplex or ADU type rentals if the owner lives in one of the units. In multifamily properties, only some units are inspected on an every three years basis. Inspections can be completed by city inspectors or, for an additional fee, by private inspectors.

The inspection is focused on health and safety. For mold, the inspection addresses the owner only if the mold is caused by the unit’s condition; if the mold is caused by tenant activities, the City “will only offer advice to the tenant in how to reduce or eliminate mold in their dwelling.”¹⁵

http://www.oregonlive.com/gresham/index.ssf/2013/01/gresham_city_council_reduces_r.html

¹⁴ <https://www.cob.org/services/housing/rentals>

¹⁵ <https://www.cob.org/services/housing/rentals/Pages/faqs.aspx#q11>

To date, the program does not appear to have any anti-displacement measures for tenants that are linked directly to the program. However, the city does have emergency housing assistance and legal assistance for low-income renters who may be displaced by an inspection that finds conditions that are immediately inhabitable. Additionally, Western Washington University was preparing for the possibility of students being displaced from rental housing.¹⁶

Impetus

During the planning process the Gardner (2008) report is referenced. The report was specifically created towards making recommendations for a rental inspection program in Bellingham. The report makes recommendations for design principles and guidelines which are listed below, from the executive summary of the report. Many of Gardner's recommendations were applied in the current design of Bellingham's inspection program.

Implementation and challenges

The issue of cost comes up regularly in the planning conversation. Gardner (2008) suggested the City adopt a "least cost" design approach, minimizing the cost of the program to renters, landlords, and the city. In accordance with keeping costs down, City Council Staff recommend that the program fees stay as low as possible and that Bellingham phase in the program and start small. Key components of these recommendations are listed below.

Members of the Planning and Community Development Committee indicated a problem with educating tenants of their rights and their access to information, citing a survey that was conducted in accordance with planning the inspection program.¹⁷

Lakewood, WA

The Lakewood City Council approved the Rental Housing Safety Program (RHSP) on July 5, 2016. Starting in September 2016, all rental property owners will be required to register their property with the City every year and have the property inspected once every five years.¹⁸

Tukwila, WA

A rental inspection of each rental unit is required prior to initial tenant occupancy and once every four years thereafter.¹⁹

¹⁶ <http://www.bellinghamherald.com/news/local/article65082092.html>

¹⁷ <https://www.cob.org/gov/council/archive/Lists/materials/Attachments/552/2013-02-11-1-minutes-regular-meeting.pdf>

¹⁸ http://landlordsolutionsinc.com/wp-content/uploads/2016/07/City-of-Lakewood_RHSP_Program_Description_DRAFT.pdf

¹⁹ <http://www.tukwilawa.gov/departments/community-development/rental-housing/>

Tacoma, WA

Tacoma is interesting because they have created a rental inspection program that connects to its business licensing process for rental properties.²⁰ This is significant because of all the rental licensing in Oregon done through the business licensing process. If cities with rental business licensing want to enact an inspection ordinance, they may want to look at Tacoma, WA as an example.

Other Oregon Cities with inspection or licensing

Salem, OR

The City of Salem requires inspection and licensing to operate multifamily dwelling rentals. Multifamily dwellings are defined as “residential structures that have three or more dwelling units, guest rooms, or any group of three or more dwelling units on one lot or contiguous lots where rooms or beds are offered for rent.”²¹

Obtaining a Multifamily Housing License is done through the city’s business licensing process. Licenses are valid for one year and are expected to be renewed annually. Properties are inspected at least once every five years and are expected to comply with Salem Housing Code. Violations are recorded, at which time a Correction Notice is sent to property owners and a re-inspection is scheduled.

The program has been around since 1972. Suzanne Nelson is the multifamily rental housing inspector and has overseen the program for the past twelve years. She oversees licensing and inspection of about 20,000 dwelling units.

Licensing without proactive inspections

Several Oregon cities require property rental licensing not associated with proactive inspection. Instead, these licensing programs are subject to complaint-based systems of inspection and code enforcement. These licensing requirements are not connected to proactive systems of inspection.

Beaverton

The City of Beaverton requires that landlords who rent 3 or more dwelling units obtain a business license through the city’s business licensing application process.²² The City has been considering a Healthy Housing Initiative that would include proactive inspections, but has not yet moved forward.

²⁰ https://www.cityoftacoma.org/government/city_departments/finance/tax_and_license/rental_business_license

²¹ <http://www.cityofsalem.net/Pages/multifamily-housing-license.aspx>

²² <http://www.codepublishing.com/OR/Beaverton/#!/beaverton07/Beaverton0701.html>

Tualatin

The City of Tualatin requires rental property owners to obtain an annual rental housing license at a cost of \$10 per unit.²³ Housing code and maintenance standards are enforced through a complaint-based system where tenants submit complaints, followed by further investigation by the city.²⁴ Landlords are given notice of inspection and if violations are found, are given 7 days, plus 3 days for mailing, to make necessary repairs. Fines and other civil penalties are introduced for failing to repair violations or maintain registration, and residential rental property licenses are subject to revocation by City Council.

Milwaukie

The City of Milwaukie requires a business tax on owners of rental properties with one or more units.²⁵ Owners are required to register their rental properties through the City's business registration process and finance department. The yearly registration fee is \$121.00 plus \$6.00 for each full-time employee.²⁶ Milwaukie follows a complaint-based system of housing code enforcement. The City also offers a special certification for properties that comply with all municipal codes.²⁷ Prizes are offered to properties with the "I Live By the Code" certification. Properties are eligible to recertify every three years.

Medford

The City of Medford requires annual residential rental registration through the City Finance Department for all rental properties (including single-unit properties).²⁸ Registration fees are \$0.00 for landlords with only one unit and \$40.00 plus \$1.00 per unit for those with more. Inspections are triggered via complaint to the City Building Safety Department.²⁹

Ashland

The City of Ashland requires a business license and supplemental rental registration for landlords who rent two or more dwelling units.³⁰ Landlords submit an annual business license application along with an additional rental registration form. Landlords pay all the same fees as any business license applicant -- \$10 prorated for each month in the annual registration cycle and a renewal fee of \$75 for the first two employees plus \$10 for each additional employee. Ashland operates on a complaint-based system for housing code enforcement.

²³ <https://www.tualatinoregon.gov/finance/rental-housing-license>

²⁴ https://www.tualatinoregon.gov/sites/default/files/fileattachments/finance/page/4803/rental_municipal_code_6-13.pdf

²⁵ <https://www.milwaukieoregon.gov/finance/business-registration-1>

²⁶ <http://www.qcode.us/codes/milwaukie/>

²⁷ <https://www.milwaukieoregon.gov/codecompliance/i-live-code>

²⁸ <http://www.ci.medford.or.us/Files/regs%20form.pdf>

²⁹ <http://www.ci.medford.or.us/FAQ.asp?CategoryID=24#collapse82>

³⁰ <http://www.ashland.or.us/Page.asp?NavID=8323>

Harrisburg

The City of Harrisburg requires that residential rental properties obtain a business license through the city's business licensing application process.³¹ Licenses must be renewed annually. Code enforcement is carried out through a complaint-based system.

Forest Grove

The City of Forest Grove requires that landlords obtain business licensing for residential rental properties. Licensing is required for landlords who rent out 3 or more units (including 3 or more single family homes).

Springfield

The City of Springfield requires that landlords operating rental housing acquire a business license.³²

Happy Valley

In Happy Valley, Multifamily rental properties require business licensing.³³

³¹ <http://www.ci.harrisburg.or.us/economicdevelopment/page/business-and-rental-licenses>

³² http://www.springfield-or.gov/DPW/BusinessLicense/SupportFiles/Rental_Business_License_Application_04-16.pdf

³³ <https://www.happyvalleyor.gov/business/business-licenses/>

Appendix Information

The following appendices are tables listing rental licensing and inspection program characteristics in various cities.

Appendix 1. Brief Program Comparison, Select Western Cities.

In Weiss and Lilliquist (2013). City Council Agenda Bill 19827.

Appendix 2. Comparison of Rental Registration and Inspection Ordinances.

In Way, Trinth, and Wyatt (2013).

Appendix 3. Rental Licensing and Inspection Characteristics.

In Hackett (2012).

Appendix 4. Rental Unit Licensing (RUL) and Inspection Programs

In Crichton (2003).

Appendix 5. Features of Rental Property Licensing Programs, Various U.S. Cities.

In Gardner (2008).

Appendix 6. Rental License and Inspection Program Characteristics, Select Oregon and Washington Cities.

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**[Anti-Displacement and Gentrification Toolkit Project-PSU]
PROGRESS MEMO**

To: Ethan Stuckmayer and Samuel Garcia at Oregon Department of Land Conservation and Development (DLCDC)
From: Lisa Bates and Seyoung Sung at Portland State University (PSU)
Date: Feb 5th, 2021
Subject: Progress report and preparation for LCDC meeting in March

This project aims to develop a resource for local governments that need to address racial and ethnic equity in planning for the Housing Production Strategy.

Beginning with creating the conceptual framework of how to understand racial inequities in housing, we develop a methods guide for assessing the housing mismatch with a particular focus on BIPOC communities and to consider equity impacts of housing production strategies, including gentrification and displacement.

This memo is particularly focused on the methods guide to assess the dimensions and dynamics of demographics and housing with a racial equity lens. The method allows local governments to incorporate gentrification and displacement pressures in the housing production strategies while identifying the housing mismatch through a racial equity lens.

We reviewed existing housing analyses for required planning in order to avoid duplication of work and consider the capacity and resources of local planning agencies. We reframed the previous housing analysis in order to make a clear connection between the housing needs of BIPOC and the housing production while considering the potential population and spatial consequences of housing production. The methods assess data sets and maps for demographics and housing with a racial equity lens.

We are analyzing two model cities to develop the methods and provide a demonstration of how to do this analysis and planning. The basic steps of this methodology are two-fold: First, investigating housing and demographic data with a racial equity lens to ask “what are the housing needs of BIPOC people, low-income and renting households?” and “Does the housing supply meet those needs?” Second, we pay attention to the locations of housing development and where folks in our interest live now while looking at the neighborhood change trends in the city, and where they may be planned.

The presentation will be an instruction manual and annotated example for jurisdictions to follow. We hope to draw the focus to the methods and planning analysis that takes place, rather than to the specific city under study.

The methods include:

1. Analysis of the demographic and housing (not spatial)
 1. Analyze the dimensions and dynamics of socioeconomic status with a racial equity lens
 2. Analyze the change in housing inventory and market trends
2. Spatial analysis of the people, housing, and neighborhood change

Map out each indicator to identify the zones where needs to extra careful when planning the housing production strategies

The attached document is a second draft of the Tigard analysis. The preliminary findings and revised graphical report show the analysis framework and method. We are still refining this with careful attention to the presentation of mapping (labels and color schemes) and a focus on articulating the methods rather than this particular city.

Upcoming exchanges:

We will send materials for the LCDC meeting for your review by 2/21

- These will provide an overview of the project concepts and methods
- We are ready to turn around your comments for the deadline for submitting the final materials (2/25)

Prep for LCDC presentation meeting 3/9 - 2:30pm

- Review presentation plan and provide additional materials for commissioners to get at the meeting

LCDC Thursday, March 18th

- 90 minutes presentation and Q&A time tbd

**[Anti-Displacement and Gentrification Toolkit Project-PSU]
PROGRESS MEMO**

To: Ethan Stuckmayer and Samuel Garcia at Oregon Department of Land Conservation and Development (DLCD)
From: Lisa Bates and Seyoung Sung at Portland State University (PSU)
Date: April 23, 2021
Subject: Progress report and preparation for LCDC meeting in May

March LCDC meeting: feedback and responses

Commissioners' questions and discussion were helpful in suggesting areas for clarification and nuance, and also raised some questions that are likely to require further discussion in the agency. Thank you for this important and practical feedback. We are striving to ensure that our work product achieves the following:

Housing equity analysis

While our two city-model products include some analysis and interpretation, local planners will have more detailed information about and should include in their consideration of housing production strategies for equity, additional information such as:

- The drivers of change in neighborhoods, where housing changes are seen. Are there demolitions, conversions, or other activities that are seen 'on the ground'?
- Additional housing issues and data sources, that are relevant to the local area. For example, the prevalence of short-term rentals may be an important factor in some parts of Oregon. We will create a list of potential additional housing data needs and will be open to feedback on additional specifics that could be included in this list.
- Qualitative information from public engagement, especially with populations identified as having housing vulnerabilities. Planners will have information from community engagements that will help to target HPS to community desires.

Planning-capacity supporting documentation

We are providing a method and annotated examples that will walk planners through the process of analyzing existing data from uniformly available sources, in conjunction with their assessments about the local context. The deliverable will include annotated examples for two jurisdictions--Tigard and Hermiston--as models of using the data and sequencing questions about equity and place to link up to effective housing production strategies. We hope this toolkit will be appropriate to the capacities of local planners across Oregon and welcome feedback on the ability of planners to complete this analysis as we propose it. Commissioners suggested the possibility of training, or a website or data site that would support jurisdictions in preparing these documents; this is an interesting question for DLCD and OHCS to consider.

Final Product of Methods and Model Analyses

We are analyzing two model cities to determine the final modifications on the methods and provide a demonstration of how to do this housing needs equity analysis, neighborhood typology, and planning for equitable housing. Ultimately, the final product from the methods and model analyses will be an instruction manual with applications for taking into account local contexts and annotated examples for jurisdictions to follow.

Through the analyses applying our new tools for equitable housing production, there should be enough applicability and flexibility to consider the different local and regional contexts of housing and neighborhood change. All types of neighborhoods in our typology are not present in all places. However, the neighborhood typology overall still indicates significant alerts to pay

attention to, such as spatial separation of affluence and investment or where to focus on more equity needs.

The analysis of Hermiston indicates the serious problem with extremely low-income or very low-income housing needs with a growing population of BIPOC, especially the Latinx community. In fact, BIPOC people who are not Latinx experience disproportionately, face serious housing cost burdens. During the last decade, single-family dwellings and manufactured housing have consistently developed while there was an increase in multifamily production in 2019. The housing development pattern of Hermiston certainly shows a serious need for 'middle housing' types like small multifamily across tenure. Considering the case of Hermiston, we found a need to dial into programs and funding sources for a smaller city with rural contexts in order to achieve equitable housing production.

Task 3: Housing Production Strategies - Equity and anti-displacement practices

Housing production strategies are important for creating new units that can accommodate a jurisdiction's population. At the same time, housing production can fail to actually improve equitable outcomes, or even have unintended consequences that result in displacement. As jurisdictions choose a set of strategies to increase housing supply, planners should assess equity goals and pay attention to communities at risk for displacement.

To consider these questions, planners need to assess the Housing Needs Equity Analysis and the neighborhood change typology maps to identify the populations and geographies that are vulnerable.

This planning should include: prioritizing HPS that directly address the needs of vulnerable populations, including mitigating additional strategies to HPS that might have negative consequences; and aligning HPS to geographies where they are best suited to support housing stability and prevent displacement.

Presentation of the HPS tools:

The HPS toolkit is organized by strategy, with labels that indicate the most effective use of each tool by affordability level and tenure target.

Our team will add two columns to this toolkit, for selected tools that are most important for equitable housing outcomes, or that require the most caution in their utilization. These assessments are based on research literature findings of the effectiveness of tools and strategies for accomplishing equity and anti-displacement goals. Every strategy in the HPS is not annotated for these columns; we are focusing on the most important areas for activation or for warning.

The first column, Equity, will be a 'green/yellow/red' annotation: green, if a tool directly provides or produces affordable housing, especially for communities of color and other protected class communities; yellow, if caution should be taken--for example, if a strategy needs to be monitored for impacts and possibly paired with more direct strategies; or red if the strategy is not at all suited for addressing equity needs or highly likely to create displacement pressures and must be paired with mitigation.

The second column, G/D Typology, will list which of the typology's housing and population dynamics could be best matched with the strategy. This will look similar to the affordability target column, indicating that strategies work well in some types of neighborhoods.

Upcoming Exchanges

We will send materials for the LCDC meeting for your review by 4/29

- Hermiston Anti-Displacement Infographic will be added to the packets along with the analysis draft

Prep for LCDC presentation meeting, early May tbd

- Review presentation plan and provide additional materials for commissioners to get at the meeting

LCDC Thursday, May 20th

- 90 minutes presentation and Q&A time tbd



DLCD



**Agenda Item #5:
Portland State
University
Anti-Displacement
Toolkit**

March 18, 2021
Ethan Stuckmayer, *Senior Housing Planner*
Dr. Lisa Bates, *PSU Professor*
Seyoung Sung, *PSU Ph.D. Candidate*

1



**Portland
State
University
Anti-
Displacement
Toolkit**

Purpose:
Introduce PSU anti-displacement and gentrification toolkit as a supplement to adopted HB 2003 Housing Production Strategy rules

2

2



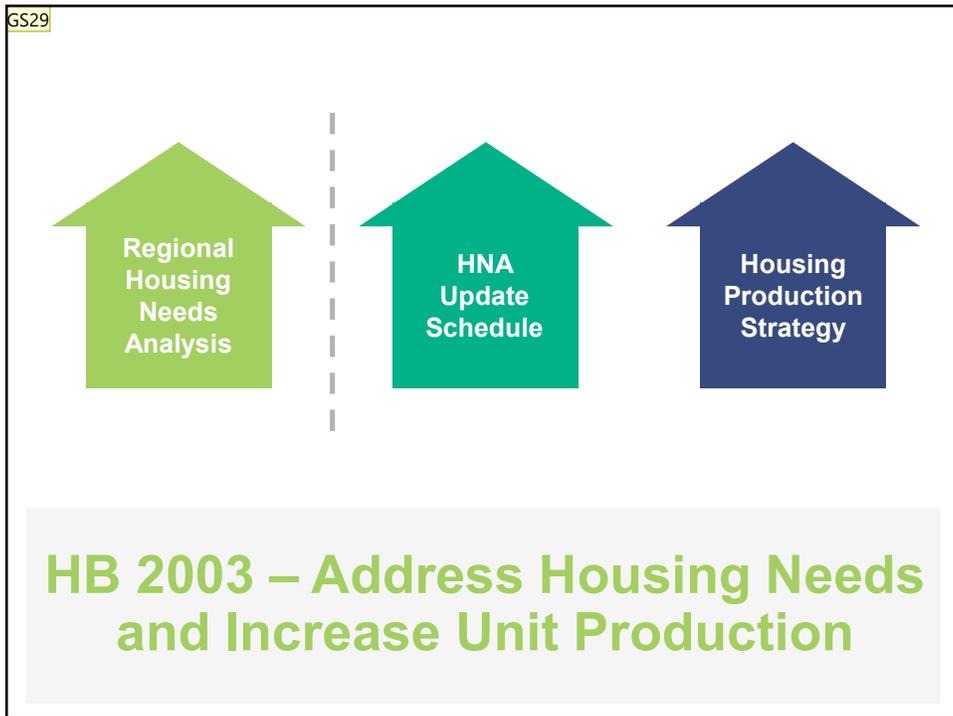
Portland State University Anti-Displacement Toolkit

Commission Action:

- 1) Review ongoing research to provide feedback on proposed direction and utility of the project

3

3



GS29

Regional Housing Needs Analysis

HNA Update Schedule

Housing Production Strategy

HB 2003 – Address Housing Needs and Increase Unit Production

4

Slide 4

GS29 use sean's graphic, just the HPS one
Garcia, Samuel, 3/8/2021

Adopted Rules to OAR 660-008 *Interpretation of Goal 10 Housing*

- **660-008-0045:** Housing Capacity Analysis Timeline
- **660-008-0050:** Housing Production Strategy Report
- **660-008-0055:** Review of HPS Report
- **660-008-0060:** HPS Program Reporting Requirements
- **660-008-0065:** Enforcement: HPS/HNA Submittal
- **660-008-0070:** Enforcement: HPS Implementation

5

Strategies to Meet Future Housing Need

Category A	Zoning and Code Changes	These are strategies that a jurisdiction can take to proactively encourage needed housing production through zoning and code modifications. These strategies may also include regulations to ensure housing goals are met.
Category B	Reduce Regulatory Impediments	These strategies address known impediments to providing needed housing. These include but are not limited to zoning, permitting, and infrastructure impediments.
Category C	Financial Incentives	These are a list of financial incentives that jurisdictions can give to developers to encourage them to produce needed housing.
Category D	Financial Resources	These are a list of resources or programs at the local, state and federal level that can provide money for housing projects. The majority of these resources are intended to provide money for affordable housing projects.
Category E	Tax Exemption and Abatement	These are a list of tax exemption and abatement programs that are intended to encourage developers to produce housing.
Category F	Land, Acquisition, Lease, and Partnerships	These are strategies that secure land for needed housing, unlock the value of land for housing, and/or create partnerships that will catalyze housing developments.
Category Z	Custom Options	Any other Housing Production Strategy not listed in Categories A through F that the jurisdiction wishes to implement will be outlined in this section and numbered accordingly.

6

HPS Report Structure
Fair and Equitable Housing Outcomes

1. Location of Housing
2. Fair Housing
3. Housing Choice
4. Housing options for residents experiencing homelessness
5. Opportunities for Affordable Rental Housing and Homeownership
6. Gentrification, Displacement, and Housing Stability

7

7

“How the city is increasing housing stability for residents and mitigating the impacts of gentrification, as well as the economic and physical displacement of existing residents resulting from investment or redevelopment.”

6. Gentrification, Displacement, and Housing Stability

8

8

Project team:

Lisa K. Bates, Ph.D.
Marisa A. Zapata, Ph.D.

Seyoung Sung, Project lead



9

**Supplement
HB 2003
Rules**

Toolkit will be used to:

1. Define a method for assessing equity, gentrification, and displacement as it is occurring at various levels throughout jurisdictions
2. Identify a set of Housing Production strategies that work to address, remedy, mitigate, or reverse displacement



10

Overview

- Describe our approach
- Walk through the analytic method using Tigard as an example
 - Housing equity
 - Spatial patterns and change
 - Putting it together
- Connect the analysis to housing production strategies and mitigation
- Discussion

11

11

An equity approach to housing planning that considers gentrification and displacement asks:

What housing production tools can best target the housing needs of those most at risk for cost burden and displacement?

BIPOC, low-income, renting

As we address overall housing supply, how can we avoid unintended negative consequences and open new opportunities?

12

12

Equity And Gentrification Analysis Method

- Proposed planning exercise:
 - Equity analysis in housing needs and projections
 - Consider neighborhood context and change
 - Link it together
- *What's new?*
 - Focusing on BIPOC, low-income, renters
 - Alert to displacement with change in some areas
- *What's less new?*
 - Using existing data

13

13

Equity And Gentrification Analysis Method:

Feedback wanted!

- Are these methods clear and on point?
- Do jurisdictions have the capacity to complete this analysis?
- Is our presentation as an annotated example effective for showing planners how to do the work?

14

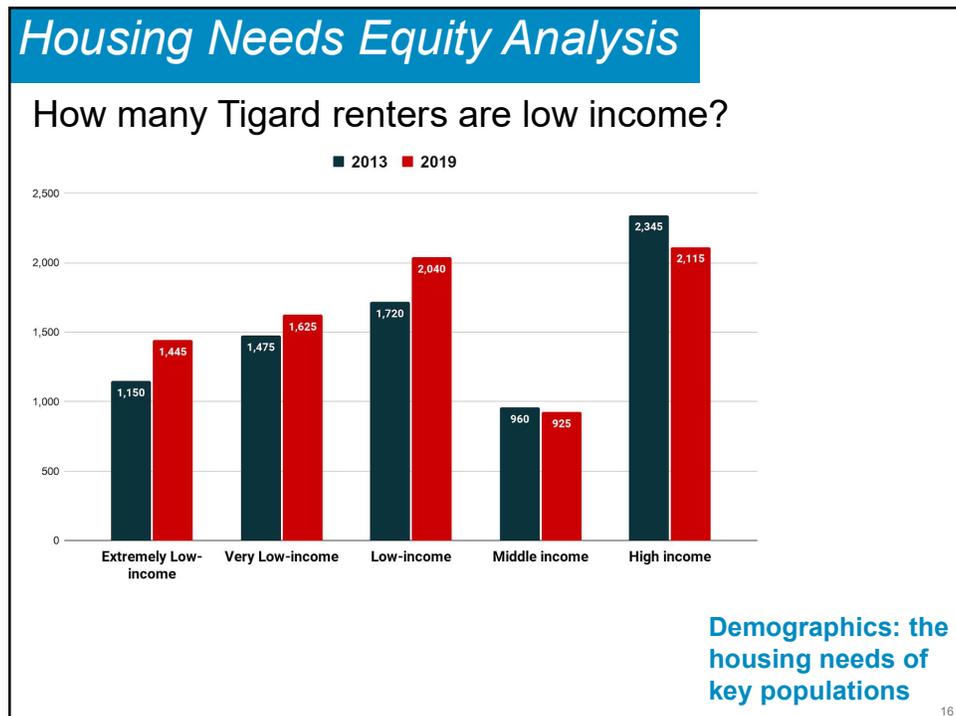
14

Equity And Gentrification Analysis Method: Overview

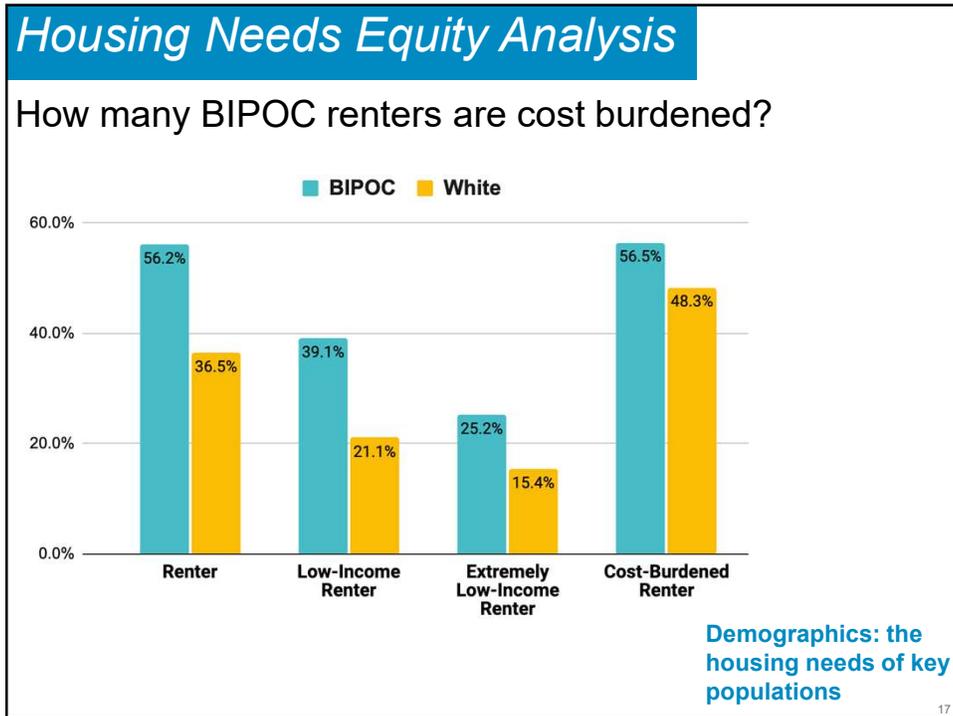
1. Housing needs equity analysis
 - What are the housing needs of BIPOC, low income, renters?
 - What is the current, permitted, and planned housing supply?
 - What mismatch or shortages exist and are projected?
2. Spatial context:
 - Characterizing trends of people, housing, and place

Then, we plan!

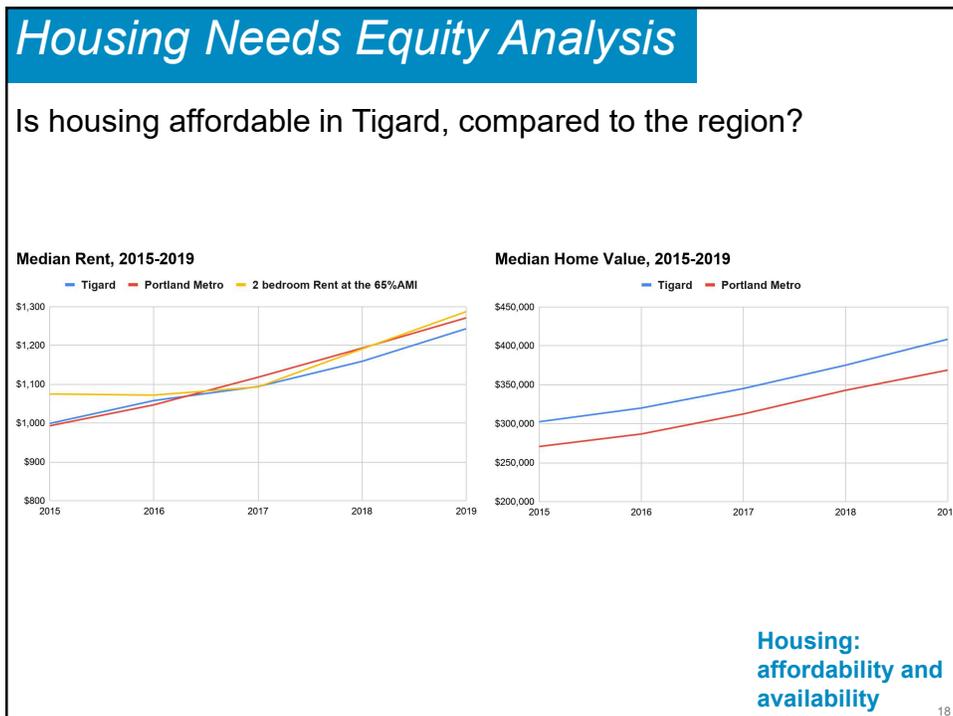
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16



17



18

Housing Needs Equity Analysis

Is housing affordable and available for different incomes?

2019 CHAS data	Units	Renter households	Shortage
Units affordable for Below 30% AMI <i>Extremely Low Income</i>	248	2,001	-1,753
Units affordable for 30-50% AMI <i>Very Low Income</i>	1,426	2,200	-774
Units affordable for 50-80% AMI <i>Low income</i>	6,503	2,556	3,947
Units affordable for greater than 80% AMI	2,854	4,324	-1,470

Housing:
affordability and
availability

19

19

Housing Needs Equity Analysis

Key takeaways for focus population:

- BIPOC are disproportionately low income and cost burdened
- Shortage of rental housing for very and extremely low income households even though overall rents are still affordable

20

20

Housing Needs Equity Analysis

Is new housing supply going to meet identified needs?

	Projected Units in 2030 Housing Plan	Produced Units, 2013-2019	Permitted Units in 2019	Total Units Produced and Permitted
Single-Family Detached	3,445	799	255	1,054 (30.6%)
Single-Family Attached	1,300	51	69	120 (9.2%)
2,3,4 plex	520	86	0	86 (16.5%)
Multifamily (5+ attached)	1,170	905	312	1,217 (104%)
Manufactured Home	65	51	0	51 (78.5%)
Total Units	6,500	1,892	572	2,464 (37.9%)

Planned, projected, and permitted supply

Using Tigard's existing HNA and plans

21

Housing Needs Equity Analysis

Key takeaways about planning:

- Supply lags plans
- Middle housing is especially under-produced, which relates to rising homeownership costs
- New subsidized/regulated multifamily is important, doesn't close gaps for low income rental housing

22

Spatial context

Consider the place impacts of housing production strategies by characterizing places:

- Vulnerability of population
- Housing market activity
- Changes in people + housing

Contextualized to the jurisdiction

Which places need additional care when planning for new housing production?

23

23

Spatial context: indicators

Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Where do low-income people live?	Where do BIPOC and vulnerable people live?	Where is precarious housing located?	Is the housing market 'hot'?	What are changes in neighborhood characteristics?
<ul style="list-style-type: none"> • Low-income households • Household income 	<ul style="list-style-type: none"> • Limited English-proficiency • Persons with disabilities • Female-headed household • 65 years and older 	<ul style="list-style-type: none"> • Multifamily housing • Housing units built before the 1970s 	<ul style="list-style-type: none"> • Median Rent • Rent change • Median Home Value • Home value change 	<ul style="list-style-type: none"> • Change in POC • Change in Educational attainment • Change in Home ownership • Change in Household income

24

24

Spatial context: typology

Criteria of Tract Level Neighborhood Typology Representing Different Characteristics and Risks of Displacement

	Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Green Affordable and vulnerable	Low	Yes	Yes	No	---
Yellow Early gentrification	Low	Yes	Yes	Yes	No
Orange Active gentrification	Low	Yes	Yes	Yes	Yes
Red Late gentrification	High	Yes	No	Yes	Yes
Blue Becoming Exclusive	High	No	No	Yes	Yes
Purple Advanced Exclusive	High	No	No	Has higher home value and rent	No

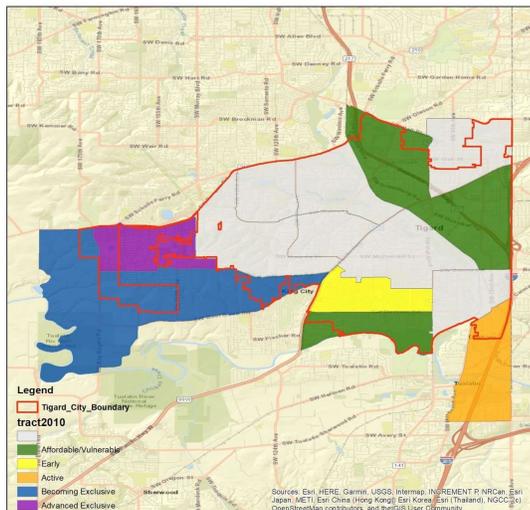
All types are not present in all jurisdictions; and some places do not fall into any of these categories

25

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Spatial context

Tigard Gentrification and Displacement Risk Map: Tract Level Neighborhood Typology Results



What housing supply is going into what kind of neighborhood?

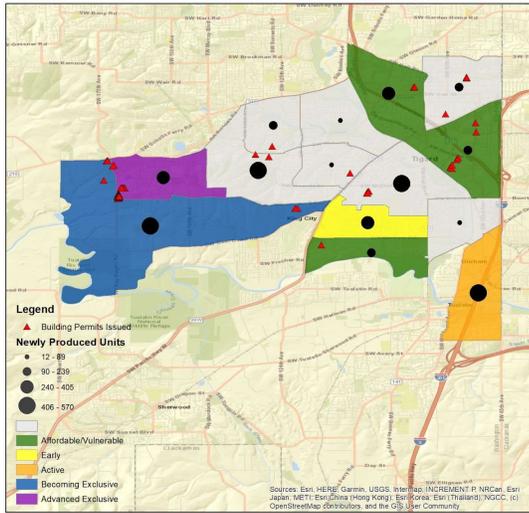
How does this relate to planning for equitable housing going forward?

26

26

Spatial context

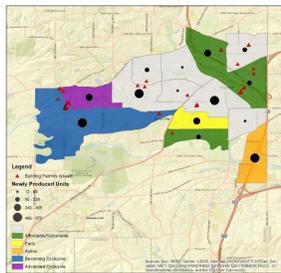
Map of New Housing Development Patterns Between 2013 and 2019
With Neighborhood Typology Results



27

27

Spatial context



Units Produced	Single-Family Homes	Middle Housing (2,3,4 plex)	Multifamily Homes
Green Affordable and vulnerable	147	266	1172
Yellow Early gentrification	86	0	319
Orange Active gentrification	0	102	344
Blue Becoming Exclusive	434	110	8
Purple Advanced Exclusive	220	22	60

Units Demolished	Single-Family Homes	Middle Housing (2,3,4 plex)	Multifamily Homes
Green Affordable and vulnerable	102	382	147
Yellow Early gentrification	0	172	0
Orange Active gentrification	54	107	13
Blue Becoming Exclusive	0	49	172
Purple Advanced Exclusive	0	25	0

28

28

Spatial context

Key takeaways from spatial analysis

- Differentiated pattern of single vs. multifamily homes by neighborhood income
- Net loss of middle housing in vulnerable and early gentrification areas
- Areas of active gentrification with multifamily development also had higher than average increased housing prices

29

29

Applying planning thinking

Combining all the analysis and thinking about the context and opportunities...

- Very low income renters' needs are not met, now or in plans, although subsidized housing is being built.
 - Can new multifamily support stability rather than igniting gentrification?
- Plans suggest more single family development is needed, which could foster more accessible homeownership
 - but there is a lack of 'middle housing' options in plans and production
 - Will single-family production deepen segregation or lead to opportunities?
- Hot neighborhood at the border suggests challenges and a regional approach?
 - How can all jurisdictions meet needed housing, rather than having some serve as 'outlets'?

30

30

Choosing and targeting HPS

Addressing the needs of BIPOC, low income, and renters with planning for equitable housing outcomes

B 11. Pro-housing agenda B 12. Pro-affordable housing agenda

In Affordable and vulnerable area with a transit center:

Plan to maintain and increase affordability near this amenity

F19. Affordable Housing Preservation Inventory

A18. Increase Density near Transit Stations and Regional Multi-use Trails

F2. Joint Development Agreements - consider ridership and affordable housing together

Proactively address needs of low-income BIPOC

F5. Preserving Low-Cost Rental housing to Mitigate Displacement

31

31

Choosing and targeting HPS

In active gentrification area:

Careful planning to secure low-income housing and mitigate displacement

Ensure the availability of affordable housing as more development comes

A10. Inclusionary Zoning – with increased development in a hot market

A11. Add Restrictive Covenants to Ensure Affordability - when new development occurs, add this restriction to ensure the affordable rent

Collaborative planning approaches to address regional housing needs

32

32

Limitations of the Study and Toolkit

- Difficult to categorize all levels and types of displacement occurring across state
- Data limitations for housing and people
- Strategies included in toolkit may not directly address gentrification and displacement, but over time, will.

33

33

Discussion Questions

Indicators for Spatial Analysis. The spatial analysis included indicators of displacement related to changes in vulnerable people, housing market, and neighborhood. **In your opinion, are there any further indicators the toolkit may be missing to adequately map out displacement?**

Demographics Limitations. Both spatial and non-spatial analyses conducted in the toolkit use a racial equity lens to collect demographics on vulnerable populations. In your opinion, which **populations do you still see missing** from the analysis? For example, the homeless population may be difficult to track with limited data sets.

34

34

Discussion Questions

Nomenclature for Priority Areas. The PSU spatial analysis will result in mapping areas of the city that have varying levels of displacement. What **language** should be assigned to these categories in order to avoid deeming certain demographics “at-risk” or “vulnerable”?

Geographies with unassigned levels of displacement. After viewing the Tigard example, you will notice that there are parts of the city that are greyed out, indicated **no perceived risk of displacement**. What type of Housing Production Strategies or anti-displacement strategies should be implemented in these areas, if any, at all?

35

35

Next Steps

For May LCDC Meeting

- Ongoing work including Hermiston case study
- List of specific strategies that will help address, remedy, displacement

36

36



DLCD
Department of
Land Conservation
& Development

March 18, 2021
Ethan Stuckmayer, *Senior Housing Planner*
Dr. Lisa Bates, *PSU Professor*
Seyoung Sung, *PSU Ph.D. Candidate*

Thank you!

*Please submit written comments
on this project to:
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37



1

PROJECT TEAM

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2

Today's Agenda

1

Reminder/Updates:
Housing Needs
Equity Analysis
+
Typology

2

Model Analysis:
Hermiston

3

Housing Production
Strategies (HPS):
Equity and anti-
displacement
practices

4

Discussion
Q&A

3

3

EQUITY AND GENTRIFICATION ANALYSIS METHOD

An equity approach to housing planning that considers gentrification and displacement



Housing Needs Equity Analysis

What are the housing needs of BIPOC, low income, renters?
What is the current, permitted, and planned housing supply?
What mismatch or shortages exist and are projected?

Spatial Context: Gentrification Typology

Characterizing trends of people, housing, and place

4

4

Reminder: analysis methods

SPATIAL CONTEXT: GENTRIFICATION TYPOLOGY

Indicators of Typology

Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Where do low-income people live?	Where do BIPOC and vulnerable people live?	Where is precarious housing located?	Is the housing market "hot"?	What are changes in neighborhood characteristics?
<ul style="list-style-type: none"> Low-income households Household income 	<ul style="list-style-type: none"> Limited English proficiency Persons with disabilities Female-headed household 65 years and older 	<ul style="list-style-type: none"> Multifamily housing Housing units built before the 1970s 	<ul style="list-style-type: none"> Median Rent Rent change Median Home Value Home value change 	<ul style="list-style-type: none"> Change in POC Change in Educational attainment Change in Home ownership Change in Household income

Neighborhood Types Representing Different Characteristics and Risks of Displacement

	Income Profile	Vulnerable People	Precarious Housing	Housing Market Activity	Neighborhood Demographic Change
Affordable and vulnerable	Low	Yes	Yes	No	---
Early gentrification	Low	Yes	Yes	Yes	No
Active gentrification	Low	Yes	Yes	Yes	Yes
Late gentrification	High	Yes	No	Yes	Yes
Becoming Exclusive	High	No	No	Yes	Yes
Advanced Exclusive	High	No	No	Has higher home value and rent	No
Stable with Unnoticeable Change	-	-	-	-	-

5

5

model analysis : Hermiston Analysis

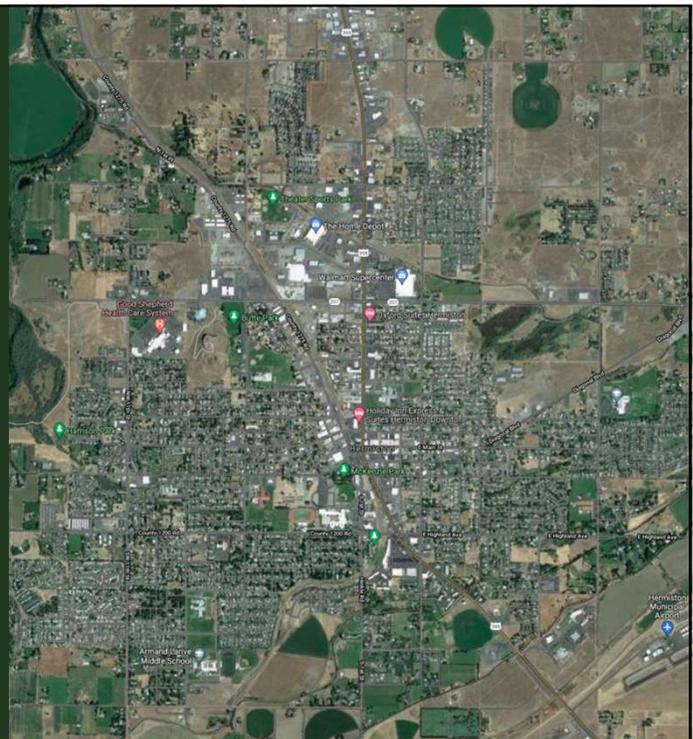
Equity and Gentrification Analysis for HERMISTON

Part 1. Housing Needs Equity Analysis

Part 2. Gentrification Typology

Data Analysis + Planning Thinking

Method comparison with Tigard



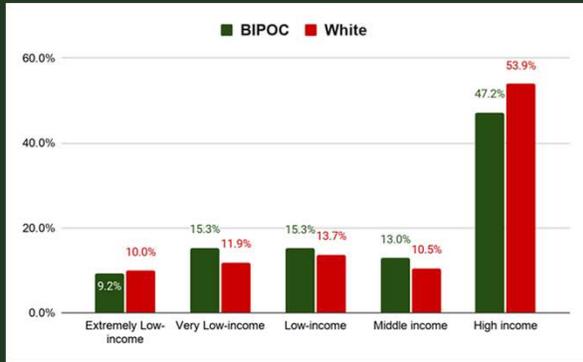
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6

DEMOGRAPHICS: THE HOUSING NEEDS OF KEY POPULATIONS

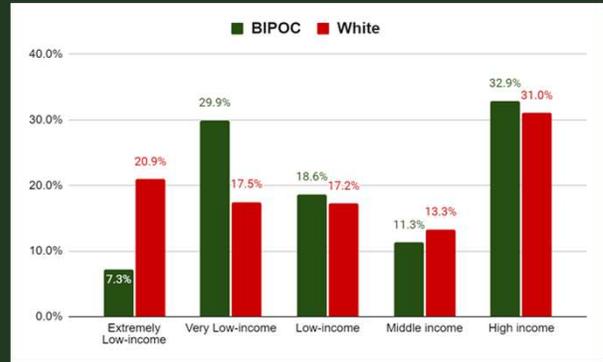
What are racial disparities in income and tenure?

How many households are LOW-INCOME?



Source: Table 2, CHAS 2013-2017

How many RENTERS are low-income?

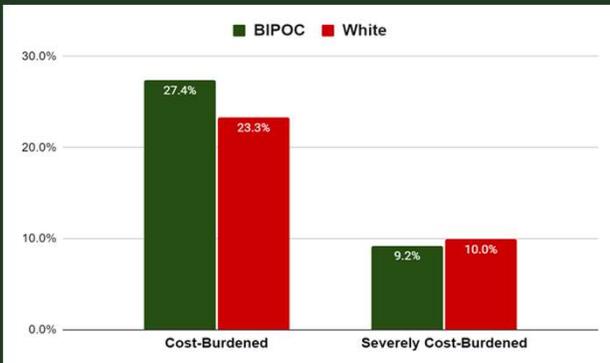


Source: Table 2, CHAS 2013-2017

DEMOGRAPHICS: THE HOUSING NEEDS OF KEY POPULATIONS

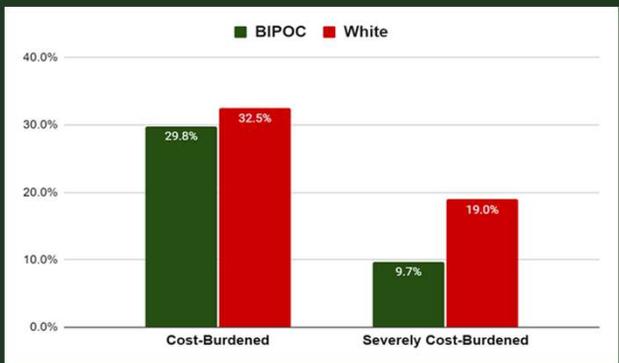
What are racial disparities in the housing cost burden?

How many households are Cost burdened?



Source: Table 9, CHAS 2013-2017

How many RENTERS are Cost burdened?

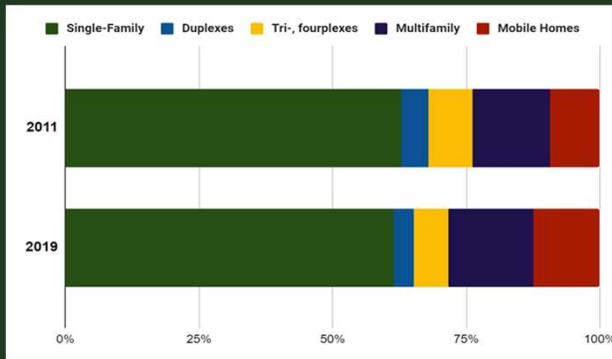


Source: Table 9, CHAS 2013-2017

HOUSING: AFFORDABILITY AND AVAILABILITY

What housing is available in Hermiston?

Housing inventory changes in Hermiston



Is housing affordable and available for different incomes?

2019 CHAS data	Units	Renter households	Shortage
Units affordable for Below 30% AMI <i>Extremely Low Income</i>	465	710	245
Units affordable for 30-50% AMI <i>Very Low Income</i>	430	445	15
Units affordable for 50-80% AMI <i>Low income</i>	1,915	490	
Units affordable for greater than 80% AMI	170	820	650

HOUSING: AFFORDABILITY AND AVAILABILITY

Is housing affordable in Hermiston, compared to the region?

Rent in Hermiston and Umatilla County, 2011-2019



Median Home Value in Hermiston and Umatilla County, 2011-2019



PLANNING: PLANNED, PROJECTED, AND PERMITTED SUPPLY

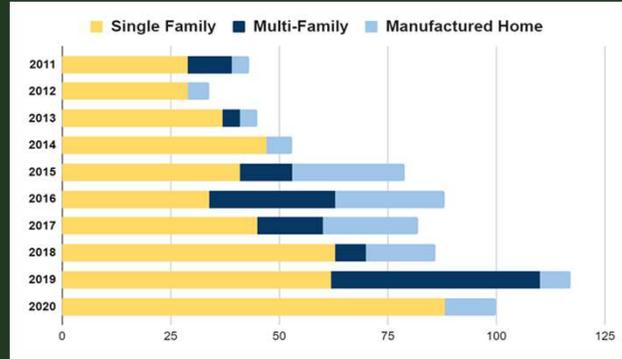
Is the new housing supply going to meet identified needs?

Housing Needs Projection from Hermiston HNA (2011) and Permitted Supply between 2011 and 2020

	Projected housing units by 2030	Permitted housing units, 2011-2020
Single-Family	2,716	475 (17.5%)
Duplex	288	5 (1.7%)
3- or 4- plex	216	30 (13.9%)
Multifamily (5 or more)	660	90 (13.6%)
Manufactured Home	0	127
Total	3,881	727 (18.7%)

Source: Hermiston HNA (2011), City of Hermiston Building Department

Housing Units Permitted by Housing Type, 2011-2020



Source: City of Hermiston Building Department

KEY TAKEAWAYS

The pressing housing demands of extremely and very low-income households

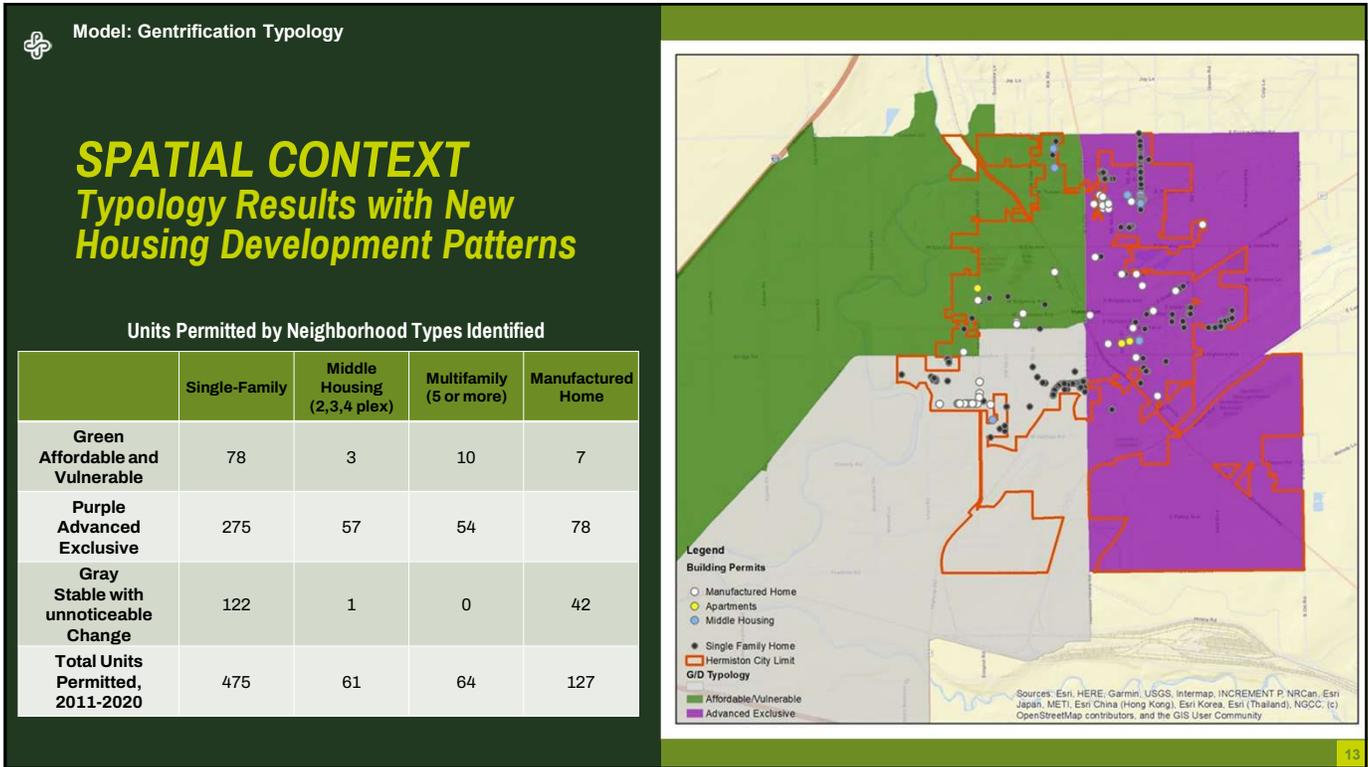
- BIPOC are disproportionately low-income and renting
- Especially the Latinx community

Diversification of housing supply is needed with a particular focus on low-income rental units

- Shortage of rental housing for very low-income
- Missing middle in the housing pipeline



Source: Ben Lonergan/East Oregonian, The Observer



13



14

PLANNING THINKING...

The housing needs of VLI and ELI are not met, now or in plans.

- Not enough rental housing affordable to renters with an income less than 50% AMI
- A lack of 'middle housing' options in plans and production

Spatially divided and unbalanced housing development

- Will single-family production deepen segregation or lead to opportunities?
- Needs to advance spatial equity of housing development with diverse housing options.

Manufactured housing as an alternative housing affordable to low- and moderate-income households

- The city needs to work on land tenancy to stabilize the ownership of land for manufactured home parks

CHOOSING AND TARGETING HPS...

Entire Jurisdiction

- D23. State of Oregon Debt
- A2. Zoning Changes to Facilitate the Use of Lower-Cost Housing Types
- C4. Incentivized Manufactured and Modular Housing
- A22. Mixed Housing Types in Planned Unit Development
- B12. Pro-Affordable Housing Agenda

Affordable and Vulnerable

- B8. Waive Off-Site Infrastructure Requirements for Needed or Affordable Housing
- D20. Local Innovation and Fast Track (LIFT) Program for Affordable Rental Housing Development

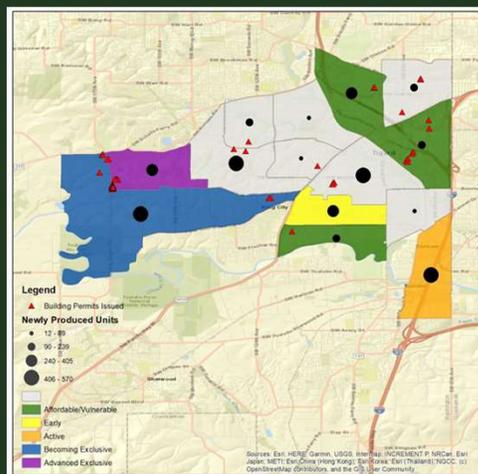
Advanced Exclusive

- A15. Encourage Diverse Housing Types in High-Opportunity Neighborhoods
- A16. Manufactured Housing Community Preservation Zone

15

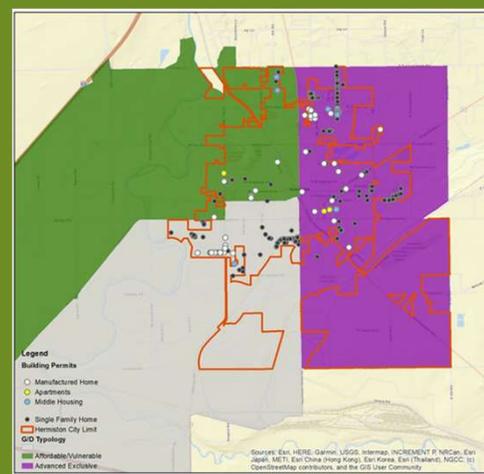
15

TIGARD



- Urban context – Increasing population/housing demands with gentrification and displacement pressures

HERMISTON



- Rural context – limited housing options and resources

16

16



CONTEXTUALIZATION + PLANNING-CAPACITY

What do planners need for this toolkit? How do we need to help?

TOOLKIT AS A STARTING POINT...

- understand the demographic and housing trends with spatial context
- assessing the gentrification and displacement varies by the local context
- baseline to find appropriate HPS to address, remedy, mitigate, or reverse displacement upon the local context

TOOLKIT AS AN INSTRUCTION MANUAL ... with applications for taking into account local contexts and annotated examples for jurisdictions to follow

- applicability and flexibility to consider the different local and regional contexts of housing and neighborhood change
- to modify measures or data sources in accordance with local planning capacities as needed
- primary purpose is to find significant alerts to pay attention to

17

17



HOUSING PRODUCTION STRATEGIES: ASSESSING FOR EQUITY AND ANTI-DISPLACEMENT

Housing production strategies are necessary ...

... and can have *unintended consequences* or simply *fail to meet needs*

Most new housing is at the high end of the market

Filtering is a long-term, market-scale phenomenon

There is already a shortage of low-cost housing nearly everywhere

Changing demographics and preferences can exacerbate housing mismatch

Discrimination further confounds market analysis

Avoiding displacement and creating/maintaining access to opportunity are important goals for healthy communities

18

18

CATEGORIZING THE HOUSING PRODUCTION STRATEGIES: Equity

AFFORDABLE HOUSING SUPPLY

DIRECT : a strategy that *creates* new units for low-income households or protected class populations

(DIRECT) : a strategy that *enables* new units for low-income households or protected class populations

OVERALL HOUSING SUPPLY

(INDIRECT) : a strategy that supports smaller units or 'middle housing' but needs additional actions to target it for low-income households or protected class populations

INDIRECT : a strategy that increases overall housing supply with no particular focus on housing type, price, or suitability for specific populations

19

19

CATEGORIZING THE HOUSING PRODUCTION STRATEGIES: Displacement

Aff/vul

Early G

Active G

Late G

Exclusive

Aff/vul

Early G

Active G

Late G

Exclusive

If there is evidence about the efficacy or potential for harm in a neighborhood type, it is indicated by color.

Additional implementation supports or mitigation strategies are noted for 'caution' zones.

20

20

HPS tools

ZONING AND CODE CHANGE

COMPARING STRATEGIES: direct and indirect

	Strategy	Equity	G/D Typology	When/How
A1	Ensure Land Zoned for Higher Density is not Developed at Lower Densities	INDIRECT	all	Planning and continued monitoring with attention to displacement in gentrifying areas; add incentives for direct production of equity needs
A2	Zoning Changes to Facilitate the Use of Lower-Cost Housing Types	(DIRECT)	all	Planning and continued monitoring of production vs. needs

COMPARING STRATEGIES: across neighborhood change types

	Strategy	Equity	G/D Typology	When/How
A3	FAR, Density, or Height Bonuses for Affordable Housing	DIRECT	Aff/vul Early G Late G Exclusive	These tools work best in strong markets; have a medium impact on displacement
A4	Housing Rehabilitation Codes	(INDIRECT)	Aff/vul Early G Active G Late G Exclusive	Where naturally occurring affordable housing is being lost to rehab; add incentives to maintain affordability to increase anti-displacement impacts

21

21

HPS tools

PLANNERS LINK EQUITY ANALYSIS TO HOUSING PRODUCTION STRATEGIES

Planning for housing is a challenge when the public sector has limited direct role in supply

- Use data analysis with contextual supplements to understand how current and planned housing supply meet or don't meet all needs
 - Units and place both matter
- Consider the tools and resources available to more effectively focus on equity needs
- Monitor and update plans for changing circumstances

22

22



23