

**2002**

**CENTRAL CITY  
HOUSING INVENTORY**

**Rental and Homeownership Inventory**

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Portland Development Commission

# CENTRAL CITY HOUSING INVENTORY

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# CENTRAL CITY HOUSING INVENTORY

## Executive Summary

### Background

The Portland Development Commission (PDC) conducted an inventory of all of the residential units in the Central City to better understand the overall housing availability in this market area. The inventory provides information on the amount of housing, the type of housing, and the affordability of the housing. While similar inventories have been conducted in various subdistricts, this is the first comprehensive inventory since the *Central City Housing Inventory* conducted by PDC in 1996.

For this analysis, “Central City” refers to the Central City Plan Area as defined by the City of Portland. This area is comprised of the subdistricts generally understood as North Macadam, Downtown, Goose Hollow, River District, Lower Albina, Lloyd District, and the Central Eastside. The subdistrict boundaries are as defined in the Central City Plan and in most instances (while they may overlap with) are not the same as the City's urban renewal areas.

In August 2001, City Council adopted a No Net Loss policy for affordable housing in the Central City which states that either through preservation or replacement, the Central City will retain at least the current number of housing units affordable to households at or below 60% Area Median Income (AMI). Additionally, City Council directed Portland Development Commission and the Bureau of Housing and Community Development to develop a No Net Loss Funding Plan for the preservation, replacement or new construction of at least 1,200 low income units in the Central City from 2001 to 2006. Other relevant policy documents include the Central City Plan, the City's Comprehensive Plan: Goal 4 and Urban Renewal Area Plan goals and housing strategies.

This report summarizes the results of both the Rental Housing Survey which inventories all rental units in the Central City and the inventory of homeownership units.

### Rental Housing Inventory Results

General information regarding the number of units and the type of units was collected for 99% of the identified rental units in the Central City. Rent information was collected for 95% of the units identified rental units. The following are highlights from the rental housing inventory.

#### Occupancy Type

The rental housing inventory differentiated between units that had some restriction on the type or income of resident, and those that were purely open market with no tenant restrictions. Restricted Occupancy units comprise 46% of the total rental units, splitting rental housing in the Central City more or less evenly between unrestricted and restricted units. With the exception of

268 market-rate senior units in the Lloyd District, all of the Restricted Occupancy units have rent levels that are affordable to households with incomes at or below 80% MFI.

### **Income Affordability**

Rental housing in Downtown predominately consists of units affordable to low- and moderate-income households. Over 80% of all rental housing units are affordable to households at or below 80% MFI. This number includes restricted occupancy and subsidized rental units.

Of the purely “open market,” unrestricted rental units, two-thirds are affordable to households at or below 80% MFI.

- **No Net Loss Units (units affordable at 60% MFI and below):** There are an estimated 8,286 rental units currently affordable to households with income at or below 60% MFI.
  - The majority of the No Net Loss units (0-60% MFI) are currently affordable to households at 31-50% MFI. Housing units affordable to extremely low-income (0-30% MFI units) households account for 15.3% of the total rental units. As the largest affordability group, 31-50% MFI units represent 27% of the total rental housing stock. Nearly 3,000 of these units are privately-owned with no restrictions to ensure affordability (open market, unrestricted), mostly affordable in the higher 51-60% MFI income range.
  - Nearly 75% of the No Net Loss units are either single room occupancy units (SROs) or studio apartments, meaning that the vast majority of affordable units in the Central City are appropriate for single-person households only.
  
- **Units Affordable over 60% MFI.**
  - Housing serving moderate-income (61-80% MFI) residents is a significant portion of the rental housing stock comprising 18% of the total rental housing stock and 26.7% of the open market rental housing stock.
  - While only 15.6% of the total rental housing stock in the Central City rent in the 81-120% MFI level, this group comprises 27.7% of all open market, unrestricted rental units. Over 60% of the 81-120% MFI units are one-bedroom units.
  - Just over 5% of the total open market, unrestricted rental housing units have rent levels above 120% MFI with all but one of these units located in the subareas west of the Willamette River.

### **Recent Rental Housing Activity (since 1997)**

Since 1997, a total of 2,275 units of rental housing have been developed in the Central City. The River District saw the greatest level of recent activity with over 40% of its total rental housing built within the last five years. The affordability of newly built units is relatively diverse. Of these units, 61% are income restricted and the remaining are open market units.

## **Ownership Housing Inventory Results**

The homeownership rate in the Central City is 14%. While dramatically lower than the citywide rate, the number of homeownership opportunities is growing steadily in some parts of the Central City. With no homeownership units in 1992, the fast growing River District now has the highest homeownership rate in the Central City at a rate of 27.2%.

General information regarding the type of units and sales information was collected for approximately 82% of the identified ownership units in the Central City. The following are highlights from the ownership housing inventory.

### **Income Affordability and Sales Price**

The Central City has few ownership opportunities for households with incomes below 80% MFI. Ownership units are predominantly selling at prices affordable to households above 150% MFI, with only one-quarter of the units selling at prices affordable to middle-income households. Home sales prices did vary between individual subareas, with River District units almost exclusively above 150% MFI, and Lloyd District units favoring the middle-income market.

### **Recent Ownership Housing Activity (since 1999)**

Over 1,100 new ownership units have been constructed in the Central City since 1999. The River District has captured over 70% of the new homeownership construction in the entire Central City with 775 new units constructed since 1999, and an additional 280 currently under construction. Consequently, the River District has also seen the highest number of sales.

On average, Central City sales are priced at \$227 per square foot, while River District sales are nearer \$250 per square foot. Downtown, Goose Hollow and the Lloyd District sales average closer to \$200 per square foot with price per square foot peaking when smaller studio and one bedroom units are built (i.e. Cornerstone and Roosevelt in Downtown, and Cascadian in the Lloyd District.)

# 2002 CENTRAL CITY HOUSING INVENTORY

## Introduction

The Portland Development Commission (PDC) conducted an inventory of all of the residential units in the Center City to better understand the overall housing availability in this market area. The inventory provides information on the amount of housing, the type of housing, and the affordability of the housing. This information is critical to effectively developing and evaluating city policies and initiatives related to housing availability and affordability. While similar inventories have been conducted in various subdistricts, this is the first comprehensive inventory since the *Central City Housing Inventory* conducted by PDC in 1996.

For this analysis, “Central City” refers to the Central City Plan Area as defined by the City of Portland. This area is comprised of the subdistricts generally understood as North Macadam, Downtown, Goose Hollow, River District, Lower Albina, Lloyd District, and the Central Eastside. The subdistrict boundaries are defined by the Central City Plan and in most instances, while they may overlap with urban renewal area boundaries, they are not the same as the City's urban renewal areas.



There have been many plans developed over the last 30 years that have provided a guide for housing development in the Central City. These plans range from the broader Comprehensive Plan and Central City Plan to the more specific neighborhood and urban renewal plans. These Plans have been updated throughout the years to respond to emerging priorities and changing conditions, establishing new goals and different housing targets. In a general sense, these various plans complement each other and provide a broad context for housing in the Central City. But while the overall context is consistent, often times the Plans have different quantitative housing targets and set conflicting priorities, illustrating the complicated questions and goals about housing that exist in the Central City. A summary of recent plans and policies in the Central City follow the Rental Housing Inventory.

Appendices D and E provide a summary of many of the quantitative housing goals related to the Central City. The following inventory is one tool to help evaluate progress that has been made toward these specific goals. It provides a profile of the rental and ownership housing in the Central City to be able to assess which specific housing goals have been achieved and which housing goals continue to require the attention of the City, guiding housing policy decisions in the Central City.

## Inventory and Research Methodology

The housing inventory includes all housing units in the Central City. The study area has been divided into six sub areas to allow for more detailed geographic analysis of housing availability:

- Downtown
- River District
- Lloyd District
- Central Eastside
- Goose Hollow
- Lower Albina

The subareas of Downtown and River District are identical to the boundaries used in previous inventories (Downtown Target Area Housing Inventory and Policy Analysis 2001 and River District Housing Implementation Housing Strategy Update 1999), allowing for direct comparison. The Lloyd District boundary is smaller than the study area boundary used in the Lloyd District Housing Inventory and Policy Analysis 2000. The North Macadam sub area (which is the area along the west bank of the Willamette River and south of the I-405 loop) is not included in the inventory because it currently does not have any housing.

### Rental Housing Inventory and Survey

To collect information on rental housing in the Central City, a rental housing survey was sent out by mail to the owner(s) or property managers of each identified rental property within the boundaries of the Central City. Staff followed up by phone with the owners or property managers of each nonresponsive property, at which time the survey was either resent or completed over the phone.

The survey itself consists of eight main sections, in addition to identification information (owner/property name, address, phone, contact) and room for additional comments. The first section, "Unit Information," asks for number and type of units (single family home, apartment, etc.) and whether the management accepted Section 8 certificates. "Parking Information" asks for number of spaces and rates. "Utility Information" asks for types of heat and hot water, and whether or not each type of utility is included with the rent. "Rent information" asks for number of bedrooms, number of units of that size, unit size, monthly rent paid by tenant, and any sort of rent, income level or tenant restriction that may be in place on those units. "Tenant profile" asks for basic demographic information, including estimates of seniors, children and persons with special needs. "Demand" asks about waiting lists and vacancy rates. "Fees/Deposits/Move in Costs/Lease" asks for rental agreement types and various move-in fees and deposits. The final section, "Building Amenities and Room Amenities" provides a check list of various features commonly found in building common spaces and private spaces.

Information was also collected for special need and service-oriented housing that does not charge the tenant a monthly rent. Shelter beds and group home rooms, as well as other units in which the tenant does not pay rent, are reported as separate residential units and are included in the total unit counts.



## Income Categorization

The housing inventory was used to categorize units by their affordability according to income level. The categorization of housing as affordable at the various income levels is based on imputing an income level from rents, not actual tenant income data. Since actual household size was not available for the housing units, the number of people in a household was estimated based on the number of bedrooms. Household size, median family income (MFI), and housing affordability was estimated in the same manner used for past PDC inventories.

The following table shows the estimated housing cost affordable for a household at 100% median family income. The maximum monthly housing cost serves as the indicator of affordability. Median family income of tenants was estimated from the total monthly housing cost, assuming a 30% rent burden. See Appendix A for a breakdown of median family income by household size and maximum monthly rent considered affordable by the US Department of Housing and Urban Development (HUD) standards.

### **Estimated Household Size and Housing Affordability By Number of Bedrooms**

<b>Number of Bedrooms</b>	<b>Estimated Household Size</b>	<b>100% Median Family Income</b>	<b>Maximum Monthly Housing Cost = 30% of Monthly Income</b>
0	1	\$40,050	<b>\$1,001</b>
1	1.5	\$42,900	<b>\$1,073</b>
2	3	\$51,500	<b>\$1,288</b>
3	4.5	\$59,500	<b>\$1,488</b>
4	6	\$66,350	<b>\$1,659</b>
5	7.5	\$73,225	<b>\$1,831</b>

Based on FY 2002 HUD Portland Area Median Income

Throughout the report, affordability is discussed in terms of percentage of median family income. For instance, rent and utility costs of \$644 for a two-bedroom apartment is affordable to a household with an income at 50% MFI, or otherwise stated an annual income of \$25,750 for a three person household. The MFI ranges of 0-30%, 31-50%, 51-60%, 61-80%, 81-120%, 120-150%, and over 150% are consistent with other policy discussions and analyses and allow for broad comparisons. The following table provides examples of the types of households in each income level, i.e. percent of median family income.

<b>INCOME LEVEL</b>	<b>AFFORDABLE HOUSING COST</b>		<b>HOUSEHOLD PROFILES</b>
<b>30% MFI</b> \$12,000 1 person \$17,150 4 persons	Studio apt. 1 bedroom 2 bedroom	\$300 \$322 \$386	<ul style="list-style-type: none"> <li>• Single minimum wage worker working 40 hours/wk</li> <li>• Full time waitress with one child</li> <li>• Low-income senior with little retirement income</li> <li>• Student or unemployed</li> <li>• Physically and mentally disabled, special needs</li> </ul>
<b>50% MFI</b> \$20,000 1 person \$28,600 4 persons	Studio apt. 1 bedroom 2 bedroom	\$500 \$536 \$644	<ul style="list-style-type: none"> <li>• Full-time, single security officer, cook or nursing aide</li> <li>• Full-time office clerk with two children; laborer or handler with stay-at-home spouse and children.</li> <li>• Two minimum wage workers working 32 hours or less</li> <li>• Senior on a limited income (social security, retirement)</li> </ul>
<b>60% MFI</b> \$24,000 1 person \$34,300 4 persons	Studio apt. 1 bedroom 2 bedroom	\$600 \$643 \$773	<ul style="list-style-type: none"> <li>• Full-time, single janitor or food service worker</li> <li>• Full-time sales or construction worker with three children</li> <li>• 2 full-time waiters or waitresses</li> </ul>
<b>80% MFI</b> \$32,050 1 person \$45,750 4 persons	Studio apt. 1 bedroom 2 bedroom	\$801 \$858 \$1,030	<ul style="list-style-type: none"> <li>• Full time mechanic or construction worker</li> <li>• Teacher, urban planner or social worker with spouse and children.</li> <li>• Full time secretary and cashier with children</li> </ul>
<b>100% MFI</b> \$40,050 1 person \$57,200 4 persons	1 bedroom 2 bedroom 3 bedroom	\$1,073 \$1,288 \$1,488	<ul style="list-style-type: none"> <li>• Full time worker at \$19.00/hr</li> <li>• College professor or electrician with two children</li> <li>• Office clerk and mechanic with two children</li> </ul>
<b>120% MFI</b> \$48,050 1 person \$68,650 4 persons	1 bedroom 2 bedroom 3 bedroom	\$1,287 \$1,545 \$1,785	<ul style="list-style-type: none"> <li>• Full time professional (RN, educator, accountant)</li> <li>• Two fulltime workers at \$13/hr</li> <li>• Engineer head of four person household</li> </ul>

Based on FY 2002 HUD Portland Area Median Income

### **Total Housing Cost**

Actual rents were recorded whenever possible. For units in which ranges were reported, the high end of the rent range was used in calculating the affordability. Respondents also indicated the utilities which tenants were responsible for paying in addition to their rent. For units in which no utilities or only partial utilities were included in the rent, monthly utility costs were estimated using the 2001 HUD Utility Allowance Worksheet (Appendix B) provided by the Housing Authority of Portland. The utility allowance and the monthly rent provided a gross rent figure. Gross rent and estimated household size were used to calculate income affordability levels.

### **Inventory Response Rates**

General information regarding the number of units and the type of units was collected for 99% of the identified rental units in the Central City. Of these units, rent levels were collected for 95%. Units that are coded as "unknown" represent those units in which we are uncertain of the number of bedrooms. Open loft-style units were coded as either studio apartments or one-bedroom apartments depending on their total square footage. The response rates for individual questions related to the tenant profile, other fees or deposits, and amenities varied dramatically.

## Ownership Housing Data Collection

For these units, the data collected included the age of structure, number of bedrooms, square footage, actual price paid, and date of sale, as well as previous sales information. The asking/sales price was recorded for newly constructed units that had not yet been sold. Surveys were not distributed to property managers, developers or homeowners. Information was predominantly collected from Multnomah County tax assessor records, Metroscan, and the Real Estate Multiple Listing Service. Additional information was gleaned from PDC development records and developer promotional materials.

Complete information on recently constructed multifamily projects was the most difficult to collect because sales and unit specification had not yet been recorded with the tax assessor. Loft-style units which technically have zero bedrooms but vary dramatically in terms of square footage were coded as one bedroom units for affordability calculations. Both of these issues had a disproportionate impact on new units in the River District.

To determine the appropriate income category and affordability levels for ownership units the following assumptions were used: 3% down payment, 30-year fixed mortgage, and a 30% housing cost burden. See Appendix C for assumptions made when calculating homeownership affordability and affordability levels by income and number of bedrooms.

Sales data was collected for 82% of the identified ownership units in the Central City.

## Total Housing Inventory Summary

The Central City study area has over 500 residential buildings ranging from single-family homes in the Central Eastside and Goose Hollow to condominium towers in Downtown and River District. These buildings represent a total of 16,881 housing units in the Central City. The table below shows the distribution of residential units by tenure and location within a study sub area.

### Estimated Number of Housing Units in The Central City by SubArea

TENURE	CENTRAL CITY SUB AREAS						CENTRAL CITY TOTAL
	Down- town	River District	Lloyd District	Central Eastside	Goose Hollow	Lower Albina	
Rental	7,326	2,866	850	1,118	2,338	23	14,521
Owner Occupied	859	1,071	120	61	248	1	2,360
<b>CC Total</b>	<b>8,185</b>	<b>3,937</b>	<b>970</b>	<b>1,179</b>	<b>2,586</b>	<b>24</b>	<b>16,881</b>
<b>% of Units</b>	<b>48.5%</b>	<b>23.3%</b>	<b>5.7%</b>	<b>7.0%</b>	<b>15.3%</b>	<b>0.1%</b>	

Each of the subareas contribute differently to the overall Central City housing market. The Downtown subarea has the largest concentration of housing with nearly half of all Central City housing units. The River District has emerged as a very strong market in the last decade. The subareas east of the Willamette River combine for a much smaller portion of the housing market with a total of 2,173 units, representing only 12.8% of all Central City housing. The following table includes all of the housing for which housing cost information was available. This includes market and subsidized rental units, as well as homeownership sales. The process for determining affordability is described in the methodology section, while a description of the unit types follows in the rental and homeownership sections.

### Central City Housing Units by Median Family Income

Includes Subsidized and Market Rental Units and Ownership Units

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY** (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	1,402	1,948	895	1,350	1,354	290	547	7,786
% of Units	18.0%	25.0%	11.5%	17.3%	17.4%	3.7%	7.0%	
River District	511	743	733	210	399	161	840	3,597
% of Units	14.2%	20.7%	20.4%	5.8%	11.1%	4.5%	23.4%	
Lloyd District	-	4	94	118	334	43	232	825
% of Units	0.0%	0.5%	11.4%	14.3%	40.5%	5.2%	28.1%	
Central Eastside	83	370	172	60	19	7	4	715
% of Units	11.6%	51.7%	24.1%	8.4%	2.7%	1.0%	0.6%	
Goose Hollow	41	564	729	609	158	68	100	2,269
% of Units	1.8%	24.9%	32.1%	26.8%	7.0%	3.0%	4.4%	
Lower Albina	Not Available							-
% of Units								
<b>CC Total</b>	<b>2,037</b>	<b>3,629</b>	<b>2,623</b>	<b>2,347</b>	<b>2,264</b>	<b>569</b>	<b>1,723</b>	<b>15,192</b>
<b>% of Units</b>	<b>13.4%</b>	<b>23.9%</b>	<b>17.3%</b>	<b>15.4%</b>	<b>14.9%</b>	<b>3.7%</b>	<b>11.3%</b>	

\*Sales and rental information for 15,192 units (90% of total open market, unrestricted units)

\*\*Methodology for calculating income affordability explained in following sections

## Rental Housing Inventory Results

The Central City rental stock includes 14,521 rental units ranging in size from the more than 60 single-family rentals to the over 500-unit Portland Center apartment development. The profile of rental housing in the Central City is important to understand because it is the traditional location of worker housing, and continues to be the locus of affordable housing for seniors, persons with special needs and small households who prefer to live near jobs, services and entertainment.

### Occupancy Type

Rental units were divided into various categories of Restricted Occupancy and Unrestricted/Market to provide distinction between the type of units provided by the open market, and those provided by public and non-profit programs. Restricted occupancy describes any unit in which there are occupancy requirements other than basic tenant screening for tenancy and credit histories. Requirements include restrictions on how high a tenant's income can be, a tenant's age or attendance at a qualified school. They also include rental units that require tenants to be involved in programs such as drug and alcohol treatment, life skills, or job training.

Some of the shelter/mission units are listed as "special needs" because of program restriction, and include both rooms and shelter beds (each are counted separately). The remaining shelter beds, while technically "open market," are listed separately due to the unique population served.

### Rental Housing Units By Restriction Type and Sub Area (includes "non-rent" units)

UNIT TYPE & RESTRICTION	CENTRAL CITY SUB AREAS						TOTAL UNITS	% OF TOTAL UNITS
	DT	RD	LLOYD	CES	GH	LA		
<b>Unrestricted Market Rents</b>	<b>3,680</b>	<b>1,102</b>	<b>567</b>	<b>754</b>	<b>1,645</b>	<b>23</b>	<b>7,771</b>	<b>53.5%</b>
<b>Income Restricted</b>	<b>1,306</b>	<b>1,108</b>	<b>15</b>	<b>84</b>	<b>305</b>	<b>-</b>	<b>2,818</b>	<b>19.4%</b>
Sec 8/202 (non sr/disabled)	216	178	-	-	-	-	394	
Other (PDC, LIHTC, etc)	1,090	930	15	84	305	-	2,424	
<b>Senior/Disabled/Assisted Living</b>	<b>933</b>	<b>131</b>	<b>268</b>	<b>-</b>	<b>52</b>	<b>-</b>	<b>1,384</b>	<b>9.5%</b>
Sec 8/202	853	77	-	-	52	-	982	
Assisted Living/Subsidized	80	54	-	-	-	-	134	
Assisted Living/Market	-	-	268	-	-	-	268	
<b>Mission/Shelter/Transient*</b>	<b>43</b>	<b>108</b>	<b>-</b>	<b>159</b>	<b>-</b>	<b>-</b>	<b>310</b>	<b>2.1%</b>
<b>Special Needs/Restricted**</b>	<b>375</b>	<b>417</b>	<b>-</b>	<b>121</b>	<b>-</b>	<b>-</b>	<b>913</b>	<b>6.3%</b>
<b>Student Housing</b>	<b>989</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336</b>	<b>-</b>	<b>1,325</b>	<b>9.1%</b>
0-80% MFI	46	-	-	-	-	-	46	
Market	943	-	-	-	336	-	1,279	
<b>Total Units</b>	<b>7,326</b>	<b>2,866</b>	<b>850</b>	<b>1,118</b>	<b>2,338</b>	<b>23</b>	<b>14,521</b>	

\* Includes both rooms and shelter beds (each are counted as a separate unit)

\*\* Includes alcohol & drug free housing, alcohol & drug treatment centers, AIDS housing, youth, corrections, other program restricted

## **Restricted Occupancy Units**

Restricted Occupancy units comprise 46% of the total rental units, splitting rental housing in the Central City more or less evenly between unrestricted and restricted units. With the exception of 268 market-rate senior units, all of the Restricted Occupancy units have rent levels that are affordable to households with incomes at or below 80% MFI.

- **Income Restricted, Non-Senior.** At 19.4% of rental units, non-senior, income-restricted housing represents the largest portion of Restricted Occupancy units in the Central City. The majority of these units are located in the Downtown region, with the River District and Goose Hollow also contributing significantly to this portion of the housing stock. These units include project-based Section 8 units, as well as other publicly-subsidized units with income restrictions imposed due to Low-Income Housing Tax Credit, bond, or PDC financing.
- **Senior and Disabled Housing.** Seniors and disabled persons housing represents 9.5% of rental units. Downtown is again the most significant contributor to this section of rental housing stock by number of units, though the Lloyd District contributes the greatest percentage of its housing stock to the senior demographic. The units that comprise this section of the housing market are mostly smaller units, with one or fewer bedrooms. These units include project-based Section 8 units and other publicly-subsidized units that impose rent restrictions. Senior-restricted housing also includes 268 market-rate units which do not have rent levels affordable to low-income households.
- **Student Housing.** Student housing is the next largest section of restricted housing stock in the Central City, accounting for 9.1% of the total rental housing stock. This section exists entirely in the Downtown and Goose Hollow areas, close to the Portland State University campus. While few of the units are income restricted, due to their target population and the overall market, none of the student-restricted units are renting above 80% MFI.

The other two types of restriction, shelter/mission and special needs/program housing account for 2.1% and 6.3% of the total rental housing stock respectively.

## **Non-Rental Residential Units**

The rental inventory includes traditional rental units, as well as special need residential units that do not collect rent from tenants. While the non-rental units are not part of the rental housing market, they do contribute to the residential character and mix of the Central City. These units include shelter and mission beds and rooms, residential youth services, in-patient drug and alcohol treatment centers, and other residential services to special need populations.

<b>NUMBER OF BEDROOMS</b>	<b>RENTAL UNITS</b>	<b>NON-RENTAL UNITS</b>	<b>TOTAL UNITS</b>
Shelter Beds/Group Home/ Residential Treatment	-	434	434
Single Room Occupancy	2,766	124	2,890
Studio	4,211	-	4,211
1 Bedroom	5,035	-	5,035
2 Bedrooms	1,618	-	1,618
3+ Bedrooms	98	2	100
Unknown	233	-	233
<b>Total Units</b>	<b>13,961</b>	<b>560</b>	<b>14,521</b>

All of the "non-rental" special need residential units are in the Downtown (29%), River District (34%) and Central Eastside (37%) subareas. Homeless shelters and drug and alcohol rehabilitation services account for the majority of residential units that are not collecting rents from tenants.

### **Income Affordability**

The following tables breakdown the presumed median family income of renters. The study infers residents' incomes from the gross rent and number of bedrooms in a unit as described in the methodology. The rental units are categorized in income ranges that assume a maximum gross rent of 30% of the tenant's gross income. The income ranges are based on HUD's MFI estimates, as detailed in Appendix A.

The analysis is broken into a table of all rental units in the Central City, as well as a table of only "open market" rental units. Open market rental units have no restrictions on tenant occupancy. Both restricted occupancy and open market units comprise the rental market, but the open market units provide insight into what rent levels are supported by market demand, i.e. what is the highest rent a property can charge and still be able to fill the units.

Both segments of the rental market interact with and affect each other. In cases where market rents are low, open market rental and restricted occupancy units may compete for the same tenant population. Rent stability offered by restricted units or amenities provided by the open market units may influence a renter's decision. In either case, the following table indicates that the current rental market in the Central City favors low-income units (0-80% MFI).

#### **All Rental Housing Units by Median Family Income**

Includes Section 8, Subsidized, Senior, Student  
And Other Restricted Occupancy Units

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	1,402	1,948	895	1,349	1,268	196	45	<b>7,103</b>
% of Units	19.7%	27.4%	12.6%	19.0%	17.9%	2.8%	0.6%	
River District	511	743	733	210	383	71	25	<b>2,676</b>
% of Units	19.1%	27.8%	27.4%	7.8%	14.3%	2.7%	0.9%	
Lloyd District	-	4	93	108	302	-	201	<b>708</b>
% of Units	0.0%	0.6%	13.1%	15.3%	42.7%	0.0%	28.4%	
Central Eastside	83	369	172	54	2	-	1	<b>681</b>
% of Units	12.2%	54.2%	25.3%	7.9%	0.3%	0.0%	0.1%	
Goose Hollow	41	564	728	606	127	26	4	<b>2,096</b>
% of Units	2.0%	26.9%	34.7%	28.9%	6.1%	1.2%	0.2%	
Lower Albina % of Units	Not Available							-
<b>CC Total</b>	<b>2,037</b>	<b>3,628</b>	<b>2,621</b>	<b>2,327</b>	<b>2,082</b>	<b>293</b>	<b>276</b>	<b>13,264</b>
<b>% of Units</b>	<b>15.4%</b>	<b>27.4%</b>	<b>19.8%</b>	<b>17.5%</b>	<b>15.7%</b>	<b>2.2%</b>	<b>2.1%</b>	

<b>Central City No Net Loss Units</b> <i>8,286 total units</i> <i>61.9% of total rental housing</i>
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\*13,264 units surveyed (95.0% of total rental units)



The Central City has 7,771 rental units which have no tenant or income restrictions. While there was a 100% response rate for income and tenant restricted units, there was only a 91.4% response rate among "open market" units surveyed. The following table outlines the affordability of those units that are purely open market. It is important to note that some of these properties are non-profit owned and therefore may be renting at below-market rates to ensure affordability, but there are no income or tenant restrictions applied.

**Open Market, Unrestricted Rental Housing Units  
by Median Family Income**  
Does Not include Section 8, Subsidized, Senior, Student,  
Other Restricted Occupancy Units, or NonRent Units

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY* (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	36	449	563	1,089	1,264	196	45	<b>3,642</b>
% of Units	1.0%	12.3%	15.5%	29.9%	34.7%	5.4%	1.2%	
River District	158	154	190	147	356	71	25	<b>1,101</b>
% of Units	14.4%	14.0%	17.3%	13.4%	32.3%	6.4%	2.3%	
Lloyd District	-	4	93	93	235	-	-	<b>425</b>
% of Units	0.0%	0.9%	21.9%	21.9%	55.3%	0.0%	0.0%	
Central Eastside	11	281	172	52	2	-	1	<b>519</b>
% of Units	2.1%	54.1%	33.1%	10.0%	0.4%	0.0%	0.2%	
Goose Hollow	41	238	507	460	127	26	4	<b>1,403</b>
% of Units	2.9%	17.0%	36.1%	32.8%	9.1%	1.9%	0.3%	
Lower Albina	Not Available							<b>-</b>
% of Units								
<b>CC Total</b>	<b>246</b>	<b>1,126</b>	<b>1,525</b>	<b>1,841</b>	<b>1,984</b>	<b>293</b>	<b>75</b>	<b>7,090</b>
<b>% of Units</b>	<b>3.5%</b>	<b>15.9%</b>	<b>21.5%</b>	<b>26.0%</b>	<b>28.0%</b>	<b>4.1%</b>	<b>1.1%</b>	
<b>Central City No Net Loss Units</b> <i>2,896 open market units</i>								*7,090 units surveyed (91.2% of total open market, unrestricted units)

Over half of all rental units in the Central City are "open market" units that do not have any restrictions on the occupant other than traditional credit or rent history information. Open market units contribute significantly to the affordable housing stock in the Central City, with 35% of the total No Net Loss units affordable to households at or below 60% MFI having no tenant or income restrictions. These units are located throughout the Central City.

The Lloyd District and the Central Eastside have the least diverse open market housing stock in terms of affordability. The Central Eastside is almost wholly below 80% MFI, while the Lloyd District serves mostly moderate- and middle-income households. High end rental units with rents above 120% MFI are only found in subareas west of the Willamette River.

- The affordability of one- and two-bedroom units may be overstated in this analysis. The methodology for calculating the affordability of one-bedroom units is estimated based on a 1.5 person household assuming a split between one and two person households. But, based on the 2000 Census, Central City households are smaller than the city average with a greater number of one-person households.

**No Net Loss Units (0-60% MFI)**

The No Net Loss Resolution of August, 2001 establishes the policy to maintain *at least* the current number of affordable units (at or below 60% MFI) in the Central City. Therefore, understanding where and how much affordable housing exists in the Central City is imperative to achieving the policy goals.

As noted in the previous tables, there are an estimated 8,286 rental units currently affordable to households with incomes at or below 60% MFI. These units fall under the No Net Loss Resolution and can be used to establish a baseline from which the policy objective can be measured in the future. To achieve the No Net Loss policy goals, these units must be preserved or replaced to ensure that at least 8,286 rental units affordable to households at or below 60% MFI are retained in the Central City in perpetuity.

- It is important to note that the No Net Loss baseline is based on a 95% sample of all rental units in the Central City and must be considered an estimate.

The bulk of the total No Net Loss units are currently affordable to households at 31-50% MFI. However, the majority of the open market No Net Loss units are in the higher 51-60% MFI income range. Open market units account for over one-third of these affordable housing units in the Central City.

**No Net Loss Rental Housing Units  
by Sub Area and Median Family Income  
(0-60% MFI Units Only)**

CENTRAL CITY SUBAREAS	NO NET LOSS UNITS				TOTAL NNL UNITS	% OF TOTAL NNL UNITS
	Restricted		Open Market			
	Units	%	Units	%		
Downtown	3,197	75.3%	1,048	24.7%	4,245	51.2%
River District	1,485	74.7%	502	25.3%	1,987	24.0%
Lloyd District	-	0.0%	97	100.0%	97	1.2%
Central Eastside	160	25.6%	464	74.4%	624	7.5%
Goose Hollow	548	41.1%	785	58.9%	1,333	16.1%
Lower Albina	Not Available					
<b>CC Total</b>	<b>5,390</b>	<b>65.0%</b>	<b>2,896</b>	<b>35.0%</b>	<b>8,286</b>	

The profile of No Net Loss units varies dramatically as you move from one subarea to another. Three-fourths of the units in Downtown and River District have some type of restriction, while affordable units in the Lloyd District and Central Eastside subareas are predominately open market. Goose Hollow is the most balanced between restricted and open market affordable units. Over half of the No Net Loss units are located in the Downtown subarea. The Central Eastside accounts for less than 8% of the total No Net Loss units, but represents 16% of the total open market No Net Loss units in the Central City.

- **0-30% MFI Rental Housing.** Housing units affordable to extremely, low-income households account for 15.3% of the total rental units, with just over 2,000 units available.

All but 12% of these units have some affordability restriction or are public or non-profit owned. The River District has the greatest amount of open market units affordable at or below 30% MFI. The Lloyd District is the only subarea without any units affordable at or below 30% MFI, and Goose Hollow only has a nominal 2% of its total units at or below 30% MFI.

- **31-50% MFI Rental Housing.** As the largest affordability group, 31-50% MFI units represent 27.1% of the total rental housing stock. Two-thirds of this stock are open market, unrestricted units. More than half of the total units in the Central Eastside are affordable to this income group, which is in contrast to the less than 1% of the total Lloyd District rental units. The westside subareas of Downtown, River District and Goose Hollow have roughly 27% of their units affordable to households between 31-50% MFI.
- **51-60% MFI Rental Housing.** Units affordable at 51-60% MFI account for half of the total open market No Net Loss units. A lower percentage of these units have affordable or tenant restrictions than the lower income categories. Almost all of the No Net Loss units in the Lloyd District are affordable between 51-60% MFI, while it is more evenly dispersed in the other subareas.
- **Rental Property Ownership Type.** The type of ownership and restriction on affordable rental units greatly impacts the ability of the City to achieve the No Net Loss policy objectives. Public and private non-profit agencies with a mission to provide affordable housing own nearly half the affordable rental units in the Central City. These organizations own both restricted occupancy units, as well as "open market," unrestricted units. An additional 15.8% are privately owned by for-profit entities that must be maintained as affordable because of restrictions related to financing. These units have varying terms of affordability remaining on their obligations.

The remaining one-third are privately-owned with no requirements for maintaining affordable rent levels. The table below summarizes the type of property ownership of the 8,286 rental units currently affordable at or below 60% MFI.

**No Net Loss Rental Housing Units  
by Sub Area and Property Ownership Type  
(0-60% MFI Units Only)**

OWNERSHIP TYPE & RESTRICTION	CENTRAL CITY SUB AREAS						TOTAL UNITS	% OF TOTAL UNITS
	DT	RD	LLOYD	CES	GH	LA		
Public/Non-Profit Owned	2,244	1,250	-	156	329	-	3,979	48.0%
Privately Owned/Restricted	833	261	-	-	219	-	1,313	15.8%
Privately Owned/Unrestricted*	1,168	476	97	468	785	-	2,994	36.1%
<b>Total Units</b>	<b>4,245</b>	<b>1,987</b>	<b>97</b>	<b>624</b>	<b>1,333</b>	<b>-</b>	<b>8,286</b>	

\* Includes properties that are privately-owned/unrestricted but currently managed by non-profit housing and service providers that may impose income or programmatic restrictions (i.e. Danmoore)

- **HUD Subsidized Properties.** HUD-subsidized housing provides the bulk of affordable housing for seniors in the Central City. In 1998, the Affordable Housing Preservation

Ordinance adopted by City Council established Title 30 as part of the city code, requiring property owners to provide the City notice if they choose to opt out of the HUD contracts (such as Section 8 and Section 202) upon expiration and provide the City the opportunity to purchase the property. The following is a table of HUD-subsidized housing that is not owned by either the Housing Authority of Portland, PDC or a non-profit dedicated to preserving low-income housing.

Property	Address	# of Units	Expiration Date	Sub Area
1200 Building	1200 SW 12 <sup>th</sup> Ave.	89	2013	Downtown
Admiral Apt.	910 SW Park Ave.	37	2010	Downtown
Bronaugh Apt.	1434 SW Morrison St.	52	2013	Goose Hollow
Chaucer Court	1019 SW 10 <sup>th</sup> Ave.	84	2011	Downtown
Clay Towers	1430 SW 12 <sup>th</sup> Ave.	233	2007	Downtown
Lexington Apt.	1125 SW 12 <sup>th</sup> Ave.	53	2012	Downtown
Park Tower Apt.	731 SW Salmon	162	2012	Downtown
<b>TOTAL</b>		<b>710</b>		

- **Unit Size.** Below is a table showing the breakdown of the affordable units (0-60% MFI) by number of bedrooms.

**No Net Loss Rental Housing Units  
by Bedrooms and Subarea  
(0-60% MFI units only)**

# OF BEDROOMS	CENTRAL CITY SUB AREAS						TOTAL UNITS	% OF NNL UNITS
	DT	RD	LLOYD	CES	GH	LA		
SRO	1,412	1,015	-	111	106		<b>2,644</b>	<b>31.9%</b>
Studio	1,912	523	47	295	693		<b>3,470</b>	<b>41.9%</b>
1 Bedroom	868	297	37	189	489		<b>1,880</b>	<b>22.7%</b>
2 Bedroom	51	152	13	24	38		<b>278</b>	<b>3.4%</b>
3 Bedroom	2	-	-	5	7		<b>14</b>	<b>0.2%</b>
<b>Total Units</b>	<b>4,245</b>	<b>1,987</b>	<b>97</b>	<b>624</b>	<b>1,333</b>	<b>-</b>	<b>8,286</b>	

Nearly 75% of the units affordable at or below 60% MFI are either SROs or studio apartments, meaning that the vast majority of affordable units in the Central City are appropriate for singles only. In fact, not quite 4% of the total affordable units are "family" units with two or more bedrooms. Over half of the affordable "family" units are located in the River District and these are in the 51%-60% MFI income category.

**Moderate Income Rental Housing (61-80% MFI)**

Housing serving moderate-income residents is a significant portion of the rental housing stock comprising 18% of the total rental housing stock and 26.7% of the open market rental housing stock. Of the 2,400 housing units with rents at the 61-80% MFI level, 20% have some restriction either limiting the type of tenant served (i.e. students or seniors) or the income served due to PDC or other financing agency requirements. In all of the subareas, except the Central Eastside, 61-80% MFI units represent 20-30% of the total open market rental housing units. In the Central Eastside, 61-80% MFI is the upper limit of market rents.

### **Middle Income Rental Housing (81-150% MFI)**

Housing with rent levels affordable to households at 81-150% MFI represents only 17.8% of the total rental housing stock. When looking just at open market, unrestricted rental housing this affordability category accounts for 31.8% of the market rentals. Downtown, River District and Goose Hollow have a broader range of affordability within this housing stock than is found in the Lloyd District which is predominantly renting at 81-100% MFI levels. The Central Eastside has only three units with middle-income rental rates and these are single family rental homes.

- **81-120% MFI Rental Units.** While only 15.6% of the total rental housing stock in the Central City rent in the 81-120% MFI level, this group comprises 27.7% of all open market rental units with nearly 2,000 units in the Central City. Over 60% of these are one-bedroom units. The largest concentration of this rental housing stock is located in the Downtown subarea, accounting for one-third of the market rental housing in Downtown. Most of the middle-income rental housing is located in the Downtown, RiverPlace and the South Auditorium areas.

The market in the Lloyd District is mostly in this income range, with over 55% of all units renting at 81-120% MFI. Nearly 80% of the newly constructed housing in the Lloyd District have rents at 81-120% MFI. This type of rental housing represents 29% of the total open market rental housing stock in the River District. The Central Eastside and Goose Hollow have few rental opportunities in the 81-120% MFI range.

- **121-150% MFI Rental Units.** Just over 4% of the total open market rental housing units rent at 121-150% MFI levels. These are wholly found in the subareas west of the Willamette River. This stock represents between 5-6% of the Downtown and River District market rental housing stock.

### **High Income Rental Housing (over 150% MFI)**

Only 1% of the total rental housing stock has rent levels above 150% MFI. All of these units are found in the subareas west of the Willamette River, with the exception of one single family home in the Central Eastside. These units range in size from 1100 square feet to 2265 square feet, but over half of the units are larger two-bedroom apartments.

### **Open Market Rental Rates**

In this analysis affordability levels have been calculated using the total housing cost (rent plus utilities) and the number of bedrooms in the unit. This does not allow for assessing the variations in unit size in terms of square footage, which is often a more relevant analysis of open market rental housing. Square footage information is available for over 80% of the total open market rental units. The following table summarizes the average and median price per square foot for the various subareas.

**Price Per Square Foot  
Open Market, Unrestricted Rental Housing Units  
by Subarea**  
(does not include parking costs)

CENTRAL CITY SUBAREAS	PRICE PER SQUARE FOOT		% OF OPEN MARKET UNITS
	Average	Median	
Downtown	\$1.61	\$1.38	93.8%
River District	\$1.25	\$1.24	89.9%
Lloyd District	\$1.15	\$1.37	69.5%
Central Eastside	\$1.13	\$1.19	41.4%
Goose Hollow	\$1.18	\$1.10	81.0%
Lower Albina	Not Available		
<b>CC Total</b>	<b>\$1.41</b>	<b>\$1.26</b>	<b>83.5%</b>

The average rent rate (not including utilities or parking costs account) is \$1.41 per square foot in the Central City. The variation between the median rate of \$1.26 and the average rate in some of the subareas indicates there are some anomalous properties. In the case of Downtown, there are some very high price-per-square-foot buildings that inflate the average, while in the Lloyd District there are some low price-per-square-foot developments that lessen the average rate. The rate varies dramatically across the Central City from some units renting as low as \$0.28 per square foot for larger older units, to weekly SRO residential hotels in Downtown renting at \$5.96 per square foot.

Based on responses to the inventory, an estimated 47% of open market, rental units provide off-street parking for tenants, ranging from a driveway as part of a single family lot to access to an adjacent parking lot, or structured parking within the development. The following table summarizes the price per square foot of all units indicating there is access to parking. The price includes monthly parking fees, when they are applicable, as well as rent (it does not include estimated utility expenses).

**Price Per Square Foot  
Open Market, Unrestricted Rental Housing  
With Access to Off Street Parking  
by Subarea**

CENTRAL CITY SUBAREAS	PRICE PER SQUARE FOOT		UNITS WITH ACCESS TO PARKING*	% OF TOTAL OPEN MARKET UNITS
	Average	Median		
Downtown	\$1.49	\$1.48	2009	54.6%
River District	\$1.38	\$1.37	775	63.0%
Lloyd District	\$1.29	\$1.31	305	53.8%
Central Eastside**	\$1.04	\$0.93	68	9.0%
Goose Hollow	\$1.29	\$1.18	581	35.3%
Lower Albina	Not Available			
<b>CC Total</b>	<b>\$1.38</b>	<b>\$1.37</b>	<b>3738</b>	

\*3,687 units had both parking and square footage information  
Properties do not necessarily have enough parking spaces for every units

Apartments in Downtown, River District and Lloyd District were more likely to charge a monthly rent for a parking space. Of the estimated 2,009 units in the Downtown subarea with parking, 93% did not include parking in the rental price, but instead charged an additional monthly fee ranging from \$55 to \$185 per month. Of the estimated 775 units with parking in the River District, 61% charged an additional monthly fee ranging from \$50 to \$130. Almost all of the units in the Lloyd District which provide parking charge a \$65 to \$70 monthly fee.

## Recent Housing Activity

### Housing Constructed Since 1997

Since 1997, a total of 2,275 units of rental housing have been developed in the Central City. While the majority of these units were wholly new construction, three properties were substantially rehabilitated resulting in a significant change in the residential use. The following table summarizes the new development and the number of units.

CENTRAL CITY SUBAREAS	NEW HOUSING DEVELOPMENT		
	Project Name/Address	Units	Year
Downtown	Westshore Apt./222 SW Pine	113	1998
	Hamilton West/ 1511 SW 12th Ave	152	1999
	Village at Lovejoy Fountain/245 SW Lincoln	198	1999
	Kafoury Common/ 1240 SW Columbia St.	129	2000
	St. James Apt./412 SW Fourth Ave.	26	2001
	<b>DOWNTOWN TOTAL</b>	<b>618</b>	
River District	Pearl Court/920 NW Kearney St.	199	1997
	Royal Palm/310 NW Flanders St.	30	1997
	Yards at Union Station A/815-945 NW Naito Pkwy	157	1998
	Yards at Union Station B/815-945 NW Naito Pkwy	321	1999
	MacDonald Center/615 NW Couch	54	1999
	Fifth Avenue Court Apt./221 NW 5th Ave.	96	1999
	Fifth Avenue Place/302-314 NW 5th Ave.	70	1999
	Kearney Plaza/930 NW 12th Ave.	131	2000
	Lovejoy Station/1040 NW 10th Ave.	181	2001
	610 NW Couch	13	2001
<b>RIVER DISTRICT TOTAL</b>	<b>1252</b>		
Lloyd District	Cornerstone/1425 NE 7th Ave.	116	1999
<b>LLOYD DISTRICT TOTAL</b>	<b>116</b>		
Central Eastside	Barber Block Apt./532-538 SE Grand Ave.	11	1997
<b>CENTRAL EASTSIDE TOTAL</b>	<b>11</b>		
Goose Hollow	Stadium Station Apt./737 SW 17th Ave.	115	1998
	Webb Plaza/1401-1423 SW Alder St.	39	1998
	Collins Circle Apt./1704 SW Jefferson St.	124	2000
<b>GOOSE HOLLOW TOTAL</b>	<b>278</b>		
<b>CC Total</b>		<b>2275</b>	

The River District saw the greatest level of recent activity with over 40% of its total rental housing built within the last five years. The affordability of newly built units is relatively diverse. Projects like Cornerstone and Kearney Plaza are purely market projects with higher rent

levels, while other unsubsidized projects like the Barber Block and St. James have rents affordable to households below 60% MFI.

The following is a table showing the affordability of the rental housing projects built in the Central City since 1997. Of these units, 61% are income restricted and the remaining are open market units.

**Rental Housing Units Built Since 1997  
by Median Family Income**

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY* (MFI)							TOTAL UNITS*
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	-	300	123	42	148	-	5	618
% of Units	0.0%	48.5%	19.9%	6.8%	23.9%	0.0%	0.8%	
River District	30	236	728	103	106	31	18	1,252
% of Units	2.4%	18.8%	58.1%	8.2%	8.5%	2.5%	1.4%	
Lloyd District	-	-	-	69	47	-	-	116
% of Units	0.0%	0.0%	0.0%	59.5%	40.5%	0.0%	0.0%	
Central Eastside	2	9	-	-	-	-	-	11
% of Units	18.2%	81.8%	0.0%	0.0%	0.0%	0.0%	0.0%	
Goose Hollow	-	24	143	81	30	-	-	278
% of Units	0.0%	8.6%	51.4%	29.1%	10.8%	0.0%	0.0%	
<b>CC Total</b>	<b>32</b>	<b>569</b>	<b>994</b>	<b>295</b>	<b>331</b>	<b>31</b>	<b>23</b>	<b>2,275</b>
<b>% of Units</b>	<b>1.4%</b>	<b>25.0%</b>	<b>43.7%</b>	<b>13.0%</b>	<b>14.5%</b>	<b>1.4%</b>	<b>1.0%</b>	

The majority of housing constructed in the last five years has rent levels affordable to households with incomes between 51% and 60% MFI.

**Housing Under Construction**

A number of housing projects have recently broken ground in Downtown and the River District. These developments include purely market rate projects, mixed income projects and affordable housing projects, representing 478 new housing units (or beds) expected on the market in the next year. An additional 295 to 355 units of rental housing are expected to begin construction in early 2003.

- **Museum Place South.** Museum Place South is the primary mixed-use component of the larger Museum Place redevelopment project in the Downtown subarea. This development will include construction of a new Safeway store and underground parking, with mixed-income rental housing above. The project will total 140 rental units with 28 units affordable to households at 50% MFI. The remaining 112 units will be open market units with a range of units types, including larger rental townhomes overlooking a landscaped courtyard. The project is expected to be complete in late 2003.
- **St. Francis.** On the site of the former St. Francis hotel, the Housing Authority of Portland is building a new 132-unit rental housing project. This project will primarily serve households with incomes at or below 30% MFI, but will also include 26 units of market rate rental housing. This project is part of the larger Museum Place redevelopment project. The projects is expected to be completed by the end of 2002.



- **YWCA.** Also included in the Museum Place redevelopment program is the renovation and expansion of the YWCA to include a community center and senior center, meal site program, health and fitness center with a gymnasium and swimming pool, administrative offices and 50 beds of transitional housing for women. Renovation is underway and the transitional housing is expected to be completed by the end of 2002.
- **Pacific Tower.** Pacific Tower is a fifteen story senior housing project in the River District subarea. This project will be 100% affordable to households at or below 60% MFI. Seventeen of the 156 units will have rents affordable to households at 30% MFI. This project will be completed by the end of 2002.
- **Yards at Union Station Phase S.** This project will include 56 market rate rental units in three separate buildings and is part of the larger Union Station redevelopment project. Completion is expected in early 2003.

Three other projects are in the final design and funding stages. Each is expected to begin construction before the end of 2002.

- Replacement of the Danmoore Hotel at NW 8<sup>th</sup> and Burnside will provide up to 180 SRO and studio units serving extremely low-income residents (0-30% MFI) in the River District subarea. The development will also include programmatic services for tenants.
- Development of 175 units of senior housing at the NW 9<sup>th</sup> and Lovejoy Avenues redevelopment site in the River District. This project will include 80 units affordable to seniors at or below 30% MFI.
- Development of 175 units of market rate rental housing at NW 9<sup>th</sup> and Hoyt Avenues in the River District.

## Ownership Housing Inventory Results

The Central City ownership housing stock includes 2,360 individual units ranging from single family homes in the Central Eastside and Goose Hollow to high-rise condos in Downtown and the River District. The profile of ownership housing in the Central City has changed dramatically in the last 10 years, with new development throughout much of the Central City, and more specifically the River District.

Homes sales data was collected for 1,928 ownership units, representing 82% of the total 2,360 ownership units in the Central City. These prices represent what was actually paid for the unit, not the market or assessed value of the unit. It is assumed that all condominium units are owner-occupied. Therefore, the study does not account for condominium units that are rented out. The inventory breaks down home sales data using a number of different methods, including imputed median family income, actual sales price, price per square foot, and appreciation rates.

### Homeownership Rate

Based on the finding in this inventory, the homeownership rate of the entire Central City study area is 14.0%. In comparison, the 2000 Census reported a homeownership rate of 55.8% for the entire City of Portland. The homeownership rate varies significantly in the Central City with very low rates in the Central Eastside at Lower Albina and much higher rates in rapidly growing River District. Below is a breakdown of homeownership rates by each sub area.

CENTRAL CITY SUBAREAS	OWNERSHIP UNITS	OWNERSHIP RATE
Downtown	859	10.5%
River District	1,071	27.2%
Lloyd District	120	12.4%
Central Eastside	61	5.2%
Goose Hollow	248	9.6%
Lower Albina	1	4.2%
<b>CC Total</b>	<b>2,360</b>	<b>14.0%</b>

The River District has seen the greatest increase in the homeownership rate over the last decade. In 1992 there was not a single homeownership unit in the district. Since then, over 1,000 new units have been developed and hundreds more are in the planning or construction stage increasing the homeownership rate from 0% to 27.2%.

### Income Affordability

The median family income of homeowners was derived from the sales price, date of sale, number of bedrooms and the assumptions described in the methodology section. This method determines the affordability of the house at the time of purchase using median family income for the year it was purchased as the baseline.

Home sales information was collected for 1,928 units, or 82% of the total units inventoried in the Central City. The following table indicates that the current homeownership market in the Central City favors higher end units affordable to households with income above 150% MFI with almost no options for households earning an income less than 80% MFI.

### Homeownership Housing Units by Median Family Income

CENTRAL CITY SUB AREAS	INCOME AFFORDABILITY* (MFI)							TOTAL UNITS**
	0-30%	31-50%	51-60%	61-80%	81-120%	121-150%	151%+	
Downtown	-	-	-	1	86	94	502	683
% of Units	0.0%	0.0%	0.0%	0.1%	12.6%	13.8%	73.5%	
River District	-	-	-	-	16	90	815	921
% of Units	0.0%	0.0%	0.0%	0.0%	1.7%	9.8%	88.5%	
Lloyd District	-	-	1	10	32	43	31	117
% of Units	0.0%	0.0%	0.9%	8.5%	27.4%	36.8%	26.5%	
Central Eastside	-	1	-	6	17	7	3	34
% of Units	0.0%	2.9%	0.0%	17.6%	50.0%	20.6%	8.8%	
Goose Hollow	-	-	1	3	31	42	96	173
% of Units	0.0%	0.0%	0.6%	1.7%	17.9%	24.3%	55.5%	
Lower Albina	Not Available							-
% of Units								
<b>CC Total</b>	-	1	2	20	182	276	1,447	1,928
<b>% of Units</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>1.0%</b>	<b>9.4%</b>	<b>14.3%</b>	<b>75.1%</b>	

\*Median family income at the time of the most recent sale

\*\*Sales information was available for 1,928 of the total 2,360 ownership units (82% of total units)

The affordability of one- and two-bedroom units may be overstated in this analysis.

- The methodology for calculating the affordability of one-bedroom units is estimated based on a 1.5 person household assuming a split between one and two person households. But, based on the 2000 Census, Central City households are smaller than the city average with a greater number of one-person households.
- The methodology for calculating affordability is based on the last sales date and sales price rather than estimating the current market value of units that have not sold recently. Therefore extreme increases in market value are not captured.

### **Moderate Income Ownership Housing (61-80% MFI)**

Very few homeownership options exist in the Central City for moderate-income households. Eighty percent of the 20 units affordable to households between 61-80% MFI are either older single family homes in the Central Eastside or small studio condominiums in the Lloyd District's Cascadian Condominiums. The River District has no condominiums affordable to moderate-income households.

### **Middle Income Ownership Housing (81-150% MFI)**

Although Downtown, Goose Hollow and the Lloyd District each represent a much smaller share of the homeownership market, these subareas provide the predominance of units affordable to middle-income households (80-150% MFI), especially units affordable at or below 120% MFI. Middle-income condominium and townhouse units comprise over 60% of the total ownership

stock in the Lloyd District and 40% of the stock in Goose Hollow. Downtown has a greater number of ownership units affordable to middle-income households, but these units comprise only 25% of the total stock. In contrast, only 11% of the total ownership units in the River District are affordable to middle-income households.

Nearly 70% of all units affordable to middle-income households are studios, one-bedroom or loft-style units. In contrast, over 80% of all units with two or more bedrooms are selling at price ranges affordable to households with incomes greater than 150% MFI.

- **81-120% MFI Ownership Units.** While only 9.4% of the total ownership housing stock in the Central City have sold in the 81-120% MFI level, this group comprises half of the ownership units in the Central Eastside and nearly 30% the units in the Lloyd District. Of the fewer than 200 units that have sold within this price range, nearly half of them were located in the Downtown subarea.
- **121-150% MFI Ownership Units.** Of the total homeownership units affordable to middle-income households in the Central City, over 60% are in the 121-150% MFI range. The Downtown and the River District subareas have the largest number of ownership units in this price range, but they represent only 10-14% of the total stock in these areas. Over one-third of the units in the Lloyd District sold at prices affordable to households with income between 121%-150% MFI.

### **High Income Ownership Housing (over 150% MFI)**

Three-fourths of all ownership units in the Central City sold at prices affordable to households with incomes above 150% MFI, with the majority affordable at levels above 200% MFI, although the market varies in each of the subareas. For instance, new developments in the River District primarily serve upper-income households (over 150% MFI) with nearly 90% of the units selling at this level and 75% of all Downtown units are higher-income units. In contrast, the Central Eastside with its small ownership stock has only three units priced above 150% MFI, and less than 30% of Lloyd District units are selling at prices above 150% MFI.

The ownership markets are highest priced in the subareas west of the Willamette River. Ownership units that sold at levels above 200% MFI comprise 40% of the total ownership units in Downtown, 44% of the units in Goose Hollow and over half of the units in the River District. Only 11% of the total units in the Lloyd District sold above 200% MFI.

## **Recent Housing Activity (1999 through April 2002)**

### **Recent Home Sales**

The more recent sales of ownership units provide a better insight into the current market in Central City. The following table summarizes information from sales occurring since 1999 through the data collection period (April 2002). This table only represents the most recent sale of a unit and does not account for units that may have sold multiple times between 1999 and

April 2002. Information was collected for 1,028 sales which represents 44% of the total homeownership units in the Central City.

**Homeownership Units Sold (or Listed)  
1999 Through April 2002**

Year Sold	# of Sales	Median		Average		Recent Sales as a % of Total Ownership Units
		Sales Price	Price/Sq. Ft.*	Sales Price	Price/Sq. Ft.*	
<b>CENTRAL EASTSIDE</b>						
1999	5	\$ 157,000	\$97/sq.ft.	\$ 151,250	\$104/sq.ft.	
2000	4	\$ 102,500	\$90/sq.ft.	\$ 106,750	\$85/sq.ft.	
2001	5	\$ 238,750	\$102/sq.ft.	\$ 227,000	\$105/sq.ft.	
2002	NA	NA	NA	NA	NA	
<b>2000-2002</b>	<b>14</b>	<b>\$ 140,750</b>	<b>\$97/sq.ft.</b>	<b>\$ 165,500</b>	<b>\$100/sq.ft.</b>	<b>23% of Total Units</b>
<b>DOWNTOWN</b>						
1999	40	\$ 217,500	\$183/sq.ft.	\$ 238,000	\$193/sq.ft.	
2000	90	\$ 157,500	\$198/sq.ft.	\$ 205,000	\$200/sq.ft.	
2001	96	\$ 174,250	\$210/sq.ft.	\$ 215,500	\$223/sq.ft.	
2002	22	\$ 174,500	\$196/sq.ft.	\$ 194,750	\$187/sq.ft.	
<b>2000-2002</b>	<b>248</b>	<b>\$ 179,500</b>	<b>\$198/sq.ft.</b>	<b>\$ 213,500</b>	<b>\$204/sq.ft.</b>	<b>29% of Total Units</b>
<b>GOOSE HOLLOW</b>						
1999	16	\$ 173,000	\$195/sq.ft.	\$ 291,750	\$221/sq.ft.	
2000	19	\$ 162,000	\$159/sq.ft.	\$ 202,500	\$182/sq.ft.	
2001	13	\$ 200,000	\$182/sq.ft.	\$ 300,000	\$200/sq.ft.	
2002	3	\$ 135,000	\$178/sq.ft.	\$ 145,500	\$180/sq.ft.	
<b>2000-2002</b>	<b>51</b>	<b>\$ 165,000</b>	<b>\$178/sq.ft.</b>	<b>\$ 252,000</b>	<b>\$200/sq.ft.</b>	<b>21% of Total Units</b>
<b>LLOYD DISTRICT</b>						
1999	3	\$ 145,000	\$198/sq.ft.	\$ 146,250	\$200/sq.ft.	
2000	14	\$ 134,500	\$189/sq.ft.	\$ 145,750	\$174/sq.ft.	
2001	7	\$ 151,000	\$198/sq.ft.	\$ 191,000	\$165/sq.ft.	
2002	59	\$ 134,000	\$222/sq.ft.	\$ 171,500	\$257/sq.ft.	
<b>2000-2002</b>	<b>83</b>	<b>\$ 138,000</b>	<b>\$198/sq.ft.</b>	<b>\$ 167,750</b>	<b>\$208/sq.ft.</b>	<b>69% of Total Units</b>
<b>RIVER DISTRICT</b>						
1999	85	\$ 216,000	\$229/sq.ft.	\$ 254,000	\$227/sq.ft.	
2000	164	\$ 256,250	\$244/sq.ft.	\$ 302,000	\$254/sq.ft.	
2001	326	\$ 214,750	\$241/sq.ft.	\$ 271,250	\$251/sq.ft.	
2002	57	\$ 238,000	\$264/sq.ft.	\$ 285,500	\$264/sq.ft.	
<b>2000-2002</b>	<b>632</b>	<b>\$ 221,500</b>	<b>\$242/sq.ft.</b>	<b>\$ 278,250</b>	<b>\$249/sq.ft.</b>	<b>57% of Total Units</b>
<b>CENTRAL CITY</b>						
<b>2000-2002</b>	<b>1028</b>	<b>\$ 204,000</b>	<b>\$224/sq.ft.</b>	<b>\$ 250,750</b>	<b>\$227/sq.ft.</b>	<b>44% of Total Units</b>

\*Only includes sales for which square footage information was available (100% of the sales in Central Eastside, Goose Hollow and Lloyd District; 85% of the sales in Downtown; 76% of the sales in River District)

New construction in the Lloyd District and River District is reflected in the proportion recent sales comprise of the total units in the subareas. In the Lloyd District, 69% of the total homeownership units sold at least once between 1999 and April 2002, while recent River District sales represent 57% of the total units in that subarea.

The greatest number of sales during 1999 through April 2002 occurred in the River District with over 600 sales. The River District also has the highest sales prices in the Central City with a median sales price of \$221,500 and an average sales price of \$278,250. The River District also captures the greatest median and average sales-per-square-foot, reflecting the high sales price achieved for smaller loft style units.

Downtown has the second largest sales market in the Central City with recent sales of 248 units. Sales price-per-square-foot peaked in 2001 with the sale of the smaller Cornerstone and Roosevelt condominium units during this time.

Apart from the single family sales in the Central Eastside, the Lloyd District has the most affordable housing market in the Central City. The median sales price in the Lloyd District was \$138,000 and average sales were \$167,750. Sales prices dropped in 2002 with the availability of studio and one-bedroom units in the Cascadian Condominiums.

**Annual Rate of Appreciation\*  
Homeownership Unit Resales  
1995 Through April 2002**

Central City SubAreas	1995-1998**		1999-April 2002**		1995-2002	
	Median Rate of Annual Appreciation	# of Resales	Median Rate of Annual Appreciation	# of Resales	# of Resales* **	% of Total Owner Units
Central Eastside	38.0%	7	24.6%	11	18	30%
Downtown	8.8%	170	7.0%	125	295	34%
Goose Hollow	17.6%	33	10.3%	29	62	25%
Lloyd District	NA	-	10.3%	13	13	11%
Lower Albina	No Resales Information Available					
River District	19.8%	42	9.4%	182	224	21%
<b>Total Central City</b>	<b>13%</b>	<b>252</b>	<b>8%</b>	<b>360</b>	<b>612</b>	<b>26%</b>

\*Annual Rate of Appreciation calculated as the average rate for the time period between prior sales date and resale date. Only one resale reported for an individual unit.

\*\*Date of resale

\*\*\*Multiple resales of a single unit are not reported.

The annual rate of appreciation was calculated by comparing the most recent sales price and date to the previous sales price and date. The change in sales price was averaged across the period spanning in the previous sales date and most recent sales date. The table above reports the median rate at which homes appreciated annually.

The annual rate of appreciation has decreased in recent years, with homes selling since 1999 capturing a lesser increase in home price than those homes that sold between 1995 and 1998. This was most dramatic in the River District where the few homes that did sell between 1995 and 1998 were turned over quickly and achieved very high prices at resale. The market appears to have stabilized with rates of appreciation more consistent with the greater Central City Area. Downtown resales showed the lowest level of appreciation of all of the Central City subareas with rates of 8.8% between 1995 through 1998 and 7.0% between 1999 and April 2002.

## Housing Constructed Since 1997

Nearly half of all homeownership units in the Central City have been built since 1997, with 1,106 new units constructed during this time, and more currently under construction. The River District saw the greatest level of activity with 775 new units. This represents over 70% of all new homeownership units built in the Central City, as well as over 70% of the total homeownership units in the River District.

CENTRAL CITY SUBAREAS	NEW HOUSING DEVELOPMENT		
	Project Name/Address	Units	Year
Downtown	Cornerstone/1134 SW Jefferson	40	2000
	Roosevelt Condominiums/1005 SW Park Ave	50	2001
	<b>DOWNTOWN TOTAL</b>	<b>90</b>	
River District	McKenzie Lofts/408 NW 12th Ave	68	1997
	Riverstone Condominiums/821 NW 11th Ave	130	1998
	Tanner Place Condominiums/809 NW 11th Ave	120	1999
	North Park Lofts/300 NW 8th Ave	70	2000
	Pearl Townhomes/601-637 NW 11th Ave	20	2000
	Johnson Street Townhomes/1146 NW Johnson St	13	2000
	Park Northwest Condominiums/327 NW Park Ave	18	2001
	Old Town Lofts/411 NW Flanders	60	2001
	Streetcar Lofts/1030 NW 12th Ave	134	2001
	Gregory Condominiums/420 NW 11th Ave	142	2001
<b>RIVER DISTRICT TOTAL</b>	<b>775</b>		
Lloyd District	Irvington Place Condominiums/1718 NE 11th Ave	55	1998
	Cascadian Condominiums/531 NE Holladay St	59	2001
	<b>LLOYD DISTRICT TOTAL</b>	<b>114</b>	
Goose Hollow	Vista House Condominiums/2020 SW Market Street	20	1997
	Legend Condominiums/1132 SW 19th Ave	80	1997
	Arbor Vista Condominiums/2024 SW Howard St	27	1999
	<b>GOOSE HOLLOW TOTAL</b>	<b>127</b>	
<b>CC Total</b>		<b>1106</b>	

## Housing Under Construction

Three homeownership projects have already broken ground in the Central City totaling 327 new condominium units expected to be on the market in the next year.

- **Marshall Wells.** The Marshall Wells project is the conversion of a historic warehouse into 164 loft condominiums. These River District condominiums located at NW 14<sup>th</sup> and NW Lovejoy are expected to open in October 2002. The project includes 139 lofts, 6 townhouses and 19 two-story penthouses. Units will range in size from 633 square feet to 2,824 square feet.
- **Bridgeport Condominiums.** Expected to open in the Spring of 2003, the Bridgeport Condominiums is a mixed-use building with 123 condominiums over ground floor retail. The project is located in the River District at NW 12<sup>th</sup> and NW Marshall.
- **Mosaic Condominiums.** This eight-story, 40-unit condominium projects on the SW 11<sup>th</sup> and Columbia is expected to be completed in early 2003.

# Central City Plans and Housing Policies

## Central City Plan

The Central City serves as the core of the city and the metropolitan region, with the Willamette River serving as a focal point and unifying feature for the City. Over the last three decades various planning efforts have addressed the housing needs and goals of the Central City and its relationship to the larger City and metropolitan region. The Central City Plan (The Plan) adopted in March 1988, and its subsequent amendments, is "a vision for the future, which establishes the Central City as the center of commerce and cultural activities in the community, recognizes the unique environmental setting and historic precedence of the area, incorporates the residential and business characteristics of individual districts within the area, preserves the integrity of adjacent neighborhoods, and improves the livability of the area for all citizens," and established overall policies and objectives for the Central City as a single planning area.

The Plan sets forth goals for growth management and smart growth, diversity of the built environment and amenities, as well as diversity of residents, employment and visitor populations. It called for maintaining the Central City's position as the main high-density housing area in Oregon by promoting the construction of at least 5,000 new units, preserving and rehabilitating existing housing and ensuring that affordable housing would exist in the Central City for all income levels. In 1995, in response to new regional planning efforts and rapid population growth, the Plan was amended to establish a target of constructing 15,000 new housing units in the Central City by the year 2010. This amendment also added the goal of housing at least fifteen percent of all PSU students in nearby University housing, as well as the goal of avoiding isolation of households of any economic group. In 1996, the Plan was also amended to greatly expand the Plan boundary in Goose Hollow to include several MAX station areas. The Plan recognizes the relationships and connection of these neighborhoods, as well as their unique characteristics and differing roles within the Central City, by providing separate goals for each district.

**North Macadam**, like areas of the River District, provides a blank slate for mixed-use development that will include high-density residential. The focus of residential development in North Macadam will be the creation of a jobs/housing balance. Currently, no housing exists within the district, though the Central City Plan listed a goal of developing the district as mixed-use, with significant residential development along the riverbank.

**Downtown** serves as the high-density retail and office core of the City with a range of employment opportunities from administration and finance to restaurant and retail. It has maintained "its role as the preeminent business location in the region" and continues to "expand its role in retailing, housing and tourism, and reinforce its cultural, educational, entertainment, governmental and ceremonial activities" as articulated in the Central City Plan. While there have been periods of growth in residential development over the three last decades (South Auditorium in the 1970s, and South Park Blocks and RiverPlace in the 1980s, and affordable housing in the 1990s), there remain opportunities for new housing development downtown. The Plan calls for the development of market-rate middle- and upper-income housing in downtown to



balance with the preservation and maintenance of housing units affordable to lower-income residents.

**Goose Hollow** may provide the most diverse housing stock in the Central City. The neighborhood is filled with everything from single family homes and smaller rental complexes to high-density apartments and condominiums. Historic buildings are coupled with new construction serving a range of needs including affordable rental housing, student housing, and moderate and high-end condominiums. The Central City Plan area was significantly expanded in 1995 to include the areas around the MAX stations. The Central City Plan specifically encourages the development of housing for families, in the form of low-rise, high density housing that is compatible with the growing community in character. The 1995 amendment of the Plan calls for 1,000 new households in this subdistrict over 20 years by 2015, to increase the neighborhood, family-oriented feel of the area.

**River District** includes the older commercial and residential areas in Old Town/Chinatown, as well as the quickly redeveloping residential Pearl District. The single room occupancy (SRO) stock, social services and missions have been a predominant residential use in the Old Town/Chinatown area, while some of the most expensive rental units and loft style condominiums in the city lie to the northwest in the Pearl District, along with more fashionable galleries, retail stores, and restaurants. The Central City Plan envisions the protection of existing SRO and shelter stock.

**Lloyd District**, located on the eastside of the Willamette River, is considered in the Central City Plan "an extension of Downtown." The Lloyd Center Mall, which is complemented in size and import by the Rose Garden Arena, Memorial Coliseum, the Convention Center and many public sector office buildings, acts as an eastern anchor to the Central City. New housing in recent years has been market-rate rental and condominiums, predominantly along the outer edges of the district. Recent redevelopment in the Lloyd District has elevated the focus on new housing development in support of job growth and current employees in the area to increase "the diversity of housing options to meet needs and preferences of current and future residents and employees of the district," as articulated in the Central City Plan.

**Central Eastside** is labeled as a light industrial area, but the area east of Martin Luther King Jr. Blvd. has a smattering of single-family homes and small plexes as well as a larger stock of affordable multifamily rental units. The Central City Plan calls for "mixed-use developments, including housing, in areas already committed to non-industrial development."

**Lower Albina** is predominantly an industrial area, with some housing that serves as the transition into the single-family enclaves in the Eliot Neighborhood. The policy aim of creating a historic district around Russell Street would include ensuring a mix of uses for the restored buildings and infill development, of which housing would be one of the likely uses.

## **Comprehensive Plan**

The Comprehensive Plan provides the context for land use planning within Portland. In January 1999, the City of Portland adopted the Comprehensive Plan Housing Policy (Comp Plan)

updating the Goal 4 of the Comprehensive Plan: “Enhance Portland’s vitality as a community at the center of the region’s housing market by providing housing of different types, tenures, density, sizes, costs, and locations that accommodate the needs, preferences, and financial capabilities of current and future households.” Major redevelopment decisions and urban renewal areas are required to be consistent with the Comp Plan.

With the new planning efforts surrounding the adoption and implementation of Metro’s 2040 Plan, new emphasis has been placed on new residential production in the City. To lessen the impacts of population growth on the lower density residential neighborhoods in Portland, City Council has targeted the Central City for accommodating 15,000, of the total 70,700 additional housing units recommended by Metro in the 2040 Regional Framework Plan. The River District is anticipated to accommodate 5,000 of these new units, leaving the remaining 10,000 to be accommodated in Downtown, Lloyd District, Inner Eastside, Goose Hollow and North Macadam.

The Comp Plan calls for striving for livable mixed-income neighborhoods. One objective of the Comp Plan is to achieve a distribution of household incomes in the Central City that reflects the distribution citywide. Based on the 1990 Census, the Bureau of Planning estimated the distribution of median family incomes in the city without respect to housing cost burden and affordability as follows:

<b>1990 Income Distribution*</b>	<b>0–30% MFI</b>	<b>31–50% MFI</b>	<b>51–80% MFI</b>	<b>81–120% MFI</b>	<b>More than 120% MFI</b>
City of Portland	14%	13%	20%	20%	33%

Source: River District Housing Implementation Strategy  
 \*Income data is not yet available from the 2000 Census

Another Comp Plan objective is to “ensure that income diversity and affordability targets are maintained over the long-term.” The No Net Loss Policy, discussed below, takes this objective further to require the maintenance of at least current numbers of low-income housing units in the entire Central City. Moreover, the Comp plan suggests the designation of sufficient buildable land for residential development, while avoiding demolition of safe buildings to make efficient use of already existent building stock.

## Central City No Net Loss

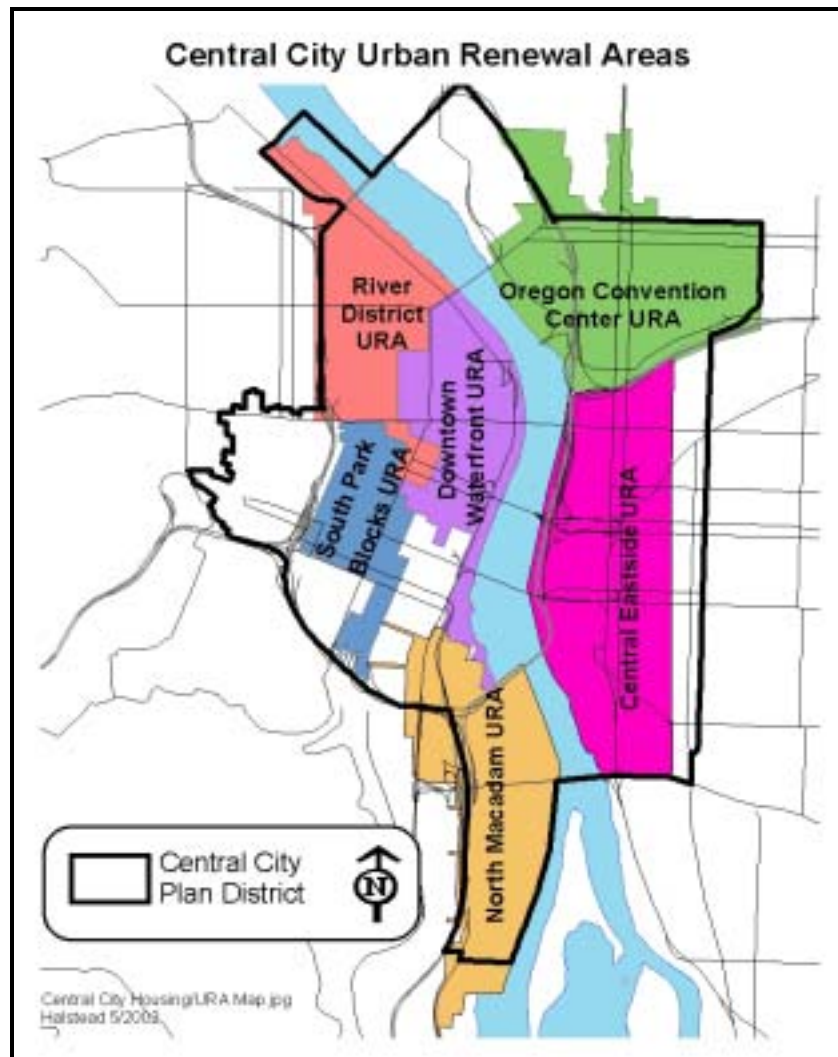
Recognizing the importance of affordable housing near supportive services, City policy in the Comprehensive and Central City Plans emphasizes the importance of maintaining the affordable housing stock. Recent adoption of the Central City No Net Loss Policy further strengthens this commitment. In August 2001, City Council adopted a No Net Loss resolution, to preserve, rehabilitate and/or replace housing in the Central City that is affordable to households at or below 60% MFI. The resolution directed PDC and the Bureau of Housing and Community Development (BHCD) to develop a funding and implementation plan for meeting near-term No Net Loss goals through the preservation and/or replacement of 1,200 affordable housing units by

2006. It also directed PDC to take a full inventory of housing in the Central City to establish baseline measures and goals for the No Net Loss policy.

## Urban Renewal Areas

Six urban renewal areas overlap with the Central City Plan District. The role of urban renewal is to help achieve Comprehensive Plan goals and objectives through jobs, housing and revitalization efforts. Each urban renewal area has a separate urban renewal plan that guides investments of tax increment financing (TIF). In most cases, PDC has adopted housing strategies that establish specific goals for housing development and preservation within individual urban renewal areas. The Central City includes:

- North Macadam Urban Renewal Area
- South Park Blocks Urban Renewal Area
- Downtown Waterfront Urban Renewal Area
- River District Urban Renewal Area
- Central Eastside Urban Renewal Area
- Oregon Convention Center Urban Renewal Area



- **South Park Blocks.** City Council adopted the South Park Blocks Urban Renewal Area (SPB URA) in July 1985. The primary objective of the South Park Blocks Urban Renewal Plan is "to improve the condition and appearance of the Area, eliminate blight and blighting influences, to increase and improve housing, expand public facilities and upgrade the South Park Blocks." The Plan sets a target of developing 1,600 new units for middle-income households and "maintain the existing number of low and moderate income housing units."

The Downtown Target Area Housing Implementation Strategy, adopted by PDC in August 2001, sets five year (2001-2006) housing production and preservation targets for the area south of Burnside that includes the South Park Blocks URA and a portion of the Downtown Waterfront URA, balancing goals for middle and upper income housing production with affordable housing preservation and replacement goals.

- **Downtown Waterfront.** City Council adopted the Downtown Waterfront Urban Renewal Area (DTW URA) in 1974. It listed as its primary aim improving the "function, conditions and appearance of the area adjacent to the Willamette River" in order to strengthen the relationship of the riverfront to downtown. An objective of the DTW URA Plan is to "maintain existing low-income housing and promote additional new housing serving mixed income groups."
- **River District.** The River District Urban Renewal Area was established by the City Council in October 1998. The River District Housing Implementation Strategy, adopted in 1994 and updated in 1999, calls for the creation of 5,555 new housing units in the next twenty years with over half of these new units serving households at or above 80% MFI to reflect the income profile of the city as a whole. This also includes the preservation of existing low-income housing units. This strategy relates to the area north of Burnside that includes the River District URA and a portion of the Downtown Waterfront URA.
- **North Macadam.** The North Macadam Urban Renewal Area was adopted by City Council in August of 1999. Plans envision development with urban-scale housing, offices, bioscience research and conference facilities, hotels, restaurants, and retail, all in a manner that celebrates the district's presence on the Willamette River. Housing in this district aims specifically to support jobs in the district and on Marquam Hill, to be fairly dependent on public transportation and to achieve density levels in keeping with the vision of the Central City. The Framework Plan for the North Macadam area foresees the development of about 1,500 to 3,000 new units of housing.
- **Oregon Convention Center (Lloyd District subarea).** The Oregon Convention Center Urban Renewal Plan (OCCURA) was adopted by City Council in 1989. The plan states as a goal that urban renewal activities should "foster residential and mixed-use development that serves a range of age and income within residential or mixed-use zones within OCCURA as mutually supportive of retail opportunities and the maintenance of neighborhood values." The Lloyd District Housing Strategy recommends the support of low-income (0-50% MFI) rental housing development in the district, as well as expanding homeownership opportunities for existing residents. This Strategy recommends stimulating the development

of high-density, mixed-use and transit-oriented developments, with a stated goal of 3,000 new housing units, through both public and private efforts, by the year 2015.

- **Central Eastside.** The Central East Side URA (CES URA) was adopted by City Council in July of 1986. While much of the CES URA relates to economic and industrial concerns, it does stipulate a goal of “affording opportunities for commercial and housing development within appropriately designated subareas.” It moreover adds that this industrial area is linked closely with neighboring areas that are primarily residential, and so should reflect the human scale and residential nature of its surroundings.

# CENTRAL CITY HOUSING INVENTORY

## Appendices

## Appendix A: Income and Rent Guidelines

### Income/Rent Guidelines 2002

HUD Median Family Income (4 persons):	\$57,200
Housing Burden (A):	30%

Annual Median Family Income Guidelines (rounded to the nearest \$50)							
Household Size	30%	50%	60%	80%	100%	120%	150%
1	12,000	20,000	24,000	32,050	40,050	48,050	60,050
2	13,750	22,900	27,450	36,600	45,750	54,900	68,650
3	15,450	25,750	30,900	41,200	51,500	61,800	77,200
4	17,150	28,600	34,300	45,750	57,200	68,650	85,800
5	18,550	30,900	37,050	49,400	61,800	74,150	92,650
6	19,900	33,200	39,800	53,100	66,350	79,600	99,550
7	21,300	35,450	42,550	65,750	70,950	85,100	106,400
8	22,650	37,750	45,300	60,400	75,500	90,600	113,250

Maximum Monthly Rent Including Utilities by % of Median Family Income (B)								
Unit Type	Household Size	30%	50%	60%	80%	100%	120%	150%
GH	0.75	225	375	450	601	751	901	1,126
0	1	300	500	600	801	1,001	1,201	1,501
1	2	322	536	643	858	1,073	1,287	1,609
2	3	386	644	773	1,030	1,288	1,545	1,930
3	5	446	744	892	1,189	1,488	1,785	2,231
4	6	498	830	995	1,328	1,659	1,990	2,489
5	8	549	915	1,098	1,464	1,831	2,196	2,746

- NOTES:**
- A** PDC computed affordability using the standard 30% housing burden threshold.
  - B** In properties where tenants pay some or all utilities, PDC calculated affordability using 1999 HUD utility allowances provided by the Housing Authority of Portland. (See

## Appendix B: HUD Schedule of Utilities Allowances

### SCHEDULE OF UTILITY ALLOWANCES SECTION 8 PROPERTIES (October 2001) – Served by PGE

		500 SF 0-BD	700 SF 1-BD	900 SF 2-BD	1100 SF 3-BD	1300 SF 4-BD	1500 SF 5-BD
A	ELECTRIC-MONTHLY SERVICE CHARGE	\$10	\$10	\$10	\$10	\$10	\$10
L	LIGHTS & REFRIG.	\$5	\$7	\$9	\$11	\$12	\$13
L	FAN	\$1	\$1	\$2	\$2	\$2	\$3
E	COOKING	\$3	\$4	\$6	\$8	\$10	\$12
L	HOT WATER	\$13	\$19	\$22	\$27	\$32	\$36
E	SPACE HEAT (EXIST. S/F DETACHED)		\$42	\$53	\$64	\$76	\$84
C	SPACE HEAT (NEW S/F DETACHED)		\$21	\$26	\$32	\$37	\$42
T	SPACE HEAT (EXIST. MULTIPLEX)	\$24	\$33	\$40	\$50	\$57	
T	SPACE HEAT (NEW MULTIPLEX)	\$13	\$17	\$21	\$26	\$30	
G	GAS-MONTHLY SERVICE CHARGE	\$5	\$5	\$5	\$5	\$5	\$5
A	COOKING	\$5	\$6	\$7	\$9	\$11	\$12
S	HOT WATER	\$8	\$11	\$14	\$17	\$20	\$23
S	SPACE HEAT (EXIST. S/F DETACHED)		\$35	\$44	\$53	\$63	\$70
S	SPACE HEAT (NEW S/F DETACHED)		\$15	\$19	\$23	\$26	\$30
S	SPACE HEAT (EXIST. MULTIPLEX)	\$20	\$27	\$33	\$41	\$47	
S	SPACE HEAT (NEW MULTIPLEX)	\$9	\$13	\$16	\$19	\$22	
O	HOT WATER	\$0	\$8	\$11	\$14	\$17	\$18
I	SPACE HEAT (EXIST. S/F DETACHED)		\$37	\$46	\$56	\$65	\$72
L	SPACE HEAT (NEW S/F DETACHED)		\$17	\$22	\$26	\$30	\$34
L	SPACE HEAT (EXIST. MULTIPLEX)	\$20	\$28	\$35	\$42	\$50	
L	SPACE HEAT (NEW MULTIPLEX)	\$9	\$13	\$16	\$19	\$22	
W	INSIDE PORTLAND	\$6	\$7	\$11	\$17	\$22	\$28
T	INSIDE GRESHAM	\$16	\$17	\$21	\$26	\$31	\$37
R	OTHER AREAS	\$10	\$11	\$13	\$19	\$23	\$32
S	SEWER-SINGLE FAMILY DWELLING	\$20	\$23	\$32	\$35	\$37	\$45
W	SEWER-S/F GRSHM/OTHER	\$29	\$29	\$29	\$29	\$29	\$29
R	SEWER-MULTI-FAMILY DWELLING	\$20	\$20	\$20	\$20	\$25	\$25
GAR	GARBAGE/SOLID WASTE (WEEKLY P/U)	\$25	\$25	\$25	\$25	\$31	\$35
	USE SAME RATE FOR GRESHAM AND OTHER AREAS						
A	TENANT OWNED						
P	APPLIANCES	\$3	\$3	\$3	\$3	\$3	\$3
L	CREDIT	\$2	\$2	\$2	\$2	\$2	\$2
	TOTAL						

EXISTING SINGLE FAMILY DETACHED OR MULTIPLEX ARE UNITS NOT WEATHERIZED AND CONSTRUCTED PRIOR TO 1980  
WEATHERIZED (3 OF 4) WINDOWS \_\_\_\_\_ CEILING \_\_\_\_\_ FLOOR \_\_\_\_\_ WALLS \_\_\_\_\_

NEW SINGLE FAMILY DETACHED OR MULTIPLEX-DOUBLE GLASS ARE UNITS WEATHERIZED OR CONSTRUCTED AFTER 1980

SERVICE CHARGES ARE FIXED FOR ELECTRIC, GAS, AND WATER/SEWER

4691 HDD USED IN COMPUTATIONS

LIGHTS INCLUDE REFRIGERATOR, OVERHEAD LIGHTS, LAMPS, AND OUTLETS

REFERENCE HUD CIRCULAR 87-P-13 FOR ALLOWANCE TABLES

FMR	
-UA	
MAX	

S-5  
10/01





## Appendix C: Homebuyer Affordability

### Homebuyer Affordability Median Family Income by Sales Price and Number of Bedrooms

	bedrooms					
	0	1	2	3	4	5
<b>60,000</b>	53%	51%	45%	40%	38%	36%
<b>70,000</b>	60%	58%	50%	45%	42%	40%
<b>80,000</b>	68%	64%	56%	50%	46%	44%
<b>90,000</b>	75%	71%	61%	55%	51%	48%
<b>100,000</b>	82%	78%	67%	59%	55%	51%
<b>110,000</b>	89%	85%	72%	64%	59%	55%
<b>120,000</b>	96%	91%	78%	69%	64%	59%
<b>130,000</b>	103%	98%	84%	74%	68%	63%
<b>140,000</b>	111%	105%	89%	79%	72%	67%
<b>150,000</b>	118%	111%	95%	84%	77%	71%
<b>160,000</b>	125%	118%	100%	88%	81%	75%
<b>170,000</b>	160%	151%	128%	112%	102%	94%
<b>180,000</b>	169%	159%	135%	118%	108%	99%
<b>190,000</b>	178%	168%	142%	124%	113%	104%
<b>200,000</b>	187%	176%	148%	130%	118%	109%
<b>210,000</b>	196%	184%	155%	136%	124%	114%
<b>220,000</b>	204%	192%	162%	142%	129%	118%
<b>230,000</b>	213%	201%	169%	148%	134%	123%
<b>240,000</b>	222%	209%	176%	154%	140%	128%
<b>250,000</b>	231%	217%	183%	160%	145%	133%

purchase price

#### Assumptions

downpayment	3.00%
interest rate	6.50%
mortgage term	30
mtg ins cutoff	20%
mtg ins rate	0.78
full tax millage rate	20.95
abatement millage rate	1.00
abatement price limit	165,000
insurance millage rate	2
assoc millage rate	2
housing burden	30%

#### Example

purchase price	165,000
bedrooms	1
monthly payment	1,012
monthly mortgage ins	104
monthly taxes	14
monthly insurance	28
monthly assoc dues	28
utility costs	117
monthly housing costs	1,301
affordable at	121%

## Appendix D: Central City Housing Goals

### Summary of Quantifiable Housing Unit Goals, Targets and Strategies

Plan or Strategy	General New Housing Development	No Net Loss Affordable Housing (0-60% MFI Rental)	Mod/Middle-Income Rental Housing (61-150% MFI)	Ownership Housing
<b>Comprehensive Plan</b>	Achieve a distribution of household incomes similar to the distribution of household incomes found citywide in the Central City			
<b>No Net Loss</b>		Preserve/replace rental units affordable at or below 60% MFI (2002 base: 8,286 units) <u>Subgoal:</u> <ul style="list-style-type: none"> <li>Preserve/replace 1,200 units affordable at or below 60% MFI by 2006 (base 2001)</li> </ul>		
<b>Central City Plan</b>	Develop 15,000 new housing units by 2010 (base yr 1988) <u>Subgoals:</u> <ul style="list-style-type: none"> <li>Develop 5,000 new units in the West End (base 2001)</li> <li>Develop 1,000 new units in the University District (base 1995)</li> <li>Develop 1,000 new units in Goose Hollow (base 1996)</li> <li>Develop 5,500 units in the River District (base 1995)</li> <li>Develop 3,000 units in North Macadam by 2019 (Proposed North Macadam Plan-4/02) (base 2002)</li> </ul>	Preserve/replace 2,700 low/mod units in the West End (base 2001)		
<b>South Park Blocks Urban Renewal Plan (1985-2008)</b>			Develop 1,600 units of middle income housing in the South Park Blocks Urban Renewal Area (base yr 1985)	
<b>Downtown Target Area Housing Implementation Strategy (2001-2006)</b>	Develop 900-1,100 net new housing units (preserve/replace 300-400 affordable rental units)	<ul style="list-style-type: none"> <li>Complete Phase I of Museum Place (St. Francis/ Fairmont Replacement, Sockeye Development)</li> <li>Preserve the units in Fairfield Hotel and Jefferson West Apt</li> </ul>		Complete Phase II of Museum Place (condos)
<b>Lloyd District Housing Implementation Strategy (2002-2015)</b>	Develop 3,000 new units by 2015 (PDC to assist the development of 900 new units) (base 2002)	<ul style="list-style-type: none"> <li>Develop new rental units: <ul style="list-style-type: none"> <li>2002 to 2006 -- 100 units (current PDC funding priority below 50% MFI)</li> <li>2007 to 2011 -- 220 units</li> <li>2012 to 2015 -- 220 units</li> </ul> </li> <li>Preserve/replace 300 units affordable at or below 60% MFI</li> </ul>		Develop new owner units: <ul style="list-style-type: none"> <li>2002 to 2006 -- 100 units (current PDC funding priority 60-100% MFI)</li> <li>2007 to 2011 -- 130 units</li> <li>2012 to 2015 -- 130 units</li> </ul>

## Appendix E: Adopted Central City Housing Strategies

### Net New Housing Unit Production Targets\*

Various Strategies adopted by City Council and/or Portland Development Commission  
 (\*"Net New" assumes a no net loss of units)

SUB AREA	0-30% MFI	31-50% MFI	51-60% MFI	61-80% MFI	81-120% MFI	120-150% MFI	OVER 150% MFI	TOTAL NEW UNITS
<b>Downtown Target Area Housing Implementation Strategy</b> (2001-2006)	0 units  (25-50 units preservation/ replacement)	0 units  (175-200 units preservation/ replacement)	0 units  (75-100 units preservation/ replacement)	25-75 units  (25-50 units preservation/ replacement)	525-650 units		350-375 units	900-1100 units  (300-400 units preservation/ replacement)
<b>River District Housing Implementation Strategy**</b> (1999-2020)	359 units	365 units	440 units		797 units	1389 units		3350 units
<b>Lloyd District Housing Implementation Strategy</b> (2002-2015)								3000 units
<b>Central Eastside Housing Implementation Strategy</b>	PDC is currently undertaking the development of a housing strategy in the Central Eastside urban renewal area							NA

**Specific housing strategies have not been developed for North Macadam or Goose Hollow**

\*\* River District targets are actually percentages of units at build out. The numbers shown are estimates based on 5000 new units since 1994. If more units are developed over the course of the urban renewal area, the number of units required in each income category will be increased accordingly.