

Paper: Oregonian, The (Portland, OR)

Title: Council backs more spending on affordable housing

Date: August 17, 2006

SUMMARY: Livability Three commissioners want to nearly double the amount the city spent in the past

With housing

prices still riding high and families fleeing classrooms, Portland City Council members made it clear Wednesday that they want to spend a hefty chunk of city cash to help Portland's low- and middle-income residents find an **affordable** place to live.

Commissioners **Sam Adams**, Randy Leonard and Erik Sten --a council majority --said they endorse spending at least 30 percent of redevelopment money on **affordable housing**. That would be nearly double the 16 percent the city spent in the past eight years on **affordable housing**.

Mayor Tom Potter and Commissioner Dan Saltzman said they support **affordable housing** but were less firm about using 30 percent as the standard.

The council has made **affordable** and family-friendly **housing** a key part of its agenda given the city's surging home prices, drop in public school students and rise in poverty. "Rarely have the stakes on this issue been higher," Adams said.

In 2000, about 9 percent of Portland families were in poverty and the median house value was \$155,000, U.S. Census data show.

Four years later, an estimated 11 percent of Portland's families were in poverty and the median house value jumped to \$202,000, a 30 percent increase.

"We need so much more (**affordable housing**) in this community," said Doreen Binder, executive director of Transition Projects, a Portland **housing** nonprofit. "The difference between rich and poor is just incredible right now."

Advocates push

Housing qualifies as **affordable** if it's for renters or buyers who earn 80 percent or less of the region's median family income. A family of four would qualify with income of less than \$54,300 annually.

Affordable housing advocates have pushed the city for guaranteed **housing** money. They found a friendly ear in Sten this spring. A longtime supporter of **affordable housing**, Sten said he jumped behind the idea after **housing** was cut short in the massive redevelopment project of the South Waterfront district.

To make sure **affordable housing** isn't neglected again, Sten pushed for a standard funding level for **housing**. The proposal is modeled after California's state law that requires 20 percent of urban renewal money go to **affordable housing**.

Commissioners didn't cast votes on the issue Wednesday; that will come later this year. The council did get a look at a report from its redevelopment agency, the Portland Development Commission, that gave one of the most complete pictures yet of the city's record on **affordable housing**.

Since 1998, the city has spent \$107 million on **affordable housing**, the report said. That's about 16 percent of all redevelopment spending within the city's 11 urban renewal districts. The cash comes from taxes paid on rising property values within the districts.

For that cash, the city helped developers build 2,212 apartments and condos

In the next five years, the city expects to increase the share that goes to **affordable housing** to 20 percent of all redevelopment money spent.

Affordable units

Sten praised the city's work to attract **affordable housing** into the Pearl District, a former warehouse area turned into a neighborhood of high-end condos and restaurants. Through urban renewal, the city also attracted 1,000 **affordable** units. "We have set the standard for the nation," Sten said.

But the price of admission to live in Oregon's biggest city has risen with the success of places such as the Pearl, he said. To help keep the middle-income residents, Sten wants to stick to a 30 percent standard for funding.

Potter and Saltzman weren't convinced Sten had hit the right number.

Saltzman said he wouldn't "blindly" follow the 30 percent figure. Potter said the council would adopt dedicated funding but the size of that commitment must be balanced against needed cash for schools and jails.

Assuming Adams, Leonard and Sten stick together, there's plenty of debate left about how they meet their goal for **affordable housing**. How would they pay for it?

Adams said the city should go deeper into debt so existing redevelopment projects such as roads and parks wouldn't suffer.

The city will have a forum Aug. 28 so Portlanders can share their opinions.

The PDC board will look at options in September, then make a recommendation to City Hall. A council hearing is tentatively scheduled for Oct. 4.

There's work to do, but for now **affordable housing** backers like what they see.

"We finally have a council who recognizes how important **affordable housing** is to the city as a whole," said Sam Chase, executive director of the Community Development Network.

Ryan Frank: 503-221-8564; ryanfrank@news.oregonian.com

Copyright (c) 2006 Oregonian Publishing Co.

Author: RYAN FRANK

Section: Local News

Page: B02

Copyright (c) 2006 Oregonian Publishing Co.