Minutes

Gresham Task Force on Housing

Wednesday, February 6, 2019 - 6:00 PM
Gresham City Hall – Conference Rooms 2A & 2B
1333 NW Eastman Parkway – Gresham, OR 97030

Members Present:
Catherine Nicewood
Scott Kilgo
Michael Davis
Jeff Edinger
Deborah Olson
Pamela Phan
Richard Anderson
Laura Bain Pramuk
Greg Knakal
Francisco Rodriguez
Travis Stovall
Cary Watters (attended by phone)

Members Absent:
Jackie Bradford

Staff Members Present:
Erik Jensen, Facilitator, Jensen Strategies
Emily Ramelb, Jensen Strategies
Lorelei Juntunen, ECO Northwest
Brian Monberg, Staff Liaison
Teresa Hall, Staff Liaison
Rosalie Diaz, Recording Secretary

Council Liaisons Present:
Janine Gladfelter
Mario Palmero

Visitors:
Eric Chambers, Staff
David Berniker, Staff
David Widmark, Councilor
Carol
Terra
France
Allan
Sue

1. **Call to Order: Agenda Review/Updates**
   Erik Jensen called the meeting to order at 6:00 p.m.

2. **Member & Staff Introductions: (As noted above)**

3. **Richard Rothstein Presentation**
   Richard Rothstein, Author of the book, *The Color of Law*, gave a brief synopsis of his research, and how it relates to housing policy in the United States. The Color of Law makes clear that it was de jure segregation—the laws and policy decisions passed by local, state, and federal governments—that actually promoted the discriminatory patterns that continue to this day.

   His presentation was followed by questions from the Task Force. A member asked for Mr. Rothstein's perspective on the migration of North Portland residents to the east of Portland due to gentrification and being outpriced out of their homes. Rothstein suggested a few ways to avoid this; including through tax policy. Rothstein also suggested implementing a rent-control policy to preserve the rents of people already living in gentrifying neighborhoods such as those in North Portland. Rothstein also proposed solutions such as limits on condominium conversions and policies such as inclusionary zoning policy. He explained that while these wouldn't prevent gentrification from occurring, it could further integration

needed by those communities. Staff asked for recommendations to create mixed income communities and avoid segregation and concentrations of poverty. Rothstein suggested one idea is to review and reform the State of Oregon Qualified Allocation Plan that is used for the distribution of Low-Income Housing Tax Credits, which can require the distribution of tax credits for all kinds of neighborhoods instead of exhausting them on low-income units. A member asked for examples of cities where these policies have worked. Rothstein responded Minneapolis eliminated single-family zoning and views it as a move in the right direction. Another example was Montgomery County who implemented an inclusionary zoning policy where any development is required to set aside a percentage of housing for moderate and low-income families. This resulted in improved integration within the county. He also noted some cities and states prohibit discrimination against Section 8 voucher holders relating it to income discrimination. Rothstein also suggested providing low-income housing tax credits for developments in higher opportunity areas. Staff also suggested additional questions can be compiled for further discussion. It was questioned if homes in Gresham historically were subject to racial covenants. It was asked how to prevent displacement of residents from one side of the city to another. It was shared that gang rivals are now in closer proximity because of factors like being out-priced of their homes in Portland. The effectiveness of Portland's Right to Return Policy was questioned. A Task Force member recommended additional work to understand the African American housing experience in Gresham, including inviting black-led organizations in Gresham to share their experiences, revisit data about African-Americans in Gresham, including percentages, and how they changed over time in comparison to what the same data reflects in Portland. It was also noted that the bigger challenge will be to address household income in order to address the housing crisis. It was shared that lack of adequate income is a factor of displacement and relocation to areas where real estate doesn't thrive. This prevents the affected people from buying houses that they want to buy in areas they desire, because their income restricts them to live where they can afford it. Lack of generational wealth was shared as a factor that has prevented African-Americans from benefitting by buying or selling a home. One taskforce member shared that his father bought a home for $20K and 60 years later, it is only worth $25K due to the poverty in the area where it is located. It was noted that the Inclusionary Zoning Policy is limited by state law and therefore can be avoided even if mandated by the city; staff noted that there was a prohibition around inclusionary zoning and that it has been rescinded and is an opportunity for individual jurisdictions to revisit this policy.

4. Task Force Process Update

Erik notified the Task Force of a change to the schedule of meetings. It was requested to have notes on future meetings before they occur for the Task Force to be prepared the day of the meeting. Erik confirmed that there will be homework for the Task Force in-between meetings. Concerns that the timeline might not be sufficient to come up with recommendations was shared. Erik acknowledged this concern and noted that the progression from goals to strategies to actions will help the members progress on their final recommendations. The timeline will be revisited in order to reach recommendations.

5. ECONorthwest Presentation

Brian introduced Lorelei Juntunen of ECONorthwest, who was hired by the city to help the Task Force deliberate recommendations on housing availability. ECONorthwest gave an overview of best practices addressing housing availability and affordability. ECONorthwest explained the role of a developer of any kind of housing needs control of the land, public policy has to be supportive, and access to capital whether subsidy or capital from private markets. ECONorthwest explained the potential advantages that a city has: capital funds, ability to create incentives and regulations, and planning control. ECONorthwest clarified that a land write-down is selling land for less than what it's worth and is an incentive for developers. A member shared that the exit value can determine the overall return for a developer. Another incentive shared by a member was the waiver of SDC's. It was requested to hear from for-profit entities that live in the communities that they want to develop. Task Force discussed such

entities that collaboratively develop duplexes, triplexes, quads or cottage communities in zone permissible areas. Task Force also discussed that if funding sources are available to such projects, these could underwrite development costs and ultimately increase the likelihood of these projects to occur. It was asked that if the government has so many controls, then why does it cost so much to create affordable housing. ECONorthwest clarified that although the city does have controls, the most important components of the developer proforma are outside of the government's or the developer's control such as credibility of profit to investors. The labor market can vary on the construction side of a development project. Low rents also equal less income and so large reserves of funds are needed to cover the costs of operations which results in large costs at the beginning of a development project. Timelines were shared as a big factor in the realization of a project. Higher rents in developments that have housing above store fronts or commercial spaces are due to the high costs incurred to develop such properties. Preservation of existing housing was discussed as a consideration as it can decrease the cost of construction.

ECONorthwest stated that affordable and rent-controlled units, whose affordability regulations are about to expire can be targeted for acquisition by the City. ECONorthwest confirmed their scope of work relates to what the State of Oregon is doing to identify implementation strategies that will increase housing or impact the affordability of housing. It is important to understand who is rent-burdened and why before determining how best to utilize the city's advantages.

6. Recommendation Goals

Erik handed out proposed goals identified in previous meetings. Homework was assigned to think about strategies that will help realize the proposed goals. Information from the flip charts in previous meetings was shared.

7. Public Comment

Carol: Beware of unintended consequences:

- Property tax was intended to protect people, but the State of Oregon instead has caused inequity in tax law. New residents are getting large subsidies and low tax because they're being rated at what was taxed in the 90's.
- regarding getting rid of single-family zoning; not all areas are appropriate for mixed housing.
- Parking requirements may also affect certain areas that are not accessible to transit.

Allan: Executive Director of Fair Housing Council of Oregon (FHCO) discussed the work of FHCO to ensure Fair Housing. Allan moderated a presentation by Richard Rothstein in April 2017. He noted the importance of recognizing the impact on the communities displaced from North Portland to Gresham and listening to those affected. He also asked how information ECONorthwest's presentation help inform discussions to date.

8. Next Steps/Adjourn

Next meeting scheduled on March 6.