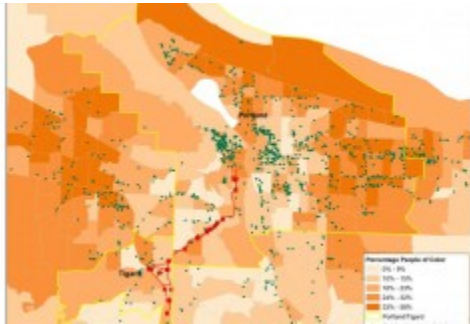


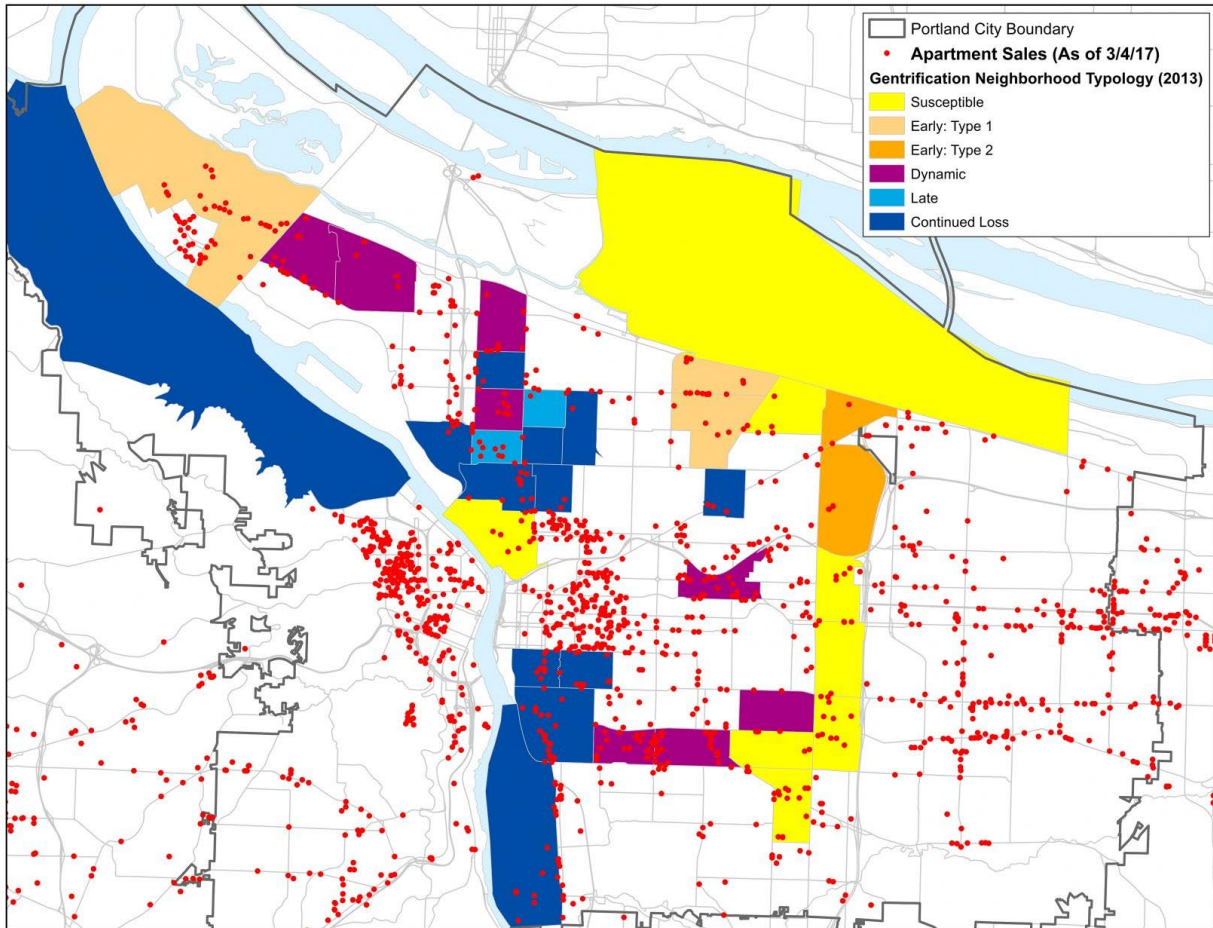
## Southwest Corridor Light Rail Extension

### Analysis of Naturally Occurring Affordable Housing market with an equity lens



The vast majority of people and families who are income-eligible for subsidized housing will not receive this limited assistance. Instead, they live in “naturally occurring affordable housing.” Also referred to as NOAH, naturally occurring affordable housing is the stock of housing that is providing low-cost rental units, but is unsubsidized and unregulated. These market units are affordable because of their condition, age, and location, not due to receiving government subsidies that regulate their rents.

The shortage of affordable housing becomes more acute in the Portland region, policy-makers and advocates have growing concern about the active market for multifamily properties that currently house thousands of lower-income households. NOAH that is older and in worse condition, especially in redeveloping areas, is considered precarious, or vulnerable to loss from the affordable housing stock. In gentrifying neighborhoods, NOAH buildings can be upgraded or demolished in order to capture the new high-rent demand.



This equity analysis examines the current conditions for multifamily rental housing and its precariousness as “naturally occurring affordable housing.” Larger multifamily buildings that provide NOAH are a potential focus for preservation through subsidy and intervention. This assessment of multifamily housing stocks and market activity in the Portland region, focuses on gentrifying neighborhoods and along newly planned transit lines, will suggest whether there is a viable strategy for preventing residential displacement through a multifamily NOAH preservation program. This analysis couples market data with demographic information. Starting from 2006, the analysis aims to outline the changing pace of multifamily property sales with particular focuses on demographic and spatial analysis of apartment sales.

Portland has some 62,000 apartment units in multifamily buildings that are rated as two or three-star properties (out of five). These units have the most potential for re-grading and investment, particularly if they are in hot neighborhood markets. With increasing market activity in this segment of the market, over 60% of apartments sold in the last decade are in racially diverse and/or low-income tracts. At the same time, even without upgrading, rising rents are squeezing low-income residents.