



#1

4940 NE 8th Ave. Portland, OR 97211
ph. 503.208.4391
macg.org

August 4, 2015

Re: TIF Set Aside for Affordable Housing Policy Review

Members of the Portland Housing Advisory Commission,

Thank you for the opportunity to participate in this public hearing. My name is Brennan Meinke. I'm a member of the Affordable Housing Research Action Team with the Metropolitan Alliance for Common Good.

MACG is made up of two dozen labor, faith-based, and non-profit institutions that work together to bring about change in our community. Our member institutions hail from all parts of the metro area, primarily in the heart of Portland itself.

MACG members and leaders—will you please stand now?

Because our action issues stem from the concerns of our member institutions, we host periodic intensive-listening sessions with each of these organizations to help us discern what issues and challenges they find most significant. Overwhelmingly, the #1 issue to come out of our most recent listening sessions was a local issue: namely, the lack of affordable housing right here in Portland. We're here today because the stories we've heard show that improving access to affordable housing is important not only to the thousands of people we represent—but to the broader population of Portland, and to the health of the city itself.

Although MACG's current housing team is new to this issue and our understanding is growing, MACG has worked on similar issues in the past and has this history to draw on. Strengthening the Tax-Increment Financing Set-Aside—in policy and in practice—is a key element in any plan to increase access to affordable housing in our communities. In an era marked by both an increased need for affordable housing and an increased difficulty in finding it, we want to see this program grow stronger. We want to see clear metrics for success—and mechanisms for accountability. In short, we want to see the early promise of this program realized.

Thank you again for this opportunity and for taking to heart MACG's input to inform this crucial review process.

Brennan Meinke
5210 NE 22nd Ave
Portland, OR 97211



#2

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ph. 503.208.4391
macg.org

August 4, 2015

Re: TIF Set Aside for Affordable Housing Policy Review

Members of the Portland Housing Advisory Commission,

Thank you for the opportunity to participate in this public hearing. My name is Erika Spaet and I am here today as a leader with MACG. I am a community organizer with one of MACG's member institutions -- Portland Eastside Ministries, a collaborative ministry of seven Lutheran churches on the east side of Portland.

Last week we started a series of house meetings in our members' homes to hear how the lack of affordable housing in Portland is affecting their lives. As an organizer, sometimes it can be difficult to get folks to sign up for yet another meeting. But not this time. The housing pressure is so widely and deeply felt, we are getting an overwhelming response to our house meetings: from parents with adult children who can't afford their own place; from young people just starting out who want to build community in a neighborhood but can't afford that neighborhood. Our members are hosting 10 house meetings across north, northeast and southeast Portland to talk about the housing crisis in Portland, and all those meetings are full. Over 100 of our members have already signed up.

We recognize that use of the TIF funding is more important than ever in this crisis, and we are concerned that the TIF revenue is trending downward. We feel the urgency to maximize its effective use, now more than ever. We are here today to show our support for strengthening the policy to better meet the needs of the growing number of individuals and families experiencing the housing crisis.

We suspect we will not see more units of affordable housing built unless the 30% floor is raised. We want to see that floor raised from 30% to 50% to increase the amount of funding available for affordable housing for all, especially for those with the greatest needs.

We also want improved accountability in two ways: improved annual reports and annual public hearings. Following these current public hearings we will submit suggestions for changes to make the reports more accessible to Portland's citizens; that is, more user-friendly, detailed and uniform in content and style, to facilitate comparisons over years. We want a Public Hearing/Community Forum to be held at the release of each annual report, to provide an opportunity for engaged citizens to ask questions on the results of TIF expenditures and to provide input.

And, finally, related to our interest in public land available for affordable housing, we are requesting an update on the development status of all the PHB-owned land. We will be asking for the same information from the PDC, Multnomah County, Trimet and PPS.

We will continue our research and continue listening to our members. And we want to collaborate with you to make this policy work better for our people.

Thank you for the opportunity to participate in this important review process.

Erika Spaet
1030 NW 12th Ave
Portland, OR 97209

#3



4940 NE 8th Ave. Portland, OR 97211
ph. 503.208.4391
macg.org

August 4, 2015

Re: TIF Set Aside for Affordable Housing Policy Review

Members of the Portland Housing Advisory Commission,

My name is Emily Davis, I am 23 years old and I am a MACG leader, and a member of St. Andrew Catholic Church, a founding MACG member institution.

I was born and raised here in Portland and like many in Portland have been struggling with housing since the age of 18 when my family moved out of state. I was lucky enough to receive a great education and have skills to work, yet housing has been an increasing struggle. I was homeless last year after a walking accident left me in a wheelchair and my only viable options for assisted housing included "first come, first serve" youth shelters with very limited space and personal safety. I am currently working close to full time as a preschool teacher but am always one paycheck away from being homeless.

There isn't enough housing, and the housing that is available is almost always unaffordable or years down the line. The current housing situation is unsustainable. In Portland, one of the largest groups affected by homelessness is youth under 25, with the foster system being the major feeder to homeless youth in Portland. If there were an increase in affordable housing and access to housing education, this would change. I encourage you to increase the percentage of TIF funding for affordable housing to help make living in Portland a sustainable reality.

Thank you for this opportunity to participate.

Emily Davis
5046 N Mallory Ave
Portland, OR 97211

August 4, 2015

Re: TIF Set Aside for Affordable Housing Policy Review

Members of the Portland Housing Advisory Commission,

Thank you for the opportunity to participate in this public hearing. My name is Rita Delamatre and I had the opportunity to provide testimony at the first meeting as well. In light of the significance of this issue and its importance to the thousands of people MACG represents, I would like to begin by reaffirming the statements made by those who have testified before me today regarding the importance of strengthening the efficacy of this policy, maintaining its integrity, and taking full advantage of the available funding to provide much-needed affordable housing in the city of Portland, while those funds are still available.

However, I would also like to state that there are many other voices that are not here today, in particular voices of those who have most keenly felt the impact of the affordable housing crisis in Portland. Those voices belong to hard-working people whose work and family obligations do not allow them to be present at an afternoon hearing on a business day. Because of this hearing schedule, the people whom this issue most directly affects are excluded from this process which they should be able to take part in directly. The next hearing is again scheduled during the afternoon, this time just when families are busy with the start of the school year. In light of this, we would like to ask that the September 1st hearing be rescheduled for a date and time that is more accessible to everyone, including working families, and we suggest September 15th at 7 pm as a prospective alternative date.

Substantively, we want to register in this public hearing our intention to explore the following strategies to increase affordable housing in Portland that would optimize the use of TIF funds:

1. Utilize a land trust model within housing developments to sustain affordable units as permanently affordable, for renters and/or homeowners.
2. Mandate that incentives of 'bonus buildable floors' be dedicated entirely to affordable housing needs, and ideally established with the land trust model.
3. Require or incentivize housing developments in Portland to utilize the city's income profile, both to ensure people at all income levels have meaningful access to housing in all neighborhoods, and to mitigate segregation and concentrations of poverty and of wealth in any given neighborhood.

Thank you again for this opportunity and for using MACG's input to inform this important review process.

Rita Delamatre
5210 NE 22nd Ave
Portland, OR 97211

August 4, 2015

To: Portland Housing Advisory Commission
 From: Debbie Aiona, League of Women Voters of Portland
 Re: TIF Set Aside Report

The League of Women Voters of Portland appreciates the opportunity to comment on the TIF Set Aside Policy Review.

Comment #3 Feedback

The housing strategies for certain urban renewal areas call for the combined total of current and new units to represent a range of housing that reflects the income diversity of the city as a whole. This is based on the city's Comprehensive Plan Housing Policy. Given the limitations placed on the expenditure of set aside funds to 0 - 60 percent for rental housing and up to 100 percent for homeownership, the Housing Bureau should focus on meeting the income profile at those income levels.

We are quite concerned about the proposal to reduce the allocation of resources at the 0 - 30 percent income level as described in the hypothetical example and cannot support the proposal. The shortage of units is by far the greatest at that income level and those units cost the most to develop. The percentages in the original policy reflect the high cost of development.

Reporting: Urban Renewal Areas -- Low-income Housing Goals

The League has followed the city's use of urban renewal for many years. A number of the existing urban renewal areas have housing strategies as part of their urban renewal plans that set unit production goals at each income level. In the past, staff produced an annual report documenting progress on meeting those goals. This table is copied from the River District 2006 Annual Report as an illustration:

Table 4. 2007 Actual and Target Build-Out Distribution

Household Income Category	2006 Actual Build-Out and Distribution		2006 Target Build-Out and Distribution		Units Needed for Target Distribution Per 2006 Activity
	#	%	#	%	#
Extremely Low (0-30% MFI)	784	11%	1037	14%	253
Low (31-50% MFI)	896	12%	963	13%	67
Moderate (51-80% MFI)	1,236	17%	1482	20%	246
Middle (81%-120%)	723	10%	1482	20%	759
Upper (> 121%)	3,769	51%	2445	33%	-1324
Total	7,408	100%	7,408	100%	

The League urges the Housing Bureau to update this information for each affected urban renewal area and include those updates in the set aside report. City Council-adopted urban renewal plans describe the projects, including low-income housing, that are to be funded with the property tax dollars diverted from the county, schools, and city's general fund over the life of each district. In the interest of accountability and transparency, the public should be informed about how far the city has come in completing specific projects and meeting each district's goals, including for low-income housing. Furthermore, this information will provide a clearer picture of the positive impact the set aside policy is having on meeting those goals.

Finally, I understand that Leah Greenwood, the PDC staff member responsible for drafting the original set aside policy, has offered to meet with staff to discuss the history and details of the policy. As a member of the advisory group that reviewed the policy during its development, I encourage you to take her up on her offer. It would be worthwhile for you to learn more about the basis for the policy choices that were made at the time.

HALSTEAD GREENWOOD

CONSULTING

#6

August 3, 2015

Portland Housing Advisory Committee
c/o Portland Housing Bureau
421 SW 6th Avenue, Suite 500,
Portland, OR 97204

(sent vial email to Matthew Tschabold)

Dear PHAC members,

As you review the Tax Increment Set Aside Policy and consider changes to the policy I would like to highlight a few items that are different than when the policy was originally adopted.

The Market is Dramatically different Citywide that it was in 2006

We are currently in a market rate housing boom. While we have experienced booms before in the past, this boom includes incredible market rate rental housing development and it is occurring throughout the City rather than being concentrated in downtown or the Central City.

From the Bureau of Planning and Sustainability's report on *Housing Growth and Affordability in Portland* dated May 29, 2015:

Portland is growing and is in the midst of a housing development boom. Still, the city has been adding people faster than housing. This has put pressure on the housing market and increased housing costs across the board.

- Since 2010, Portland has welcomed approximately 27,000 new residents.
- Due to the recession, very few new housing units were built in 2008 and 2009.
- This means that new residents were competing for a limited supply of new housing as shown by the low rental vacancy rates in Portland, currently 3 percent and under 4 percent for the last 5 years.
- From 2010 to 2014, more than 15,000 new housing units were built in Portland, primarily apartments in the Central City and surrounding inner neighborhoods.
- Only a few hundred of these units were built under programs that ensure long term affordability.

This cost pressure is greatest for lower income families. While about a third of Portland households earn less than \$34,700 (half of the median family income or MFI), only about 7.5 percent (20,300 units) of the housing stock is publicly subsidized and maintained as affordable to these households.

Other housing in Portland may currently be affordable to this group, but there are no protections to ensure it remains that way. The need for housing for the lowest income households remains large and acute. In the 2012 Portland Plan, the City set a goal to create 30,000 new affordable units over the next 20 years. This would more than double the existing supply of long-term affordable housing.

We are seeing unprecedented residential development on the eastside of Portland including North Williams, SE Division and Clinton, and elsewhere.

The staff reports responds to the public input: **The city should set residential development targets in URAs to match the income profile of the city as a whole.** The response misses the intent of this input which I believe was more advocating that the City's investments be in projects that further the City goal of achieving housing affordability that reflects the City as a whole, not that the income targets be shifted toward higher incomes.

The response states this is a citywide aspirational goal, when in fact the goal is:

Achieve a distribution of household incomes similar to the distribution of household incomes found citywide, in the Central City, Gateway Regional Center, in town centers, and in large redevelopment projects.

This was explicitly interpreted to also include large redevelopment areas such as the River District and South Waterfront.

The original income targets were set to take into consideration what the unique market conditions were in each urban renewal area. For instance, the income targets set for South Park Block was that 75-90% of the TIF Set Aside be targeted to housing at 0-30% MFI. While the other westside Central City URAs were set at 50-70% of the TIF Set Aside be targeted at 0-30% MFI. Conversely, the east side URA income targets were set to have a higher percentage of affordable homeownership.

Additionally, the staff report states **In the last 5 years over 50% of the PHB direct program expenditures have been tax increment financing. These funds are available for use in 10% of the city.** I think a more meaningful question would be: *What percentage of those areas rates as Medium-High to High for being At-Risk for Gentrification are located within Urban Renewal Areas?* As a community we have chosen urban renewal to be our primary neighborhood revitalization tool, and thereby the tool should also be focused on mitigating the displacement effects of neighborhood revitalization.

Policy Significantly Changed in 2011

The staff report responds to the question: **Did the aggregation of the 30% set aside for affordable housing weaken the policy and would the retroactive application of a 30% target within each year over year be beneficial?**

While the staff report answers NO, I completely disagree. As the staff person charged with developing the original policy, I remember the heated debates about whether the goal should be set as an aggregate goal or individually in each urban renewal area. There were very strong reasons for originally setting the individually for each URA:

1. One or two large investments in the Central City could hit a 30% aggregate target, while not investing in affordable housing in the neighborhoods where it is more likely to serve families.
2. The impetus for the tax increment set aside policy was a perceived disconnect between the city housing goals and the real estate investments that were occurring in urban renewal areas. The set aside was established to ensure this was occurring in every URA.

3. The policy highlighted that the goals in each URA were minimum threshold requirements. In fact, in many URAs to achieve the housing policy targets would require more than 30% of the TIF in that district. Therefore, it was assumed (and desired) that the aggregate goal would be well in excess of 30%. For instance, South Park Blocks and North Macadam were expected to have closer to 50% for affordable housing in the first 5 years.

The analysis included in the staff report assumes that spending in URAs would be increased or reduced to 30%. This doesn't accurately reflect what would have occurred if the original policy had been retained.

Recommendations:

I recommend that if an aggregate set aside is maintained as the City's policy, I believe in light of the intense market-rate housing development and commercial development occurring in Portland, the Set Aside should be increased significantly to 50%.

I recommend that publicly-owned land should not be available for market rate housing. The priority should be on development that is considered infrastructure that can't be provided by the market, i.e. parks, transportation, community facilities, schools, **and low income housing**.

It is exciting to see the impact this policy has had over the last nearly 10 years. I hope that the PHAC sees this as an opportunity to actually strengthen the policy and increase the tools at the City's disposal for increasing the amount of low income housing in Portland and stemming the tide of displacement to East Multnomah County (and even north to Clark County, Washington).

Thank you for this opportunity to provide input. If the PHAC is interested in learning more about the history of the set aside and the deliberations that occurred in 2005-2007, please feel free to contact me.

Sincerely,



Leah Greenwood