



PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission

Tuesday, August 4, 2015

3:00 p.m. – 5:00pm

Portland Housing Bureau

421 SW 6th Ave, Suite 500

Portland, OR 97204

✓ = PHAC public member action item

▶ = PHB staff member action item

August Meeting Minutes – Revised

Members Present: Amy Anderson, Jesse Beason, Tom Brenneke, Dike Dame, Jean DeMaster, Betty Dominguez, Ray España, Maxine Fitzpatrick, Elisa Harrigan, Nate McCoy, Wayne Miya, Daniel Steffey

Members Excused: Andrew Colas, Stephen Green, Deborah Imse, Cobi Jackson, Sarah Zahn

Staff Present: Matthew Tschabold, Cheyenne Sheehan

Guests Present: N/A

Revisions: Clarification on page 17, and note on page 23 referencing highlighted section of page 21.

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Welcome & Review Meeting Minutes	Jesse opened the meeting and minutes for the July meeting were approved. Matthew Tschabold gave a summary of the agenda and explained there would be two public comment periods -- One for general comment and another portion after the TIF Set Aside presentation and encouraged the public attendees to sign up using the comment cards.	
Public Testimony	No public comments.	
Welcome New Commissioners	Jesse asks that all the commissioners introduce themselves and say something about the work that brings them to the commission and how long they've been a member of the commission. Elisa Harrigan – She is currently an Affordable Housing Initiative Program Officer Meyer with Meyer Memorial Trust. She has been on the commission for four years and is transitioning off in January. She has a long history of doing tenant advocacy and housing policy work. She has also previously been a consumer at PHB, accessing housing products. She purchased her home using a down payment assistance loan (DPAL). She truly believes people should have	

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	access to our beautiful city and community, and no matter what a person's income they should have choices in their housing. Javier Mena – While not a member of the PHAC he is the Assistant Director of Portland Housing Bureau (PHB). Jean DeMaster is with Human Solutions. Tom Brenneke is with Guardian Real Estate Services. They develop and operating multi-unit developments in Portland. Matthew Tschabold – He is the Equity and Policy Manager at PHB. Part of his role at PHB is to staff the PHAC and provide policy and operational advice to the public and the bureau. Rey España is staff at Native American Youth and Family Center (NAYA) and he will be cycling off of the commission in June 2013. He has felt that working on the PHAC has been a blessing and he's pleased to see some new warriors to the cause joining the PHAC. He is currently working with Tom Brenneke on NAYA Generations which will be housing, a school and cultural center. He is also working on an anti-displacement project and he would like to operationalize that work as he believes no one else is focusing on that right now in Portland. Wayne Miya is the Executive Director of Our House of Portland serving people with HIV/AIDS with housing, services, a food bank, and a thrift store. He is also the past board chair of Cascadia for 5 years and past CEO of Unity which helped form Cascadia. He has some experience combining mental health and housing services through those programs. Dan Steffey is a husband, father, grandfather, and great-grandfather. He is engaged in the pursuit of social inclusivity in projects aimed at producing sustainable economic development outcomes which includes affordable and special needs housing. He has been working in a variety of capacities since the late 1960s developing several thousand units of affordable housing in several different states. He is brand new to the commission and he hopes to find ways to expand the ability of our community to meet its housing affordability challenges while dramatically improving the level of minority participation in that work. Cheyenne Sheehan is a Sr. Administrative Assistant with PHB and Admin support to the PHAC. Nate McCoy is the new Executive Director of the National Association of Minority Contractors - Oregon (NAMCO). NAMCO was formed in 1969 to lower barriers for Minority, Women, and Emerging Small Business (MWESB) across the region and nationally to engage with	

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	government in creating more contracting opportunities within programs that local, state, and federal jurisdictions have for programs. He is responsible for implementing programs supporting their affiliates. They provide outreach, advocacy, engagement, and technical assistance. He is a former employee of PHB and PDC over the last seven years. He started as the ED for NAMCO on June 2nd 2015. He is excited about this work and his focus from the PHAC perspective is to think about capacity building, more engagement of MWESB contractors for housing and other projects throughout the City. He is interested in looking at diversity within the workforce around availability of contractors and applicable workforces that contribute to those projects. He grew up in affordable housing and wants to contribute to the solution. Dike Dame is owner of Williams and Dame and grew up in a war housing project in Patterson New Jersey. He has been on the PHAC for a year and is looking forward to doing more work on housing in Portland. He feels it's a big job and it's too bad there are not more dollars available for affordable housing. He would like to have a conversation about the \$38M the city is not going to spend fixing up Centennial Mills then we should push to spend that money on affordable housing. Maxine Fitzpatrick is the Executive Director of Portland Community Reinvestment Initiatives (PCRI). PCRI focuses on affordable housing management and development, currently more focused on management than development. She is looking forward to serving on the commission and working to address some of the critical housing needs in the community around affordable housing. Like Rey, she is actively engaged in displacement mitigation due to the mass displacement that happened in N/NE Portland. She notes that House Bill 3082 was passed in May of 2015 with an effective date of October 5, 2015. This bill raises the income limits for property tax abatements that governments can provide to non-profit housing providers. It was stuck at 60% for many years, now it is up to 80%. This was a significant hardship on PCRI because they have significant single family scattered site portfolio in N/NE Portland. Because property values had risen so much in the area, when a family began making 60% MFI and the property was reassessed they were receiving huge property tax bills which put PCRI in a very volatile position. After working for a number of years to get something done about that, finally through legislation they, and other non-profits, have some relief. Betty Dominguez is new to PHAC and she appreciates being on the commission after years of being a member of the public at PHAC meetings. She spent 10 years with Oregon Housing and	

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	Community Services (OHCS) as the regional advisor in the Portland area working toward affordable housing with non-profit and for-profit developers. She started with the Housing Authority of Portland (HAP), now Home Forward, about 8 years ago as the Assistant Director. She moved to several different positions within the agency and she is now the Director of Policy and Equity. She believes there are many things that need to be accomplished in the city, and she is looking forward to continuing her contribution in the next few years. She wants to focus on social equity as well as racial equity; making sure that the folks our programs are sheltering are also getting their social equity needs met in order to stay on a path toward success. She wants to have an impact on resource development especially for city areas without Urban Renewal Areas (URA) and Tax Increment Financing (TIF) money. Jesse Beason is an original PHAC member, the current chair, and is leaving the PHAC in September.	
PHAC Fall Retreat Planning	Jesse opens the PHAC fall retreat planning session by asking Matthew to lead us through the conversation. Matthew mentions that Cobi Jackson and Stephen Green are also new members, but were not able to make the meeting due to last minute scheduling conflicts but they are scheduled to attend the fall retreat. Matthew opens the topic by saying this will probably be a brief 20-30 minute conversation to get ready for the Fall retreat. The retreat is scheduled for September 22nd from 10 AM to 4 PM. He hopes there aren't any significant conflicts, and staff are aware that OregonON is having an event that day that will affect a couple of people in whole or in part, but this time and date had the fewest conflicts of the dates polled. There is still a placeholder on members calendar's for Monday 9/21 just in case it becomes necessary to move the date. He asks members to email him or Cheyenne if they become aware of major conflicts with the current retreat date. Matthew begins the overview of the retreat using a PowerPoint presentation. Summary of the presentation follows. The retreat day will be split into two parts: 1) Orientation, training and onboarding from 10a-1230p – estimated. NOT OPEN TO PUBLIC. He would like outgoing members to attend to offer historical context and institutional knowledge.	

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	2) Work plan development from 1:00p – 4:00p. This part is open to the public to observe but no comment period is available. Key issues for Part 1 – Not Open to the Public • City Council mandate, current structure, and responsibilities of the Commission • PHB Staff - Policies Programs overview (Rental programs, LTE, SDC, DPAL etc.) • PHB Staff - overview of current funding • PHB Data team - housing market analysis and program data/outcomes • PHB staff will present the N/NE Housing Strategy • PHB staff update – draft of equity agenda, overview of city equity plan/framework and discussion of access/outcomes • Comm. Saltzman will come by in the morning to address the group, welcome new members, thank members whose terms are expiring, etc. Key issues for Part 2 – Open to the Public • Developing work plan for PHAC – traditionally a one year work plan but the bureau is encouraging PHAC to think about what kind of work plan you would like to develop and come up with a length of time the members think would work best. • PHAC strategic direction as an advisory commission • Structure and leadership. Since Jesse is leaving this fall it is a good time to look at structure and talk about new executive teams, work groups, subcommittees, task forces, etc. • Final work plan development - the members should ask themselves what they want to tangibly work on month to month. There has been concern at past meetings regarding the agendas being too full and there is not enough time for discussion and materials are not provided far enough in advance. We will work through these concerns.	

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	As we plan for this internally, Matt asks for feedback about key issues that are missing, items that members would like on the agenda, and also supplemental materials members might want in advance. He also explains that because the commission is a public body and we must be in compliance with public meeting law, we have to walk a line between what we can cover in the non-public versus the public portions of the retreat. The following were suggested by members of the PHAC: 1. Get-to-know-you time to develop commissioner relationships 2. List of standing issues on the agenda for continuous updates 3. Equity agenda – public and non-public portion a. Discussion to ensure that PHB’s funding and housing allocations match the equity agenda b. Discussion of whether PHB is doing work to close identified disparities in the community 4. PHB federal funds for Homeless programs – look at continuum from homelessness programs, housing first programs etc. a. Look at whether there are opportunities for increased jurisdictional collaboration/cooperation 5. Relationship between PHB and PDC needs clarification – suggestion to discuss directly with Dan Saltzman at the retreat 6. The “pipeline” - sources and uses of funds 7. Budget overview – high level overview at the retreat and lower level at a pre-retreat meeting. 8. Homelessness – pass-through funds, relationship between Home For Everyone (HFE) and PHAC 9. Displacement	

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	Jesse asks if there is anything the commission feels we should not discuss at the retreat – he stresses that we need to make sure the members are getting out of the time what they really need. Dike thinks six hours is enough time to get into specifics on the issues the PHAC covers at the retreat and he doesn't want to spend the day in generalities. Rey feels there are minimum objectives that need to be set in order to cover certain issues. He also feels that it's not important to have a solution on the same day as the discussion, but it should make it into the work plan for the year to create a plan where the commission can actually reset and decide on the larger issues. Matthew asks for clarity from the Commission how much detail they want in part one. Depending on how much detail is needed that could take a couple of hours. The commission members discuss and agree that many would support a high level budget overview at a pre-retreat meeting. Tom asks whether the new Director will attend the retreat and how involved he will be in the PHAC. Matthew answers the new Director, Kurt Creager, will attend the retreat - he will share his vision and his intentions with the bureau and attend the monthly PHAC during his tenure. Elisa requests a one page summary of significant changes discussed at the retreat for members who may not make it. Matthew agrees to provide such a list.	
TIF Set Aside for Affordable Housing Policy 5 Year Planning	Jesse opens the topic of the TIF Set Aside Policy Review. Matthew begins his presentation by explaining this is the second hearing of the TIF set aside review and that the final hearing will be at the September 1st PHAC meeting. The structure of today's review will be a short presentation, discussion among PHAC commissioners, and	

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	then the floor will be opened for public testimony. Today's review will not go into depth on the current policy but will offer a general overview. The full presentation can be found here, with the text of the presentation below. (Slide 2) TIF Affordable Housing Set Aside <i>Policy Overview</i> • 30% of Tax Increment Financing across all urban renewal areas (<i>less Airport Way and Willamette Industrial</i>), in the aggregate as of July 1 2006, shall be dedicated to the development, preservation and rehabilitation of housing affordable to households with incomes below 100% median family income Matthew adds: That actualizes for renter households by going up to 60%, and ownership 80-100% depending on the cost of living in the neighborhood. (Slide 3) TIF Affordable Housing Set Aside <i>Policy Overview</i> • TIF set aside financing must be utilized in accordance with the Policy Implementation Plan and Income Guidelines • Policy is to be reviewed every 5 years to assess progress and recommend changes to implementation (Slide 4) TIF Affordable Housing Set Aside <i>Policy Implementation Plan and Income Guidelines</i> • Policy applied to TIF debt proceeds using blended methodology • Changes to established individual urban renewal targets shall be made through a joint recommendation by PHB and PDC to City Council through the annual budget process Matthew adds: that PHB has received several comments and questions from members of the public by email, comment cards, and through staff. PHB staff has aggregated those comments and he will address them as he continues through the presentation. (Slide 5) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #1 Feedback 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? No, the current policy structure has yielded more funding overall (although differential funding between URAs) and greater flexibility to adapt to market conditions.	

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	Matthew adds: that he received a letter this morning from one of the staff members who was involved in the original development of the policy. She reminded us that the original targets were set as they were so that if there was a city wide aggregate of 30% instead of setting hard targets in each URA, spending could have been concentrated in a single URA. It was originally very important that hard targets were set URA by URA so they would total at least 30% overall. (Slide 6) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #1 Feedback – Chart Matthew explains that the chart runs a numbers analysis to show that the current structure, which is the box on the left, has yielded thus far 35% overall while varying amounts within individual URAs. So even at 30% year-over-year the numbers are what the numbers are. It would have been at 30% absent some targets going above 30% in a particular URA. (Slide 7) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #2 Feedback Did the aggregation of the 30% set aside for affordable housing cause the City to ‘lose time’ in the context of developing affordable housing? No, the current policy structure allowed for resources targets to change between URAs as affordability issues arose while not compromising the overall 30% resource floor. Matthew adds: some examples – increasing the set aside amount in particular URAs as the market has taken off creating an increased need for affordable housing. The ability to set individual URA targets and adjust those through the City’s budgeting process, which is how the policy is currently structured, has given the City the flexibility to be able to react to the market to some degree. (Slide 8) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #3 Feedback The city should set residential development targets in URAs to match the income profile of the city as a whole. This is a current aspirational goal for the City generally. Private market residential development is not within the scope of the TIF Affordable Housing Set Aside Policy. Matthew adds: this would be considered mandatory inclusionary zoning where a certain percentage of units are set for affordability. Currently State law preempts the City of Portland implementing mandatory inclusionary zoning, this makes it outside the scope of	

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	the policy. Land use planning authority is not given to PHB or PDC, which would be run through a Bureau of Planning and Sustainability (BPS) process. (Slide 9) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #3 Feedback Land use planning authority is not given to the Portland Housing Bureau or the Portland Development Commission. This authority is given in various forms through state law to the City Council, the Planning and Sustainability Commission, the Bureau of Planning and Sustainability, and the Bureau of Development Services. Matthew mentions that there are two recent proposals trying to encourage this – while the City cannot mandate it because it’s preemptive through State law, within the central city, City Council has adopted bonus and transfer reforms and directed BPS, BDS, and PHB to take a look at the density bonus system and there are currently a number of ways a developer can receive density bonuses and City Council is interested in scaling that back to prioritize affordable housing creation. If a building is built higher than allowed in its base entitlement there would be a mix of incomes in that building. The other proposal is for outside of the central city, a mixed use zoning project, which is part of the update to the City’s 2035 comprehensive plan. The City is looking at a similar way, while it can’t mandate inclusionary zoning, giving density bonuses in the high density corridors outside the central city in exchange for providing affordable housing at a variety of income levels. (Slide 10) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #3 Feedback Examine two recent proposals 1. Central City bonus and transfer update to prioritize affordable housing in additional density 2. Outside of Central City mixed-use zoning project to prioritize affordable housing in additional density Matthew adds: This is out of the scope of TIF set aside policy. State law preempts Portland from mandating zones. Land use planning authority is not given to PDC. Central City bonuses and transfer updates to prioritize affordable housing in additional density and out of central City mixed-use zoning project to prioritize affordable housing in additional density.	

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	Matthew continues that there are two recent proposals trying to encourage this – while the City cannot mandate inclusionary zoning because it’s preemptive through State law, within the central city, City Council has adopted bonus and transfer reforms and directed BPS, BDS, and PHB to take a look at the density bonus system and there are currently a number of ways a developer can receive density bonuses and City Council is interested in scaling that back to prioritize affordable housing creation. If a building is built higher than allowed in its base entitlement there would be a mix of incomes in that building. The other proposal is for outside of the central city, a mixed use zoning project, which is part of the update to the City’s 2035 comprehensive plan. The City is looking at a similar way, while it can’t mandate inclusionary zoning, giving density bonuses in the high density corridors outside the central city in exchange for providing affordable housing at a variety of income levels. (Slide 11) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #3 Feedback Potential TIF Affordable Housing Set Aside policy changes. 1. Modify income guidelines so that resource allocation target ranges are guided by the income profile of the city for households below 60% MFI Matthew explains that if you look at the current city income profile, the target for spending in the bureau in our own income guidelines, has a higher target level for lower income households than the City profile overall. Our own targets in existing policy already skews our resources toward lower income households. He acknowledges that we need to improve the implementation of that, but if we were to revise that to reflect the city wide distribution of incomes, we would be shifting resources to higher income households. In short, the current income guidelines match the intent of the feedback around prioritizing lower income households. (Slide 12) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #3 Feedback Hypothetical Example – Chart	

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	(Slide 13) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #4 Feedback What proportion of the PHB budget is tax increment financing and what proportion of the city does this allow the Bureau to administer programming in? 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. (Slide 14) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #4 Feedback In the last 5 years over 50% of the PHB direct program expenditures has been tax increment financing. These funds are available for use in 10% of the city area. <i>Map showing 15 of 145 square miles of the city</i> Matthew adds: cities are not allowed to created unlimited URAs. (Slide 15) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #5 Feedback Can PHB annually report on the tax increment financing spent in each URA, the regulated affordable units produced, and the income limits on those units? This information is currently published annually in the Bureau Affordable Housing Tax Increment Financing reports. This report will transfer to the annual State of Housing Report. Matthew adds: This information is currently published annually in the bureau State of Housing Report that occurs each fall – but this feedback tells us we probably need to do a better job of getting that information out there and it may read as being a little confusing. We are revamping the format of the State of Housing Report that will be published each fall. (Slide 16) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #5 Feedback Screenshot of current reporting form Matthew adds: but viewing the form you can see each URA is listed along with the dollars spent and the units produced – this is a snapshot from a single year. While the information is being provided we are looking at how we can publish it in a clearer way to be more consumable to the general public.	

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	(Slide 17) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #6 Feedback Can PHB annually report on the number of market rate rental units and affordable rental units in each URA? This information is a part of the new State of Housing in Portland report that has been published in a phase 1 draft form and will be annually published each October in the future. (Slide 18) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #6 Feedback – Lents Town Center Spreadsheet Matthew elaborates, the table (included near the back of the phase 1 draft of the State of Housing in Portland Report) is hard to read but it does break out a market survey of each URA. It looks at city wide affordability, affordability in neighborhoods, and affordability in URAs. In the top table above the map is a breakdown of tax lot data that itemizes the number of single family and multifamily units and at the bottom is a market survey of multifamily units for affordability. (Slide 19) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #7 Feedback Can the city map out city owned land and prioritize the land being disposed of for affordable housing? In July, City Council directed city government to move toward centralizing the inventory and disposition of land with a priority for affordable housing and other public benefit needs. Matthew adds: this process is underway but how it moves forward has not been communicated at this point. It is a recent City Council directive to compile this information in a more intentional way and Comm. Saltzman made sure land for affordable housing is a priority for the City. (Slide 20) TIF Affordable Housing Set Aside <i>Responses to July 9 PHAC and Public Testimony</i> Comment #8 Feedback Can the language regarding the tax increment financing 30% affordable set aside for affordable housing as a floor be strengthened in the policy language? Yes, the narrative can be revised to strengthen the language.	

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	Matthew adds: PHB is working with PDC to strengthen the language in the policy document reinforcing that the 30% is a floor and not a ceiling. We've also seen that in some URAs where additional resources have been committed within the budget process and that budget targets are sometimes set well in excess of 30% in certain URAs. (Slide 21) TIF Affordable Housing Set Aside <i>Draft policy changes</i> Draft policy direction – where we currently stand in drafting policy changes 1. Generally, maintain existing policy language 2. Strengthen and clarify reporting language and link reporting to the annual State of Housing in Portland report 3. Strengthen language regarding the 30% set aside as a funding floor (Slide 22) TIF Affordable Housing Set Aside <i>Next steps today</i> PHAC Members and the Public • What additional questions do you have on the existing policy? • What additional feedback/direction do you have before the updated policy is finalized? • What additional changes, if any, should PHB and PDC consider in the policy review? At the conclusion of the above presentation Jesse opens the floor to PHAC Commissioner discussion. Jesse asks for more clarification on the statement that there was an opportunity to go above 30% in certain URAs and that happens during the annual budget process. He'd like to know a little bit more about how that happens since the PHAC is part of the budget advisory committee and he has no recollection of having discussions to increase TIF spending in certain areas. Matthew answers that not all the targets are 30%. With respect to any target the policy says that changes can be made through the budget process. Javier can answer questions on the budget process in more detail. Javier continues by saying that modification in terms of the set aside policy is driven by opportunity with parcel three being an example of that. There were no other resources available. There was contemplation on amendments that could bring forward an increase at the current moment, increasing the set-aside percentage. It was agreed upon that it made sense to take advantage of the opportunity to be able to do so. It's based on opportunity on where those dollars can be put to best use.	

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	Jesse further clarifies that it sounds like the decision is driven by a project or land opportunities and not necessarily looking at income targets or housing specific goals. Javier agrees and continues saying that there have been situations where PHB has not increased investments because a project may not meet bureau specific policies and goals. There have been times when the bureau has elected not to proceed and other situations where the bureau has made requests to go beyond the 30%. Prior to the set aside policy it was a piecemeal driven process where there was no differentiation between set aside and regular PDC dollars so it was more fluid. Now we are more directed in when and how to use those resources. Maxine asks if there is an annual budget process to go through to get the percentage increased or if it's just done by request. Javier answers that any type of change to the budget goes through the annual budget process. Jesse asks if the target is reached in a URA how one knows whether there is an opportunity to go above 30%. Javier explains that there is not an established process for that type of dialogue. In the past year or two PHB has begun working with PDC to try and establish a more fluid process and be proactive as opposed to reactive in that regard. PHB is looking to maximize dollars and PHB is working more closely with PHB in an attempt to establish that process. We are definitely looking at Lents, Gateway and other URAs to be more proactive. Rey thinks in terms of this question there is a missed opportunity – he continues saying, while it is acknowledged that there is no established process there is a budget action that the PHAC can take and it serves as a budget advisory committee. He has history with that committee and at no time was there ever discussion to adjust, or consider adjusting, the percentages. He wonders if the PHAC went on record in the budget certification process to establish policy and intent, that policy action could be used by staff as an opportunity to move forward. Absent that he believes there would be a scramble to pull some of the members together and he doesn't believe that's practical. He believes PHAC should go on record with a comment on how to treat the issue and come together as a budget advisory group to establish a higher set-aside amount in the next 12 months. He wonders if the group would feel comfortable taking an action that would guide staff.	

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	Dike says his thoughts mirror Rey's. He asks why shouldn't the PHAC make a motion and take a vote on raising the set-aside to 50%. He thinks there is nothing gained by waiting. He thinks PHAC should just do it and let Council figure it out. If it doesn't work, so be it, but he feels that PHAC fulfills a function and that function is to push PHB and City Council. Jesse asks if we are making a motion. He tells Dike that he hears that Dike is asking whether PHAC is allowed to make a motion to raise the set-aside. Dike says, yes and he doesn't see a reason why the PHAC shouldn't make a motion and it can be put in the minutes that the PHAC voted and it can be sent to Saltzman and it can be worked out from there. He thinks PHAC should start making some noise. Amy asks if we would then make a motion to do research into feasibility on moving the set aside to 50% or just a motion to do it. Dike says PHAC should just do it and let Council figure it out. Jesse explains that this body can make a motion for whatever it wants and pass it and then it would move forward through necessary machinations. Dan asks whether this should be done now or at a different point in today's hearing. Jesse thinks it's appropriate to hear public testimony and then make a motion. He also states that there is at least one more hearing... Matthew explains that there is one more hearing scheduled to present final recommendations to send to City Council. Jesse clarifies that yes, there will be a chance to make a motion at a subsequent hearing as well if the group would like to ponder the decision some more. Dike adds that Matthew talked about the Floor Area Ration (FAR) and how it may help affordable housing, he is an opponent of that plan because he doesn't think it will work and he is also concerned about the City taking a year to study it. He firmly believes it will wipe out all the other bonuses like green roofs etc. will be out of luck. He doesn't believe the FAR plan is well thought out. He just wanted to make sure his comments on this are on the record.	

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CLARIFICATION	Dike continues that he doesn't understand why Portland doesn't band together to go to the State legislature and request an exclusion to the ban on inclusionary housing. He believes there is not enough money to do what needs to be done and everyone in the room knows it. Unless there is aggressive action things will not change. He thinks we should go to the legislature and explain that the rule may make sense in other communities in Oregon but it doesn't in Portland – he wonders why we haven't done that yet. Jesse chimes in that Dike should talk to his friends in the State senate. Amy agrees with Dike. Betty wants to go back to raising the set-aside to 50%. She says that at the Housing Authority (HAP) there are 16,000 people on the wait list for vouchers and there is not enough housing to go around and not enough resources to build the housing. She wants to look at Amy's comment about researching the feasibility and ask for caution in this conversation because the solution to getting people out of poverty is not just providing housing but providing living wage jobs and the job training they need to get those jobs. She would be very interested in seeing what PDC is doing with the rest of the funds in those URAs and she would like to see what they are doing around job creation and job training opportunities. She thinks maybe we can raise the set aside to 40% for housing and 10% toward job creation for the people in that housing. Dan says he had a conversation with Ed McNamara (formerly Mayor Hales' Housing Policy Director, now owner of Turtle Development Company) who mentioned that in some of his affordable housing projects an average of 40% of residents are over-income. Dan's first reaction to that was it sounded like the system was broken since higher income people were occupying those units, but his second thought was that the system was working because people are entering the building with qualified lower incomes and subsequently stabilizing their lives and being able to pay a higher rent. He would like the City to think about what can be done to free up the exit side of the system, possibly through home ownership or higher income thresholds etc. He addresses Maxine's statement about the 80% for tax abatement, he thinks the question would then be how the 80% AR rolls through the loan documents in the project's that the City is working on. He wonders if that can be an ally that can help free up the system a bit. CLARIFICATION: <i>At the 9/1/15 PHAC Dan Steffey asked for a clarification of this section of his comments. He clarifies that this comment regarding tenants of low income housing</i>	

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END CLARIFICATION	<i>sometimes being over-income was not intended to be critical. It was rather to make the point that if X dollars per unit are being spent to create affordable housing, maybe a fraction of that could be spent to support people moving through lower incomes, which is something we should look at more closely. He uses Proud Ground as an example of an organization that offers that kind of support.</i> Maxine says this is something she thinks about often when she thinks about affordable housing, the fact that we often approach the issue in isolation, groups providing units at multiple income levels. But what is not in place is what actually elevates people out of poverty. Many organizations do a great job at providing housing and providing for people to subsist in poverty, but we don't do anything to elevate them out of poverty. In PCRI's programs and resident services that's what they try to focus on – which is why it's important for tenants not to have to move when they get to 60% MFI because they can be worked with a little longer and then transition them into home ownership. Maxine says she's old enough to remember that it didn't used to matter what your income was when buying a home as long as you worked at a job and earned a living, you could buy a house. It was a house that the government made sure was affordable for the person, but that doesn't exist anymore. Now you have to be at a certain income level to be able to afford a home. When we look at affordable housing, it's important to look at the total spectrum and not just provide for the needy, but provide for people to elevate and rise above needing that kind of housing support. She concludes by saying that's why it's important to PCRI to be able to keep people in their programs a little longer and then transition them to home ownership. Betty comments that in her experience with Home Forward they are not really serving people who are over-income into their programs especially into today's market. Most of their clients tend to be rent-burdened (spending more than 1/3 of their monthly income on housing). It so difficult to get into housing right now that people will pay much more than 30% of their income for rent. She agrees that working with them to get them to a higher income level, 60% MFI is approximately a \$12 p/hr job and 80% is a \$15 p/hr job, that's still not a real living wage. Jean agrees with Betty and adds that there has been a survey conducted, by the Housing Development Center (HDC), of people in affordable housing in the City and the results did not find there was a high number of over-income, or even 60%, people in affordable housing. The HDC study found a number of people in 40 or 50 % units who were actually	

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	only earning 30% MFI through job loss or other factors , but had chosen to stay in their housing for the stability, but the rent burden for these people continues to grow higher. Elisa calls attention to the letter from Leah Greenwood, found here – letter 6. Leah made some strong arguments in favor of raising the TIF set aside to 50% - is former City staff and was charged with developing the original policy. Elisa states that she is not a fan of aggregating the 30% as one of the original advocates around the goal of 30% in each URA rather than the aggregate. She agrees with Leah that it is too easy to hit 30% in aggregate with just a couple of large projects without serving the original intention of the policy. She recommends that all the members read the letter and pay special attention to her recommendations. Rey wants to make sure there is time at the end of the meeting to take some action – he would like to make an attempt at introducing a motion. Jesse agrees and asks the Commission if they want to make a motion before or after public testimony. Everyone agrees to do it after testimony. Wayne asks if the TIF were raised to 50% where the additional 20% would come from. Matthew says that under the current policy structure the floor is separate from the individual URA targets. His understanding, though he would like to review it, is if the recommendation were to increase the floor the 20% would have to be determined in a different policy and move forward to City Council and that would be in deliberations between PHB and PDC on individual targets. Because individual URA targets are set within the policy as well as a part of the implementation plan. Jesse asks, but if we said it starts next year, that’s a very different conversation than having an implementation period over the next three to five years. To Wayne’s point there are all kinds of ramifications based on how it actually hits the ground. Matthew agrees and continues, that essentially it would be increasing individual targets in URAs to reach the 50% aggregate. That is what was done with the 30% aggregate which was setting targets in URAs so that the aggregate forecast reached the 30%. Jesse thinks some of the comments he is hearing are unique in that the 30% was, in some ways, implemented because the city’s housing goals weren’t matching up to actual TIF	

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	expenditures. In reaction, we made a floor of 30%. Now people are raising concerns and having conversations about who lives in our city and who is being priced out of URAs. That displacement question is perhaps the other question that should drive the money, not necessarily the percentage, but where is displacement happening and what are mitigating actions that can be taken and at what cost (which is probably above 30%). He wants to call attention to the context that the money decision was made for 30% set aside because housing goals weren't being met, but what happens when the conversation starts with how we get to the housing goals and then spend the money necessary, regardless of percentage. At this point everyone pretty much agrees that we can't get there without going above 30%. Elisa wants everyone to keep in mind the market conditions in 2006 looked a lot different and now it's important to look at whether 30% is the correct amount given our current market conditions. One of the driving factors that should be considered is, if the current policy is maintained is it being maintained because it works today.	
TIF Set Aside – Public Testimony	Jesse opens the floor for public testimony. <u>Administrative Note:</u> All statements made during the public testimony portion of the meeting have been posted to the PHAC page of the City's website in a single PDF form. The statements are posted in the same order in which they took place at the hearing. To access the public statements click this link or any of the links below, then scroll to the letter you wish to read. Brennan Meinke from the Metropolitan Alliance for Common Good (MACG) reads a statement found here – letter #1. Erica Spaet from MACG reads a statement found here – letter #2. Emily Davis from MACG reads a statement found here – letter #3. Rita Delamatre from MACG reads a statement found here – letter #4. Debbie Aiona from the League of Women Voters of Portland reads a statement found here – letter #5 Public testimony concludes.	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Unscheduled Agenda Item: Motion to Increase Set Aside Percentage See note in regards to this highlighted section on page 23.	Jesse opens the floor to allow the Commission to consider motions. He says this would be a good time to consider a motion given that the next hearing on the set-aside is intended to approve the final recommendations to City Council. Amy thinks we should first figure out how far along we are in the goals in order to figure out the best course of action. She feels it would be silly to make percentage increases without knowing how or why they are being made. She believes a motion should be made to do research on the issue first and then go forward after determining the percentages that would be proper for each URA. Jesse asks if there is a reason why September has been chosen for final recommendations and whether there is time to consider doing the research for which Amy is asking. Matthew explains that in the existing policy the date for review of the policy was to be completed by the end of June. In consideration of some of the URA changes that were happening, a resolution was sent to Council to push the deadline to the end of September. Any further changes would have to be revisited with the Commissioner's office given that the new date for the policy review is in the fall. Rey explains that at this time he would like to make an effort to introduce a piece of action for the Commission to consider. He prefaces by saying that this body has taken an oath and has the authority to act in the best interest of the City and to advise the City Council on matters that are important to the Commission members in the fulfillment of their duties. Rey intends to propose an increase to the percentage and introduce the basis of the action to be based on equity considerations and inclusion of a displacement analysis and mitigation plan for any project going forward. Rey explains he will make the motion off the top of his head and then the Commission members can weigh in with their thoughts on changes prior to voting. Rey moves that the PHAC increase the TIF set aside for affordable housing development from 30% to 50%, effective immediately. That PHAC and PHAC in its budget advisory capacity review this policy statement annually beginning in FY 16-17. <i>Additionally that the intent of the review and increasing the percentage is based on promoting equity and access to housing resources for the most vulnerable members of our community as well as to take affirmative action in mitigating displacement.</i>	

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	Jean seconds the motion. There is continued discussion back and forth between the members present to simplify and clarify the motion to get ready to vote. In advance of the vote Elisa addresses the public in attendance and says she is pleased that this conversation of raising more revenue for affordable housing is happening. She believes the recommendation to have the budget and reports made more accessible to the community is positive. She will not vote on today’s motion because of a conflict of interest with her position at Meyer Memorial Trust. The final wording of the motion proposed by Rey España and seconded by Jean DeMaster is as follows: To Recommend to the Housing Bureau, Commissioner Saltzman, and City Council that in order to promote equity and prioritize vulnerable populations the City should modify the current Tax Increment Financing Set-Aside for Affordable Housing Policy and Implementation Guidelines to include/address the following: •Establish a 50% tax increment financing set-aside for affordable housing minimum, in aggregate, across city urban renewal areas •Retain current income target guidelines •Require any private redevelopment entity receiving public fund to complete an analysis of displacement impacts (optional for redevelopment that does not include public funds) •Require that the Portland Housing Advisory Commission review the implementation of the tax increment financing set-aside for affordable housing policy annually as a part of the budget process PHAC unanimously supports the motion after a roll call vote by Chair, Jesse Beason. Vote results: <table><tr><td>Daniel Steffey</td><td>Yes</td></tr><tr><td>Amy Anderson</td><td>Yes</td></tr><tr><td>Wayne Miya</td><td>Yes</td></tr><tr><td>Rey España</td><td>Yes</td></tr><tr><td>Tom Brenneke</td><td>Yes</td></tr><tr><td>Jean DeMaster</td><td>Yes</td></tr><tr><td>Elisa Harrigan</td><td>Abstain</td></tr><tr><td>Betty Dominguez</td><td>Yes</td></tr></table>	Daniel Steffey	Yes	Amy Anderson	Yes	Wayne Miya	Yes	Rey España	Yes	Tom Brenneke	Yes	Jean DeMaster	Yes	Elisa Harrigan	Abstain	Betty Dominguez	Yes	PHAC should consider in advance of the final recommendations to council whether or not to recommend the TIF increase in aggregate or in individual URAs.
Daniel Steffey	Yes																	
Amy Anderson	Yes																	
Wayne Miya	Yes																	
Rey España	Yes																	
Tom Brenneke	Yes																	
Jean DeMaster	Yes																	
Elisa Harrigan	Abstain																	
Betty Dominguez	Yes																	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
NOTE	Maxine Fitzpatrick Yes Nate McCoy Yes Dike Dame Yes Members absent at time of vote: Andrew Colas, Stephen Green, Cobi Jackson, Deborah Imse, Sarah Zahn NOTE: At the PHAC meeting of 9/1/15 Dan Steffey noted that the highlighted section of page 21 of these minutes not be forgotten as we go forward with TIF discussions. He suggested that the highlighted portion be included in the final recommendation to City Council.	
For the Good of the Order	No further announcements. Jesse adjourns the meeting.	