



PORTLAND HOUSING BUREAU

Portland Housing Advisory Commission
Tuesday, September 1, 2015
3:00 p.m. – 5:00pm
Portland Building, Room C
1121 SW 5th Ave.
Portland, OR 97204

✓ = PHAC public member action item
▶ = PHB staff member action item

September Meeting Minutes - FINAL

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

Members Excused: Andrew Colas, Deborah Imse, Sarah Zahn, Elisa Harrigan

Staff Present: Matthew Tschabold, Cheyenne Sheehan

Guests Present: Dan Saltzman, Tom Kelly, Patrick Quinton, Kimberly Branam, Justin Douglas

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Welcome & Review Meeting Minutes	<p>Jesse opened the meeting by addressing the public to let them know there are signups at the back for testimony as well as meeting materials. He also announces an adjustment to the agenda welcoming Commissioner Dan Saltzman who will speak briefly.</p> <p>The August meeting minutes were then reviewed.</p> <p>Dan Steffey had a clarification for page 17 of the August minutes. He clarifies that his comment regarding tenants of low income housing 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.</p> <p>Dan Steffey also noted that the highlighted section of page 21 of the August minutes not be forgotten as we go forward with TIF discussions. He suggested that this highlighted portion be included in the final recommendation to City Council: <i>Additionally that the intent of the review and increasing the percentage is based on promoting equity and access to housing</i></p>	

	<p><i>resources for the most vulnerable members of our community as well as to take affirmative action in mitigating displacement.</i></p> <p>Jesse asks if there is a motion to approve the August minutes with these slight amendments. The motion is made and seconded and minutes are approved by the Commission.</p>	
<p>Unscheduled Agenda Item: Remarks by Commissioner Saltzman</p>	<p>Commission Dan Saltzman welcomes the new members of the PHAC and the new Executive Director of PHB, Kurt Creager. He thanks the PHAC on behalf of himself, and Mayor Hales, for the recommendation to City Council to increase the TIF Set Aside from 30% to 50%, he adds that that is a thought provoking recommendation. He says that the Commission will hear from PDC today and that many in the PHAC and the public attendees will learn a lot more about Urban Renewal during PDC’s presentation. He welcomes Tom Kelly, the Chair of PDC, and PDC’s Executive Director Patrick Quinton. He also thanks the public for their attendance. He adds that the recommendation from PHAC got the attention of City Council and he sets out the schedule for City Council’s review of the TIF Set Aside policy. He expects recommendations from PHAC and PDC to the City Council by the end of September. Because this is an important issue and the set aside policy has not been reviewed since it was established in 2006 this is a very important Council action and they want to make sure PDC has an adequate chance to weigh in along with the PHAC. City Council will have a work session on this on October 13th and Council action on October 21st. That is when the Council will review the set aside policy and make any changes. He thanks the PHAC for looking out for many Portlanders in need of affordable housing</p>	
<p>Public Testimony: TIF Set Aside</p>	<p>Jesse opens the public testimony portion of the meeting saying that there will be about 30 minutes of testimony before the PDC/PHB presentation and discussion. At the conclusion of those portions of the agenda, the floor will be opened again in the remaining time for additional testimony as needed. He asks that comments be limited to three minutes.</p> <p><i>Administrative Note:</i> <i>All statements made during the public testimony portion of the meeting that were accompanied by a written statement 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.</i></p> <p>LaVeta Gilmore Jones from the Metropolitan Alliance for Common Good (MACG) reads a statement found here – letter #1.</p> <p>Lisa Miller of MACG and a member of the OHSU Health Equity Circle reads a statement found here – letter #2.</p>	

Lisa Miller of MACG reads a statement on behalf of Kate Dickerson, a patient advocate and a board member at OHSU/Richmond Clinic, found here – [letter #3](#).

Martha Martinez of MACG reads a statement in Spanish translated by Crystal Perez of MACG found here – [letter #4](#).

Beverly Logan of MACG reads a statement found here – [letter #5](#).

Leah Greenwood of Halstead Greenwood Consulting reads a statement found here - [letter #6](#) , and provides supplemental materials on the TIF.

Grace Reed is a community elder, housing advocate, and a broadcaster for KBOO radio emphasizing disability awareness. She is representing herself, Home Forward, and Elders in Action with her testimony. She did not provide a written statement – she lives in downtown Portland. Her statement, in summary, is as follows:

Grace congratulates the PHAC for caring about affordable housing and making the recommendation to raise TIF to 50%. She emphasizes that homelessness is a disability. She believes that there is a current housing crisis in Portland and doesn't believe that putting \$55M of public funds into the convention center for sports activities is civically responsible and housing our citizens should be of a higher priority than sports. She believes raising TIF to 50% is an absolute necessity minimally, but thinks it should be even higher – it is not only essential, it is the right thing to do. She asks the City to do the right thing.

She adds that she has lived in the St. Francis Apartments downtown for 14 years and is a responsible rent-paying tenant with a master's degree in conflict resolution – she is a contributing citizen of the City of Portland. She is not retiring, even at 73, because she has MS and must still work. She believes the heart of the City is being lost when people like her are displaced from their homes and communities.

Elders like her, with disabilities and fixed incomes, aren't well able to cope with constant rent raises and the threat of displacement. When their rents are raised they have to cut costs somewhere so it comes out of their groceries, medical care, prescription drugs, etc. When her rent was raised \$50 per month by Home Forward, she took the difference out of her food budget. Six months later they raised her rent by another \$50. She calls this terrorism – having MS and all the additional stress she was afraid she would end up in the hospital or dead due to the increased stress and anxiety of not knowing where this money would come from, and knowing she had to keep a roof over her head. She went to City Council with her advocate from Elders in Action and her rent was lowered, but it took too much stress to get that done. She doesn't think that the elderly should have to bear the

	<p>burden of increased rental costs when there is public money available to subsidize these increases. She thanks the PHAC for letting her speak and for the work they are doing to increase funds for affordable housing development.</p> <p>Joanne Herrigel is the Civic Involvement Coordinator for Elders in Action – she is also a staff person on their 21-person commission. She did not provide a written statement. Her statement, in summary, is as follows:</p> <p>Elders in Action’s personal advocate program receives about 250 calls per month from older adults (between ages 70 – 90). These calls cover a variety of issues, but lately about 50% of these call are about housing, and specifically no-cause evictions and rent increases. They are at a loss of what to tell these citizens. She thanks the PHAC for their work and asks them to go forward with their recommendation to increase TIF to 50%.</p> <p>Susan Medar is a Commissioner with Elders in Action and chair of their Housing Committee. She did not provide a written statement. Her statement, in summary, is as follows:</p> <p>She is an extremely low income senior and about five years back she was living in a rented room in someone’s house. After the first year they raised the rent to more than her income and she had to move. She went to NW Pilot Project for help at that time five years ago and she was on a waiting list for two months. Now the situation is much different for seniors with waiting lists of two years or more.</p> <p>Because she now lives in housing for which she pays only 30% of her income for rent, she is able to be a contributing productive member of society and not a burden. She volunteers 30 hours a week with multiple organizations and she is able to give back to her community. She is a person of worth in her community. Having stable, affordable housing, provides that to her. She is testifying today because she wants other seniors, some homeless, many on waiting lists, to have the affordable housing needed so they can be contributing members of their community as well. She wants to take to TIF to 50%.</p> <p>Jesse announces that the public testimony portion will close for now, but there will be more opportunity to testify before the meeting adjourns.</p>	
<p>TIF Overview and Status</p> <ul style="list-style-type: none"> • Joint Housing Bureau and Portland Development 	<p>Jesse introduces the next agenda item. Patrick Quinton, Executive Director of PDC takes the floor. He, Kurt Creager Executive Director of PHB, and Javier Mena, Assistant Director of PHB will walk through a presentation. Before getting started he wants to thank PHAC for inviting</p>	

<p>Commission presentation</p>	<p>PDC to present their information and participate in the conversation. He introduces his boss, PDC Chair Tom Kelly, and asks if he would like to share some remarks.</p> <p>Tom Kelly remarks that at PDC there are five Commissioners besides himself. They will be looking closely at the TIF to 50% question at their next meeting. He is taking today's meeting as an opportunity to listen and learn and hear what everyone has to say. Tom explains that Patrick and his staff will be presenting some numbers today that are important to the discussion.</p> <p>Patrick begins by saying they will be getting deeply into numbers and the priorities that currently exist in the different Urban Renewal Areas (URAs). He opens his presentation which can be found at this link with the schedule for the review process and next steps. The Set Aside Review Process is as follows:</p> <p>September 1 – Discussion with PHAC</p> <p>September 9 – PDC Board Discussion; they will discuss the issue with the PDC Board and at that time they will present potential scenarios for reallocating the dollars they currently receive.</p> <p>October 6 – Final PHAC Check-in – between the September 9th PDC Board meeting and the October 6th PHAC meeting, based on direction from PDC's board discussions he hopes that PDC and PHB staff can work through a number of potential recommendations that PHAC can review at the October 6th meeting.</p> <p>October 13 – City Council Work Session</p> <p>October 21 – Report to City Council</p> <p>Patrick thinks it's important to give PDCs board an opportunity to see and discuss all this information before speaking specifically about solutions</p> <p>Slide 3 of the presentation provides a summary of how the set aside is projected to work over the next 10 years. He explains that the set aside is a roll-up of how housing is allocated across all of Portland's URAs. These dollars must be spent within very specific geographic areas, URAs and the dollars must be allocated for those areas only. Each of the URAs has a separate target based on the circumstances within that particular URA, in some cases it's above 30% and other cases below 30%. The numbers currently roll up to an aggregate of 34% over the life of the set aside. The set aside has worked and it's projected, under the status quo, that by the end of the URAs to average out to about 35%.</p>	
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Slide 4 looks at the status quo of 30% set aside compared to a 50% scenario. This shows that by the end of the set aside as it currently exists the aggregate will be at 35% - using a 50% set aside model it will be at an aggregate of 41%. The actual amount of dollars that would be added for affordable housing development by increasing the set aside for the remaining 10 year period to 50% would be \$82,728,626.

Slide 5 shows maximum indebtedness by each URA. It is referred to as maximum indebtedness which is the authorized amount that the City can borrow in that URA – it is different by each URA based on the size of the URA and the amount of assessed value. The City borrows based on projected growth and assessed value, the taxable value of property within each URA. It varies by district – on the slide you can see it in rank order beginning with the River District (generally thought of as the Pearl), Interstate Corridor, North Macadam (South Waterfront), Lents Town Center, Convention Center, Downtown Waterfront, Gateway Regional, South Park Blocks (area around PSU), Central Eastside and the last bucket of URA’s referred to as NPIs or Neighborhood Prosperity Initiative Districts which are small, mainly commercial districts primarily in East and outer NE Portland that generally receive very little TIF.

He continues that just because a URA has an authorized level of debt doesn’t mean that it can actually be achieved at that level. It requires the City to generate assessed value to support that debt. The graph shows, in the black part of the line the debt that has already been accessed, the grey part of the line is what is projected to be accessed, and the white part of the line is amounts that it’s currently projected will not be accessible for various reasons. He uses the example of the River District – there was roughly \$500M available to borrow and they project they will be able to borrow all of those available dollars because the assessed value is either in the district now or there is projected growth to support those dollars. Anywhere on the chart that the line is either all black or black and grey they project that they will be able to access all that debt. Where you see white, it means, at this current time PDC doesn’t see us being able to access that indebtedness – that’s because there is an assessed value in the district that is lower. Those who manage the City’s borrowing and underwrite the bonds are the people who set those criteria.

He makes the point that in North Macadam, Lents, and Gateway, it is not currently projected to reach maximum indebtedness. The only way to get there is through taxable investments. The key to tax increment, is investment to grow the tax base and create dollars that can then be spent on other things. There is always a balance between taxable investment and non-taxable investment, oftentimes investments in affordable housing are not taxable investments. Investments in public institutions like parks and infrastructure are also not

taxable. In the following slides they will show an intentional set of priorities designed to increase taxable investment to unlock additional dollars.

Slide 6 shows how City Council, over the past nine months, has spent a good deal of time reviewing urban renewal and making significant changes to current urban renewal policies. Primarily in Central City districts (like River District, Central Eastside, South Waterfront), the City's overall goal was to reduce the impact of urban renewal on the City. When urban renewal is in place it is paid for by taking property tax dollars that would otherwise go to the City/County/Schools and other jurisdictions who receive property tax revenue. There was a desire to reduce that impact and release dollars back to those taxing jurisdictions – that change happened and released actual dollars in the 2015-2016 fiscal year back to the city and other jurisdictions so they could spend through the general fund budget – significant dollars have been released for spending over the next 30 years.

He continues that during this process the city also wanted to preserve the existing priorities and investments in affordable housing as well as redevelopment and economic development objectives. Those conversations were primarily focused on the Central Eastside, Old Town, and South Waterfront.

Slide number 7 shows PDCs strategic plan – they view their role within the City Bureaus to be about promoting job creation and prosperity throughout the City. They understand what is happening in the city around income inequality and wealth disparity and their strategic plan is designed to directly impact those disparities and create opportunities for people of color and those in disinvested communities so they can find jobs and start businesses. PDC believes this is a valuable part of the equation for people affording rents and buying homes. If anyone would like more information on PDC's 2015-2020 Strategic Plan, it is prominently displayed on their website at the following link:

http://www.pdc.us/Libraries/Document_Library/PDC_Strategic_Plan_pdf.sflb.ashx

Patrick continues that he will now go over URA highlights and he will ask Javier Mena and Kurt Creager of PHB to jump in as needed to discuss existing and planned affordable housing in each URA.

Slide 8 shows the North Macadam URA – in Spring 2015, after very robust discussions, City Council programmed the remaining dollars in this district. This happened as a result of the desire to extend the life of the district and expand its boundaries. Much of the non-housing dollars are designed to support the development of OHSU's campus, development of the last large tract of privately owned land, and make the necessary investments in open space and infrastructure also to make good on the city's commitments to the growth of the area around

the PSU campus. The set aside was also increased for affordable housing to 42% for North Macadam URA. In order to achieve the dollars for affordable housing it is critical to support private development. There is a balance that has to be achieved between private development and non-taxable development.

Kurt adds that he would like to frame the question a little before Javier explains the affordable housing elements in North Macadam. Kurt is new to Portland, but not to affordable housing – he has been doing this work for many years. He last worked in Fairfax County Virginia whose annual budget was \$117M and they did not have TIF, so he is learning about the TIF structure. He started at PHB the week after PHAC made the recommendation to raise TIF to 50%. In looking at the pipeline, what \$83M buys given current 2015 development costs is 830 additional affordable units. He believes this should be put into the larger context being mindful that TIF moneys can only be spent in 15% or less of the City. Those 830 units would be distributed only within URAs, if the money is awarded by City Council. He adds that it's PHB's goal in concert with Commissioner Saltzman and the Mayor's Office, that PDC and PHB have a unified recommendation before council. He does not believe it does the Council any good to have a divergent opinion between these agencies about how to proceed. Javier Mena is directly involved in underwriting all of the current PHB projects and he will speak specifically about those projects by URA.

Javier wants to show the opportunities and challenges to creating affordable housing by URA. For North Macadam there was an URA amendment and due to push back and support from PHB's affordable housing partners, some changes were made, specifically in the North Macadam URA. Those changes include a Request for Proposal (RFP) that went out for parcel three of \$19M committed for redevelopment. There was a commitment to acquire the ZRZ property, and there is a TriMet owned property in the URA that is being looked at for acquisition. There is also a PBOT property where there may also be opportunity. While there is a commitment of \$47M for affordable housing in this URA, he isn't sure that it's enough to develop what is needed there.

Slide 10 shows the Central Eastside URA. Patrick states that this is primarily commercial industrial land. The district was set up to enhance that history and significant dollars have been invested for infrastructure and greenspace (the Esplanade). City Council amended the boundaries on this URA and affirmed the priorities of development and added a significant parcel of land with both publicly and privately owned land, to the boundary. If there is residential allowed within that triangle, it will be developed along with commercial development. The rest of the commitments PDC has relate to sites within the district that are intended to promote job creation – it is already the densest job district in the city and

possibly in the state. PDC believes this district can go from 17,000 jobs in the area to over 30,000 jobs in the next 15 years and job growth is PDC's main focus in this district.

Javier adds that PHB is moving forward with the St. Francis site. They are also very interested in maximizing the Clinton triangle using the limited funds available.

Slide 11 shows the South Park Blocks URA – Patrick explains that this is one of three URAs that are basically closed, meaning that no new debt is issued. Anything happening in these districts is based on existing resources and assets for the area. This URA spent about 60% of its dollars on affordable housing with the exception of some dollars set aside for business loans, the remainder of the existing money in the URA will go to affordable housing.

Javier adds that PHB is projecting to issue a Notice of Funding Availability (NOFA) in October 2015 that will include all the remaining resources available for area development, including PHB owned property.

Slide 12 shows the River District URA – this is the largest URA and always the subject of significant discussion as it has the most debt capacity. As a result, this district has the most competition for dollars and many existing projects. Each of the key priorities on the slide are either commitments or Council or PDC board approved priorities. As an example, the Old Town Chinatown Action Plan is a five year plan that has been before PDC's board and City Council and committed to spend a certain amount of dollars over the next five years to redevelop what is considered by many to be one of the city's priority neighborhoods. Most of the other priorities on this slide show the commitments in dollars that have already been made. As for the Broadway Corridor/USPS acquisition – this is being actively considered by PDC and there are dollars in the long-term forecast allocated to the acquisition. PDC believes that while the acquisition itself is not a set aside expenditure that the city has the opportunity to take into public ownership, 14 acres of land near downtown be used for a variety of purposes, including open space and affordable housing that would otherwise not be available. There will be more opportunity for conversation and public input regarding how this land will be used.

Javier adds that PHB has a couple of project happening in the River District URA but he would like to focus on preservation. PHB currently has three buildings (Medford, Royal Palm, and Fairfield) that house a population that is not easy to relocate, but there are seismic and rehab issues that must be addressed in those properties which will take more than the \$27M currently available.

Slide 13 discusses the Downtown Waterfront URA – debt issuance ended in this district in 2008. The money available comes from existing resources that have either never been spent or recycled in some way. Much of the remaining dollars in this district have been allocated to the Old Town Chinatown Action Plan – Council has committed nearly \$50M toward this plan. Of the issues that impact spending in this area and within the action plan, seismic issues are the most pressing. Thousands of commercial buildings downtown are safety concerns in the event of seismic activity. The work required to make these buildings safe is a public obligation and cannot be addressed by private investment only.

Javier adds that in downtown waterfront, through the set aside there is \$2M available, but there is more available through repayments of loans that have been provided throughout the years. This creates a pool of funds that will be made available through the October 2015 NOFA. The PDC owned parcel on 3rd and Oak is of interest to PHB because of those additional resources that will allow us to explore the idea of additional affordable housing.

Slide 14 discusses the Oregon Convention Center URA – this is the third of the districts where debt issuance has ended as of 2011-2012. The biggest line item remaining in key priorities shown is the \$23M allocated for Veterans Memorial Coliseum. In the last budget this item was expanded in order to be used more broadly in the district, most likely within the Rose Quarter. There was a recent news story around the Coliseum and what it would take to bring that facility to a more usable form and attract more events – it's a large price tag for the city. PDC is also committed to spending \$4M on the Convention Center Hotel – some of these go beyond priority to commitments made to partners for completion of these projects.

Javier adds that the affordable housing dollars in the district are being used. PHB is breaking ground on the Miracles Central project. PHB also owns a parcel in block 45 that will eventually be developed – the remaining resources available would be limited to potential development of that land.

Slide 14 discusses the Gateway URA – this is a district that needs to experience more private development in order to access additional resources authorized for the district. PDC doesn't believe the Gateway URA will ever reach maximum indebtedness, but they continue to work on different strategies to increase commercial activity. Most of this is focused on the Halsey/Weidler commercial corridor. There is also a PDC owned property on NE 106th and Halsey that will be the focus of an RFP for affordable housing in conjunction with PHB. Patrick believes there is additional capacity in Gateway even though it is a small URA. He adds that on 9/2/15 they are bringing together PDC's two budget advisory committees, one based in the central city the other neighborhood based, and they will be asking those representatives

from Gateway and elsewhere what they believe are the priorities for the area, given the need for more affordable housing. He believes that for Gateway, job creation and private development goals are well aligned with affordable housing given that the market for housing is currently affordable in that area. PDC will promote mixed use development and promote affordable housing.

Javier adds that PHB has spent some of the set aside in Gateway toward affordable housing – there are two projects that have been developed. The rest of the limited resources have been targeted toward home ownership and home repair. The PDC owned site on NE 106th provides an opportunity to look at providing more affordable housing.

Slide 15 discusses the Interstate URA – this is a large URA in both size and resources. PDC believes a positive is there are not a lot of redevelopment projects in this URA that are tying up significant dollars which offers an opportunity to discuss what role this area plays in adding to the supply of affordable housing. Many of the dollars in PDC's forecast are in important programs designed to promote business ownership and commercial real estate ownership to generate more economic activity. PDC is putting \$8M into the Daimler HQ expansion and the rest of it is being invested in strategic streetscape improvements, and much of it is in programs rather than specific projects.

Javier adds that in regards to affordable housing in this district, the demand is much greater than what is currently available. Currently the bulk of the dollars are in homeownership programs, home repair, home retention, and anti-displacement. PHB owns two sites, Grant Warehouse and King Parks and there is other property owned by the County and TriMet that there is interest in developing for affordable housing. There is \$3M that has been set aside for land banking – once the property is purchased it will be developed. Through PHB's engagement with the community there are development opportunities with community members and non-profits who are looking to develop land they own in the community.

Slide 17 discusses the Lents URA – many of the current projects are focused on the Lents Town Center and there are a number of projects moving forward. These are mixed use projects in partnership with PHB. The key priorities on this slide are a combination of set aside and non-set aside dollars. In the latest analysis Lents does have some excess capacity available in the town center. Patrick looks forward to ongoing conversation about long term priorities in Lents and hearing what the neighborhood community members have to say about what is important to them over the course of the budget advisory meetings and over the next month. There is significant set aside flowing into these projects in the town center

that have bumped up the near-term expenditures on the set aside. Those increased numbers are contributing toward current set aside numbers, but there is still capacity in the long term.

Javier adds as PHB looks at that capacity it sees an opportunity to use that increased capacity to outlay money toward affordable housing development this year through our NOFA. As well as the other projects PHB has committed to which are outlined in the slide.

Slide 18 discusses the Neighborhood Prosperity Initiative Districts (NPIs) – these have no housing component and are focused on commercial districts. The dollars are very small in comparison to other URAs, they do not even support the current commitments PDC has made in these districts so they augment TIF dollars with revenue sharing dollars from the city/county as well as general fund dollars. These areas highlight the limited coverage of urban renewal, less than 15% of the city, and other neighborhoods have projects they would like to do to improve their neighborhoods, but there are no resources for that kind of work outside of URAs.

Patrick adds before he moves on, he wants to address the point that Leah Greenwood mentioned regarding contingency dollars. These are dollars that are left at the end of each year that roll over to the next year. There is contingency left at the end of PDC's five year forecast but it may be for programming beyond the five year window.

Patrick continues with slide 19 – this slide highlights the downward trend of TIF as the various URAs hit maximum indebtedness. He stresses that this is a pot of money that is disappearing and everyone should be concerned about how it's spent. PDC is actively engaged in a process to figure out where continuing funds for the work that they do around economic development will be supported in coming years. Kurt is thinking about what PHB does and how it will adjust as these dollars disappear. Patrick believes there are probably different solutions for each agency, given their different goals. He hopes that the PHAC and the public will stay engaged in that part of it as well, because support is needed to make the case for new resources. Currently everyone is fighting over one pie and it's necessary to think about how to allocate and find additional resources. The current conversation is what happens after 2025 - the situation will become dire if nothing is done.

Slide 20 is a map that shows in orange the 15% of the city that is covered by URAs right now. If your community is outside the orange areas on the map, there are no resources available.

Slide 21 shows the decline in URAs by 2021-22.

Slide 22 shows the decline in URAs by 2024-25. By that time every agency is battling for a very tiny piece of what is left in the North Macadam URA, which is the only one left. <laughter from public attendees> Not only do the dollars run out, but the dollars that are left can only be spent in that area. Tom Kelly, Dan Saltzman, and Kurt Creager are all focused on addressing this issue. PDC and PHB each need the help of the public to figure out how to move forward and fund community and City priorities.

End of PDC presentation.

Jesse thanks Patrick and Javier and opens the floor to questions from the PHAC.

Amy comments that finding new revenue streams is critical and she wonders with the legalization of recreational marijuana sales come October 1st, if that is a potential revenue producer that can be considered in the development of affordable housing.

Patrick answers that that is not currently under consideration. He has been asked the question before, but he doesn't see that as an option.

Betty thanks Tom Kelly and Patrick Quinton for attending and offering this presentation. While the presentation brought up several questions for her, she was also struck by the schedule that has been presented for the review process and next steps. She is concerned that there will be ongoing PHAC discussions, and ongoing PDC discussions, but no joint discussions are scheduled. She believes that the current housing crisis is a responsibility that falls to both groups and they should be working collectively toward solutions. Housing is focused on livability – safe, affordable, decent housing. PDC is focused on prosperity which feeds into housing in terms of job creation and living wage jobs. She proposes that there might be some way the two commissions can have a work group get together for a joint conversation before the TIF goes to City Council.

Betty adds that the \$82M that was discussed in the presentation which would develop roughly 830 new units, she understands those can only be built in URAs, but that is still 830 units for families and seniors and disabled citizens that won't exist otherwise and are needed. While she understands the URAs are limited to 15% of the city that fact does not absolve anyone of the responsibility to continue to look for additional resources to fund housing in other parts of the city. <applause from public attendees>

Patrick responds on the issue of the joint meeting. In terms of being responsive from a timeline perspective, scheduling would be difficult. PDC has a board meeting on October 14th, but he thinks they can think about setting up a task force. The goal is to pass something as a

joint recommendation to Council (as Kurt mentioned) – it’s not meant to be two different perspectives.

Betty responds that for a joint recommendation, a joint conversation is needed. <laughter & applause from public attendees>

Dan recognizes that non-housing TIF needs to generate increment to pay the debt. He asks whether the savings that might occur to the overall system by investing TIF money in services, like buildings for non-profits, decreases the number of people entering the social service delivery system, and could be considered as an income producer in much the same way as traffic improvements are considered an income producer for TIF.

No responses are recorded.

Jesse asks whether there are additional comments or questions from PHAC.

Jean asks for a point of clarification on the \$82M for approximately 830 new units. She assumes there are additional funds for renovation of existing units, particularly renovation of substandard units. She asks if that is a correct assumption.

Kurt responds that within PHB there has been modeling of the whole pipeline. The current pipeline includes 1,100 affordable units, many of which Javier mentioned during the presentation. They are in various stages of development i.e. negotiation, awaiting development & disposition agreements, securing final financing etc. Some of these units are mixed income, which Leah mentioned. In addition there are another 240 market rate units in various projects creating dynamic neighborhoods – total pipeline units are 1,340. An \$83M increase in today’s dollars at today’s costs, will produce 830 units which is about a 62% increase. PHB is assuming some declines in HOME and CDBG funding due to assumed senate budget cuts, but these are funds that would be available for renovation and building stabilization. PHB is bringing forward a series of different revenue packages for Council discussion including developer incentives for new production. The PHAC would be a good place to get into the fine detail of that and recommendations moving forward. He adds that Jean’s assumption is correct and some of preservation currently underway is funded. The seismic repairs that Javier mentioned are currently unfunded and the bureau has been looking at ways to recapitalize existing projects and use those projects’ equity to fund seismic improvements.

Jesse asks Patrick about the obligations and priorities of PDC’s budget. He understands the priorities are ultimately set by City Council as well as stakeholders and interests who lobby

City Council for project priorities. He asks Patrick to discuss, how it's possible to change priorities that are not yet obligations, since obligations are not changeable. He is interested in PDC's approach to these issues.

Patrick responds that PDC will present to their board, scenarios that reflect PDC's current commitments and priorities. They start from the assumption that priorities have already been expressed by the board and based on what has not been programmed in some specific way, but if different ideas are brought before the board, they are discussed. Sometimes in the course of a board meeting someone may question existing priorities and whether they are still valid, which can bring about changes to current priorities.

Tom adds, speaking in the spirit of the PDC Commission, they support doing as much as they can to support having affordable housing addressed in balance with all of their other existing priorities.

Jesse asks when the NPI's districts came forward it was a pretty easy decision by PHAC to say no, that given the targeted focus on economic development in a small geographic area, the Commission agreed that talking about the set aside in those districts didn't make sense. But Rey made a point at the last meeting, which Dan reiterated today, that there is the concern, in some URAs and other parts of the city, about displacement. Jesse wants to know if it's possible to have economically focused URAs (NPIs), is there also a conversation that can be had about having displacement focused URAs, and when this becomes enough of an issue to a community that it's worth a conversation. <applause from public attendees>

Patrick says he agrees – they are under-resourced in key areas that are experiencing displacement pressure right now and much of it is in outer NE and East Portland. PDC would love to be talking about how to bring more resources to bear. Through a general fund request PDC asked for money to begin a commercial community development fund designed to help communities with commercial real estate projects. There was also talk on the PHB side around getting general fund money for residential land acquisitions. PDC is attempting to cobble together resources outside of URAs because there just aren't enough resources. Because of PDC's economic development focus, they think of commercial affordability as one of the key issues in displacement in addition to residential affordability. There are many issues with creating a new URA, but that is one approach.

Jesse reminds the commission that there are about 20 minutes left of meeting time. He wants to leave time for the commission to have some conversation, recognize and discuss the

	<p>motion passed at the previous meeting, and revisit the wording of the motion if the group deems it necessary. Also, there are additional public attendees who would like to testify.</p> <p>Stephen believes there are a number of bureaus who are missing from the conversation. PHB and PDC don't own a lot of properties and in URAs like Interstate and Lents there are other bureaus who own large properties that are currently underutilized and could be developed. He wonders what PDC and PHB are doing to bring other bureaus into the conversation regarding the current housing crisis and affordability and bring these bureaus with property into the discussion ASAP. <applause from public attendees></p> <p>Patrick answers that he thought something came before Council on surplus property for housing recently.</p> <p>Javier adds that housing would be a priority in developing surplus property.</p> <p>Stephen asks who decides what is surplus.</p> <p>Javier answers it's for each bureau to decide what is surplus. Once that determination has been made, PHB staff, Kurt, Matt, and himself have been working with the Office of Management and Finance (OMF) to strategize while looking at all the City owned properties and the prospects of housing development at those sites and what resources are available for developing those sites.</p> <p>Dan asks if that can be expanded to include all publicly owned property.</p> <p>Javier answers it needs to be taken one step at a time.</p> <p>There are no other questions.</p>	
<p>TIF Set-Aside for Affordable Housing Policy Next Steps</p>	<p>Jesse reiterates that at the last meeting a motion was passed unanimously to recommend an increase to the aggregate of TIF set aside to 50%. Given the information that was presented by PDC today, he asks the commissioners if they would like to amend the motion in any way.</p> <p>Dike comments that if the PHAC hadn't made the motion at the last meeting, the current meeting wouldn't be taking place, nor would the information presented today by PDC have been communicated. He has expressed in previous meetings that he doesn't want to be a "rubber stamp" and unless he feels like the PHAC can be a force for change, he doesn't want to continue to serve. He believes the timeline for reaction and discussion on this issue is way too short which doesn't allow sufficient opportunity to think through the issues and be</p>	

creative in looking at opportunities. He has no interest in changing the motion, if for no other reason than to force more conversation.

Betty agrees with Dike. She likes the motion as proposed and doesn't see a need at the present moment for changes or modifications. That could change if there is an opportunity for joint conversations. She also agrees with Dike that the schedule is very fast and wonders if it can be pushed back due to the serious nature of the issue.

Jean agrees that the motion for 50% set aside should be kept as-is. There is a crisis in affordable housing and unless the goal to 50% is kept it would be easier to fall further behind in affordable housing goals. She adds that the commission and PDC heard person after person testify that there is not enough affordable housing and we need the higher standard to get there. <applause from public attendees>

Jesse asks if anyone would like to voice an alternate opinion.

Betty says no and then adds that the housing crisis is affecting people across several income bands, it's not just the very low income folks. The very low income people really need the help because they don't necessarily have other advocacy – middle income people are struggling and they have resources and means to help them resolve their situations, but lower income residents do not.

Rey comments that what is evident today is there are a lot of moving parts related to housing. He feels this is just one step in the right direction to begin to exert the necessary pressure on the City and stakeholders to look at as many solutions as possible like surplus properties. He also believes looking at the costs of accessing housing should also be looked at closely. He feels comfortable with the motion as it is. He wants to reiterate creating housing is going to require additional and new revenue – so while it's a matter of increasing units, it's also a matter of finding revenue to sustain efforts.

Dan wants to underscore that we have lost sight of Rey's initial thought about social equity and inclusiveness. He wants to make sure that idea is not lost in the larger discussion of the set aside amount going forward. He fully agrees with everything that's been said in support of the motion he just wants to make sure to stay on track regarding social equity and inclusiveness.

Nate adds that it's important in this discussion of prioritizing housing that the work force not be forgotten. There's youth and many adults who don't have jobs. He thinks many of the housing providers in the room could benefit by talking to residents of low income

	<p>housing about job opportunities, making sure that as these new projects are built it's not forgotten that the people residing in these units may need jobs as well. The construction industry, the professional services industry ... he believes there should be more focus on apprenticeship opportunities so that it's not just housing that's being provided but stabilization of the economy and helping people get jobs. <applause from the public attendees></p> <p>Amy wonders if it's possible to develop on commercial properties what she calls a "working hotel methodology". This is where folks can have single room occupancy (SRO) and work onsite to develop the property and it's all contained within the property to provide living accommodations and jobs while not being completely responsible for the expense of a one-bedroom or two-bedroom unit. She asks if it's possible to develop some kind of working living structure on commercial property in the URAs.</p> <p>Patrick responds that it's an idea they would be happy to look at – he hasn't seen any proposals like that come to PDC.</p> <p>Amy responds that she is trying to come up with ideas and solutions to see if it's possible to somehow use commercial property in a multi-purpose method that fits requirements while also meeting the needs of very low income people who could never afford 60% MFI rents in their lifetimes. She thinks a complex of 100 or 200 SROs could be the answer – she believes people would be happy just to get off the street. And if it's possible to attach a restaurant or some other work opportunity so it becomes a working element of the community. That's her vision and her dream. <applause from public attendees></p> <p>Jesse recaps that there was no interest in amending or changing the motion in anyway, but he did hear there was interest in amending the timeline for continuing conversations with a focus on time for joint conversation between PHAC and PDC. He wants to use the remaining time for people who have come to give public testimony to do so. He invites commissioners to take any other action, if warranted, at the end of the meeting.</p> <p>Betty adds Nate's comment and emphasizes the importance of workforce housing and recognizing that it exists at both ends of the income spectrum. People who are working and making \$10 - \$15 per hour qualify for affordable housing and are considered low income, and minimum wage equals a 30% MFI at full time.</p>	
<p>Unscheduled Public Testimony</p>	<p>Jesse invites the remaining public attendees waiting to testify to do so.</p>	

Administrative Note: All statements made during the public testimony portion of the meeting that were accompanied by a written statement have been posted to the PHAC page of the City's website in a single PDF form. The statements are posted in similar 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.

Debbie Aiona of the League of Women Voters of Portland reads a statement found here – [letter #8](#).

Shari Addis, a member of the Confederated Tribes of Siletz Indians testifies. She did not provide a written statement. Her statement, in summary, is as follows:
She manages their Portland area office which has been in existence since 1986. They provide social and housing services for Native Americans. They are proud of the fact that as a people, put a high value on housing and quality of life which includes the basic right of housing. In their language there is no word for homelessness, an example of how thoroughly they embrace these principles. They provide emergency and section 8 housing and services to tribal members to increase self-sufficiency because they value the basic rights of tribal and community members. She has become more concerned in the past two years as families started coming to her for services who have never accessed services before. These families are from an economic strata who never expected to be faced with this crisis. She saw a news story about six months ago where it was reported that in the last year housing rental prices have gone up an average of \$300 per month in the Portland Metro Area. She purchased a home because when she was renting they raised her rent twice in one year and she now pays less for her mortgage than she paid for rent. She believes this is a crisis and that the word crisis implies action. It's important to understand that this crisis is a symptom of a larger problem. She is impressed with the public attendance at this meeting and with PHAC commissioners and the work they have done on housing. She wants to do more than just commend, she would like to challenge everyone to create a vision for the City of Portland to embrace a philosophy that homelessness is not acceptable and there is no one who should ever be homeless. This is a basic right everyone should have. <applause from the public attendees>

Bill Schwebb, a citizen and member of Elders in Action, testifies. He does not provide a written statement. His statement, in summary, is as follows:
Bill would like to share his experience with American Property Management (APM). He received a no-cause 60 day termination notice, though he was able to get it extended to December 2015. His SSI benefits increased \$24 last year, his rent increased \$40. This year his SSI went up \$27 and his rent went up \$75. These increases are making his life, and the lives of other seniors much more difficult. He has lived in the same apartment for 20 years

and last year he spoke to the regional manager of APM about the price increases. The manager told him that with all the new apartments going up with higher rents, they need to raise their rents to keep pace with the market. But Bill lives in an old building that has never been renovated and he doesn't see the justification for such increases. He understands they would like a reasonable rate of return on their property, but he thinks these increases are unreasonable. <applause from the public attendees>

Margaret Tallmadge, Environmental Justice Manager for Coalition of Communities of Color reads a statement found here – [letter #7](#).

Ruth Adkins, representing the Welcome Home Coalition, testifies. She does not provide a written statement. Her statement, in summary, is as follows:
The Welcome Home Coalition encompasses over 100 organizations working to increase funding for affordable housing. She wants to express the coalition's enthusiastic support for the TIF increase to 50%. Welcome Home is working to secure new dedicated revenue sources for affordable housing development programs and they understand that TIF is limited and many key tools are preempted by state law. Until new sources are found it's necessary to use the existing tools available to the highest and best capacity to address this crisis. It's critical that the City has committed tens of millions of dollars to affordable housing through the TIF set aside, but the city continues to fall far short of unit/affordability targets. She believes this failure is partly due to the private development boom making affordability out of reach for Portlanders. But it's also due in part to the failure to implement the TIF set aside which was intended as a floor rather than a ceiling. Before the 2006 set aside dedicating 30% of TIF revenue to affordable housing was already being achieved in many districts – the 30% floor was intended to ensure that all districts achieved at least this minimum in housing investments. Unsuccessful as the city has been in reaching that higher ceiling, let's at least establish a higher floor and take TIF to 50%. Portland's URAs are rapidly gentrifying neighborhoods with private development pouring into communities because of the public investments made. Today 30% is a wholly insufficient target for housing investments. As neighborhood housing costs double it's necessary to double affordability efforts. In interstate, every dollar of TIF revenue should be spent to offset the tragic impacts of gentrification, displacement, and loss of community created by urban renewal. In Lents immediate action to implement tools like land banking while we can still afford to purchase or set it aside land for affordable housing now before displacement takes place. Public investments should be used to the greatest public benefit – affordable housing. In districts like South Waterfront there is little return on investments for the public when revenue is spent to support private development already well underway which will happen regardless. Portland in 2015 is a very different city than even five years ago – use our city's only investment tool to its highest advantage for all Portlanders. She thanks the

commission for its leadership and commitment to housing solutions. <applause from public attendees>

Carolyn Anderson, a citizen, testifies. She did not provide a written statement. Her statement, in summary, is as follows:

Carolyn is representing people who don't have time to participate in these meetings. As she looks around the room she sees very few people who represent black and people of color in Portland who have been gentrified and displaced. In 2001 she rented from an architect who told her gentrification was going to happen and there was nothing that could be done about it. She lived in NE Mason and she saw people having to leave their homes with one month's notice because an investor bought their building. She saw many people in this dilemma, and found herself in the same dilemma. She is asking what will be done and how can more people of color involved in these meetings so the voices of the people being affected can be heard. <applause from public attendees>

Jeff Brittle, a housing case manager at Welcome Home, testifies. He did not provide a written statement. His statement, in summary, is as follows:

Jeff has experienced homelessness and he was able to pick himself up with the help of the community. He is a father of six and he wants his children to know what steps to follow to be part of the community. When he was raised there was a huge respect for seniors and elders and these are now the people he see that are falling. He houses two to five people a week, but there is a vicious cycle to affordable housing. If someone passes away or can't pay higher rent costs, they get booted out. He also sees a lack of resources for families with children. He is facing a no-cause eviction right now and it's difficult to go to work to house people every day and smile and tell them it will be ok, he also tells his kids this. He doesn't want to let his kids see him cry and he won't go down without a fight. In his home they have a dual income, he and his wife both work in social services and he believes they are healing the world one person at a time. His daughter cries because she doesn't know if she'll be able to finish this school year. His twin girls don't know what going to happen. Kids are resilient but he doesn't want kids going through all this. He grew up in poverty his whole life and it's miraculous to get out of the trenches. He is certified in alcohol and drug counseling to help those experiencing sobriety issues and he is pursuing a degree in computer information systems because he doesn't know whether social services work can support his family. He has a burning desire to help people, he doesn't work just for money, and he works to do what is right for his community. His kids think about working in social services and the work he and his spouse do inspires his kids. He says it's difficult to look someone in the eye and tell them it's ok when you really know that it's not. He appreciates the opportunity it be heard. He knows that there are budgets that these agencies need to respond to but he hopes that you and listen with your heart, especially if you are a parent.

	<p>He is a person who doesn't just walk by someone lying on the street, he will ask them if they are ok because he knows it's not for him to look down on them but to give them a hand up. He wants everyone to know that there are people like him who are striving and struggling to move forward toward positive changes. <applause from the public></p> <p>Jes Larson, Director of the Welcome Home Coalition submitted the following statement via email, found here – Email #1.</p> <p>Jennifer Bragar, President of Housing Land Advocates submitted the following statement via email, found here – Email #2.</p>	
For the Good of the Order	No further announcements. Jesse adjourns the meeting.	