



Portland Housing Bureau

Portland Housing Advisory Commission
TIF Set-Aside Subcommittee
 Thursday, June 16, 2011
 2:00-3:30 p.m.

✓ = Subcommittee action item
 ▶ = PHB staff member action item

6-16-11 Meeting Minutes

Members Present: Traci Manning, Arlene Kimura, Kimberly Branam, Daniel Ledezma, Guillermo Maciel, Kate Allen, Joni Hartmann, Jesse Beason, Peter Parisot, and John Miller.

Members Excused: Skip Newberry

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Public Comments Received</p>	<p>The Mayor's Office has heard a couple of comments so far:</p> <ul style="list-style-type: none"> - Public wants to know if there is a desire to use TIF city-wide or to specific targets. - What is the range of housing wanted? For example, is there a desire to develop student housing? <p>John Miller heard via Sisters of the Road:</p> <ul style="list-style-type: none"> - Some concern about losing the district by district. - Desire to keep the income level requirements the same. <p>Subcommittee members are asked to keep engaged and report back any concerns or questions from their contacts and constituencies.</p>	<p>▶ PHB Staff will write up meeting notes, send to the committee for review, and will be available online at www.portlandonline.com/phb/phac.</p>

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<p>Plan for Public Involvement</p>	<p>There will be opportunities for public comment throughout the process. A hearing will be held at an upcoming Portland Housing Advisory Commission meeting (likely in July or August), which will provide an opportunity to gather additional feedback.</p> <p>Going forward, leadership will also be specifically reach out to the Urban Renewal Advisory Committee chairs to make sure they are engaged and heard.</p>	
<p>Recommendations on Income Guidelines</p>	<p>PHB staff member David Sheern reviewed some of the history of the TIF Set-Aside policy, specifically regarding the Income Guidelines:</p> <ul style="list-style-type: none"> - When the policy was created in 2006, a set of income guidelines were also created as part of the implementation plan. - The guidelines set out specific requirements to meet requirements for household income levels. - Annually, PDC and PHB are required to report on these numbers as a percentage spent within each income range. - When developing the policy, there was a concern that development would mostly be for 30-60% MFI or above 60%, so requirements were set for units to be 0-30%. - There was additional flexibility for programs, however, including homeownership, which could go up to 100% MFI. <p>David presented a brief overview of the</p>	

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<p>Recommendations on Income Guidelines (cont.)</p>	<p>benefits and disadvantages of the policy as written, including the complexities of reporting, and misalignment of the requirements with other local and internal policy priorities.</p> <p>The initial recommendation regarding the income guidelines is to simply or remove the income guidelines. Instead of having it embedded in this policy, have a more overarching policy to which the bureau must be held accountable.</p> <p>Committee feedback:</p> <ul style="list-style-type: none"> - Arlene Kimura: If there is a guideline included, try to make it specific for unit sizes as well. For example, there is a need for larger units at 0-30% that are family-sized. Staff noted that currently it is less about unit size and more about funding sources. There is coordination to make these units possible, such as partnering to use Section 8 vouchers for units. - Jesse Beason: in general agrees with the recommendation, the only concern is that having the specific targets allows greater accountability. If there is a stronger, alternate long-term policy that makes the goals clear, that can be used to hit TIF targets. - John Miller: 0-30% units are the priority, but if there is no “rule” to follow, there is a greater risk that the priority won’t be met. 0-30% are very difficult to do, and without a structure 	

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<p>Recommendations on Income Guidelines (cont.)</p>	<p>saying they are required, we could lose the development of those units.</p> <ul style="list-style-type: none"> - Kimberly Branam: even with the current guidelines, the goals for 0-30% units have not been fully met. Need to make this a priority without creating a requirement that cannot be met. We should articulate a realistic guideline that still pushes toward the goals. - Kate Allen: there has been a lot of discussion that it is difficult to develop 0-30% units; this further illustrates why we need to look at the “package” of funding to see what works best to make developments that achieve our goals. When budgeting, set achievable goals given the resources that <i>are</i> available. PHB has set investment priorities, which can be adjusted annually to remain flexible and responsive to the needs. - Traci Manning: if we don’t keep the goals high, we won’t hit them. Reticent to remove them completely. Need to do better about leveraging what we have to hit the goals, and we need mutual accountability. Annual goals would be difficult given that projects are often multi-year; it would be better to create long-term goals, looking at all the available tools. - Jesse Beason: Agree, projects are multi-year, and also often have 	

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<p>Recommendations on Income Guidelines (cont.)</p>	<p>multiple partners each year. We need to be clear about what the plan is over the next several years. If we make the goals clear for the long term, it wouldn't be necessary to have the guidelines in the policy itself. Make RFPs and NOFAs clear, and figure out in advance what they will look like, with what types of funding.</p> <ul style="list-style-type: none"> - Joni Hartmann: We need to show our loftier goals. This process will inform where we need to go from here. - David Sheern: TIF is also declining over the next several years, so it makes more sense to have a higher-placed policy that sets the clear goals for all funding sources rather than just the TIF policy. We expect to hear from the URACS that they'll want to see the implementation goals if not in the policy. - Arlene Kimura: seems that the URAs often bring in low-income people. Need to make 0-30% more city-wide so there are more opportunities and that we are not creating concentrations of low-income households. It's about getting people into homes, and shouldn't just be about income. There are housing needs across the city. - Daniel Ledezma: the City is working on a citywide housing strategy that will start with some opportunity mapping as a baseline to see where there are 	

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	<p>needs. We want to be more proactive, rather than reactive when things get tough. We want to match housing with economic development, employment, education, etc.</p>	
<p>Technical Committee Recommendations</p>	<p>A Technical Committee made up of PDC and PHB staff met about three times and developed some initial recommendations for the policy. Mike Johnson from PHB and Tony Barnes from PDC, Technical Committee members, discussed the recommendations.</p> <p>This committee reviewed the recommendations:</p> <p>Program Income</p> <p>Income from programs comes from multiple sources, including paybacks on loans, sales of properties, and others. Currently that income goes back into the larger TIF pot for redistribution between PDC and housing projects. Recommendation would put the program income back into the pot from which it was developed; so if it was housing program income, it would remain in housing.</p> <p>The committee agrees this recommendation makes sense.</p> <p>Calculating Overhead/Staff Costs</p> <p>Set Aside is currently calculated on a net of staffing and overhead charges. The recommendation is to calculate it based on actual costs. PHB and PDC are both moving</p>	

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<p>Technical Committee Recommendations (cont.)</p>	<p>toward direct billing to know what the actual costs are. As projects get going there are often “swings” in staff levels. It also creates a function with which we can better account to the public how much development actually costs.</p> <p>The committee agrees this recommendation also makes sense, and would create better accountability.</p> <p>Revenue-Based Calculation</p> <p>The Set Aside is calculated based on expenditures, currently. Recommendation is to calculate it on TIF Debt Proceeds to establish a forecasted amount of funds available. This would involve an annual review process for negotiations and upcoming projects timing.</p> <p>The committee agrees these recommendations are on track, and tie into each other well to make TIF funding flow easier, with better accountability.</p>	
<p>Public Comment</p>	<p>Claire Kadowski & Debbie Aiona from the Women League of Voters attended and had some brief comments:</p> <ul style="list-style-type: none"> - When leadership meets with the URAC chairs, be sure to include representatives who may be the “housing seat.” For example, North Macadam has a URAC member focused on housing specifically. - Agree that there needs to be firm 	

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	<p>targets by income guidelines, especially for 0-30% units.</p> <ul style="list-style-type: none"> - Also agree that long-term goals are a better option over annual goals given longer project timelines. 	
<p>Next Steps/ Meeting Schedule</p>	<p>The committee would like to discuss more in depth the question of whether the 30% calculation is a “floor” or a “ceiling” and how that determination could affect the recommendations for the policy.</p> <p>Next meeting is on Thursday, June 30, from 3:30-5:00pm</p>	