



Portland Housing Bureau

Portland Housing Advisory Commission
TIF Set-Aside Subcommittee
 Thursday, June 30, 2011
 3:30-5:00 p.m.

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

6-30-11 Meeting Minutes

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

Members Excused: Arlene Kimura

Public in Attendance: Claire Kadowski - League of Women Voters, Bernie Bottomly - Portland Business Alliance

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Committee Comments/Questions /Concerns</p> <p>Share Public Feedback</p> <p>Meeting Minute Revisions</p>	<p>Kate Allen: There has been lots of interest expressed by URAC members and we are currently putting together a comprehensive schedule of outreach meetings to include the URACS and PHB leadership.</p> <p>David Sheern: will use a special PHAC hearing as the public forum for this discussion and we will also be doing presentations for PDC and City Council.</p> <p>Joni Hartmann: Jesse Beason is listed as excused on the last meeting minutes but he actually attended the meeting.</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> <p>▶ Minutes will be amended to show Jesse Beason was in attendance.</p>
<p>Plan for Public Involvement</p>	<p>Meetings are planned for the second week of July. This committee will meet one more time to go over the recommendations.</p>	<p>This committee will meet on 7/21 from 3:30-5:00 p.m. and then meet with the PHAC on 8/2 from 5:00-6:30 p.m.</p>

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Review of Last Meeting's Recommendations</p>	<p>PHB staff member David Sheern led the committee through some recommendations and gave them an opportunity to revisit the ideas discussed in the last meeting.</p> <p>1. 30% requirement URA by URA vs. 30% average city wide:</p> <p>-Kim Branam: PDC feels that a 30% requirement overall with 5 year targets taking an average on a rolling basis is a reasonable approach. 30% in each URA is less flexible and this would be a middle ground.</p> <p>-John Miller: This approach takes into consideration those URA's that have no housing and those with zoning restrictions.</p> <p>-Kim Branam: From a public perspective this approach will be easier for the public to understand and enable us to set attainable benchmarks for success.</p> <p>-Bernie Bottomly, Portland Business Alliance: I agree with this approach because it gives flexibility in areas such as South Waterfront where it's more expensive to develop affordable housing and allows us to better leverage funds to maximize dollar value and produce more units.</p> <p>-Joni Hartmann: It is important to have benchmarks in each URA to ensure that there won't be some with no affordable housing.</p> <p>-John Miller: The concern is that there will be further concentration of poverty in certain</p>	<p>Kate Allen: We can begin to form a concept around acknowledging a 30% of total TIF set aside goal citywide as a minimum in 9 URA's. We could then implement guidelines to establish district by district 30% benchmarks with the acknowledgement that the overall 30% could be met over five years with a range fluctuating up or down from the midpoint</p>

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>URA's.</p> <p>-Jesse Beason: The city's location policies illustrate the need for a framework to creation of mixed income neighborhoods. What is the framework for a minimum amount in each URA if we go with the 30% overall concept?</p> <p>-Kim Branam: Even with the current policy as it stands, there are still some URA's that are exempt, some with 16% and the others with a range between 15-40%. The suggested recommendation to set a 30% overall target won't be much different than the way things are currently done.</p> <p>-Kate Allen: The City's location policy intentionally hasn't been updated very recently and PHB will be given the opportunity to work with Bureau of Planning and Sustainability to develop a city-wide policy that will cover the entire city and not just the URA's. We hope to address the areas of concentration and diversified areas using two tools: 1. Long range planning and markers for those areas in risk of gentrification and ways we can intervene and avoid this happening and 2. Opportunity mapping to figure out where the concentrations are and how we can focus more on economic development opportunities in those areas.</p> <p>In the context of this recommendation, perhaps we could come up with an exception within the policy that allows us to figure out the right balance. With less TIF resources</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>available we should be much more thoughtful and intentional with where we are building projects.</p> <p>-John Miller: What is the timeline for reviewing the location policy and to do the opportunity mapping?</p> <p>-Kate Allen: We plan to do this in 11-12.</p> <p>-John Miller: OON's position is that we would not want to lose the district by district 30% requirement and would like to avoid concentration and retain predictability.</p> <p>-Bernie Bottomly, PBA: Having a level of predictability is good but the point target is somewhat arbitrary and sometimes not realistic while a range would solve for some concerns where the market doesn't allow us to reach a point target.</p> <p>-Jesse Beason: There is concern around the "influence" certain URA's would have in being able to buy down their affordable housing requirement and pushing that into another less affluent URA if we use the overall average idea.</p> <p>-Kim Branam: You would set a 5 year, 30% target overall but still retain benchmarks in each district.</p> <p>-Traci Manning: An important question to ask is: who decides? Who will have the influence?</p> <p>-Jesse Beason: Having the requirement be for each district allows for more predictability</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>and makes it easier to address our constituents and allows us to be clear with them about the numbers.</p> <p>-Kate Allen: If we include an exception or acknowledgement policy it shows that there is a process between City leadership, PHAC and PDC and that we have a process around our decisions to accomplish shared goals. The policy will continue to evolve and we can have a mechanism to solve for influence based decisions.</p> <p>-David Sheern: Using percentages is often troublesome. It will be easier when we have an agreed upon set of needs data that we can look at and see if it makes sense.</p> <p>-Peter Parisot: This doesn't take care of the perceived burden dollar-wise when one URA is forced to pick up the burden of another.</p> <p>-Bernie Bottomly, PBA: If you establish an upper limit this would prevent the numbers from going down as long as you define firm boundaries, the URA's would end up self regulating.</p> <p>-Jesse Beason: Because we haven't seen a five year projection spread sheet it's hard to conceptualize this.</p> <p>-Joni Hartmann: Using a "range" and using a "floor" are two different concepts, I don't think we want to intentionally limit ourselves and 30% was meant to be a floor.</p> <p>-David Sheern: We will pull together some</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>language and a spreadsheet based on today's conversation.</p> <p>-Kate Allen: We can begin to form a concept around acknowledging a 30% of total TIF set aside goal citywide as a minimum in 9 URA's. We could then implement guidelines to establish district by district 30% benchmarks with the acknowledgement that the overall 30% could be met over five years with a range fluctuating up or down from the midpoint.</p> <p>-John Miller: We should use dollar amounts and not percentages if you are throwing out 30% district by district, you lose the intent of the original policy.</p> <p>-Kim Branam: We have hit the 30% benchmark in the URA's over the last five years so this will just be a continuation of what we have been doing.</p> <p>-John Miller: One concern that I have is that at the beginning of the set-aside, one of PDC's arguments for not doing affordable housing in certain areas was due to "signature projects" that were already planned or zoning issues. So the concern is that similar reasoning may be used.</p> <p>-Peter Parisot: Kate's articulation (above) sounds like a reasonable recommendation to take back to the Mayor.</p>	
<p>Process for Amending Set Aside Policy within the 5 year window</p>	<p>PHB staff member Kate Allen posed the question: should we create a process to make exceptions to policy for unique opportunities, so every decision isn't an exception, but</p>	<p>-David Sheern: PDC and PHB could make an interpretation and agree on certain exceptions but if there will be a material change in policy we go to City</p>

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>rather there would be an established process to deal with special situations?</p> <p>-David Sheern: We could build flexibility into the policy.</p> <p>-John Miller: If a good opportunity comes up how do we get the “go-ahead” without having to go to City Council.</p> <p>-Kim Branam: Currently we can “buy forward” when we are within our five year forecast but there may be really exceptional opportunities that may need more formalized approval that just what is within the boundaries of what PHB and PDC can informally agree to.</p> <p>-Kate Allen: Going forward, budgeting will be done differently, on the City side we can amend what we do with our borrowing.</p> <p>-David Sheern: We have an original policy that has been in place and we are simply tweaking it to make it better.</p> <p>-Traci Manning: We need to find a middle ground between being able to do whatever you want with no approval and having to go to Council for every exception.</p> <p>-David Sheern: PDC and PHB could make an interpretation and agree on certain exceptions but if there will be a material change in policy we go to City Council for approval.</p> <p>-Bernie Bottomly, PBA: The process can be anchored to a 30% target using a five year</p>	<p>Council for approval.</p>

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>average and range and you would go to Council if you need to go outside the policy.</p> <p>-Traci Manning: Is there something specific driving this question?</p> <p>-David Sheern: There was a question about formalizing the informal process that currently exists between PDC and PHB. There may be a perceived need or perception, but nothing specific.</p> <p>-Peter Parisot: I would be hesitant to formalize a process if there is already a mechanism in place.</p> <p>-Jesse Beason: So it would continue as it currently does and there is already a yearly report submitted to Council detailing everything we do.</p> <p>-Kate Allen: We'd have the existing process and go to Council with major changes. The current mechanism works and we could do another review of the process in five years.</p> <p>-Guillermo Maciel: We should also revisit this issue with Arlene Kimura to get her input.</p>	
<p>Income Guidelines Recommendations</p>	<p>PHB staff member David Sheern recapped the previous meetings discussion on the income guidelines. Amending the original recommendation needs to add specificity around accountability to ensure we are spending our budget on low income housing. PDC and PHB have higher level documents that direct our spending but are we reluctant to lose our original income guidelines? If we</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>remove the original income guidelines some of the intent could be lost as the new documents don't have that level of accountability spelled out so explicitly.</p> <p>-Guillermo Maciel: Until we have stronger overarching language, we will want to keep the income guidelines in the document. Along with providing a structure to drive housing development, I believe the income guidelines can help address the ongoing public concerns regarding how TIF dollars are spent. It is important to the public to see this level of accountability in the document. A measurable effort being made to help create a space in the city for our most vulnerable. This is in line with the County's mission. Stresses the importance of mixed income communities in the inner city which we all know can help deter the reality and, or, the perception of gentrification.</p> <p>-Jesse Beason: People are looking for a longer term than annual but also want to see stronger language than what is included in the PHB Strategic Plan. We want a better level of detail and accountability. Leave the guidelines in until we have stronger language.</p> <p>-Traci Manning: I like the income guidelines regardless of funding source. Where does the accountability live? The City should come together with the County and other partners to sync their priorities with other jurisdictions.</p> <p>-Guillermo Maciel: Even though the County does not have a vision statement yet, we still</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>support the income guidelines and the vision and mission statement of PHB's strategic plan. Only remaining concern; are we setting ourselves up to fail? If these are multi-year goals why are we reviewing progress yearly?</p> <p>-Kim Branam: To the extent that we craft something achievable, we can align expectations to something we can deliver on.</p> <p>-Daniel Ledezma: Are we recommending that we keep the current income guidelines? Where will they live? How does this relate to other jurisdictions?</p> <p>-David Sheern: We may be putting the cart before the horse; perhaps we should maintain the current guidelines as-is until we get the larger goals in place.</p> <p>-Kate Allen: That will be a process we will be working through over the next 6-9 months. There will be PHAC review to produce specificity to the strategic plan and to declare investment priorities in our 2-3 year plan. We will be forming our budgeting plan, specific targets for overarching goals and specific things we can accomplish with PHB funding and influence.</p> <p>-Jesse Beason: Similar to the categories you used for the document recording fee now, there are three categories which are left broad yet gives a framework for the resources, where they are coming in and what they are being used for.</p> <p>-David Sheern: We recognize this resource</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	development tool for low income housing and don't feel comfortable removing the income guidelines until PHB implements the strategic plan, at which time we could consider dropping it.	
Monitoring and Recording: Frequency and method that is most useful to stakeholders	-David Sheern: This would be maintained as a stand-alone document but would also be folded into our annual report.	
Scheduling public PHAC meeting for August		Meeting is scheduled for August 2 nd , 5-6:30 p.m. at PHB.
Public Comment	No public comments	