

(07/21/11)

Draft Recommendations for discussion:

1. Thirty percent of gross tax-increment debt proceed revenue should serve as the minimum spending threshold or URA/City-wide goal for Set Aside allocation across all nine urban renewal areas listed in the original policy. With the understanding that:
 - Policy maintains URA-specific spending targets within a set range of revenue or minimum of 30% to Set Aside eligible projects/programs over life of the URAs to achieve specific housing goals.
 - South Park Blocks and Downtown Waterfront URAs have passed their last date to issue debt. Historic Set Aside spending for SPB and DTWF will count toward the 30% calculation.
 - Project timing and expenditures, bond sale regulations, and other external factors can and likely will impact future revenue forecasts. Revenue forecasts will be adjusted on an annual basis, accompanied with budget negotiations on project timing between PHB and PDC.
 - City Council has full authority to pass ordinance amending the Set Aside policy and redirecting Set Aside budget. Future City Council action may impact whether individual URAs meet 30%, but should not impact the minimum threshold or goal of 30% across all nine URAs.

2. The Income Guidelines attachment is an important element of the existing policy in that it provides direction and accountability in how Set Aside dollars are expended. Specifically, it directs Set Aside spending toward creation and preservation of rental units for households at or below 30% median family income. Emphasis and accountability on spending for very-low income households is important as those units are the most difficult units to produce.

The Income Guidelines attachment should remain within the Set Aside policy until such time that the Portland Housing Bureau adopts a strategic implementation plan that explicitly outlines income spending targets for all Bureau resources, including Set Aside dollars.

3. Transparency and accountability in implementation of the Set Aside policy is important. Annual reporting on the Set Aside policy should continue and PHB should explore folding Set Aside reporting into its annual reporting process so that Set Aside expenditures can be reviewed in conjunction with other PHB resources.

4. Adopt and implement all three recommendations proposed by the Technical Advisory Committee.
 - a. Program income should be excluded from the Set Aside calculation.
 - b. Future Set Aside budget and expenditure calculations should include staffing and overhead costs.

- c. The Set Aside should be based on total TIF Debt Proceeds – division of TIF resources available in the Five-Year Forecast – instead of total expenditures net of staff and overhead. TIF proceeds should be split so that an established forecast amount available in the Five-Year Forecast will go to PDC and PHB based on annual negotiations on project timing.

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