(07/27/11)

Draft Recommendations:

1. The City of Portland should allocate thirty percent of gross tax-increment debt proceed revenue for Set Aside eligible projects and programs across all past, current, and future urban renewal areas. With the understanding that:
    - The policy maintains URA-specific spending targets for Set Aside eligible projects and programs over life of the URAs.
    - 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, assessed value calculations, and other external factors can and likely will impact future revenue forecasts. Revenue forecasts will be adjusted on an annual basis, accompanied by 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 for priority projects. Future City Council action may impact individual URAs policy guidelines, but should not impact the total of 30% across all past, current, and future 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. 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 generated from investment of Set Aside funds should remain with PHB and 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. 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.