

Portland Housing Bureau

RENEWAL OF TIF SET-ASIDE POLICY FOR AFFORDABLE HOUSING

November 2011

The Portland Housing Bureau has completed a thorough review of the city policy on Tax Increment Financing Set Aside Policy for Affordable Housing and is presenting recommendations to City Council for improvements to the policy for the next five years.

WHY THIS IS IMPORTANT

The TIF Set Aside Policy was created in 2006 as a permanent resource to invest in meeting the City's housing needs by creating and preserving homes for the City's most vulnerable people and families.

In its first five years of implementation, the Set Aside Policy has generated more than \$152 million in direct investment in housing affordable to low-income and workforce residents. Since 2006 Affordable housing investment has accounted for one-third of TIF expenditures across nine urban renewal areas.

The Set Aside provided capital resources for key projects like the Bud Clark Commons, Block 49 veterans housing in South Waterfront, and preservation of existing low-income apartment units. Funds have also been used to help residents in neighborhoods access homeownership with down payment assistance, and allow others to remain in their homes by funding needed home repair work.

BENEFITS FOR THE CITY

Updates to the Set Aside policy will increase its overall efficiency and effectiveness in generating revenue for direct investment in housing in the City. The community will benefit by an increase in the number of homes and physical improvements in existing low-income housing. Highlights of the recommendations include:

- Maintain 30% across URAs as the *minimum* spending threshold over a cumulative 10 years (FY 2006-07 to 2015-16)
- Retention of the existing income guidelines within Set Aside. This means that Set Aside dollars will continue to be prioritized toward projects that serve the most vulnerable.
- Increased efficiencies in coordination between PHB and PDC on Set Aside budgeting and reporting.

HOW THE POLICY REVIEW WAS CONDUCTED

Last spring, PHB launched the review process for Set Aside with an eye towards creating recommendations for improvement to the policy. PHB convened a subcommittee of our new Portland Housing Advisory Commission, comprised of City and Portland Development Commission staff, as well as business, nonprofit and community leaders with experience using TIF for housing development. Recommendations from the subcommittee were presented to each Urban Renewal Advisory Committee and at a public hearing of the PHAC. Email and written testimony were also received and considered.