

LTE Big Look Recommendations Update – *Updated!*

December 5, 2011

The following summarizes updates to program recommendations reviewed and discussed at the October 19, 2011 Big Look Meeting. The updates are generated from further work with Multnomah County staff, Bureau of Planning and Sustainability staff, and follow up conversations with members of the Committee. Revised recommendations are also described in matrix format, attached.

On December 7, 2011, Portland City Council will act on an Ordinance to update its code for the LTE programs. The matters addressed are not substantive, but rather clean up code sections that are out of date due to the transfer of the administration of the LTE programs to the Portland Housing Bureau; the Ordinance will also adopt the new statutory sunset dates for the Non-Profit and Multiple Unit exemption programs, as passed by the 2011 Oregon Legislature. When finalized, the legislation to implement the policy changes being considered by the Big Look committee will proceed to the respective jurisdictions boards for action after a thorough public information and input process is completed, in early 2012.

Single Family New Construction

Big Look recommendations, most of which can be implemented by PHB administratively, have been revised to integrate discussion at the 10/19 BL meeting and follow up with schools and BPS, as follows:

- HOA's (homebuyer opportunity area) maps stand as they were adopted last year, to assure that within the statutorily required boundaries, homebuyer opportunities are not reduced (map attached)
- New program description frames the program as advancing PHB's primary homeownership goal of closing the minority homeownership gap AND the Portland Plan Economic Prosperity and Affordability goals
- New program requirements to advance these goals will include:
 - Sales price limit of 100% of median sales price (reduce from 120%)
 - Builder demonstration of affirmative marketing and/or partnership with organization advancing minority homeownership
 - Builder demonstration of compliance with PHB Green Building or other equivalent green and healthy home construction program
 - Builder awareness/adherence to PHB MWESB contracting opportunity goals
 - Builder adherence to quality design standards re: sidewalks, skinny lots, etc.
 - Require 3+ bedrooms, allow 2 BR in townhomes or condos (density) in transit oriented locations
- Cap annual total applications at 100 per year (reduced from 180 in 2011)

Multi-Unit/Transit Oriented

Big Look recommendations have been revised to integrate discussion at the 10/19 BL meeting, and follow up with County staff and BPS, as follows:

- Program Cap of \$1 million investment of foregone revenue annually. Cap includes any extensions for affordable units.
- Competitive “Notice of Capacity Availability” process several times each year, to assure quality of projects, and geographic distribution
- Draft program maps are reflective of Portland Plan Healthy Connected Neighborhoods, reduce eligible areas in current URAs to only hub, transit corridor (draft map attached)
- Affordability (20% of units to meet affordability requirement). Requirement is to provide units affordable at 60% MFI, with possible allowance through the competitive process for having units up to 80% MFI, based on the market for similar units in the same geographic area (e.g. in Central City with higher costs for development and higher market rental rates, applicant could demonstrate that the discount on market rates to get units affordable at 80% MFI merits the granting of the tax abatement). For owner occupied units, current requirement of 100% MFI remains.

In addition to affordability, the County, City and school districts identify location of affordable options, anti-gentrification and appropriate community amenity as benefits that are derived from the private development activity that the limited tax exemption seeks to leverage.

- Short list of public benefits options, inclusion of these improves competitive score of proposal
 - Affordability in addition to threshold requirement
 - Accessible units in addition to ADA requirement
 - Family sized units in family housing deficient areas with appropriate family friendly amenities (secure on-site play area, on-site garden area, other?)
 - Walk/Roll score – to grocery, school, day care, etc.
- Commercial Space
 - Project may be eligible for exemption for commercial space that provides access to fresh healthy food; services w/ demonstrated market based need
 - Project may be eligible for exemption for commercial space with demonstrated connection to PDC Neighborhood Economic Development Strategy in Priority Neighborhood
 - Project would not be eligible for exemption for commercial space that competes w/ established successful local business
 - Once approved as exempt, commercial space must be constructed and occupied as proposed to qualify for and retain the exemption