

## **LTE Big Look Recommendations Updates**

### **February 3, 2012**

The following summarizes updates to program recommendations reviewed and discussed at the October 19<sup>th</sup> and December 7<sup>th</sup> Big Look Policy Review Meetings. The updates are generated from PHB staff work with Multnomah County staff, Bureau of Planning and Sustainability staff, and follow up conversations with members of the Committee.

At its December 7<sup>th</sup> meeting this Committee agreed that the following Single Family New Construction recommendations were representative of its views.

At its final meeting, the Committee will review the recommendations for the Multi-Unit/Transit Oriented LTE program.

**Committee recommends that program changes be reviewed by the jurisdictional bodies after a 3 year pilot period, to determine impacts and outcomes of the changes, and to make any additional adjustments.**

#### **Single Family New Construction**

**Big Look** recommendations, most of which can be implemented by PHB administratively, were 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 (*revised* 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~~ — Access to grocery, school, day care, etc.
  - Quality public gathering space (interior & exterior) available to community at large
- 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