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June 19, 2012

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RE: Recommend Adoption of LTE Program Map and Support for Recommended Changes to Limited Tax Exemption (LTE) Programs

Dear Mayor Adams and Commissioners:

At its meeting on June 12, 2012, the Planning and Sustainability Commission (PSC) unanimously adopted a resolution recommending that the City Council adopt the revised Multi-Unit LTE Program Map and endorsing the general direction of proposed program changes to institute a competitive process with an annual program cap.

This action finalizes PSC actions on the recommended changes to the LTE programs before they are heard at Council on June 27th. PSC has been briefed on the LTE Policy Review project on an ongoing basis over the last nine months. As we indicated in a letter to Commissioner Fish and Multnomah County Chair Cogen last September, the PSC is very enthusiastic about the general direction of changes that the BIG LOOK Policy Review process produced.

At that time, we made several specific suggestions to the Co-Chairs of the Policy Review Committee as they further deliberated the program improvement recommendations, as follows:

PSC advised that the revised programs, administered by the Portland Housing Bureau (PHB), should:

- institute changes that discourage the concentration of exempted units in some areas of the city
- strike an appropriate balance between the benefits of creating incentives for well-located and affordable housing options, and costs associated with foregone revenues, such as budget impacts for taxing jurisdictions (school districts)
- maintain strong affordability requirements that includes options to get workforce housing and equitable geographic distribution
- adopt a short list of public benefits, that could include:
 - Accessible Units
 - Larger Units (for families with children)
 - Connect employers with housing
 - Grocery or health food store

We are pleased to see that guidance was helpful and has been addressed and included in the final staff recommendations, as modified and reviewed with the PSC on June 12th.



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Additionally, as our action indicates, we have reviewed and recommend for your approval a new map for the combined Multi-Unit LTE creating opportunities citywide to leverage and incent private sector development that advances the Portland Plan's Equity, Economic Prosperity and Affordability and Healthy Connected City goals. The improved LTE program alignment with PHB's Strategic Plan and PDC's Neighborhood Economic Development strategy means that these implementing agencies have an effective tool, in the LTE programs, to leverage their efforts to increase equity, prosperity and opportunity for Portlanders citywide.

With the strengthening of alignment, transparency and accountability in the recommended program changes, the PSC wishes to play an advisory role for the Bureau of Planning and Sustainability and the PHB, with involvement in regular (semi-annual) review of outcome evaluations following the competitive award cycles, rather than holding hearings on individual NMUH/TOD cases. Further, the Commission wishes to review and advise staff on LTE program alignment with the updated Comprehensive Plan, within the three year pilot period for the LTE program changes.

Finally, the PSC acknowledges the effort and diligence of staff in reviewing the proposed changes with a wide variety of stakeholders, and integrating several improvements to the program recommendations based on community feedback. The resulting programs appear to be strategically focused to provide tools appropriate to neighborhood prosperity conditions citywide.

Sincerely,



Andre Baugh, Chair
Portland Planning and Sustainability Commission





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