

**Date:** December 8, 2014

**To:** Chair Andre Baugh  
Members of the Portland Planning and Sustainability Council

**From:** Tasha Harmon

**Re:** Proposed Urban Renewal District Amendments

My name is Tasha Harmon. As a founding member of the Coalition for a Livable Future, and the first Executive Director of the Community Development Network, I was deeply involved in the negotiations that resulted in the River District and North Macadam Urban Renewal Plans.

I am here because I am deeply concerned by what appear to be attempts to roll back commitments the City made to have new urban renewal areas be central parts of the City's affordable housing strategy.

I will focus in my testimony today mostly on the North Macadam URA, since you are not considering River District Amendments today, though I expressed my concerns about proposed changes to agreements and expectations around affordable housing there in my testimony to City Council and urge you to pay attention to the shifts that are happening in that district as well.

The development we are seeing in the North Macadam Urban Renewal Area could not have come into existence without enormous amounts of public investment. The original Urban Renewal Agreement for that district was a major backing away from the City's goal, embodied in the Comprehensive Plan, that new redevelopment areas should match the income profile of the City as a whole.

The City chose not to require that the mix of incomes match those of the City as a whole in the first and second phase, setting far more modest goals. And, as in the River District, the City refused to impose Linkage Fees, or Inclusionary Zoning requirements when negotiating the development agreements and City investments that increased the value of land held by private parties astronomically, stating that all of the affordable housing built in the area would be enabled by public subsidies. Advocates at the time, myself included, told PDC and City Council in no uncertain terms that public subsidies would be insufficient to meet even the modest goals they set for the first two phases, much less the commitment that—to quote from the agreement—“if 3000 or more apartments or condominiums are developed in the UR Area, then any additional development in the UR Area by NMI shall be consistent with the North Macadam Urban Renewal Area Housing Development Strategy, which calls for development consistent with the City-wide income strategy.”

As we expected, NMI and the City have fallen far short of the weak affordable housing requirements for phases 1 and 2 in North Macadam, as detailed by the letter the Oregon Opportunity Network sent to City Council. This failure stemmed in part from the fact that

they city spent no TIF funds on affordable housing in the first few years, unless you count the \$6 million for block 33, which resulted in no affordable housing and no site control. And now, when there are well over 3000 units of housing in the district by PDC's count, instead of honoring the commitments it made to increase the amount of affordable housing required as development moves forward, the City is apparently proposing to weaken the requirements for all phases because the resources they allocated are insufficient. I understand a revised proposal, keeping the original goals, is in the works, but have not seen it and so cannot comment on it yet.

Even if the City reaffirms the original goals, it is not going to be able to achieve them using its current mindset and tools.

The "Findings" document for the North Macadam URA claims that the amended North Macadam URA plan conforms to the City's housing goals because the district is now allocating 35% of TIF dollars generated in the District to affordable housing, when the City's goal is 30%. While I commend the choice to increase the available funds, **meeting goals should be measured by results, not be the amount of money spent.**

It's time to get serious about bringing more tools to bear to meet the City's affordable housing goals; tools that will pay dividends in other ways.

In addition to the goal of "providing housing of different types, density, sizes, costs and locations that accommodates the needs, preferences, and financial capabilities of current and future households," the City has strong goals around:

- lowering its carbon footprint,
- creating 20 minute walking neighborhoods and transit corridors that concentrate development and increase ridership,
- eliminating food deserts, and
- dramatically decreasing the achievement gap in schools.

If we are serious about these goals, affordable housing can't be seen as something we do "if we can find the resources."

A deep and diverse mix of housing throughout the City, that remains diverse over time, is necessary if any of those other goals are going to be met.

The City should not consider passing the proposed North Macadam amendments, nor approving new development agreements with property owners and OHSU before backing up to consider what sorts of additional tools need to be incorporated into them, and clearly identifying and securing 2-3 significant sites for affordable housing. This is the only way to ensure that development in the North Macadam district will support, rather than takes away from, these critical sustainability and equity goals.

Portland is the city that pulled up a freeway to create a downtown riverfront park; that

found the local match that allowed the Housing Authority of Portland to win federal funding for the creation of New Columbia. It's the city that redirected funds for the Mt. Hood Freeway to the first light rail project and built the big pipe. Those projects didn't happen because the City limited it's vision to what it "had the resources to do."

If we want to be the "City that works" for all of its citizens, this is not the time to back away from commitments to equity and diversity, indeed, this is the time to step up, to demonstrate that it is possible to build livable, welcoming, vibrant communities that include all Portlanders, now and for the future.

Please know that I, and many other advocates in the City, stand ready to work with you and with City Council to identify tools and approaches that will enable us to meet our shared goals.

Thank you,

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