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January 23, 2015

Portland City Council
Portland City Hall
1211 SW 4th Ave
Portland, OR 97204

Dear Mayor Hales and City Council Members:

On December 9, 2014, the Planning and Sustainability Commission (PSC) held a hearing about amendments to two Portland Urban Renewal Areas (URA). Of the six URAs with amendments coming before Council, only those for the North Macadam and Central Eastside are considered “substantial” by State law and are required to have a public hearing and review by the PSC.

For these two URAs, the PSC’s stated role is to review the amendments and assess their conformance with the Comprehensive Plan. Additionally, the PSC uses the equity framework from the Portland Plan as a lens in reviewing all projects that come before the Commission.

The PSC had requested in the initial briefing about the URAs for staff to develop concrete and attainable plans for meeting affordable housing goals in the two districts. Staff presented what each URA’s amendments entail and the work being done by the Portland Development Commission (PDC) and the Portland Housing Bureau (PHB) to maintain affordable housing in these areas. Ten people testified in person, and we also received eight letters about the URA amendments. The PSC delayed our planned vote December 9th because the affordable housing plans presented to us were inadequate.

Almost all comments, including those from PSC members, related to the lack of concrete and attainable plans for meeting affordable housing goals in the districts.

In the draft Central City plan, the PSC is recommending that, as the Central City grows, 30 percent of housing in the Central City be maintained at levels affordable to households at 0 to 80 percent median family income (MFI). Today approximately 32 percent of Central City housing and 44 percent of housing citywide is affordable at that level.

This is admittedly an ambitious goal but one we think is justified given the particular benefits to lower income households in the Central City such as access to jobs and the region’s best transit. The goals adopted by City Council for North Macadam are lower volume affordable housing than the new draft PSC goal.



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On January 13, 2015, PDC and PHB staff returned a second time to the PSC and provided more information about the plan for meeting affordable housing goals. As part of that presentation, PDC and PHB reaffirmed their commitment to meeting the South Waterfront Area affordable housing goals adopted by City Council in 2003.

PSC members voiced disappointment in the affordable housing proposal. There were concerns that the affordable housing goal is insufficient and the ability to meet even the lower affordable housing target remained uncertain.

For the Central Eastside, PHB expressed their interest in providing affordable housing as part of the redevelopment of the Clinton Triangle although no specific redevelopment plans have been developed.

As a result of the additional information and deliberation at the January 13, 2015 PSC work session, the PSC voted unanimously that the proposed amendments to the North Macadam and Central Eastside URAs are in conformance with the existing Comprehensive Plan.

The PSC also strongly and unanimously voted to forward the following recommendations to City Council regarding concerns about providing affordable housing as part of these amended URAs:

- Funding for affordable housing should be the priority for additional funds generated by the district to meet 30 percent affordable housing goals, and should track this as part of the annual budget process.
- The share of TIF funding allocated in North Macadam should be increased to more than the current policy of allocating 30 percent of TIF funds for housing. After the investments that are needed to support private TIF generating development, a minimum of 50 percent of TIF resources, or more if possible, should be allocated to housing.
- City Council should support PHB's effort to secure funding for the operating subsidies needed to units at 0-30 percent MFI possible in these URAs.
- City Council should require that Development Agreements entered into by the City (including the one with ZRZ Realty) include strong affordable housing requirements. PSC feels strongly that the development with ZRZ is a critical opportunity to produce affordable housing units in North Macadam. **We we're not convinced the current agreement accomplishes the best leverage of affordable housing.**
- City Council should request PHB and PDC to report annually on progress in implementing the affordable housing strategy for North Macadam and Central Eastside.



Finally, the PSC would like to provide our support and sense of urgency for the Lot 3 project being pursued by PDC and PHB to build between 200 and 400 affordable units in the South Waterfront Area, and ask City council to support efforts to accelerate the project.

Thank you for the opportunity to participate in the review of urban renewal amendments and for considering our recommendations.

Sincerely,



André Baugh
Chair

