

Portland Planning Commission

September 24, 2024

Meeting Minutes

Planning Commissioners Present

Michael Alexander, Wade Lange, Mary-Rain O'Meara, Michael Pouncil, Steph Routh (virtual), Eli Spevak, Erica Thompson (virtual)

Planning Commissioner Absent

Brian Ames, Nikesh Patel

Presenting Staff

Patricia Diefenderfer, Ryan Singer; Lisa Abuaf, Kathryn Hartinger, Tony Barnes (Prosper Portland); Jessi Conner (PHB)

Chair O'Meara called the meeting to order at 5:01 p.m. and noted commissioners in today's meeting.

[Documents and Presentations for today's meeting](#)

[Video](#)

Items of Interest from Commissioners

Chair O'Meara: We have the 3 letters to Council to confirm today: Odor Code, Housing Compliance Update, and Rose Quarter Sign Code. Commissioners confirmed the letters.

Director's Report

Patricia Diefenderfer

- None

Consent Agenda

- Consideration of Minutes from the September 10, 2024, Planning Commission meeting.

Commissioner Pouncil moved the Consent Agenda. *Commissioner Spevak* seconded.

The Consent Agenda was approved.

(Y7 – Alexander, Lange, O'Meara, Pouncil, Routh, Spevak, Thompson)

East Portland Tax Increment Finance District

Briefing / Hearing: Ryan Singer; Lisa Abuaf, Kathryn Hartinger, Tony Barnes (Prosper Portland); Jessi Conner (PHB)

BPS Overview Presentation

Presentation

Disclosures

- *Commissioner Lange*: Has participated in neighborhood work sessions on the TIF district.
- *Commissioner Routh*: I am in the 82nd TIF District area and have sat in on work sessions.

Ryan introduced the agenda and the proposed TIF districts in East Portland. Portland 2035 Comprehensive Plan: Policy 1.8 Urban renewal plans. Coordinate Comprehensive Plan implementation with urban renewal plans and implementation activities. A decision to adopt a new urban renewal district... must comply with the Comprehensive Plan. Compliance is an exercise in balance. Staff believe the East Portland's TIF districts do this as highlighted in slides 5-7.

Lisa provided an overview of today's presentation that will also include updates and notes about the Central City TIF questions and comments from the September 10 meeting.

As a reminder, TIF is part of a broader public toolkit that should include other public policies and other funding sources. As the City considers forming new TIF Districts, it should focus on:

- Incenting significant new housing production in TIF districts.
- Reducing systemic barriers to economic opportunity before and during investments in infrastructure or other catalytic projects (intentional phasing).
- Building community trust through better accountability and transparency on how money flows and is connected to public outcomes.
- Leveraging state/federal dollars to maximize positive impacts.

TIF must be spent on priorities of community within each district.

Kathryn noted the 3 proposed districts:

- SPACC
- 82nd Ave
- East 205

We are below the assigned caps in each.

TIF Exploration really builds upon the relationships and capacity built through the Neighborhood Prosperity Initiative. As in Cully where Our 42nd Ave and Cully Blvd Alliance really helped anchor the work and connect to the local business community – the East Portland work follows the same model.

Numerous plans ask Prosper Portland to do an exploration of TIF to help fund community-identified needs – from the Parkrose Community Plan to the East Portland Action Plan. It was the East

Portland Action Plan (EPAP) that began convening a group of East Portland stakeholders a year prior to the formal kickoff of this project – to learn more about Cully and start thinking if something similar might be a good option for East Portland.

Public engagement activities and numbers are shared on slide 11. Details about public engagement are shared on slide 12.

Jessi shared information about what staff heard across all the districts (slide 13). The East Portland project lists are shared on slide 14, highlighting some of the similarities across the three areas. In the Economic and Urban Development bucket, you'll see the desire for small business support and workforce housing – as well as support for art and signage that reflects and celebrates East Portland's diversity.

Infrastructure investments are limited in each district, not because of a lack of need, but out of a desire for those things to be funded by other sources. The 82nd Ave Working Group has a slightly higher percentage dedicated to infrastructure than the other two because of the large investment coming on the corridor – and how restricted that is to the corridor itself. They wanted some additional funds available to really focus on safety and connectivity.

Under Affordable housing, we see items related to multi-family development and preservation, but also a focus on ownership – down payment assistance and home repair; as well as support for neighbors living in manufactured dwelling parks.

Approximately 25% of Staffing and Overhead reflects an average over the life of the district and includes:

- Direct personnel (8%) (e.g. Project and program staff including community engagement, project development, real estate transactions).
- Indirect personnel (8%) (e.g. Legal and procurement, Communications and equity, Finance and accounting).
- General overhead and internal materials and services (8%) (e.g. leasing space, IT systems, City overhead costs such as MWESB monitoring and reporting, trainings, and sponsorships).

Commissioner Lange: On the overhead, is it 25% of 100% or of 55%?

- Lisa: It's inclusive of all the funding.

Kathryn and Jessi highlighted the specifics of each of the three areas (slides 15-20).

Commissioner Routh: On the SPACC map, is the carveout the sandlot?

- Kathryn: The intention is for the sandlot to be included. But this is not a separate tax lot right now, so if it becomes separate, it will fall within the boundary.

Potential outcomes – to give a sense of scale – are shown on slide 21.

The implementation principles are not required under State law, but we used this in the Cully TIF work and carried this concept into our TIF work. Slide 22 highlights these principles, with the new East Portland ones highlighted in green, which Kathryn explained.

Commissioner Thompson: Provided 45% for affordable housing is achieved, how much flexibility is there for the buckets?

- Kathryn: Buckets are for the life of the district. So there can be flexibility within a given year.

Jessi highlighted the potential future committee scopes of work after adoption (slide 24).

Lisa returned to some of the questions commissioners brought up in the conversation about Central City TIFs – general TIF information.

Slide 26 shows the impacts over the 35 years. The tax increment that is generated above the frozen base is generated by the tax rates of the overlapping taxing jurisdictions with the growth in assessed value until all indebtedness raised by the districts are repaid.

All the assumptions assume for modeling purposes 3% annual growth in assessed value – using that assumed growth, we can estimate the amount of tax revenue that otherwise would go to the overlapping jurisdictions that will be used to implement the plans and repay the indebtedness issued.

Included here is the estimated impact to General Government partners including the city, County, library district and other districts. In total, the estimated impact over 30 to 35 years ranges from \$1.6B to \$2B.

We've created a range of impact based on how much long-term financing is issued to help facilitate timing projects. The low impact would require no long-term financing to be issued and generally equal to the maximum indebtedness being raised where the high impact incorporates some bonds being issued that may extend the time it takes to pay off each district by 3-5 years and therefore results in a higher impact.

Highest impacts would be to the city and county with an annual estimated combined impact to the City of between \$20 and \$24M – however, in all of these cases the amount of foregone taxes will be less than the amount of tax revenue that is now coming back to the overlapping districts from the districts that are terminating.

Impact to school districts – slide 27. \$38-40M with an average annual impact of \$1.1-1.4M total for all districts.

- Tony: State school fund estimates are based on the current biennium. This is a projection based on what we know today... so to the extent impacts change over the years, this can change too.

Next steps for this TIF work is shared on slide 28. We anticipate going to Council in late October, and with approval, budget development would be through spring 2025, with resources starting in July 2025.

Written Testimony

Oral Testimony

1. Paula Byrd (Rosewood Initiative & East Portland TIF Community Project Mgr): East Portland is a diverse, resilient, and rapidly growing community. Residents feel that historically their concerns have gone unheard. Shared information and unique characteristics of each TIF district. The history of Portland and TIF districts have not always been favorable... fear of displacement. But while these fears may be real, I have faith the City will prioritize the community here.
2. Sharie Lewis (David Douglas SD): On behalf of the Parkrose community, a marginalized community where 100% students have free lunch and 75% are students of color. There has been a huge lack of trust, which is a concern of the residents of this community. We are looking for something where our youth can go that is easily accessible. Our community has outpriced our residents, so we hope affordable housing can bring students and families back. With the loss of students, if we bring students back, we need to ensure more school facilities and sites to accommodate this potential increase. As for the state school fund and property taxes, there is equalization – if something goes away (like TIF revenue), the state school fund will make us somewhat whole. The fear to this is as we approach the school fund, we are likely seeing changes to that. We need safety and security, particularly about sidewalks. Overall, we feel like Parkrose SD and members are supportive of this initiative.

Chair O'Meara closed oral and written testimony at 5:57 p.m.

Discussion

Commissioner Spevak: I'm excited these are starting off with trust and support from the groups... but what if over time it doesn't continue in this light. If community wants different initiatives and work, what happens?

- Kathryn: Appointments will probably be like Cully... be based on an open application process and a subset of the current committee to create the application process. We are leaning into the concept of co-creation. The governance charter spells out the appointment process: ½ through Mayor, ½ through the PDC board (appointed by City Council). In the governance charter, we have language around what will happen if things go sideways. There is also an annual report to City Council so the committee has a direct relationship to Council and can provide an update every year. They can say the district should be closed if that's the feeling at the time. In the first 5 years, if things are not going well, it can more easily be stopped.

- Lisa: The action plans are typically 5-year plans for investment, and they go before the PDC board as well as Council. This should reduce the likelihood of having a differing direction from the community.

Commissioner Pouncil: In terms of home ownership, is there a bucket that has been set aside for this?

- Jessi: The working groups did not identify a specific set-aside in the 45% for home ownership. Historically we have spent approximately 35% on home ownership programs. If working groups were interested in having this larger conversation, we would bring information per district so it is tailored to the specific area.

Commissioner Alexander: As we hear about priorities from folks in each district, many people in this area are there as a result of displacement. We want to strive in place *and* age in place. Is there a focus of not going through the trauma of people having to leave an area after they have been able to be stable in the community for years?

- Lisa: As a tool, it is helpful to have the implementation guidelines. We have accessible senior housing in this area, but we also need to be aware of young and older generations that have been displaced. So we need to think about both sides of this. We have affordable housing developers who focus on intergenerational housing too.

Commissioner Thompson: The 45% for affordable housing is across all the districts, but I'm curious why this is the de facto target in each individual district.

- Jessi: This has stemmed from conversations with steering and working group committee members in all the TIF areas. In Central City, there is a focus on preservation. In East Portland, it is lots of different types. We had hard conversations about housing and other priorities, each of which is largely interconnected for the other's success. We talked about pros and cons about this percentage and if one district only wanted, for example, 20% for housing. Because it is an aggregate, it would largely inflate the percentage other districts would have to take... and districts didn't want to be making decisions for others.

Commissioner Thompson: How does tonight's hearing and the one from 2 weeks ago was shared with people in the TIF districts? I am always concerned when we don't hear from the broader community and opinions.

- Paula: It was shared a number of ways – team created a video and shared it with partners, NPNs, social media. I developed a survey that was translated to 7 languages and was provided at our open houses. Work from Prosper and engagement. Flyers, door-to-door.
- Kathryn: For this hearing specifically, we have an interested party list that we shared the dates with – also posted on our website. There is a state required super noticed that is targeted more to drawing people to City Council, which goes to everyone in the city.

Commissioner Routh: I appreciate the comments from Shari about Parkrose SD and Paula's work in community! I have also heard from community that this is a fast-tracked process.

- Kathryn: Votes were rather uneventful in East 205 and 82nd. SPACC had not landed on a boundary, which was something we needed early. The major conversations were about

neighborhood character and affordable housing as well as the uniqueness of the district with both industrial and residential areas. We worked through this and got to a large meeting before the final vote, and they voted to wait... so when we got to the Working Group vote, it was quite different from the other two districts.

Commissioner Lange: Thank you to our testifiers tonight. And thank you for the work from staff. I hope we can get more people testifying as this moves forward to City Council – that is very powerful coming from the community that is affected. How can we be sure the working group is speaking for the majority of the community?

- Lisa: We have layers of engagement included, as you've heard about. 1:1s with individual organizations and surveys. If we had heard anything that made us rethink that things were fundamentally flawed in the planning, we would have brought that to the working groups. They worked through tensions, identified priorities, and had conversations to get to the proposals, so we think this is a good verification.
- Kathryn: We also do office hours as staff, and people have been coming and asking questions, and we've connected with quite a few folks.

Commissioner Spevak: It feels like the conversation on percentage 45% is a floor... is that right?

- Jessi: Yes, but none of the districts opted for higher.
- Kathryn: Some chose 45 min housing, 40 min ec dev, 15 max for infrastructure... but that means the infrastructure could be more flexible if they wanted more for housing, for example.

Commissioner Spevak: Is it better / smarter to have the districts be more staggered? Are we setting ourselves up for another TIF cliff?

- Lisa: For consistency for long-range plans, we want to look at the key areas to grow in the ways we've prioritized. This is a key tool, like our other 30-year plans for the city. There is a City Council in the future that will come up with new priorities and reconsider this tool. There is still capacity left (we are leaving acreage on the table), and assessed value grows over time (generally!), so we know N Macadam and Gateway will roll off in 10-15 years.

Commissioner Pouncil: How capital likes to move when it sees and opportunity/benefit. My impression is people are a little scared – has there been any thought about roll-out and ensuring communities are going to be benefited first versus infrastructure, businesses, etc?

- Kathryn: These are stabilization, anti-displacement, focused growth tools. People's prosperity as growth comes is key. We will have a recruitment process, which will include lots of education, to fill the advisory bodies, which will include lots of education. Folks have to agree to the implementation principles if they want to participate on the bodies.

Chair O'Meara: I have developed housing in East Portland – and the sentiment is yes we need it now, and we need more resourced. So I'm not surprised for the limited testimony we had tonight. I am curious how when we look at affordable housing there can be coordination with some infrastructure? Does that get visioned in the 5-year action plan (e.g. a youth center)?

- Jessi: PHB is a full partner in the community leadership meetings, and we help, plan, debrief together. We will start moving through action planning, and I know it's tricky with non-technical experts, but we want to offer our expertise and can also bring in other staff to help process.
- Kathryn: Action planning is a key piece. So I think the 5-year action plans are generally resourced, and this is a great place to get all the intersections and coordination. With infrastructure, it's like a leveraging tool to work with PBOT for example.

Chair O'Meara: We will return with both TIF districts at our October 8 Planning Commission meeting.

Adjourn

Chair O'Meara adjourned the meeting at 6:49 p.m.

Submitted by Julie Ocken

DRAFT