



[Home](#) / [Council Clerk](#) / [Council Documents](#) / [Resolution](#)

37681

Resolution

Direct the City Administrator to bring forward action plans, amendments and review of Set Aside Policy in collaboration with Prosper Portland

Adopted

Amended by Council

WHEREAS, on April 26, 2023, City Council through Resolution 37617 adopted Advance Portland: A Call to Action for Inclusive Economic Growth (Advance Portland), which supported the pursuit of Tax Increment Financing (TIF) as a tool for inclusive growth and stabilization within the Central City and East Portland; and

WHEREAS, on June 28, 2023, City Council through Resolution 37623 requested Prosper Portland, as the duly organized urban renewal agency of the City of Portland, together with the Portland Housing Bureau (PHB) and the Bureau of Revenue and Financial Services, to collectively pursue analysis and creation of new urban renewal districts ("TIF districts"); and

WHEREAS, Prosper Portland convened community-led advisory committees to oversee the East Portland and Central City exploration processes to advise Prosper Portland regarding the potential creation of new TIF districts, including proposed district geographies, investment priorities, and governance of TIF resources over the life of the districts; and

WHEREAS, on August 28, 2024, as a product of the East Portland and Central City TIF district exploration engagement processes, the Prosper Portland Board of Commissioners approved six TIF district plans and forwarded the plans to City Council with a recommendation for approval; and

WHEREAS, should City Council adopt one or more of the proposed six TIF district plans, Prosper Portland will administer implementation of the TIF district plans, and PHB will assume and complete activities agreed upon by the City and Prosper Portland, as ascribed to PHB by the individual TIF Plans; and

WHEREAS, on October 25, 2006, Portland City Council through Ordinance 180547, "establish(ed) a Set Aside of Tax Increment Financing resources for the development, preservation and rehabilitation of housing affordable to

Introduced by

[Mayor Ted Wheeler;](#)

[Commissioner Carmen Rubio](#)

City department

[Housing Bureau; Prosper Portland](#)

Contact

Justin Douglas

Governance, Learning and Outcomes Manager

✉ douglasj@prosperportland.us

Jessica Conner

Senior Policy and Planning Coordinator

✉ Jessica.Conner@portlandoregon.gov

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

October 30, 2024

Requested Start Time

9:45 am

Time Requested

30 minutes (9 of 9)

households with incomes below 80% of median family income” (Set Aside Policy); and

WHEREAS, the Set Aside Policy established the City Council's direction that 30% of Tax Increment Financing (TIF) investments over the life of active TIF Districts shall be dedicated to the development, preservation and rehabilitation of housing affordable to households with incomes below 80% median family income; and

WHEREAS, Prosper Portland (then Portland Development Commission) invested TIF resources in affordable housing projects in accordance with the Set Aside Policy and adopted TIF plans until the City of Portland consolidated the agency's housing functions along with those of the former Bureau of Housing and Community Development through Ordinance No. 182465 on January 7, 2009, and established the Portland Housing Bureau (PHB); and

WHEREAS, since 2009, PHB and Prosper Portland have entered into intergovernmental agreements, updated on an annual basis, pursuant to which Prosper Portland has agreed to provide TIF resources to PHB for PHB to invest these resources in housing projects within TIF districts in accordance with the Set Aside Policy and adopted TIF plans; and

WHEREAS, on October 28, 2015, Portland City Council through Ordinance 187415, amended the Set Aside Policy raising from an aggregate citywide target of 30% of investments to an aggregate citywide target of 45% of investments within active TIF districts; and

WHEREAS, PHB endeavors to review the impact of the Set Aside Policy approximately every five years in alignment with changing market conditions and affordable housing development feasibility; and

WHEREAS, Prosper Portland has established a best practice of developing five-year action plans for TIF districts with community partners to guide the near-term investment of TIF resources in alignment with adopted TIF Plans and the Set Aside Policy; and

WHEREAS, Prosper Portland seeks to ensure public, private, and community non-profit partners participate in and inform the establishment of Five-Year Action Plans for each proposed TIF district, including building upon the existing expertise of geographically focused economic development partners such as the Neighborhood Prosperity Network and Enhanced Service Districts, among others; and

NOW, THEREFORE, BE IT RESOLVED, that City Council directs the City Administrator, with the support of PHB and in collaboration with Prosper Portland leadership, to conduct a thorough review of the Set Aside Policy and related income guidelines and homeownership commitments, including involvement from a broad range of public, private, and community stakeholders, including a briefing with Prosper Portland Board of Commissioner, and return to City Council with any recommended amendments by November 30, 2026 and to provide an overview of annual

Set-Aside allocations across all districts as part of their annual budget presentations to City Council starting with Fiscal Year 2025-2026; and

BE IT FURTHER RESOLVED, that City Council directs that when the City Administrator returns to Council in 2026 with recommended amendments to the Set Aside Policy, for the East Portland TIF Districts, they will recommend amendment of all documents, charts, and attachments of TIF District set-aside where 45% of affordable housing set aside is written, to include a minimum of 20% for affordable homeownership activities with a remaining 25% allocated to other affordable housing work; and

BE IT FURTHER RESOLVED, that City Council directs the City Administrator to work in collaboration with Prosper Portland leadership, with the support of PHB, to bring forward Five-Year Action Plans, aligned with and reaffirming the goals of Advance Portland and informed by extensive community engagement, which must include partnerships with the Neighborhood Prosperity Network and Enhanced Service Districts, to identify TIF district budget priorities for City Council's consideration; and

BE IT FURTHER RESOLVED, that City Council directs the City Administrator to work in collaboration with Prosper Portland leadership, with the support of PHB, to bring forward to City Council any necessary major amendments of the TIF Plans, including budget priorities and/or boundary adjustment as necessary to support the Set Aside Policy, Five-Year Action Plans, and imminent development in alignment with TIF Plan priorities.

Exhibits and Attachments

 [Approved amendment from Commissioner Mapps](#) 48.01 KB

 [Approved amendment from Commissioner Rubio](#) 31.41 KB

Impact Statement

Purpose of Proposed Legislation and Background Information

On June 28, 2023, Portland City Council through Resolution 37623 directed Prosper Portland to “pursue analysis and creation of new Tax Increment Finance districts to advance equitable development and inclusive growth in East Portland and the Central City.” The resolution further stipulated that

- The East Portland TIF exploration process shall consider up to 7,500 acres of available land area and up to approximately \$6 billion in available assessed value for up to three new districts, including a potential district along 82nd Avenue to support the City's parallel investments in transportation improvements; and
- The Central City TIF exploration process shall consider up to 1,500 acres of available land area and up to approximately \$3.8 billion in available assessed value for new TIF district(s).

Since then, staff have conducted significant community outreach and are proposing two amended and six new TIF districts to be considered at the October 23, 2024, Portland City Council meeting. As part of the engagement process, staff communicated to partners that the Portland City Council through Ordinance 187415, established the Set Aside Policy to an aggregate citywide minimum of 45% and that this policy applies to all new TIF districts and substantial amendments to existing TIF districts after November 1, 2007. Stakeholders expressed an interest in modifying the set aside targets for the new TIF districts in response to localized market conditions and housing needs. Given the policy and financial implications of modifying the targets, staff communicated that future City Council action would be required and are therefore requiring a comprehensive review and analysis as part of the action planning process that establishes five-year investment priorities in each district.

This resolution:

- Directs the City Administrator, with the support of Portland Housing Bureau (PHB) and in collaboration with Prosper Portland, to conduct a thorough review of the Set Aside Policy, including comprehensive public outreach, and return to City Council with any recommended amendments by November 30, 2026;
- Directs the City Administrator, with the support of PHB and in collaboration with Prosper Portland, to prepare Five-Year Action Plans, informed by extensive community engagement, including centering partnerships with the Neighborhood Prosperity Network and Enhanced Service Districts, to identify TIF district budget priorities for City Council's consideration;
- Directs the City Administrator, with the support of PHB and in collaboration with Prosper Portland, to pursue any necessary amendments of the TIF Plans, including budget priorities and/or boundary adjustment as necessary to support the Set Aside Policy, Five-Year Action Plans, and imminent development in alignment with TIF Plan priorities.

Financial and Budgetary Impacts

This action will require Prosper Portland and PHB staff to engage with community stakeholders in the action planning and policy review. Prosper Portland has adequate resources in its fiscal year 2024-25 adopted budget to hire up to four new staff should City Council approve any new districts.

Full financial and budgetary analyses will accompany any future policy proposals that result from this work.

Economic and Real Estate Development Impacts

There are no economic or real estate development impacts as this resolution only directs staff to undertake public outreach and review policy. Full economic and real estate development impacts analyses will accompany any future policy proposals that result from this work.

Community Impacts and Community Involvement

Prosper Portland and Portland Housing Bureau staff conducted significant and thorough public participation related to accompanying actions on the October 23, 2024, Portland City Council agenda to consider amending and creating tax increment finance districts. As part of that engagement process, staff communicated to partners that the Portland City Council through Ordinance 187415, established the Set Aside Policy to an aggregate citywide minimum of 45% and that this policy applies to all new TIF districts and substantial amendments to existing TIF districts after November 1, 2007. Stakeholders expressed an interest in modifying the set aside targets for the new TIF districts in response to localized market conditions and housing needs. Given the policy and financial implications of modifying the targets, staff communicated that future City Council action would be required and are therefore requiring a comprehensive review and analysis as part of the action planning process that establishes five-year investment priorities in each district.

100% Renewable Goal

This action does not have an affect on the 100% renewable goal.

Financial and Budget Analysis

This resolution directs the City Administrator, with the support of the Portland Housing Bureau (PHB), and in collaboration with Prosper Portland, to conduct a thorough review of the Set Aside Policy that directs 45% of TIF resources to affordable housing, to prepare Five-Year Action Plans, and to pursue any necessary amendments of the TIF Plans. This action will require Prosper Portland and PHB staff to engage with community stakeholders in the action planning and policy review. Prosper Portland has adequate resources in its FY 2024-25 Adopted budget to hire up to four new staff should City Council approve any new districts. Full financial and budgetary analyses will accompany any future policy proposals that result from this work. It is anticipated the City's General Fund will forego \$12.1m in property tax revenue over the next five-years (\$1.2m in FY 2026-27, \$2.4m in FY 2027-28, \$3.6m in FY 2028-29, and \$4.9m in FY 2029-30).

Document History

Item 917 Time Certain in [October 23, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/23)
(<https://www.portland.gov/council/agenda/2024/10/23>)

City Council

Continued As Amended

Motion to amend the second "resolved" statement to replace "including centering" with "which must include": Moved by Ryan and seconded by Wheeler. (Aye-Mapps, Rubio, Ryan, Gonzalez, Wheeler)
Continued as amended to October 30, 2024 at 9:45 a.m. time certain

Item 931 Time Certain in [October 30-31, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/30)
(<https://www.portland.gov/council/agenda/2024/10/30>)

City Council

Adopted As Amended

Motion to add a resolved statement to direct the City Administrator and relevant policymakers to target 20% of funds for homeownership activities: Moved by Mapps and seconded by Gonzalez. (Aye (4) - Mapps, Rubio, Ryan, Gonzalez; Nay (1) - Wheeler)

Motion to amend the first resolved statement to clarify that the Set Aside Policy review will include a look at the related income and homeownership components: Moved by Rubio and seconded by Mapps. (Aye (4) - Mapps, Rubio, Ryan, Gonzalez; Nay (1) - Wheeler)

Aye (5):

Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler