

Planning and Sustainability Commission

Limited Tax Exemptions (LTE) Big Look Briefing July 12, 2011

Portland Housing Bureau

LTE Big Look

- **Process & Purpose**
- **Context**
- **Draft Recommendations**
- **Next Steps**

LTE Big Look Process:

City/County workgroup – ongoing function (BPS staff included)

Big Look Policy Review Committee

Commissioner Fish & County Chair Cogen (co-chairs)

- Review current programs (EcoNW report, Annual LTE reports, staff reports)
- Review & approve shared program goals
- Discuss and develop recommendations for program changes

LTE Big Look Process:

Timeline

February 2010 – commence staff work group meetings – administrative process, code clean up

October 2010 – commence Fish/Cogen Policy Review committee

July/August 2011 – conclude Review Committee process w/ recommendations

Sept/Dec 2011 – Review recommendations, PSC, Council, County Commission – adopt program changes; legislation developed if needed

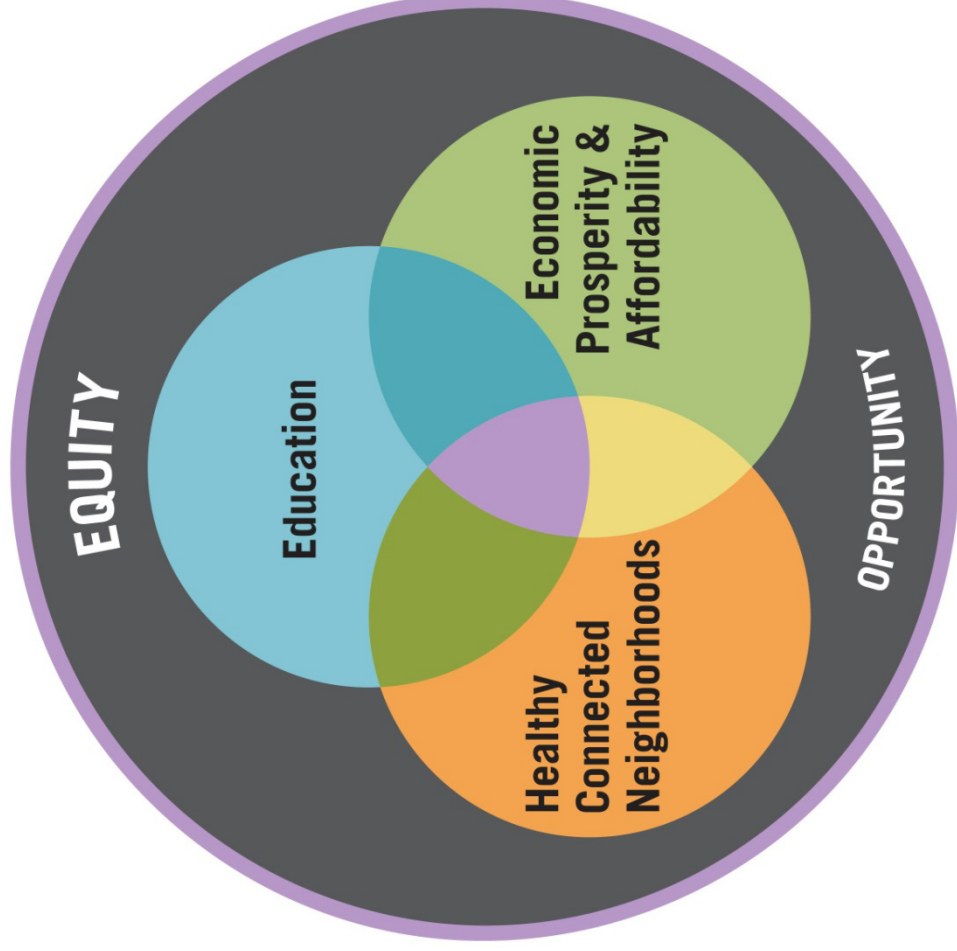
Nov/Feb 2012 - Legislation to Salem if any

LTE Big Look Purpose:

Review and align residential LTE programs with City & County housing and community goals:

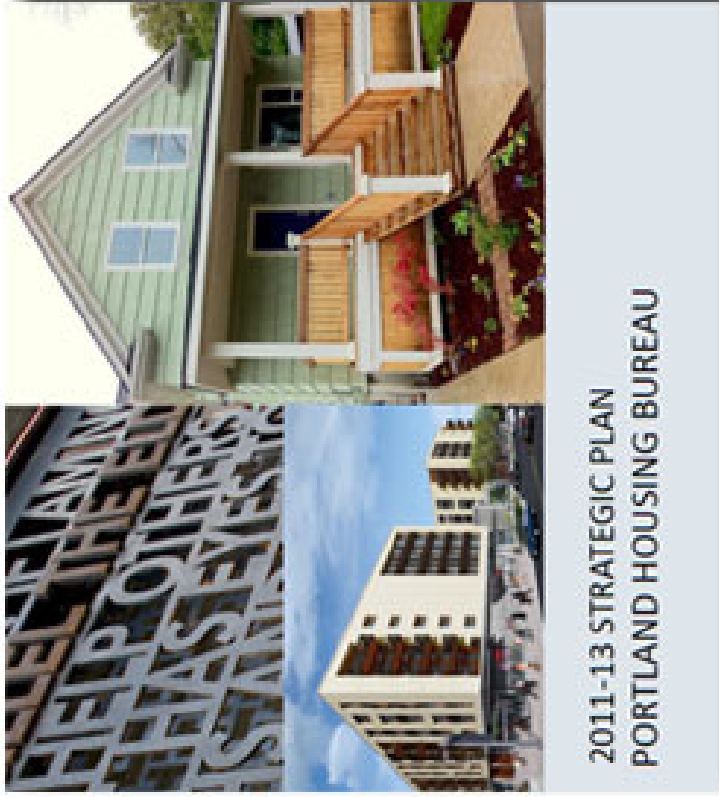
- Portland Plan
- PHB Strategic Plan
- City/County shared Housing/
Community goals

Three strategy strategies and an equity initiative



City of Portland, Oregon

Portland Housing Bureau



Portland Housing Bureau 2011-2013 Strategic Plan

<http://www.portlandonline.com/phb/strategy>

LTE Big Look City/County Shared Policy Goals

GENERAL/ASPIRATIONAL (aligned w/ HUD Livability Principles)

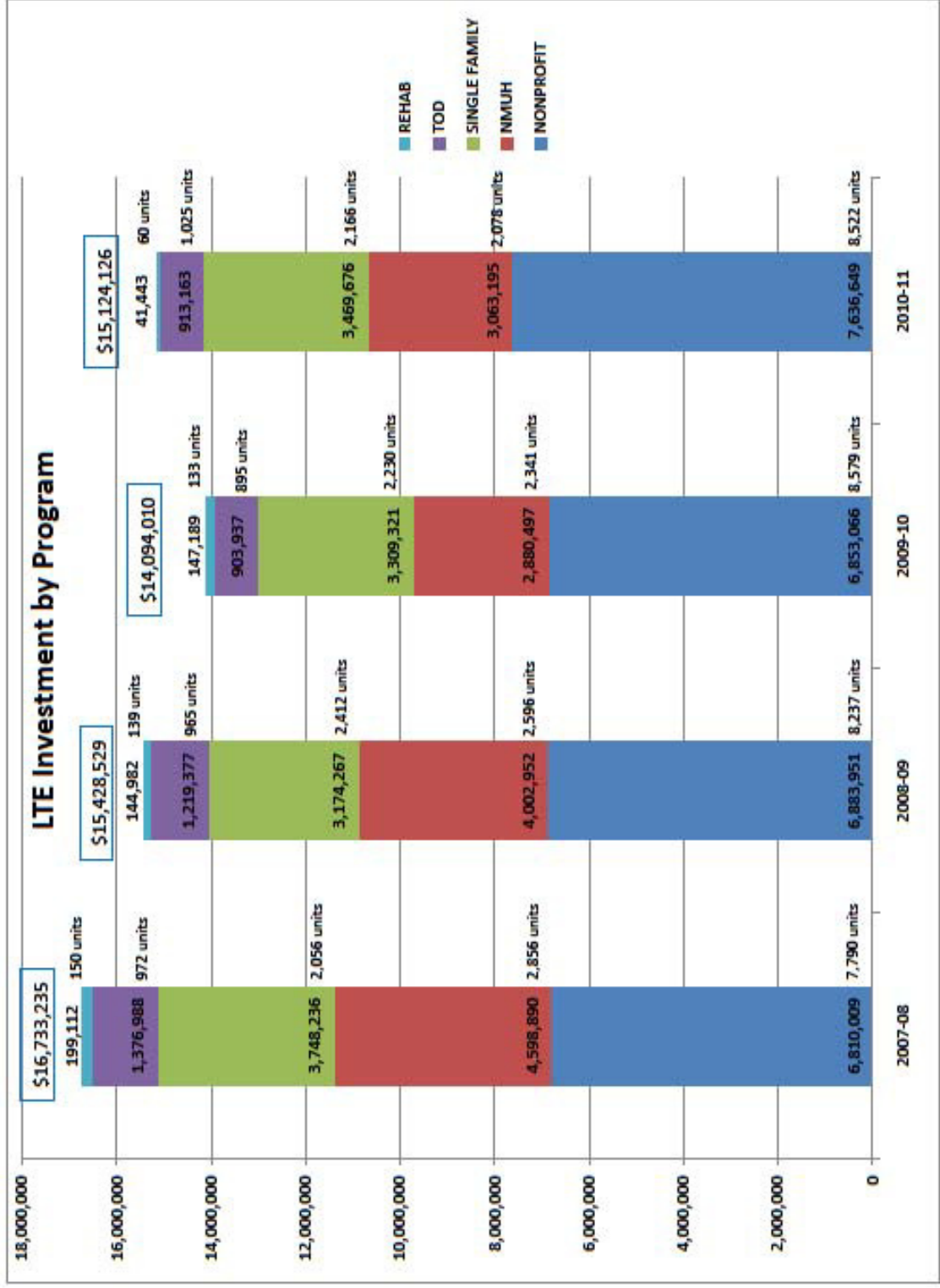
- Strategically incent production of the quality, quantity and location of affordable housing that the market may not otherwise provide
- Influence and manage growth, density and land uses
- Target development assistance to increase social equity and reduce disparities, improving access to amenities (transit, sidewalks, schools, healthy food, parks/recreation, services, etc) and increasing affordable home ownership in neighborhoods with amenities
- Increase housing with amenities for families with school-age children, people with disabilities, and for an aging population (affordable accessible design for low-income seniors)
- Encourage development of uses in residential buildings essential to livable/walkable communities (such as grocery stores in recognized “food deserts”)

LTE Big Look City/County Shared Policy Goals

OPERATIONAL:

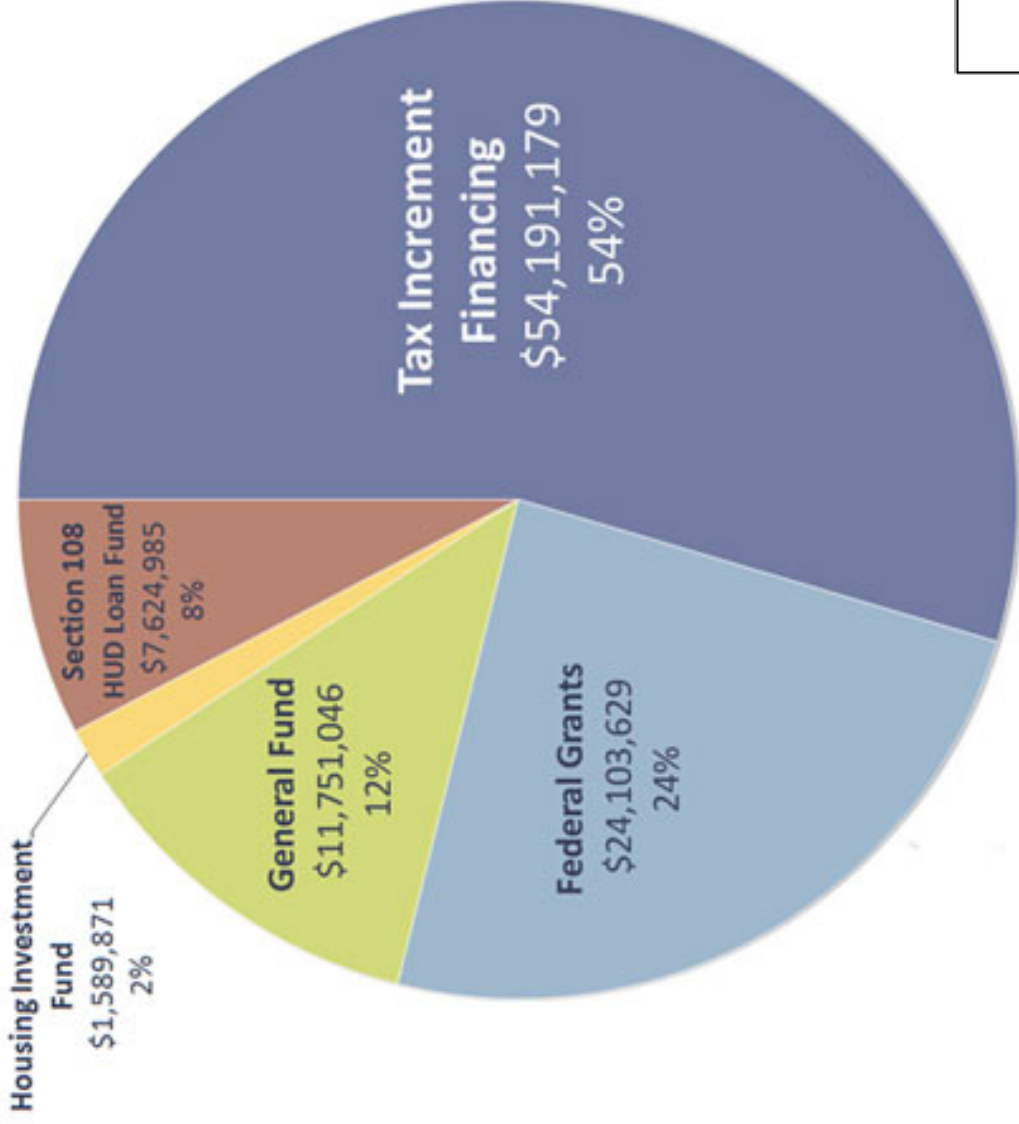
- Fiscally sustainable (administrative costs) programs with accountability and monitoring
- Cooperative relationship among administrative staff across the jurisdictions
- Fiscal awareness (by program) with cost controls of abatement “investments”
- Annual report of programs *against benchmarks*
 - foregone revenues,
 - housing goals advanced, and
 - forecasted growth in taxes as abatements expire
- Predictability for developers so they can plan future projects
- Nimble programs responsive to current conditions, adaptable for future needs
- Limit use of LTE programs when other development tools can be used

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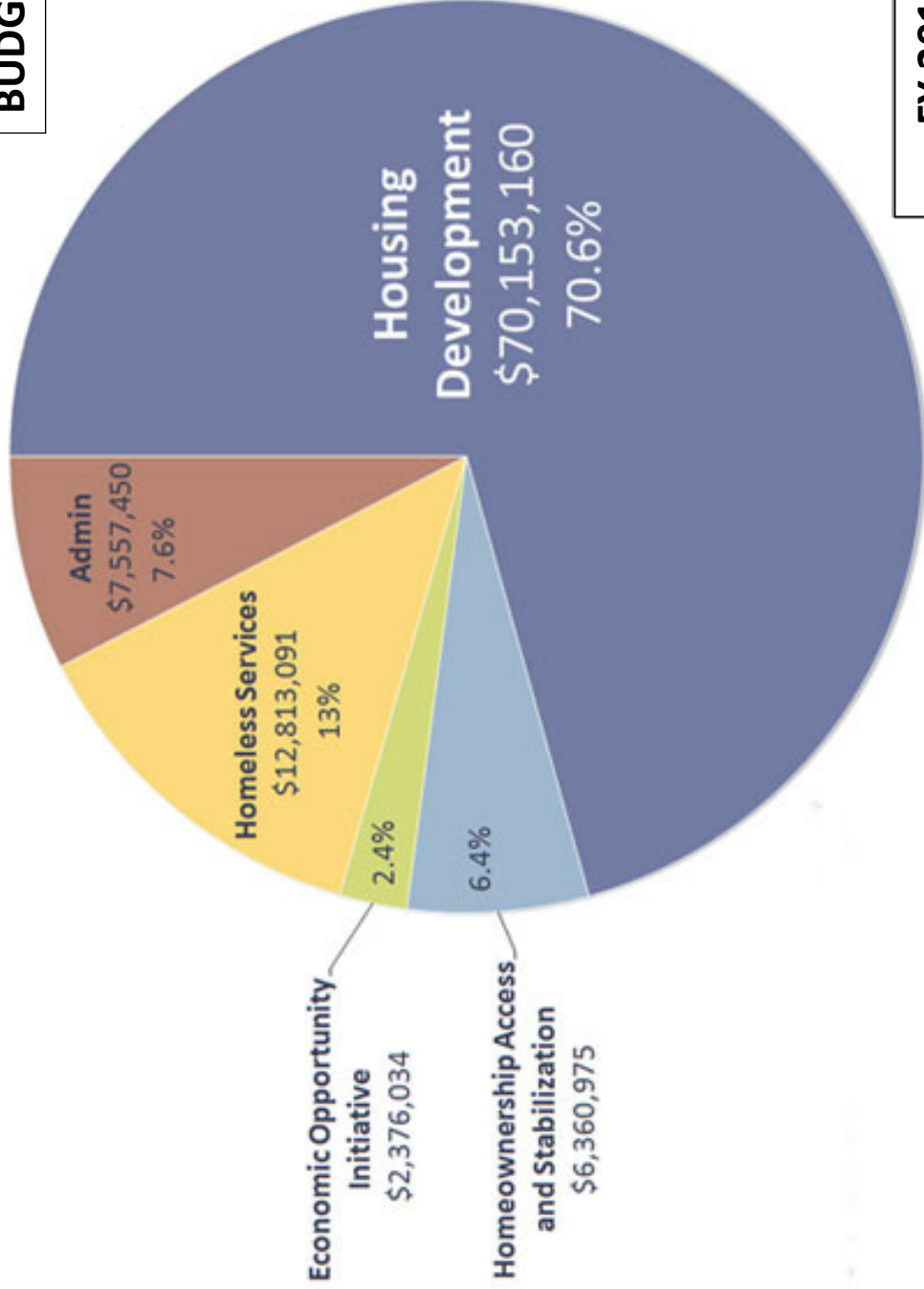
SOURCES OF FUNDS



FY 2011-12 BUDGET
\$99,260,710

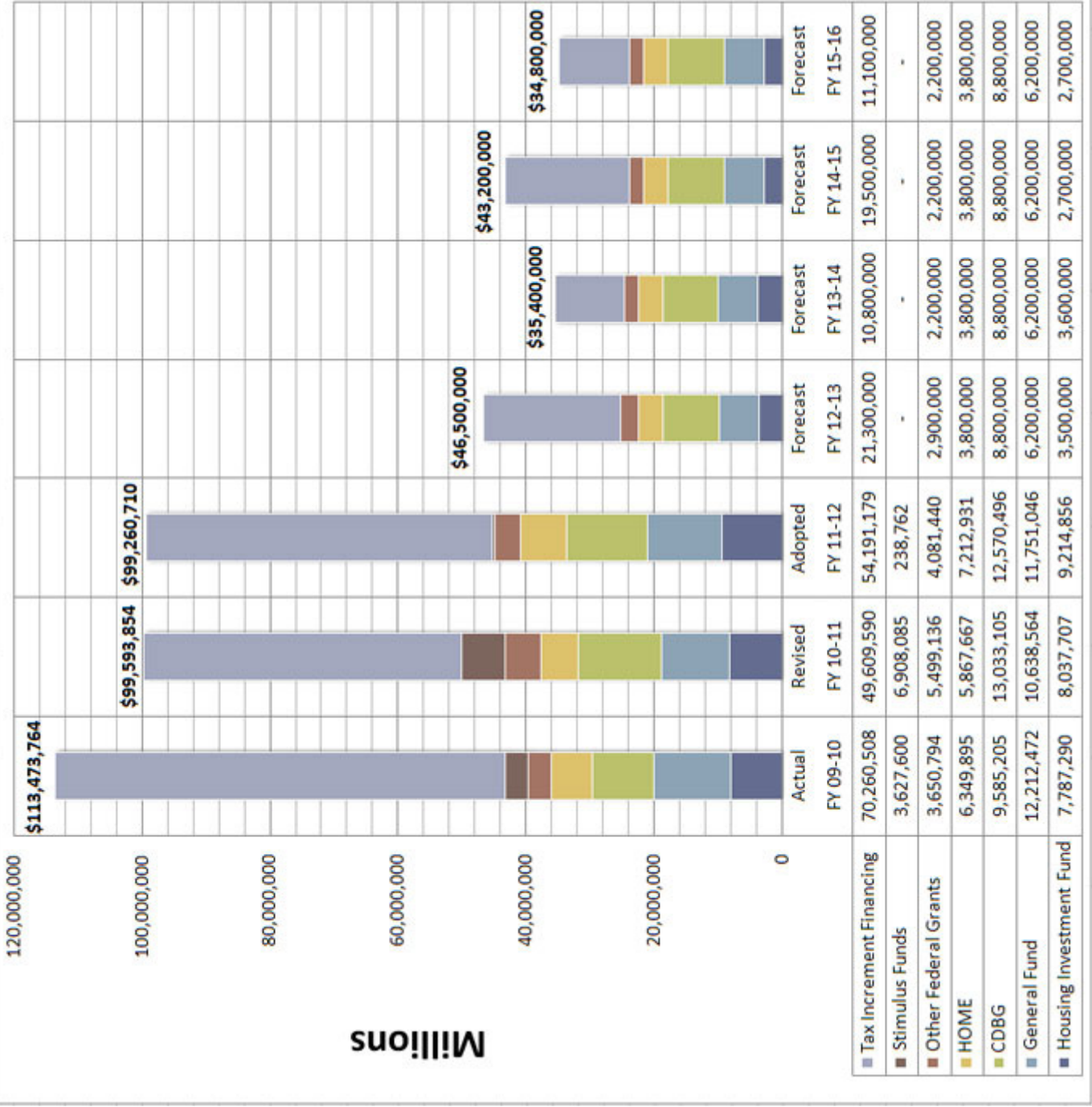
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BUDGET BY PROGRAM



FY 2011-12 BUDGET
\$99,260,710

Millions



	Actual FY 09-10	Revised FY 10-11	Adopted FY 11-12	Forecast FY 12-13	Forecast FY 13-14	Forecast FY 14-15	Forecast FY 15-16
Tax Increment Financing	70,260,508	49,609,590	54,191,179	21,300,000	10,800,000	19,500,000	11,100,000
Stimulus Funds	3,627,600	6,908,085	238,762	-	-	-	-
Other Federal Grants	3,650,794	5,499,136	4,081,440	2,900,000	2,200,000	2,200,000	2,200,000
HOME	6,349,895	5,867,667	7,212,931	3,800,000	3,800,000	3,800,000	3,800,000
CDBG	9,585,205	13,033,105	12,570,496	8,800,000	8,800,000	8,800,000	8,800,000
General Fund	12,212,472	10,638,564	11,751,046	6,200,000	6,200,000	6,200,000	6,200,000
Housing Investment Fund	7,787,290	8,037,707	9,214,856	3,500,000	3,600,000	2,700,000	2,700,000



LTE Big Look - Policy Review Committee Preliminary Recommendations

DRAFT FOR DISCUSSION

SINGLE FAMILY NEW CONSTRUCTION (SFNC)

Establish NEW guidelines for program to advance City Homeownership Goals

- Affordable Homeownership in “High Asset” areas
- Foreclosure resale

RESIDENTIAL REHABILITATION

Suspend the Portland Residential Rehab LTE

Research viability of revised or new program to support City housing goals:

- Anti-Displacement/Neighborhood Preservation/Senior home retention
- Weatherization/Energy Efficiency for low-income

New Multi-Unit Housing/Transit Oriented Development (NMUH/TOD)

Revise existing and/or establish NEW guidelines for program to advance Housing and Communities Goals:

- Combine the NMUH and TOD programs
- Align program to advance housing affordability & community livability - Portland Plan/Metro 2040/Sustainable Communities Opportunity Mapping
- Consider limited duration exemptions for public benefits tied to development of Healthy Connected Neighborhoods/Hubs

PROGRAM ADMINISTRATION

Continue collaborative efforts underway with City/County Work Group to improve accountability and efficiency in program operations

Establish targets for sustainable program administration (PHB Exec Team) and identify strategies to achieve for 2011-12 budget:

- Consider annual cap on # of applications accepted by program
- Establish City/County cost basis for fee increase, review for reasonableness, adopt

Next Steps:	
August/Sept	Policy Review Committee refers recommendations to Council
August/Sept	Staff working group designs implementation
Oct/Nov	City/County take legislative actions needed
Feb 2012	Legislative agenda if needed

Reference documents:

EcoNW report:

<http://efiles.ci.portland.or.us/webdrawer/rec/4133671/view/Tax%20Abatement%20Analysis%20November%202010.PDF>

PHB 2009-10 Annual Report, Residential Tax Exemption

Programs:

<http://efiles.ci.portland.or.us/webdrawer/rec/4133470/view/2009-10%20Tax%20Abatement%20Program%20Report.PDF>