

Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Andrea Matthiessen	2. Telephone No. 3-3279	3. Bureau/Office/Dept. PHB - 157/500
4a. To be filed (date): 06/27/2012	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: 06/20/2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed	6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title:

* Amend Code to reflect changes to Limited Tax Exemption programs as recommended by the Limited Tax Exemption Policy Review Committee (Ordinance; replace Code Chapters 3.102 and 3.103, remove Chapter 3.104)

2) Purpose of the Proposed Legislation:

The Ordinance proposes technical corrections to City Code which authorizes the City of Portland to administer limited tax exemption programs for affordable housing.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | Cully Neighborhood | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The revisions proposed for City Code 3.102 and 3.103 will authorize limited tax exemptions for affordable housing, which are foregone revenue for the City of Portland and other taxing jurisdictions. The Administrative Rules that guide the implementation of the proposed code revisions will cap new annual foregone revenue for multi-family applications at \$1 million dollars and single family applications at 100 applications annually (approximately \$160,000 annually).

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

There are no costs to the City as part of making the City Code revisions proposed in this Ordinance.

6) Staffing Requirements:

- Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No

- Will positions be created or eliminated in future years as a result of this legislation?

No

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

N/A

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

YES: Please proceed to Question #9.

NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Impacts may include:

- New eligible areas for the programs are being designated that include locations that have not previously been eligible and remove some locations that have been historically been allowed. This may impact the type of development that occurs.

- Annual caps on program activity may impact whether developers are able to utilize the programs for eligible projects
- New application processes and requirements may intentionally impact the type, quality and quantity of projects utilizing the programs.
- Allowed exceptions to the program rules may intentionally advantage certain types of development (affordable homeownership subject to an affordability covenant) or locations (Gateway and Lents URA's in East Portland)

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

The Limited Tax Exemption Policy Review Committee was comprised of City of Portland and Multnomah County elected leaders and voluntary government commission members (Planning and Sustainability Commission, Portland Housing Advisory Commission), representatives of Portland and David Douglas School Districts, non-profit and for profit development firms, finance professionals. The Committee was staffed by Portland Housing Bureau, Multnomah County, Bureau of Planning and Sustainability and the Portland Development Commission. Additional invitees to those meetings included Portland Business Assn., Metro, and interested citizens. Many of whom contributed to and participated in the Committee's discussions. The meeting notes reflect this.

c) How did public involvement shape the outcome of this Council item?

Subsequent to review of the Limited Tax Exemption Policy Review Committee's recommendations, four improvements were made to the final program changes in code, in response to input received through the stakeholder outreach and public involvement.

- An exception to the cap on Homebuyer Opportunity program applications is proposed for homes that are 1) subject to an affordable housing covenant preserving long-term affordability and 2) affordable to a homebuyer earning less than 80% MFI.
- The maximum sales price for homes in the Homebuyer Opportunity program will be allowed to be as high as the statutory maximum of 120% of median home sales price.
- An exception to the cap and the competitive process for the Multi-Unit program is proposed for developments in the Gateway or Lents Urban Renewal Areas in East Portland.
- A revised eligible area map for the Multi-Unit programs was developed by the Bureau of Planning and Sustainability at the direction of the Planning and Sustainability Commission and is proposed for utilization.

d) Who designed and implemented the public involvement related to this Council item?

This public involvement process was designed by Portland Housing Bureau staff in consultation with Bureau of Planning and Sustainability staff and Portland Development Commission staff.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Kate Allen
Sr. Policy Advisor
503.823.3606
Kate.allen@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.



Traci Manning, Director

BUREAU DIRECTOR (Typed name and signature)