



The League of Women Voters of Portland

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MEMORANDUM

DATE: December 3, 2014

TO: Mayor Charlie Hales, Commissioners Fish, Fritz, Novick, and Saltzman

FROM: League of Women Voters of Portland
Kathleen Hersh and Margaret Noel, Co-presidents
Debbie Aiona, Action Committee Chair

Urban Renewal District Amendments

The League of Women Voters of Portland appreciates that Council is rethinking Portland's urban renewal areas and giving us the opportunity to elaborate on our objections and concerns set forth in the Urban Renewal Amendment Advisory Committee report.

Assess Each District Individually

Mayor Hales has presented this proposal as a package deal. The League disagrees with this approach. Each urban renewal area should be reassessed on its own terms. It is misleading to suggest that districts are interlinked and that there is an overall benefit to be achieved by doing this as a package deal. The savings primarily result from ending certain districts, including the Education URA, but other amendments will increase the cost to taxing jurisdictions. For example, the North Macadam extension will take an additional \$49 million from schools, city, and county services over the next 30 years.

River District

The proposal would remove about 30 percent in assessed value from the district (~50 acres). While this sounds like a lot, the actual impact on the affected taxing jurisdictions is very small. The proposed amendment would return only about \$5.4 million collectively to the taxing jurisdictions in 2015/16. The city would have only \$1.5 million more to spend on citywide services, the county \$1.4 million. These are insignificant sums in comparison to what the River District will continue to drain from city, county, and school coffers. In 2013/14 alone, \$32.6 million in property tax revenue went to the Portland Development Commission to pay for River District projects.

“To promote political responsibility through informed and active participation in government.”

Although PDC may be contractually committed to a number of projects, we recommend that additional acres be released from the district. It is inappropriate for the county and schools to continue to pay for all of the planned projects through tax increment financing. We ask Council to consider whether it would make more sense to reduce the district even more and use the city's portion of the savings to continue the work. Would the public be better served if the county and schools could use their portion of the resources on core services such as educating children and protecting the vulnerable?

North Macadam

The proposal is a sensible solution for addressing the inappropriate creation of the Education URA and the desire to support the University District's vitality. Once the amendment is approved, the League urges PDC and the city to stay true to the objectives within the existing North Macadam boundaries. It is a complex district with many challenges and needs ongoing PDC involvement.

Our primary concern in this district relates to the affordable housing goals and achievements. The Council-adopted South Waterfront Plan (2003) calls for a district that is diverse and inclusive with a mix of incomes that generally reflects the diversity found in the city as a whole. According to the draft North Macadam Urban Renewal Plan report (p. 22), over 4,000 residential units have been built in the district. Of those, 209 are affordable to households earning less than 60 percent of median family income. Had the city carried out its policy of meeting the income profile of the city as a whole, there would be over 1,500 units affordable to households in that income range. Portlanders of all income levels, including very low-income households, should be able to live in this new neighborhood and benefit from its publicly subsidized amenities.

If housing set aside dollars are not sufficient, we challenge City Council to find whatever additional resources are needed to meet the district housing goals. Our concerns extend to the River District Urban Renewal Area as well.

Central Eastside

The proposed amendment would add 16 acres to the Central Eastside to fund streets and sidewalks around the new light rail station in the Clinton Triangle and to provide development assistance. Diverting funds from the county, schools, and other taxing jurisdictions for this purpose is an inappropriate use of urban renewal. Since the city owns a significant portion of the area, making it suitable for private development should be a manageable undertaking without using money that otherwise would be spent in classrooms or providing mental health services.

The proposal further envisions using resources to subsidize additional private development on sites within the current boundaries. This district has been in existence since 1986 and, in 2006, was extended 12 years. According to the proposed plan amendment, taxing jurisdictions will not see full recovery of their foregone revenue until halfway through the century (2051/52). If the district were allowed to end in 2018, per the last amendment, the "break even" point would occur in 2032/33. In light of the significant unmet needs in our community, it is difficult to justify extending the life of a district created in the 1980s for the purpose of installing

transportation infrastructure and subsidizing private development.

Conclusion

In short, the League of Women Voters advocates the following:

- Assess each URA on its own terms;
- Release significantly more of the River District back to the taxing jurisdictions;
- Achieve the affordable housing goals promised by Council in the South Waterfront Plan;
- End the Central Eastside URA after 32 years instead of extending it another five years.

Thank you for the opportunity to comment.