



The League of Women Voters of Portland

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MEMORANDUM

DATE: December 7, 2014

TO: Chair Andre Baugh
Portland Planning and Sustainability Commission members

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

Proposed Urban Renewal Amendments

The League of Women Voters of Portland has been involved in the city's use of urban renewal since the 1990s. Over the years, we have tracked the North Macadam Urban Renewal District closely. In 2005, we served on a Portland Development Commission-led Central Eastside advisory committee considering the expiring district's future. More recently, the League participated as a member of the Urban Renewal Area Amendment Advisory Committee examining the Mayor's proposed modifications to Portland's urban renewal areas.

North Macadam

The proposed North Macadam amendment 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. Portland's Comprehensive Plan Housing Policy (4.7, Objective 1) calls for housing production in new redevelopment areas to match the citywide income profile. At the time the district was in the planning stages, concerns arose that there would be insufficient funds to meet all the district goals, including housing. Compromise affordable housing goals were established, with a commitment to match the city's income profile for all units produced in excess of 3,000.

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

1999 Framework Plan

Summary of Income Distribution of Proposed Build-out Scenarios as compared to Citywide

MFI Ranges	Citywide Profile	City Policy Profile	Constrained Funding Model		
			% by Income	Total Units	Affordable
0-30%	13.50%	405	6%	166	166
31-50%	17.20%	516	7%	211	211
51-80%	16.70%	501	7%	205	205
81-100%	14.10%	423	6%	172	172
101-120%	11.10%	330	20%	608	34
121-150%	21.70%	651	43%	1292	
151-+%	5.80%	174	12%	346	
Totals		3000		3000	788

Source: North Macadam Urban Renewal Area Housing Development Strategy, 2003

To date, 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, including 42 units at 30 percent. Had the city carried out its policy of meeting the income profile of the city as a whole, there would be about 1,500 units affordable to households in that income range with over 500 of those affordable to households at 30 percent MFI. The 0 – 30 percent goals are especially critical since recent data show a shortfall in excess of 20,000 units at that income level. Portlanders of all incomes, including very low-income households, should be able to live in the new South Waterfront neighborhood and benefit from its publicly subsidized amenities.

	Original Strategy Goal 2003	Achieved to Date	+/- Original Goal Achieved to Date
0-30% MFI	166	42	-124
31-60%MFI	313	167	-146
Subtotal Long term Affordable 0-60% MFI	479	209	-270
61-80% MFI	103	0	-103
81-100% MFI	172	0	-172
101-120% MFI	34	337	+303
Subtotal 61-120% MFI*	309	337	+28
Total	788	546	-242

Source: Recommendations for Affordable Housing Goals in NMAC URA, memo from Portland Housing Bureau to NMAC URAC Housing Subgroup, October 28, 2014

Planners involved in creating the district were aware that it would take more than urban renewal dollars to accomplish the district’s housing goals. The North Macadam Housing Development Strategy lays out the tools at the city’s disposal including early acquisition of land, fair share assignment of affordable units to major landowners, and establishment of actual targets through development agreements.

Unfortunately, land within the plan area was not secured before real estate prices began to skyrocket. The Central District Development Agreement included a commitment from North Macadam Investors for 400 affordable units, with 274 for households earning up to 60 percent of MFI. The city assumed responsibility for those units when it executed the tram funding package in 2006. In 2009, it abandoned an agreement with OHSU that would have resulted in 400 affordable units in the air space over a parking garage to be located just west of Elizabeth Caruthers Park.

We urge the Planning and Sustainability Commission to insist that City Council fulfill its responsibility to assure that the district housing goals will be met. With the five-year extension, more time and resources will be available. It will take more than money to implement the housing strategy, however. Entities benefiting from the substantial public investment in North Macadam must be required to incorporate affordable housing into their developments or help pay for it on other sites. Furthermore, PDC and the Housing Bureau will need to work together if the city is going to realize the vision for a new neighborhood accessible to all.

As you continue the work of updating the city's Comprehensive Plan, we encourage you to keep in mind the power of the current Comprehensive Plan Housing Policy that calls for housing production in new redevelopment areas to match the citywide income profile. We need policies that are equally concrete to guide us over the next 20 years.

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. We urge the Planning and Sustainability Commission to examine whether the proposed amendment is consistent with the city's equity goals. It is the League's position that the district should be allowed to end in 2018, as currently planned, and the city should use its own resources to complete the projects outlined in the proposed amendment.