



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

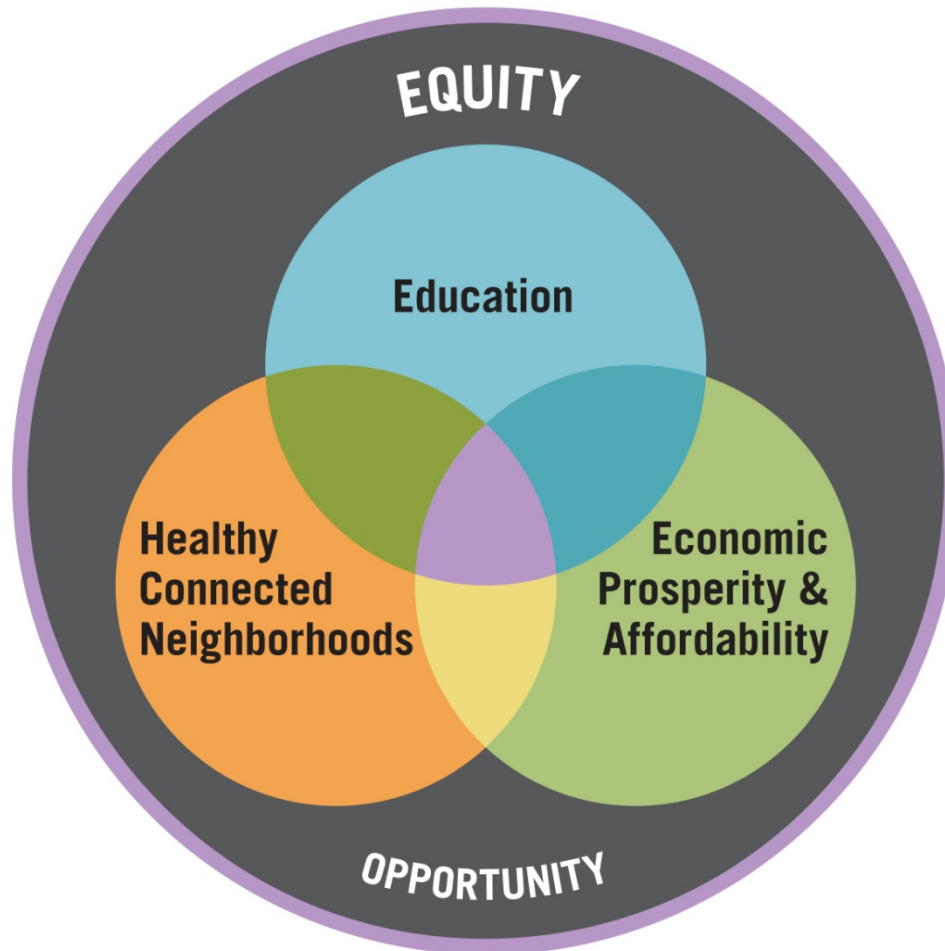
Nov/Feb 2012 - Legislation to Salem if any

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 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)

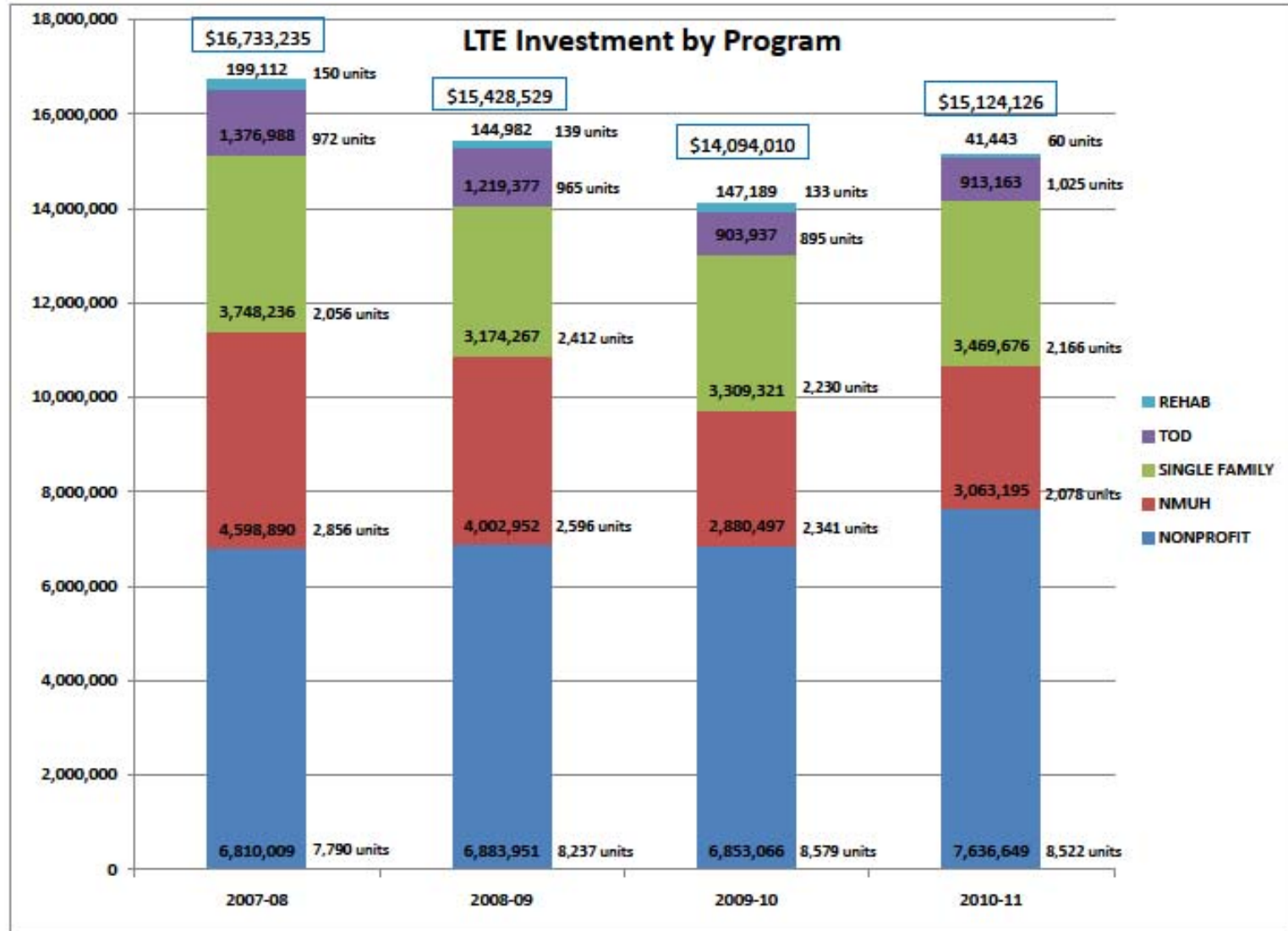
- Strategically incent production of the quality, quantity and location of affordable housing that the market may not otherwise provide
- Influence and manage growth, density and land uses
- Target development assistance to increase social equity and reduce disparities, improving access to amenities (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

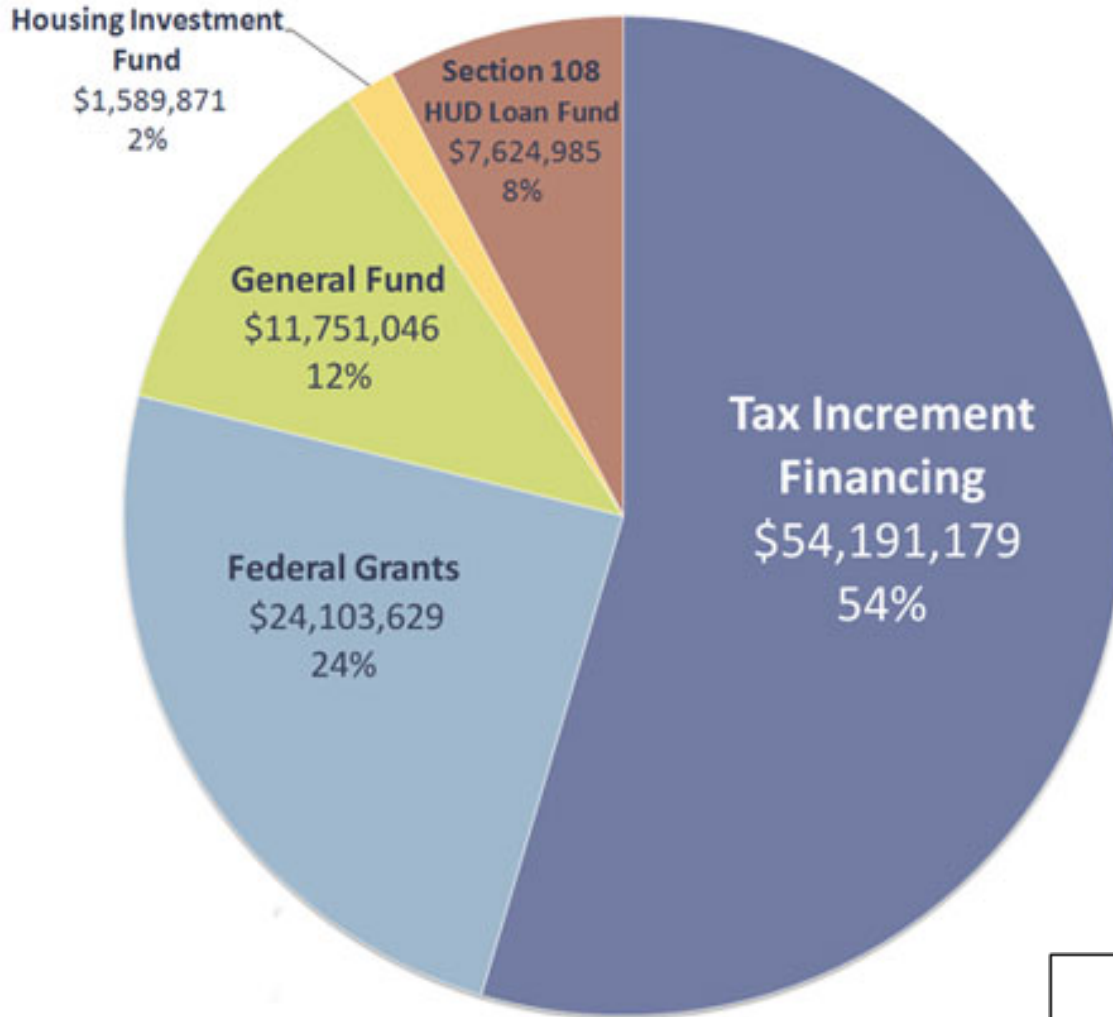
OPERATIONAL:

- 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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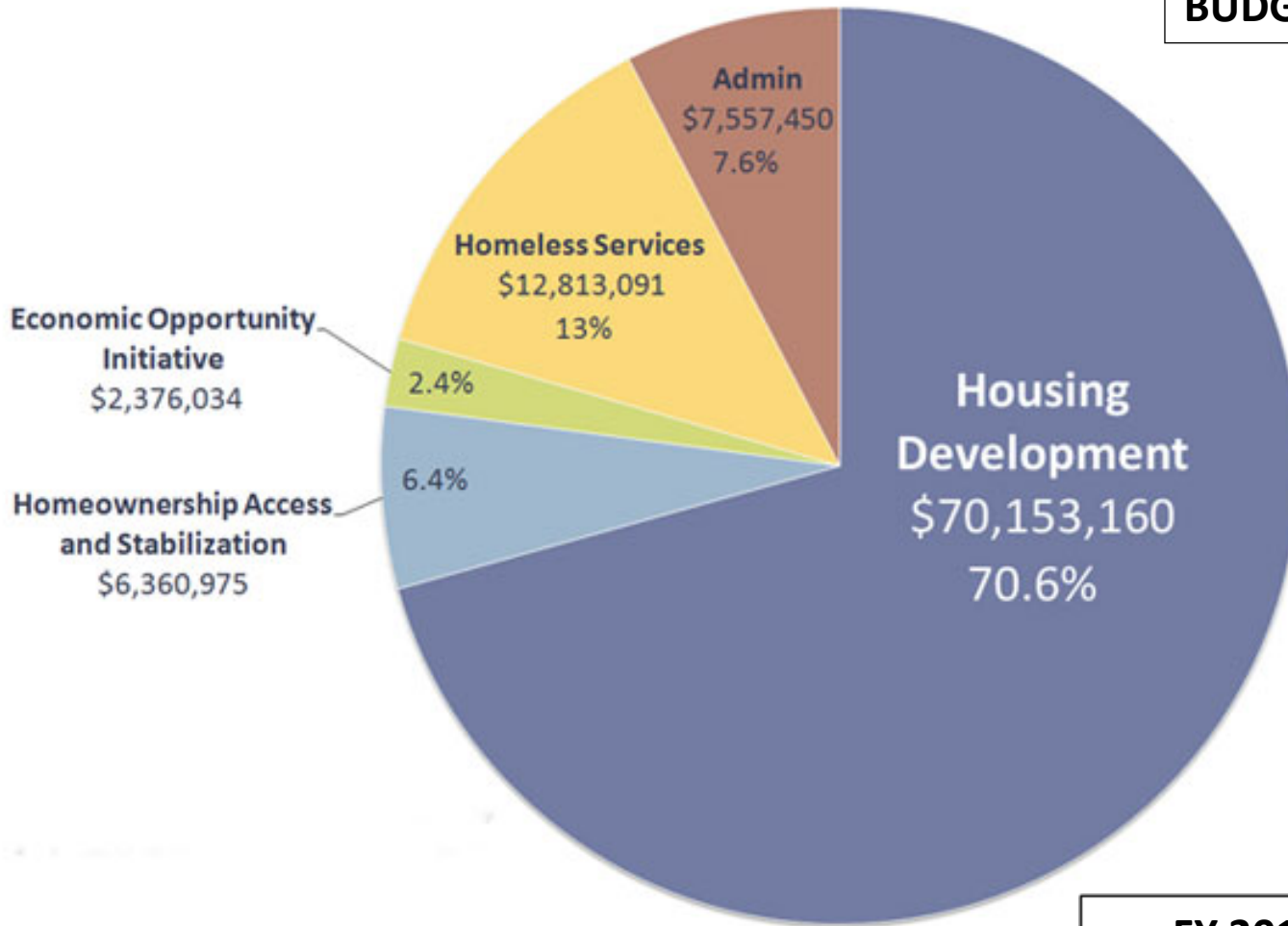


SOURCES OF FUNDS

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

Portland Housing Bureau

BUDGET BY PROGRAM



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

Millions



■ 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.portlandoregon.gov/webdrawer/rec/4133671/view/Tax%20Abatement%20Analysis%20November%202010.PDF>

PHB 2009-10 Annual Report, Residential Tax Exemption Programs:

<http://efiles.portlandoregon.gov/webdrawer/rec/4133470/view/2009-10%20Tax%20Abatement%20Program%20Report.PDF>