

**RESOLUTION NO.**

Declares the City of Portland’s intent to establish a Tax Increment Financing (TIF) set aside for the development, preservation, and rehabilitation of housing that is affordable to households with incomes below 80% of median family income (Resolution).

WHEREAS, affordable housing for working families, people with disabilities, seniors, and low income households is a high priority for the City Council of Portland and others local housing agencies; and

WHEREAS, the Portland City Council is committed to attracting and keeping families in Portland, both to maintain a healthy diversity in our communities and to stabilize enrollment in Portland’s school districts through increasing homeownership and affordable rental opportunities; and

WHEREAS, housing is defined as affordable when a household is paying no more than 30% of gross income to housing costs, and according to the 2000 Census, 43% of Portland area households are rent-burdened, meaning they pay over 30% of their income for housing, and 21% are severely rent-burdened, paying over 50% of their income for housing; and

WHEREAS, home-ownership is increasingly out of reach for many Portland families as median home sale prices increased by 92% between 1995 and 2005, and median incomes in the Portland area only increased by 59% over the same period; and

WHEREAS, the Comprehensive Plan Housing Policy provides the overall policy framework for City housing goals, programs, and funding decisions; and

WHEREAS, according to ORS Chapter 457.085 (3), Urban Renewal Plans, including TIF expenditures, must conform with the City’s Comprehensive Plan and adopted Economic Development Plans; and

WHEREAS, as part of urban renewal planning, PDC has adopted Housing Implementation Strategies for new and existing districts that outlines housing priorities for TIF expenditures including, but not limited to, housing that is affordable to households with incomes below 80% Median Family Income; and

WHEREAS, the City of Portland has adopted several housing priorities including “Home Again: A 10-year Plan to End Homelessness in Portland and Multnomah County,” No Net Loss for affordable housing in the Central City, and the Affordable Housing Preservation Ordinance, and the City and PDC are partnering on a *City of Portland Minority Homeownership Campaign* to close the gap in the minority homeownership rate citywide and in urban renewal areas; and

Related to Item

WHEREAS, in 2003 the Bureau of Housing and Community Development found that Multnomah County needs 7,890 more units of permanent affordable supportive housing for people with chronic mental illness, substance abuse, and developmental, serious physical/functional, or multiple disabilities; and

WHEREAS, due to market pressures, the wage needed to afford a 2-bedroom apartment at Fair Market Rent in Multnomah County is \$13.90/hr, leaving affordable housing well out of reach for most low-wage workers, retired workers, people with disabilities and the elderly receiving Social Security; and

WHEREAS, federal support for affordable housing has declined in recent years, reducing Portland’s local share of federal resources such as Community Development Block Grant and putting more demands on limited local resources for affordable housing; and

WHEREAS, the State of California and municipalities therein have demonstrated that having a set aside of TIF revenues for affordable housing is effective redevelopment policy that both improves urban neighborhoods and provides housing options for low wage workers, seniors and people with disabilities; and

WHEREAS, the Affordable Housing NOW! coalition consisting of over 40 organizations including civic organizations, nonprofit housing developers and member-driven community groups has recommended a 30% set aside of TIF for affordable housing based on research on the practices of municipalities in the State of California; and

NOW, THEREFORE, BE IT RESOLVED: the City Council requests the Portland Development Commission, in conjunction with the City Auditor and BHCD, to provide a formal report to Council by July 31, 2006 detailing spending of TIF for housing at all income ranges (rental and ownership) over the past 10 years against all TIF revenue (by district and overall), as well as the budgeted and projected TIF spending for housing in these income ranges over the next 5 years against projected revenues; and

BE IT FURTHER RESOLVED, that PDC will prioritize revenues from all Urban Renewal Districts for affordable housing in accordance with adopted City housing priorities including “Home Again: A 10-Year Plan to End Homelessness in Portland and Multnomah County,” No Net Loss for affordable housing in the Central City, the Affordable Housing Preservation Ordinance, and the minority homeownership campaign; and

BE IT FURTHER RESOLVED, the City Council is committed to establishing a policy to dedicate a percentage of Tax Increment Financing (TIF) revenues from all Urban Renewal Districts citywide to an affordable housing set aside fund, or to create another mechanism to ensure predictable and adequate funding and prioritization

of housing for individuals and families earning 80% Median Family Income (MFI) or less; and

BE IT FURTHER RESOLVED, the City Council requests the Portland Development Commission work in partnership with the Bureau of Housing and Community Development, the Office of Management and Finance, the Housing and Community Development Commission, and Affordable Housing Now and other interested stakeholders to develop and present to Council by September 1, 2006 either a implementation plan to create such a set aside fund or other options to ensure guaranteed funding for housing affordable to households with incomes below 80%MFI; and

BE IT FURTHER RESOLVED, the recommended implementation plan will include a timeline to begin implementation in the 2007-08 budget cycle, a community outreach and involvement process, a process for annual monitoring, reporting, and reconciliation with PDC’s annual budget and five (5) year plans; and

BE IT FURTHER RESOLVED, the implementation plan will include allocation guidelines using the following income categories: 0-30% MFI, 31-50% MFI, and 51-80% MFI to ensure that housing is available to low income seniors, people with disabilities and hard working families in redevelopment areas across the City; it will also include a recommended process for establishing, monitoring and updating allocation guidelines; and

BE IT FURTHER RESOLVED, City Council directs OMF, in consultation with PDC, to provide fiscal analysis of how each option, including a 30% TIF set aside, would impact future revenue projections and other urban renewal priorities. This analysis along will be presented to a joint City Council and Portland Development Commission worksession for discussion prior to determination of preferred option.

Adopted by the Council,

Commissioner Erik Sten  
Commissioner Sam Adams  
Margaret Bax  
April 20, 2006

Gary Blackmer  
Auditor of the City of Portland  
by