

Tax Increment Financing Affordable Housing Set Aside

2015 Policy Review

Portland Housing Bureau

June to September 2015

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Policy Overview

- 30% of Tax Increment Financing across all urban renewal areas (*less Airport Way and Willamette Industrial*), in the aggregate as of July 1 2006, shall be dedicated to the development, preservation and rehabilitation of housing affordable to households with incomes below 100% median family income

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Policy Overview

- TIF set aside financing must be utilized in accordance with the Policy Implementation Plan and Income Guidelines
- Policy is to be reviewed every 5 years to assess progress and recommend changes to implementation

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Policy Implementation Plan and Income Guidelines

- Policy applied to TIF debt proceeds using blended methodology
- Changes to established individual urban renewal targets shall be made through a joint recommendation by PHB and PDC to City Council through the annual budget process

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Policy Implementation Plan and Income Guidelines

- Community facilities to support low income people and homeless populations are acceptable uses of resources
- Homeownership and rental housing are acceptable uses of resources
- Income guidelines will guide implementation

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Policy Implementation Plan and Income Guidelines

- Income guidelines for Neighborhood Urban Renewal Areas (Interstate Corridor, Lents Town Center, Gateway Regional Center, and Oregon Convention Center)

Income/Spending Category	Range of Target Resource Allocation
0-30% MFI Rental Housing	35% - 50%
31-60% MFI Rental & 0-60% MFI Homeownership	20% - 45%
61-100% Homeownership¹	20% - 40%
Low Income Community Facilities	0% - 10%

¹Homeownership investments are restricted to 80% median family income and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% median family income and below

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Policy Implementation Plan and Income Guidelines

- Income guidelines for River District and North Macadam Urban Renewal Areas

Income/Spending Category	Range of Target Resource Allocation
0-30% MFI Rental Housing	50% - 70%
31-60% MFI Rental & 0-60% MFI Homeownership²	20% - 40%
61-100% Homeownership³	0% - 20%
Low Income Community Facilities⁴	0% - 10%

²It is not anticipated that 0-60% median family income homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude investment if new innovative models are developed

³Homeownership investments are restricted to 80% median family income and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% median family income and below

⁴In North Macadam, if spending levels allowed in this category are not spent, they can be reallocated to the other spending categories resulting in excess spending above the allowed maximums

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Policy Implementation Plan and Income Guidelines

- Income guidelines for Central Eastside Urban Renewal Area

Income/Spending Category	Range of Target Resource Allocation
0-30% MFI Rental Housing	35% - 50%
31-60% MFI Rental & 0-60% MFI Homeownership⁵	20% - 50%
61-100% Homeownership⁶	10% - 30%
Low Income Community Facilities	0% - 25%

⁵It is not anticipated that 0-60% median family income homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude investment if new innovative models are developed

⁶Homeownership investments are restricted to 80% median family income and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% median family income and below

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Policy Implementation Plan and Income Guidelines

- Income guidelines for Downtown Waterfront Urban Renewal Area

Income/Spending Category	Range of Target Resource Allocation
0-30% MFI Rental Housing	50% - 70%
31-60% MFI Rental & 0-60% MFI Homeownership⁵	20% - 40%
61-100% Homeownership⁶	0% - 20%
Low Income Community Facilities	0% - 25%

⁵It is not anticipated that 0-60% median family income homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude investment if new innovative models are developed

⁶Homeownership investments are restricted to 80% median family income and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% median family income and below

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Policy Implementation Plan and Income Guidelines

- Income guidelines for South Park Blocks Urban Renewal Area

Income/Spending Category	Range of Target Resource Allocation
0-30% MFI Rental Housing	75% - 90%
31-60% MFI Rental & 0-60% MFI Homeownership⁵	10% - 25%
61-100% Homeownership⁶	0% - 10%
Low Income Community Facilities	0% - 10%

⁵It is not anticipated that 0-60% median family income homeownership will be achieved in the Central City due to the cost, but the Income Guidelines do not preclude investment if new innovative models are developed

⁶Homeownership investments are restricted to 80% median family income and below, except for the development of or homebuyer assistance to units with three bedrooms or more which are restricted to 100% median family income and below

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Income Guidelines, Progress to Date

	2006-2014 TIF Set Aside Expenditures by Income Range or Type			
	0-30 Rental	31-60 Rental & Ownership	61-80/100 Ownership	Community Facilities
Central Eastside	32%	30%	0%	38%
Downtown Waterfront	65%	34%	0%	1%
Gateway	4%	61%	2%	2%
Interstate	11%	41%	36%	11%
Lents	12%	42%	44%	0%
North Macadam	15%	59%	0%	0%
Oregon Convention Center	9%	76%	1%	0%
River District	32%	43%	0%	25%
South Park Blocks	75%	23%	0%	1%

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30% Set Aside, 2006-2016 Resource Targets

Urban Renewal Area	Amount Available Over 10 Years	% of Total URA TIF Budget
Central Eastside	\$8,370,877	18%
Downtown Waterfront	\$20,364,829	21%
Gateway	\$9,621,360	30%
Interstate	\$33,057,009	30%
Lents Town Center	\$32,331,491	30%
North Macadam	\$31,872,273	36%
Oregon Convention Center	\$18,210,435	26%
River District	\$90,586,515	30%
South Park Blocks	\$32,956,202	52%
Total	\$277,370,990	30%

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30% Set Aside, 2006-2016 Resource Actuals

Active (New Debt to be Issued)

	TIF Set-Aside Policy Floor		FY 2015-16 Adopted
Central Eastside	15% (30% after \$35M reached/18% avg.)	Cumulative Housing	8,613,394
		Cumulative Set Aside Base	42,628,775
		Percent of Set Aside Base	20%
Lents	30%	Cumulative Housing	25,535,365
		Cumulative Set Aside Base	83,008,463
		Percent of Set Aside Base	31%
Interstate	30%	Cumulative Housing	40,861,823
		Cumulative Set Aside Base	116,516,343
		Percent of Set Aside Base	35%
Gateway	30%	Cumulative Housing	10,209,132
		Cumulative Set Aside Base	27,137,271
		Percent of Set Aside Base	38%
North Macadam	36%	Cumulative Housing	30,697,717
		Cumulative Set Aside Base	73,866,974
		Percent of Set Aside Base	42%
River District	30%	Cumulative Housing	87,388,361
		Cumulative Set Aside Base	224,210,043
		Percent of Set Aside Base	39%

Inactive (No New Debt to be Issued)

	TIF Set-Aside Policy Floor		FY 2015-16 Adopted
Downtown Waterfront	21%	Cumulative Housing	19,031,552
		Cumulative Set Aside Base	91,402,338
		Percent of Set Aside Base	21%
South Park Blocks	52%	Cumulative Housing	32,486,631
		Cumulative Set Aside Base	61,090,678
		Percent of Set Aside Base	53%
Oregon Convention Center	26%	Cumulative Housing	20,749,293
		Cumulative Set Aside Base	78,564,626
		Percent of Set Aside Base	26%
Education	30%	Cumulative Housing	82,875
		Cumulative Set Aside Base	978,808
		Percent of Set Aside Base	8%

Cumulative Housing Expenditures (All URAs)	275,656,144
Cumulative Set Aside Base (All URAs)	799,404,319
Total Percent of Set Aside Base	34%

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30% Set Aside, 2006-2021 Resource Targets

Active (New Debt to be Issued)

	TIF Set-Aside Policy Floor	2015 URA Amendment Budget Forecast Targets		FY 2020-21 Forecast
Central Eastside	15% (30% after \$35M reached/18% avg.)	24%	Cumulative Housing	14,585,385
			Cumulative Set Aside Base	60,182,486
			Percent of Set Aside Base	24%
Lents	30%	-	Cumulative Housing	51,555,935
			Cumulative Set Aside Base	160,982,035
			Percent of Set Aside Base	32%
Interstate	30%	-	Cumulative Housing	96,586,113
			Cumulative Set Aside Base	234,470,131
			Percent of Set Aside Base	41%
Gateway	30%	-	Cumulative Housing	13,933,942
			Cumulative Set Aside Base	49,976,406
			Percent of Set Aside Base	28%
North Macadam	36%	42%	Cumulative Housing	54,400,161
			Cumulative Set Aside Base	123,117,328
			Percent of Set Aside Base	44%
River District	30%	-	Cumulative Housing	101,440,118
			Cumulative Set Aside Base	318,352,763
			Percent of Set Aside Base	32%

Inactive (No New Debt to be Issued)

	TIF Set-Aside Policy Floor	2015 URA Amendment Budget Forecast Targets		FY 2020-21 Forecast
Downtown Waterfront	21%	-	Cumulative Housing	19,286,117
			Cumulative Set Aside Base	91,402,338
			Percent of Set Aside Base	21%
South Park Blocks	52%	-	Cumulative Housing	37,486,631
			Cumulative Set Aside Base	61,090,678
			Percent of Set Aside Base	61%
Oregon Convention Center	26%	-	Cumulative Housing	20,749,293
			Cumulative Set Aside Base	78,564,626
			Percent of Set Aside Base	26%
Education	30%	-	Cumulative Housing	82,875
			Cumulative Set Aside Base	978,808
			Percent of Set Aside Base	8%

Cumulative Housing Expenditures (All URAs)		410,106,571
Cumulative Set Aside Base (All URAs)		1,179,117,599
Total Percent of Set Aside Base		35%

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Policy Review Process

- **Technical Review and Recommendations:** Portland Housing Bureau staff, Portland Development Commission staff, Office of Management and Finance, City Budget Office, and City Debt Management

Purpose: Review the set-aside structure for modification

June to September 2015

- **Programmatic Review and Recommendations:** Portland Housing Bureau staff, Housing Commissioner's Office, Portland Housing Advisory Commission members

Purpose: Review the policy implementation plan and income guidelines for modification

June to September 2015

- **Stakeholder and Public Involvement:** Portland Housing Advisory Commission, community partners and stakeholders, and the members of the public

July 9, 2015 – overview of policy, policy review process, and initial considerations

August 4, 2015 – presentation of initial recommendations

September 1, 2015 – presentation of final draft recommendations

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Next steps today

PHAC Members and the Public

- What questions do you have on the existing policy?
- What additional information do you need?
- What changes, if any, should PHB and PDC consider in the policy review?