

**WILLIAMS/DAME & ASSOCIATES, INC.**

July 9, 2015

Commissioner Dan Saltzman  
City of Portland  
1221 SW 4th Ave  
Room 230  
Portland, OR 97204

Dear Commissioner Saltzman,

We appreciate your efforts to confront the affordable housing issues by making amendments to the FAR bonus system in Title 33. We also realize that this is one of many tools that will be necessary to make progress on this important issue.

To make this new bonus successful, we believe there are additional considerations that must be evaluated in order to ensure the effectiveness of the bonus in actually delivering the affordable units.

As an example, if an office building is proposed, the project will not include housing. Thus, under the affordable housing bonus, the units will not be built. The only way to earn the bonus under these circumstances is to pay a fee in lieu of the units. The fee as proposed under the consultant's report is \$35 per square foot. This is 3x the cost of existing FAR bonus options. As a result, no one will pay the fee in lieu. Instead, the project will not seek the bonus and build only to the base FAR, reducing the density in the Central City.

This reduced density will have impacts on the City's compact urban form, will reduce SDC revenues and will impact the efficiency of public services and utilities.

In the end, under this office scenario, no affordable fee will be paid, no units will be built and other important public objectives will be weakened. In this case, one would not be able to build an eco-roof or a bike locker for the office building because they did not use the affordable housing bonus first.

This is not to say that an affordable housing bonus will not work. It can and it should work. Our concern is that it is not structured in a way that makes it successful.

As a result, we recommend a friendly amendment to paragraph (a) of the Resolution to ensure that the code developed by BPS actually works within the existing development environment.

Commissioner Dan Saltzman

July 9, 2015

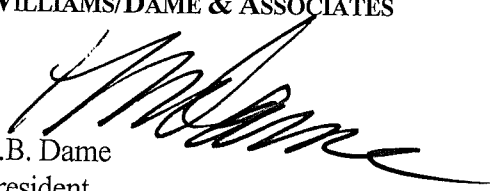
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“Redesign FAR bonus system to ~~prioritize~~ incentivize affordable housing as the primary community benefit option available for obtaining floor area entitlement above base entitlements. Achieve this incentive through consideration of alternative measures including, but not limited to, greater bonus or height allowances for affordable housing, more flexible provisions for the transfer of affordable housing FAR, competitive pricing of the fee in lieu of unit construction compared to other FAR bonus options, reduced fees for projects that incorporate a threshold level of affordable units, among others.”

With this friendly amendment, the affordable housing FAR bonus can be made more attractive than other FAR bonus options for projects that include housing while preserving the other bonus options for projects that do not include housing. Progress under this amendment can be reviewed on an annual basis to determine if changes need to be made to further incentivize the construction of affordable units in the Central City.

Sincerely,

**WILLIAMS/DAME & ASSOCIATES**

  
T.B. Dame  
President

TBD/sg



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July 9, 2015

Re: TIF Set Aside for Affordable housing Policy Review

Members of the Portland Housing Advisory Commission,

Thank you for the opportunity to participate in this public hearing. My name is Beverly Logan and I'm a leader with MACG.

We want to register today a number of concerns and questions from our initial research, as we engage this process. We want to register our desire to see every available public tool used to its greatest capacity to expand the availability of affordable housing in the Portland area.

We view the 2011 revision of the TIF set-aside policy, allowing aggregation of the 30%, to be a weakening of the policy, and at odds with the goal of dispersing affordable housing across Portland.

It's our understanding also that the 30% was intended not as a ceiling, but as a floor. We'd like to see this intention strengthened and clarified in the policy.

What has been the impact of the 2011 policy revision aggregating the goal percentage, from your perspective? Since 2011 what percentage of affordable housing has been built in each URA?

Anyone searching for housing recently, including me, is aware that many new developments seem affordable only to those with high incomes. We want to see a renewed commitment to using the city's income profile to establish guidelines in each URA, and ideally in all large developments, for the provision of housing in each area, to serve and desegregate all income groups.

What was the interest in letting go of this tool? What is your perspective on re-establishing it as a template for developments?

We sense that time has been lost and ground has been lost, perhaps literally, in the last several years as the 30% goals have been weakened and apparently unenforced--just when the need for them was heightened. In light of that lag, we hope to see a redoubled effort to regain some of that lost ground.

In each area, aim for a floor that adds to the 30% the unmet percentages from prior years. We'd like your perspective on this prospect.

In addition, we're concerned that while the housing crisis in Portland has gotten worse, publicly-owned lands that could site affordable housing have gone undeveloped. What is the current inventory of publicly-owned land available for housing (land owned by the city, county or metro, PDC, PHB, Trimet, etc)? If there is a timeline for development of these properties, what is that timeline?

We plan to attend the next two public hearings, and want to contribute to this process in a constructive way. In order to provide meaningful public input, we need to know in advance of these meetings what your recommendations are, so our housing leaders have time to discern responses and recommendations that reflect the needs and values of the members of our 24 institutions. How far in advance can you release your recommendations?

We'd like to know, what is the best and quickest way to get answers to each of these questions?

Thank you again for the opportunity to participate in this important review process.

Beverly Logan  
328 SW Hamilton St.  
Portland OR 97239

*Mary McWilliams, League of Women Voters of Portland  
Action Committee*

*July 9, 2015  
PHAC*

**Tax Increment Financing (TIF) Affordable Housing Set Aside 5 Year Report**

The League of Women Voters of Portland recommends that the Housing Bureau include the following in its upcoming five year Set Aside Report:

In addition to the amount of money spent in each urban renewal area at each level of affordability, the report also should include the number of units produced in the last five years based on affordability.

A number of urban renewal areas have housing strategies that set affordable housing production targets based on total number of units developed over the life of the district. It has been some time since those reports were updated. The League recommends that the Housing Bureau include information in the set aside report documenting the total number of residential units in each of those urban renewal areas as well as the number of affordable units at each income level. During the recent deliberations on the North Macadam Urban Renewal Area amendment, information on the number and affordability of residential units was not readily available. By updating this information on a regular basis, the public will see how the set aside policy is contributing to the city's goal of making our urban renewal areas accessible to households at all income levels.

In summary, the five-year TIF Report would be much more useful if it documented dollars spent, unit production, and progress made towards meeting the production goals in each urban renewal district.