

# CENTRAL EASTSIDE



**Central Eastside Urban Renewal Advisory Committee  
Monday, July 11, 2011  
4:00-6:00 p.m.  
Olympic Mills Commerce Center  
107 SE Washington St. 2<sup>nd</sup> floor/ Think Tank Conference Room**

## **Draft Meeting Summary**

**URAC Members:** Peter Stark, Susan Lindsay, Linda Nettekoven, David Lorati, Steve Russell

**Guests:** Lee Pearlman, Sarah Simmons (RWest), Kate Allen (PHB), John with PRC Development

**PDC staff:** Julie Rawls, Joleen Jensen-Classen, Steven Shain, Trang Lam

### **Welcome and Introductions**

The meeting was opened at 4:00 p.m. by chair Susan Lindsay. She indicated that Rick Michaelson, Susan Pearce, Jeff Reaves, and Dardinelle Troen told Susan that they would not be attending.

Others introducing themselves were Josiah Jones from Sizzle Pie and Sarah Simmons from RWest. Kate Allen introduced herself as Policy Manager with the Portland Housing Bureau. Bob Randall introduced himself as a property owner.

### **Meeting Summary Approval**

Chair Lindsay indicated she did not have a chance to read the June meeting minutes and would like to delay this till later. [Since the group did not vote on the meeting minutes, this will occur at a future URAC meeting.]

### **Chair's Statement**

Susan indicated she was glad everyone in the room could attend today.

### **Topic 1: CES Letter to PDC Board Regarding TSDCs**

Susan thanked Peter Stark for taking a stab at the first draft of a letter to go to the PDC Board regarding Transportation System Development Charges (TSDCs). The group reviewed the draft. Focus of the letter is concern over the impact on smaller businesses and manufacturers. Also, there are charges that penalize the lower third of the CEID. Peter indicated the letter tries to distinguish between big development (i.e. OMSI) and those trying to expand employment.

Susan said the letter does not call for a repeal of TSDCs– it just highlights the concern and asks for help with the fees. For instance, URA funds could maybe be used to help the businesses.

Steve Russell questioned the size exemption and felt this should be raised. David said the idea of urban renewal was to be a catalyst for development. This district is an urban renewal area and the TSDC's shoots the URA in the foot. As representatives of the URA, the TSDCs works counter to the whole idea that investments that have been made – have to be paid back. It does not make sense to borrow money and strategically invest and then have the city impose fees. He asked why the city was doing this in an urban renewal area...we are trying to get a return on investments.

Susan thought the draft had a weak conclusion. She would like to work on incorporating David's points. What other comments did people have? Linda asked about the expiration of the district and whether or not that should be mentioned. There was discussion about point #2 and whether the CES was the 4<sup>th</sup> or 5<sup>th</sup> highest in SDC fees.

The group felt there was an assumption that the TSDCs will be approved by Council, so several did not want to take a more prescriptive stance. A more forceful approach is to be against the program. Susan said the way the program is designed, it favors the eastside. If the URAC says it does not want the TSDCs at all, the concern is that the west side folks will get involved and the CES may end up paying more. She said to assume the TSDCs are going to pass, so what is the group's purpose and goal? She would like focus on people impacted. Point out the problem being created. Steve Russell agreed saying the letter did not tell them [PDC Board] what the URAC wanted – the letter only pointed out problems.

Peter thought this could be done through a better conclusion. Although the group recognized the TSDC's will probably go through, suggest some solutions the URAC would like to see. Putting this overlay on top of the URA is counter-productive.

Steve said to make smaller businesses exempted. David said this was formally proposed by the CEIC board. Peter asked then if the letter should support the position of the CEIC board. David said the CEIC stance was dismissed and that the group was better off just having the letter be this body's letter (the URAC's). He said this is a done issue and the group should make the point that we are borrowing money and expect a return on those investments. But we are shooting ourselves in the foot when we tax investment. Susan said she'd like to appeal more to the goodwill of the City Council. She did not believe they wanted to create a dead zone.

Peter made a motion to approve the letter with modifications. The letter will be distributed to the URAC by email for final approval. Linda seconded the motion. Susan called the question about redrafting the letter and sending it out to the group for approval. It was approved unanimously. Linda will work on the rewrite tonight and asked that everyone look it over by noon tomorrow so Linda could then give the final version to Julie for distribution to the PDC Board.

## **Topic 2: TIF Set Aside Public Process**

Kate Allen from the Portland Housing Bureau (PHB) distributed a handout and explained that the purpose of today's briefing is to get information out to the URACs and to make sure communication channels are working. In the next two weeks PHB staff is attending seven URAC meetings. The PHB is a newly designated bureau formed by joining PDC's Housing function with the Bureau of Housing and Community Development. PHB has its own strategic plan guiding housing investment. Kate's handout included a chart showing the bulk of PHB's funding coming from tax increment financing (TIF). Over a five year period, six of the nine URAs

met the 30 percent goal – but some districts have a different type of calculation – and this is true in the CES.

Kate reviewed the set-aside policy purpose which calls for a permanent resource for creation and preservation of affordable housing. Peter asked how the TIF resource can be permanent when in reality the urban renewal areas eventually sunset and close out. He felt the policy statement was misleading. Kate said the resource was as permanent as the districts are – she recognized the lifespan of the URAs. She indicated that City Council wanted a commitment toward affordable housing in each URA.

Kate then moved on to a review of the achievements from the first 5 years of the TIF set-aside. She also described the set-aside review process and indicated the policy had to align with the PHB strategic plan, the various URA plans and the Portland Plan. There is a three stage review process that involves technical review, programmatic review and public/stakeholder input. Technical review was completed in May and now PHB is involved in review by a subcommittee of the Portland Housing Advisory Commission. They are also doing stakeholder input by reaching out to the URACs. On August 2<sup>nd</sup> they will hold a public hearing on the set-aside to gather public input.

Susan then turned the discussion over to questions. Peter asked if affordable median family income (MFI) is at 30 percent? Kate said very low income was defined as zero to 30 percent. Peter said he would like to see a focus on workforce housing – the 60-120% of income range. There is no federal funding to support that type of housing and the Central City has either very low income housing or very expensive. Urban Renewal is the only tool to assist that middle level of housing. There is logic to providing a diversity of housing. The city needs to recognize we are creating either very expensive or low-income housing – nothing in between.

Kate felt we need to use TIF for housing that the market will not tackle. Peter indicated there did not used to be this distinction between MFI in the early days and that PDC had lost its early charge.

Susan said the city has a charge and moral imperative to get people off the streets. At the same time, PDC has had a desire to address needs of the area. Decades ago PDC used to make home repair loans– not necessarily to low income folks. But then PDC did focus some resources on workforce housing. At this point with housing gone to the city, we're back to the moral imperative. If you have a jobs district we cannot have people taking two buses to work or having people living east of 122<sup>nd</sup>. We continue to want families and workforce housing that allows for children. We need housing available for working people. People in CES are either very wealthy or very poor.

Kate said she hoped the group would see something creative coming out of PHB's planning processes. We need to get the private sector to build the housing we need. PHB's budget takes a rapid nosedive because of declining TIF resources, and there is also a downturn in federal funds so we need to know how to blend funds better.

### **Topic 3: Entrepreneurial District Focus Group with RWest**

Trang gave an overview of the Entrepreneurial District and its goals. The project needs URAC views of the district and what URAC members think its needs are. Trang will come back later in the project to communicate findings.

Sarah indicated she was videotaping the session, but will only use the video for transcription purposes. Sarah's questions covered:

- District characteristics
- Positive attributes for business growth
- Negative attributes for business growth
- Visual/thought associations with the words *industrial* and *entrepreneurial*
- Things that would improve the economic vitality of the area in 5 years
- Discussion about common district names – what have people heard the district called?
- Do you think it's important to identify the CES with one, unifying name and identity?

[A transcript of the focus group is attached.]

### **Topic 4: Election of Officers**

Dardi Troen and Jeff Reaves had previously volunteered to contact all members regarding election of officers – but neither was present at the meeting. Peter Stark indicated he was willing to serve the URAC in whatever capacity would be helpful. The group had a quorum with 5 members able to vote. David Lorati moved to keep the current officers with Susan Lindsay continuing to serve as Chair and Peter Stark as co-chair. This motion was seconded by Steve Russell and there was no discussion. The vote to re-elect Susan and Peter was unanimous.

Meeting concluded at 5:55 p.m.

Submitted by Julie Rawls, PDC Public Participation Coordinator.