

DRAFT MINUTES
(Submitted for Approval at December 13, 2006 Meeting)

PORTLAND DEVELOPMENT COMMISSION
November 8, 2006

Minutes of the Portland Development Commission (PDC) Board of Commissioners meeting held on November 8, 2006, at 222 NW 5th Avenue in Portland, Oregon.

1. CALL TO ORDER and ROLL CALL

Chair Rosenbaum called the meeting to order at approximately 3:15 p.m.

Sue Lewis, acting as Recording Secretary for the Board meeting, called the roll of the Commission:

| | |
|------------------------------------|---------|
| Mark Rosenbaum, Chair | PRESENT |
| Bertha Ferrán | PRESENT |
| Charles A. Wilhoite, Commissioner | PRESENT |
| Sal Kadri, Commissioner, Secretary | PRESENT |

Chair Rosenbaum declared a quorum present.

2. ACTION ITEM: APPROVAL OF BOARD MEETING MINUTES

Chair Rosenbaum noted that the minutes under consideration for adoptions should be corrected to show Commissioner Kadri as Secretary, and that on October 16 and 25 Commissioner Kadri was physically present; and asked if there were any additional corrections.

There being none, Chair Rosenbaum requested a motion to approve the following minutes, as corrected:

- September 20, 2006, Construction Wage Study Work Session #1
- October 11, 2006, Board Meeting
- October 16, 2006, Board Meeting
- October 25, 2006, Board Meeting

Commissioner Ferrán moved to approve the minutes as corrected, and *Commissioner Wilhoite* seconded the motion.

AYES: Rosenbaum, Ferrán, Wilhoite, Kadri

NAYS: None

3. INFORMATION ITEM: EXECUTIVE DIRECTOR REPORT

Bruce Warner, PDC Executive Director

Mr. Warner provided an updated on the following items:

- PDC participated in the African American Alliance Housing Fair to provide information on home ownership programs PDC offers.

- On November 2, 2006, Mr. Warner, Chair Rosenbaum and PDC staff met with Dr. Lindsay Desrochers, Vice President for Finance and Administration for Portland State University and her staff, to talk about PSU's expansion planning to address increased enrollment and housing needs.
- Included in Board packet is a memo from Peter Englander, Development Manager, Downtown Waterfront, and Rashid Ahmed, Sr. Project/Program Coordinator, previously requested by Commissioner Wilhoite addressing the fiscal impacts of the Mercy Corp development. [**Attachment A**]
- John Matschiner, Real Estate Manager, and staff developed a map that shows PDC-owned property in each URA. Copies are available today for Commissioners. Updated maps will be provided to the Commissioners on a regular basis. [**Attachment B**]
- At the request of Commissioner Kadri, Leah Greenwood, Housing Policy Manager, will provide a quick briefing at the end of today's meeting, regarding URA demographics, specifically on family incomes and distribution of home ownership and rental units. *Chair Rosenbaum requested at a future meeting the Board discuss the approach and application of MFI (medium family income) data.*
- Mr. Warner attended a seminar by the Urban Land Institute regarding emerging trends in real estate. Mr. Warner will try to obtain the PowerPoint presentation to provide to the Commissioners.

4. PUBLIC COMMENT

Chair Rosenbaum invited public comment on items not on the agenda.

There being none, he took the opportunity to provide a brief history and background information on the 3rd and Oak project, that has received recent media attention, and clarify facts and analysis leading up to PDC agreeing to subsidize the proposed development on this long-vacant and difficult to develop piece of property.

5. CONSENT AGENDA

- A. ACTION ITEM: Certification Process for Board Resolution (Report 06-117; Resolution 1)**
- B. ACTION ITEM: Disposition of Property in Riverside Parkway Corporate Center to DP Industrial, LLC (Airport Way URA) (Report 06-118; Resolution 2)**
- C. ACTION ITEM: Urban Renewal Advisory Committee Appointments (Report 06-119)**
 - Central Eastside URAC (Resolution 3)
 - Interstate Corridor URAC (Resolution 4)
 - Lents Town Center URAC (Resolution 5)
 - North Macadam URAC (Resolution 6)
 - Oregon Convention Center URAC (Resolution 7)
- D. ACTION ITEM: Amendment #2 to Disposition and Development Agreement with Soneed, LLC (River District URA) (Report 06-120; Resolution 8)**

**E. ACTION ITEM: Bronaugh Investors Oregon, Limited Settlement Agreement
(Report 06-122; Resolution (Report 06-121; Resolution 9))**

Chair Rosenbaum asked if there were any items on the Consent Agenda that Commissioners would like moved to Regular Agenda. There being none, he requested a motion to approve the Consent Agenda.

Commissioner Ferrán moved to approve the Consent Agenda, and *Commissioner Wilhoite* seconded the motion.

AYES: Rosenbaum, Ferrán, Wilhoite, Kadri

NAYS: None

Resolution No. 1 was therefore adopted and assigned permanent number 6403.

Resolution No. 2 was therefore adopted and assigned permanent number 6404.

Resolution No. 3 was therefore adopted and assigned permanent number 6405.

Resolution No. 4 was therefore adopted and assigned permanent number 6406.

Resolution No. 5 was therefore adopted and assigned permanent number 6407.

Resolution No. 6 was therefore adopted and assigned permanent number 6408.

Resolution No. 7 was therefore adopted and assigned permanent number 6409.

Resolution No. 8 was therefore adopted and assigned permanent number 6410.

Resolution No. 9 was therefore adopted and assigned permanent number 6411.

6. ACTION ITEM: Tax Abatement Extension for Westshore (aka Pine Street) Apartments (Report 06-122; Resolution 10)

Siobain Beddow, Housing Development Finance Coordinator, Housing Department

Ms. Beddow explained this action is to authorize a formal recommendation to the Portland Planning Commission to extend the tax abatement for the Westshore apartments. The Westshore is a multi-family rental apartment complex with 130-units serving low-income families with a 50 percent or lower MFI (medium family income). The project is in the process of transfer to a non-profit general partner. Since the project is financed primarily by the Oregon Risk Share Bond, an extension is necessary to bridge the timing gap during the property transfer. Otherwise, taxes will resume January 1, 2007.

Ms. Beddow explained that PDC does not approve the extension but rather makes a determination whether the project complies with financial requirements. The Planning Commission then makes the recommendation for extension to City Council. The City Attorney makes the final determination.

Brian McCarl, Pine Street Investors, LLC:

Mr. McCarl explained that the Westshore is currently owned and operated by Pine Street Investors, LLC. The Westshore is being transferred to REACH, a qualified non-project agency, who will also manage the property. Extension of the tax abatement is essential to providing a feasible financing structure for REACH.

With no further questions, *Chair Rosenbaum* requested a motion to adopt Resolution 10.

Commissioner Wilhoite moved to adopt the resolution, and *Commissioner Ferrán* seconded the motion.

AYES: Rosenbaum, Ferrán, Wilhoite, Kadri

NAYS: None

Resolution No. 10 was therefore adopted and assigned permanent number 6412.

7. INFORMATION ITEM: HATS OFF AWARD

Chair Rosenbaum explained that *Hats Off Award* recipients are staff members nominated by co-workers for exemplary services; and presented awards to Susan Kuhn and Wendy Wilcox.

8. INFORMATION ITEM: TAX INCREMENT FINANCING AND INCOME GUIDELINES FOR AFFORDABLE HOUSING

Chair Rosenbaum announced this agenda item was added for the Broad to discuss an approach to the 30 percent Tax Increment Financing set-aside and establishment of income guidelines.

Leah Greenwood, Housing Policy Manager, Housing Department

Ms. Greenwood explained the need to establish income guidelines, and mechanism for budget and reporting process as required by the recently approved Tax Increment Financing for Affordable Housing Implementation Plan, and provided the Commissioners with two related handouts (**Attachment C** and **D**).

Ms. Greenwood said the Housing Department will conduct an analysis within each URA to update demographics and housing stock information. The previous analysis, which is approximately four years old, was used in developing PDC's current housing strategy.

Ms. Greenwood acknowledged a previous question from Commissioner Kadri requesting information on MFI by URA. She reported that PDC uses figures provided by the US Department of Housing and Urban Development.

Commissioner Kadri expressed it is important to be able to understand each region's demographics and to compare by URA.

Discussion continued surrounding median family income, home ownership and rental housing and the various issues in relationship to Tax Increment Financing and other funding sources that contribute to providing affordable housing options and establishing guidelines and a process for fulfilling the implementation plan. The Commission is very supportive of providing affordable housing through home ownership and low-income rental housing, in addition to attracting families with children.

Margaret Bax, City Housing Policy Manager

Ms. Bax provided background on the issue of home ownership and housing strategies, stating that City Council is committed to promoting and increasing home ownership, specifically to low-income and minority population.

Commissioner Kadri stated he would like it announced at the various stakeholder meetings that the Commission's goal is to have 50 percent of the 30 percent TIF set-aside go towards home ownership.

Commissioner Ferrán would like a brief summary of the stakeholder meetings after they are held.

Commissioner Kadri discussed the need to help those who live in gentrifying areas to get into an equity position as fast as possible so they may participate in the process.

9. INFORMATION ITEM: BRIEFING ON PREVAILING WAGE DECISION (not on original agenda)

Chair Rosenbaum asked for a briefing on the recent decision by the Oregon Bureau of Labor and Industries that the Holman Building project is subject to prevailing wage.

Mr. Warner reported that the project cost estimate included a contingency for prevailing wage, which, according to the developer, Coaxis, may add approximately \$400,000 to the project cost.

Matt Baines, PDC General Counsel, reported that the circumstances of this project are similar to the Tin Roof Project.

EXECUTIVE SESSION

At 5:02 p.m., *Chair Rosenbaum* announced that in accordance with ORS 192-660(1)(h) the Commission was suspending the open meeting and convening in Executive Session for the purpose of consulting with legal staff regarding current or pending litigation.

At 5:30 p.m., *Chair Rosenbaum* adjourned the Executive Session and reconvened the Commission in open session.

10. ADJOURNMENT

There being no further business to come before the Commission, *Chair Rosenbaum* declared the meeting adjourned at 5:32 p.m.