

## **Central City TIF Exploration Housing Production Subcommittee Meeting #3**

Microsoft Teams Meeting  
February 6th, 2024, 2:00 – 3:30 pm

### **Meeting Summary:**

Michael Buonocore welcomed the committee and members did a round of introductions.

Sarah Harpole reviewed the agenda and discussed meetings goals.

### **Equity Framework:**

Sarah reviewed the social equity framework for the committee to consider when thinking about the implementation of TIF and refining the project list. Key considerations include disproportionate impacts, shared benefits, accessibility, economic opportunity and wealth creation, and accountability.

One example of equity framework is the construction business and workforce equity policy that Prosper Portland implements.

- *Question:* There is a mixed bag as to how different projects in different jurisdictions are measuring equity goals and outcomes, some of the percentages get harder to achieve with bigger projects. Is it possible to be strategic about how this is handled when thinking about housing development specifically? *Answer:* Within the scope of the Central City TIF exploration committee, we are not looking to get so granular to be revising existing policies, but we could raise recommendations if necessary.

### **Project List & Map:**

Sarah discussed the project list and geographic priorities map which synthesizes information and feedback from all three subcommittees. Sarah noted that the project list is intentionally broad to allow for flexibility across the life of a new district and is intended to serve as a menu of investment opportunities. Specific geographic and/or project input is important to keep in mind as we look at boundary scenarios for different geographic areas. We will come back to the March Steering Committee with boundary scenarios for review. The subcommittee offered the following questions and comments on the project map:

- *Question:* The Rose Quarter and the Blanchard site around the Convention Center don't have any call outs on this map, is that intentional? *Answer:* The points on the map are not supposed to be block-by-block specific but more that these concepts will land in the general area of the districts.
- *Question:* What about the Zidell Yards? *Answer:* We haven't incorporated it here because it is a part of the current North Macadam TIF district. (Noting that when we bring back district scenarios in March you will see options that reduce the current Central Eastside TIF district, which also has remaining resources, to be considered in tandem with the new TIF district.)
- *Question:* Has TriMet identified their sites along light rail expansions in any of these areas? *Answer:* We will follow-up with TriMet.
- Affordable and middle-income housing are called out in every region except Old Town. Agree that middle-income is the priority in Old Town but resources could also be used for preservation

of existing affordable housing. A lot of the affordable housing in Old Town includes vibrant commercial spaces and there are preservation dollars that could be used there as well.

- The definition of affordable housing typically goes up to 80% AMI for regulated affordable housing.
  - The TIF set-aside policy allocates 45% of the TIF resources to the Portland Housing Bureau (PHB) for the purpose of delivering affordable housing affordable up to 60% AMI. The remaining 55% is allocated to Prosper Portland for economic development and can include housing affordable over 60% AMI.
  - The current Portland Housing Bureau and City policy does not include income averaging. Any gap financing provided by PHB is at 60% AMI or below.

### **Project Prioritization:**

Sarah Harpole prompted the committee to discuss near-term priorities for 2025-2030 per identified priority area. For example, this group has had conversations about increasing housing production downtown but also recognizing the lacking infrastructure for residential livability downtown. What do we need to prioritize first?

#### Downtown:

- Downtown as a priority. Placemaking first and doing something big downtown to get investors and property owners confidence back, and to get folks moving back downtown.
- Downtown and Old Town both should look at creating better connectivity with the Downtown, Pearl District, and Goose Hollow, especially with the Burnside bridge closure. Looking at urban design and making a thriving center of the city that connects the core downtown neighborhoods. Leveraging TIF dollars around placemaking and big events that are coming up. Think about how to best utilize public spaces, thinking about cultural art districts, wayfinding, flow, and connectivity.

#### Old Town

- Beyond the financial hurdles of conversion studies for office to residential projects, it comes down to likeability of sites and the development of the neighborhood and surrounding areas. Especially when transitioning from a commercial district to a mixed-use district, it is one of those immediate projects that make a transformation. That could be a good investment early on.
- Along the lines of conversion and the best use of TIF funds, what is the place to connect TIF funding with conversion projects? Seismic is the biggest hurdle. If you strip away the financial hurdles, sidewalk appeal must be enticing at all levels to be successful. The 24/7 experience of a place comes down to the character of the neighborhood. How you brand it may be more important than the actual feasibility of converting a building.
- In Old Town, this is the one district on the map that does not prioritize affordable housing and it seems like a great place to unpack the opportunity for middle income units.
- Business and commercial strategy will be key in Old Town. More commercial, more retail. There was a big vision for Old Town in 2018 and anything that comes to Old Town needs to leverage the district concept to have an anchoring ability that makes it attractive for people to move into the area and to further spearhead more residential development.

### Central Eastside:

- The large opportunity sites have master plans that speak to sequencing and development strategy already but this input can be informative for the neighborhoods at large.
- Connectivity on the Eastside and big investments like the master plan sites should be tied together somehow. Green loop comes to mind. Capitalize on investment and energy.
- What opportunities are there for housing around master plan sites? Homeownership opportunities? Family size units? Zoning in those districts?

### River connection:

- How do we connect to the river? That touches many of these districts, rather than building by the river, connecting to the river.
  - The river is recreationally functional now.
  - Old Town has the most opportunity for improvement and activation along the waterfront.
  - Many of the districts have opportunities to connect people to the river, and there needs to be an active approach rather than passive approach.
  - Make the river a destination. There is so much potential.
  - Water-related activities.
  - Lead with river connectivity in the early years. This is the number one asset that connects all these districts. This can change in the way we think about the river. Looking for strategic investments along the river is key.
  - If you don't mind dealing with the pace of railroads, just north of Albina there is a large opportunity site on the river.
  - Do we feel like there has been catalyzing projects that have come out of the River District? Is there a river specific activation concept?
    - Part of that plan was connecting the park sequence to the river but there were challenges over time. Acknowledging there is great enthusiasm about the river but with very challenging state and federal regulations and jurisdictions around development on the river.
  - Thinking about projects that may not even be right on the river but at least activation and bringing more folks into the regions near the rivers on both sides. The Saturday Market is one example of how TIF can be used to facilitate activation.

### Lloyd Mall:

- Reinventing itself. Knowing the possibility of how it is tied to other neighborhoods creates a great candidate for big initial investments. There is good potential for positive activity there to spread to nearby areas.
- The American Asset Trust property is there, having 14 consecutive blocks that are underdeveloped but not in a master plan posture while being owned by folks that are development minded.
- The Eco District - there is a real connection to that theme. The first net zero office to residential conversion? Something that ties into the established identity of the district while doing needed reinvestment.

- For housing, realistically the Lloyd district more directly relates to housing aspirations for initial investments.
- Home Forward opened a large affordable housing development with retail space on the ground floor in Lloyd, but neighborhood activation is what makes adding affordable housing something that becomes more desirable. Affordable housing will not be the thing that activates the community and retail space in those buildings can end up vacant for long periods of time.
- Catalytic projects that make neighborhoods feel more attractive before housing.
- There are some neighborhoods in Portland that have a lot of multifamily home ownership, maybe instead there could be a home ownership project that brings more families and residents to the area while leaving space for affordable and rental development in the future.

#### Lower Albina:

- There is a lot of momentum, the PPS site, and Albina Vision Trust. There will be a lot of opportunity for transformational investment with specific targeted investments.
- We are in active conversations with Albina Vision Trust and are following their lead on whether a district will be established there or not.
- Another connection opportunity and creating more seamless transitions between areas.
- Overlapping with other areas, the Rose Quarter will have a new tenant soon who is likely to come with some vision of redevelopment aspirations and it would be great to have resources to bring to that conversation.

#### **Implementation & Oversight:**

Sarah reviewed the range of examples for governance models for TIF district plans. These are some things that will be consistent across all plans but there are different models for engagement and oversight. Thinking about what the right model is for the different geographies, and that a TIF district can move along the governance spectrum over time. Who are key stakeholders that should be engaged in future budget planning and implementation oversight for the various priority areas if TIF Districts are established?

- There is a topline perception about what we are doing and how urban renewal is different now than it used to be. Let's plug into that narrative.
- We do not need to pick a singular model; we can begin with the cocreation model that is more resource/time intensive and once trust/relationships are established you can move away from that to preserve resources. Among some, there is also a sense that we know what downtown needs already so we can jump into things more quickly with a quicker and less intensive process.
- In Old Town TIF action planning, there hasn't been a strong emphasis on resident engagement. Looking at the Cully model, it looks much more inclusive of the folks who live there. Suggesting that existing resident's voices are heard. Neighborhood associations can be a starting point then doing broader engagement with people who already live in these districts.
- One of the lessons coming off the Interstate Corridor which focused engagement on neighborhood associations but led to over representing some voices while excluding others.

- There are community-based organizations that can bring resident voices that go beyond who is represented by neighborhood associations.
- There can be intentional outreach to resident groups, PSU students, plugging into already established groups. Senior housing and senior centers. Use existing organizations as a starting point for engagement.
- If we are trying to do something different and new, then it may not be as helpful to use organizations that are structured about what already exists. There could be an action team that is put in place in the beginning with strategic investments and as the district matures then maybe the governance structure changes over time.
- Reverse engineering the governance needs based on the project objectives. Who is on the critical path to achieve the investment that we are looking to make, whether it is a district scale or a smaller scale. Who do we need to help us get these projects across the finish line.

**Closing & Next Steps:**

Sarah reviewed the next steps and thanked committee members for their time and participation. Staff will have district scenarios and initial financial modeling available for review and input at the March Steering Committee Meeting.

### Housing Production Sub-Committee Attendance

| Name                | Affiliation                    | Present |
|---------------------|--------------------------------|---------|
| <b>Participants</b> |                                |         |
| Michael Buonocore   | Portland Housing Bureau        | y       |
| Damien Hall         | Home Forward                   | y       |
| Christina Ghan      | Office of Commissioner Rubio   | y       |
| Sam Rodriguez       | Mill Creek Residential         |         |
| Matt Goodman        | Downtown Development Group     |         |
| Gus Baum            | Security Properties            | y       |
| Jason Franklin      | Portland State University      | y       |
| Stef Kondor         | Related Northwest              |         |
| Mary-Rain O'Meara   | Central City Concern           | y       |
| Sarah Stevenson     | Innovative Housing             | y       |
| Eric Paine          | Community Development Partners |         |
| Ian Roll            | Gensler                        | y       |
| <b>Staff</b>        |                                |         |
| Shelly Haack        | Prosper                        | y       |
| Jessica Conner      | PHB                            | y       |
| Tom Armstrong       | BPS                            | y       |
| Danell Norby        | PHB                            | y       |
| Lisa Abuaf          | Prosper                        |         |
| Brian Moore         | Prosper                        |         |
| Sarah Harpole       | Prosper                        | y       |
| Kiana Ballo         | Prosper                        | y       |