

East Portland TIF Exploration

Steering Committee / Working Group Joint Meeting

April 15, 2024

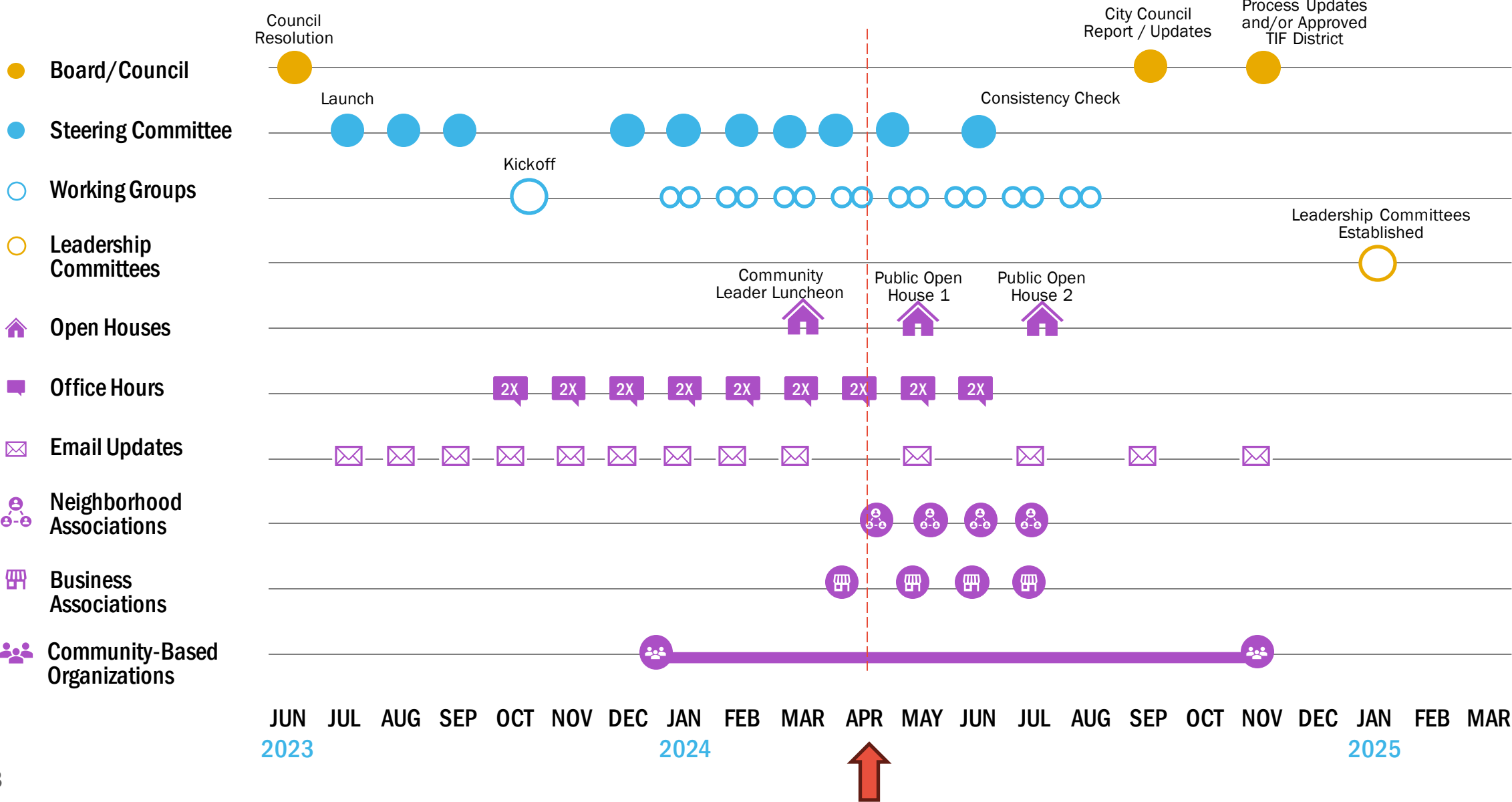


**Portland
Housing
Bureau**

Agenda

1. Welcome!
2. Community Engagement Update
3. ECONorthwest TIF Performance Report
4. Discussion: Lessons & Implications for East Portland TIF Exploration & Plan Development

East Portland TIF Exploration Timeline



Engagement Update

What we're up to & what we've heard

- Thrive East PDX
- East Portland Action Plan
- East Portland Chamber of Commerce
- METBA
- Black Community of Portland
- The Pathfinder Network
- PDX Saints Love

Upcoming Open
Houses

Rosewood Survey

TIF Video

Major Themes: Broad Perspectives

- **Support**

- Investments that benefit those who have been harmed by urban renewal, displaced, or are vulnerable to displacement
- Investments to help implement existing community plans and coordinating/leveraging resources
- More affordable and additional housing opportunities
- Support for businesses and entrepreneurs and economic opportunities/mobility
- Spaces for community to gather and placemaking that leads to community pride/sense
- Investments that create safer, healthier, climate resilient communities

- **Opposition**

- Skepticism of this tool and history of urban renewal
- Desire for more community control
- Concerns around timeline and feeling rushed

- **Curiosity**

- Need for more information on the basics of this tool and how it works – and repeat!
- More accessible information, meaning de-complicating TIF and exploration
- Understanding how this will be implemented, who would receive dollars, lessons learned etc.
- How will TIF impact property owners (private, nonprofit) and support redevelopment



Understanding Portland Tax Increment Finance District Investment Impacts

2000-2022



Our research explored:

TIF's role as a change agent:

- Public and private expenditures
- Driver of medium- and high-density development
- Alignment with high-density zones
- Infrastructure development
- Population growth

TIF's impacts on:

- The Black community in NE Portland
- Market-rate and affordable units produced
- Housing precarity
- Jobs
- Rents in older building
- Small business formation

Outcomes in each TIF District

Summaries of top priorities, investments completed, benchmarks and added jobs/housing units

This research is:



A statistical evaluation of how TIF District investments collectively resulted in changes in demographics, jobs and wages, development outcomes, and the real estate market

Focused on implementation between 2000 and 2022

A review of demographic changes and changes in housing precarity that co-occurred with TIF investments and in TIF Districts

A generalized evaluation of how TIF dollars were spent and how much private investment they leveraged

This research is not:



A comprehensive review of each individual TIF District's successes or failures

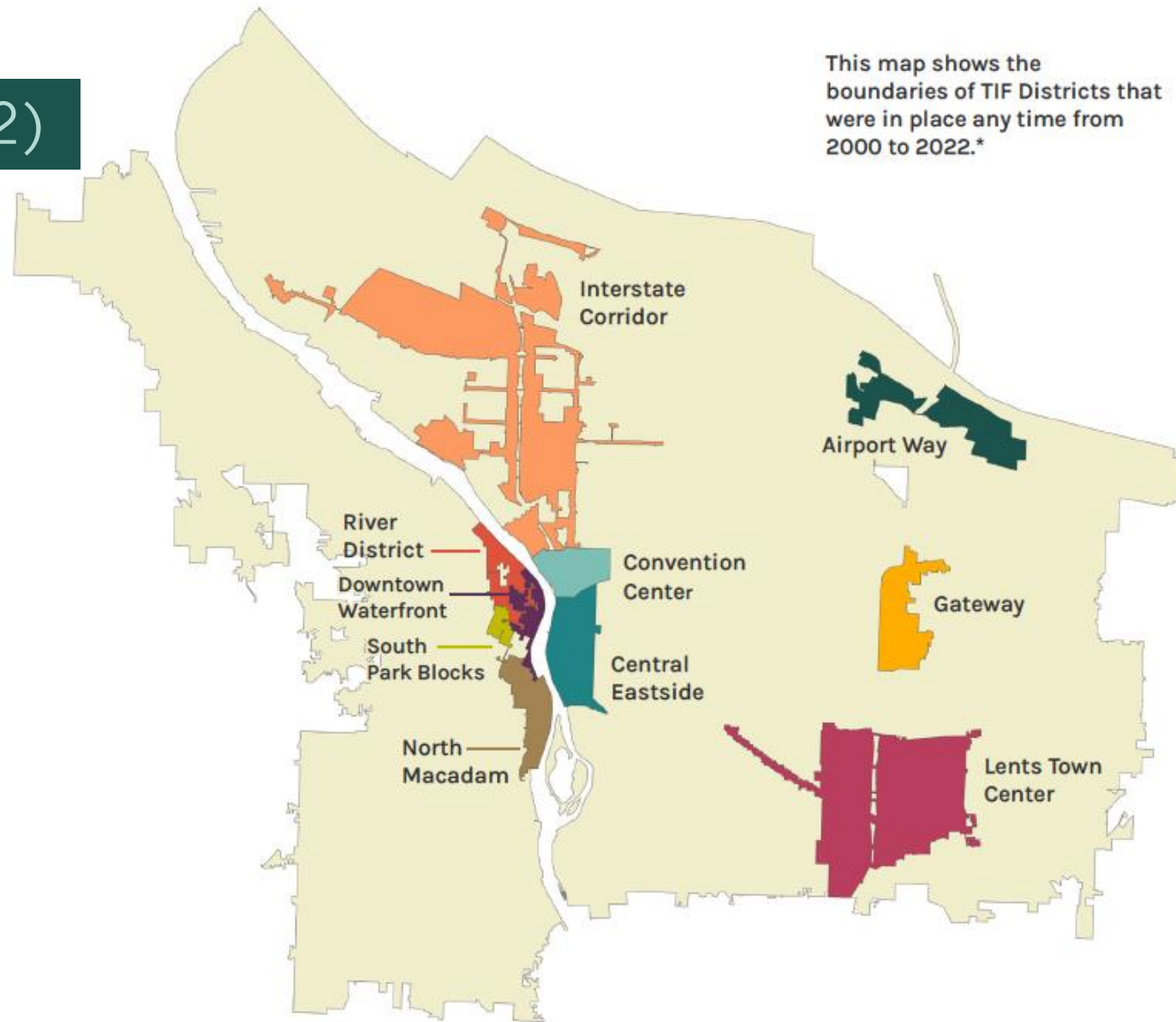
A review of the early days (1960s-1990s) of TIF implementation

A deep evaluation of the interaction between TIF and displacement and gentrification, inclusive of the qualitative, community-based research methods that would be necessary to understand impacts to Portland's communities of color

Fiscal analysis of TIF District impacts to the City's general fund or overlapping tax districts

TIF Districts (2000-2022)

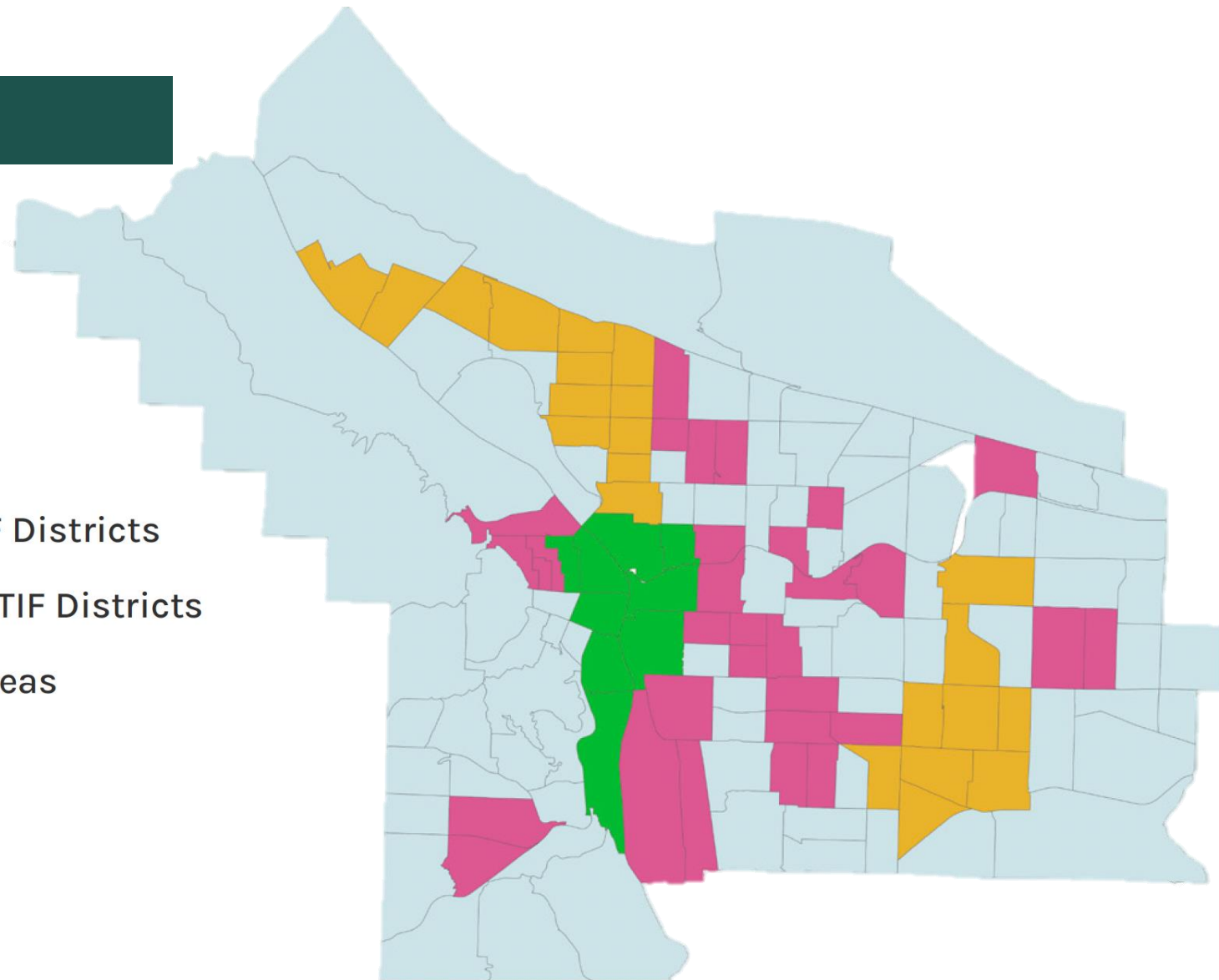
This map shows the boundaries of TIF Districts that were in place any time from 2000 to 2022.*



*This map does not include Neighborhood Prosperity Initiative Districts (Cully Boulevard Alliance, Division Midway Alliance, Historic Parkrose, Jade District, Our 42nd Avenue, Rosewood Initiative, St. Johns Center for Opportunity) or districts that never issued any long-term debt (Education, Willamette Industrial).

Comparison Areas

- Central City TIF Districts
- Neighborhood TIF Districts
- Comparison Areas
- Rest of City



Relative to comparison areas without TIF, TIF Districts saw:



6x the amount of total square footage of development



25x the amount of high-density development



4x growth rate in housing production



5,300 units of TIF-funded affordable housing
(46% of all affordable housing built in the city)

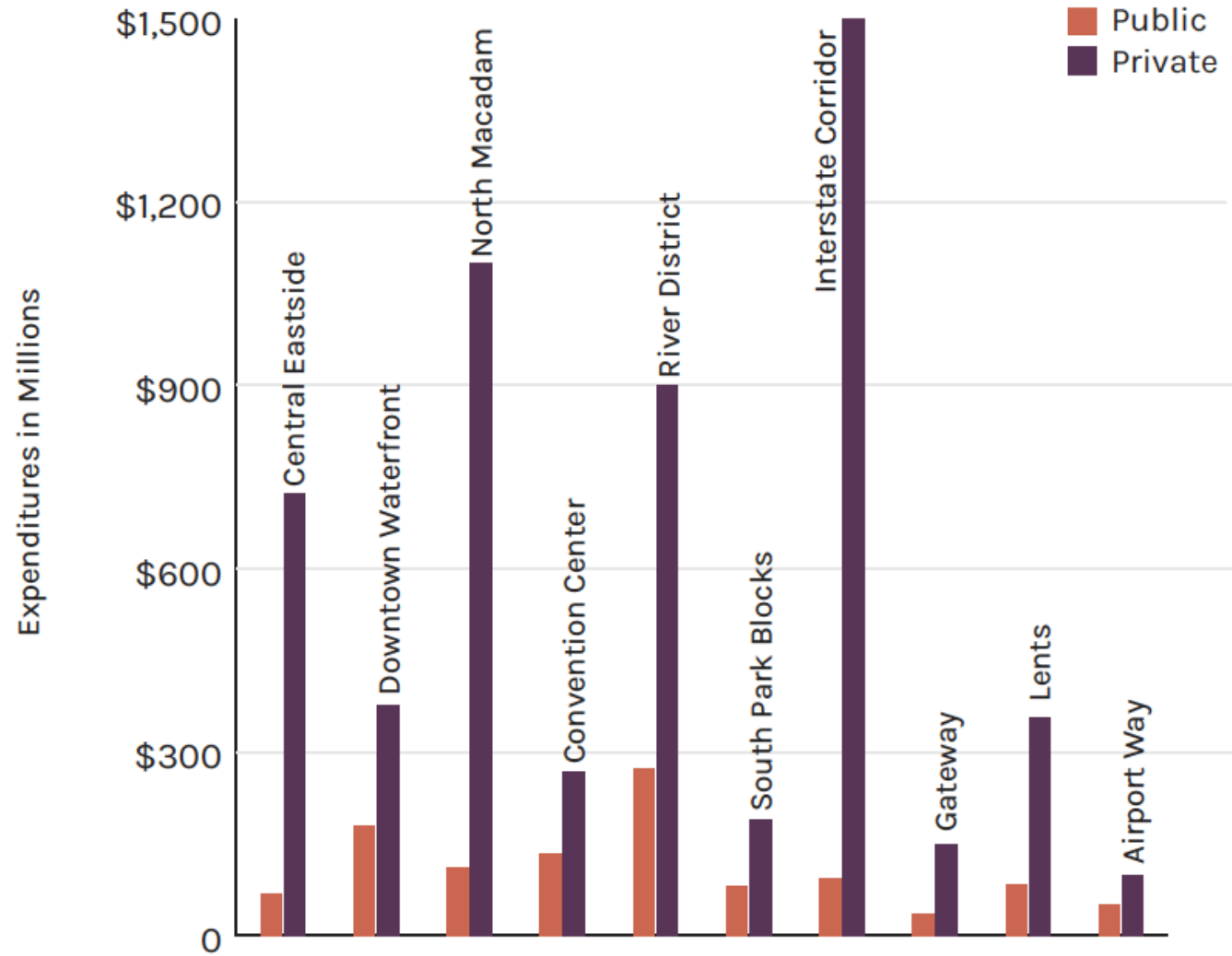


24,000 more jobs, which generally had 20% higher wages

Cumulative Public and Private Expenditures by TIF District

2000 to 2022

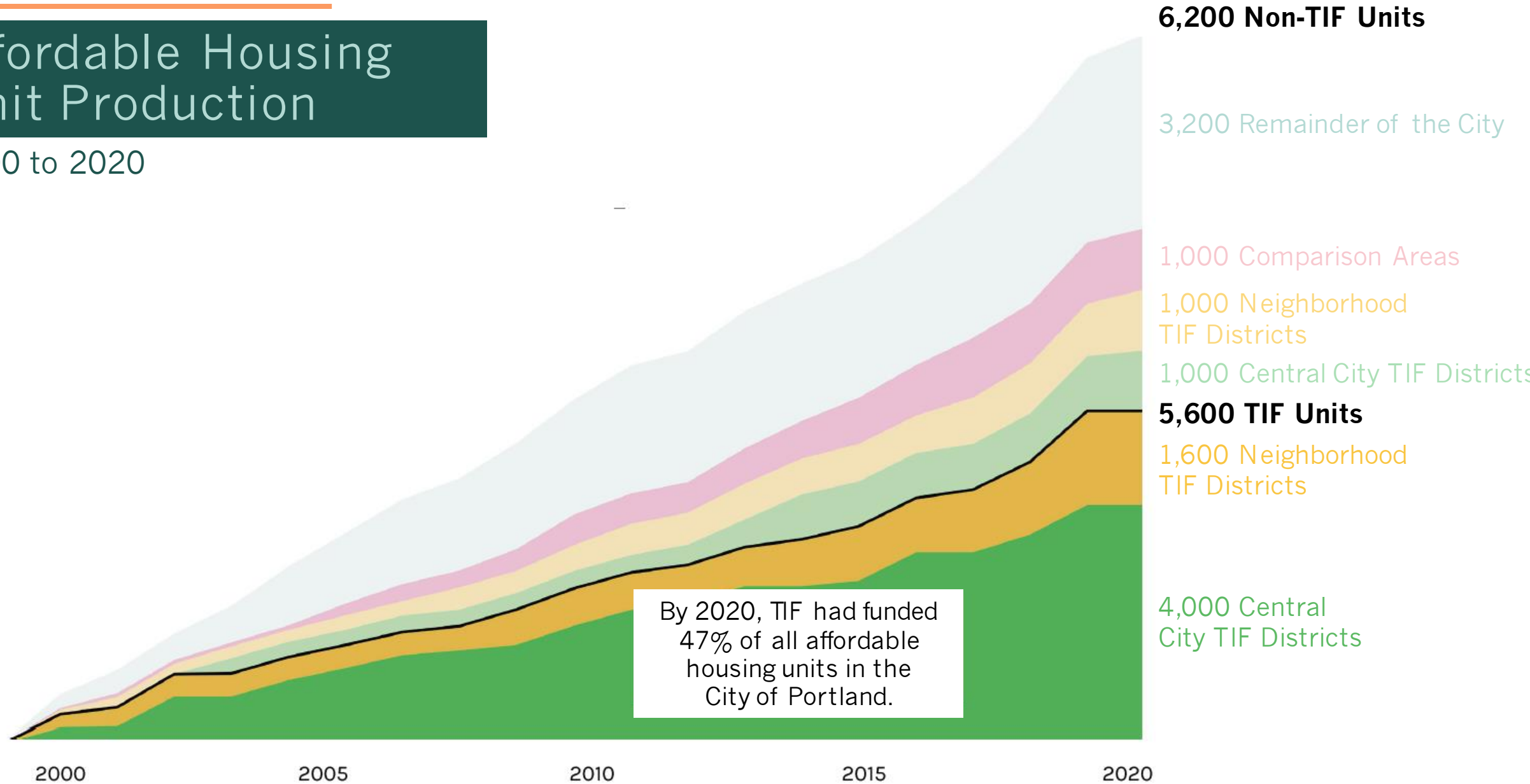
For every \$1 of the City's investment in TIF Districts, private partners invested \$15 in construction permit valuation.



Sources: Public expenditures data from Prosper Portland; Private expenditures estimated from permit data provided by the Bureau of Development Services

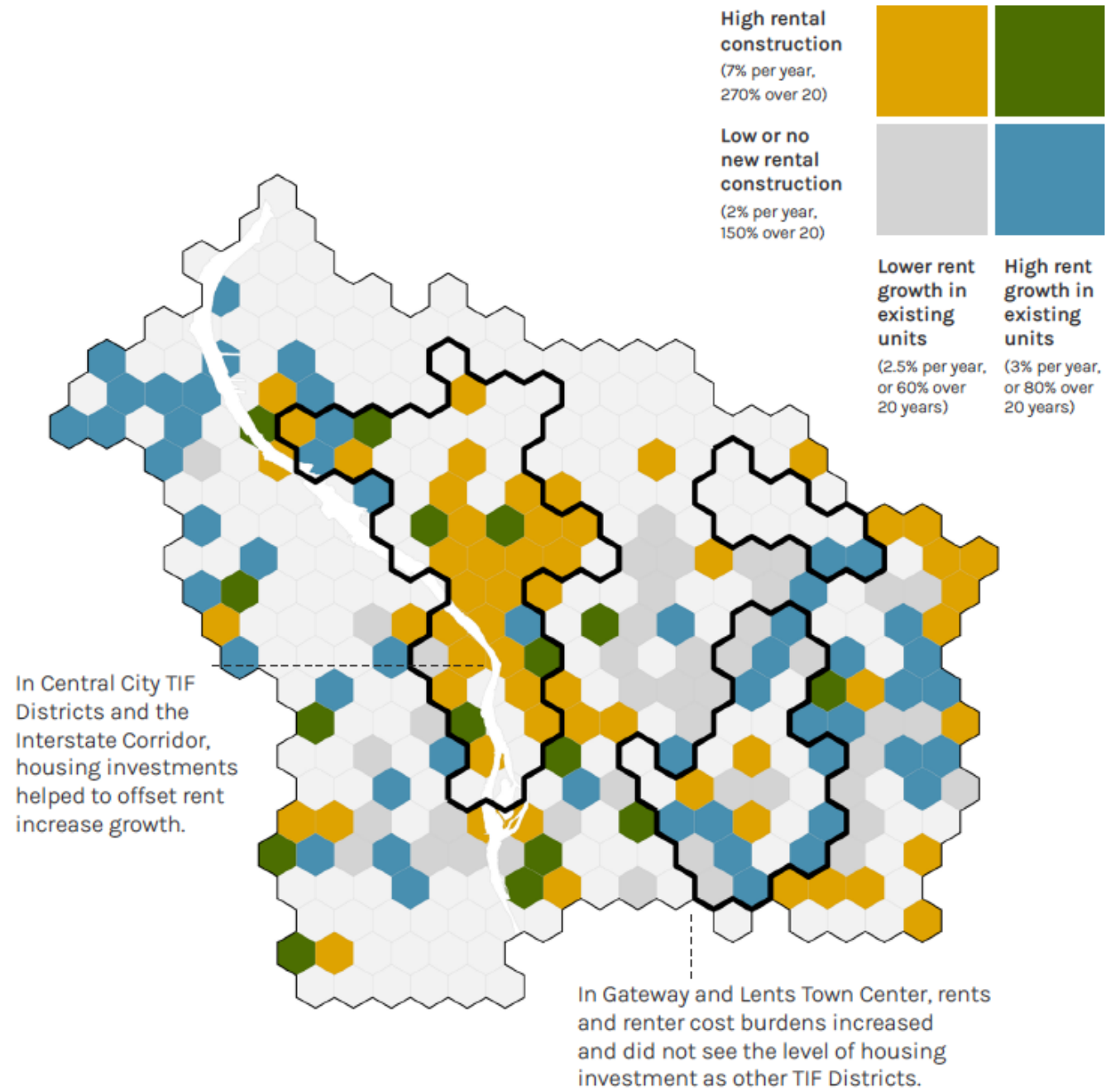
Affordable Housing Unit Production

2000 to 2020



Constructing ~150 units of new housing offset the 4.6% rent growth attributable to being in a TIF District

- Rent growth for units built in 2000 or before is lower near where new units were added.
- Affordable units did not affect rent growth for market-rate units.



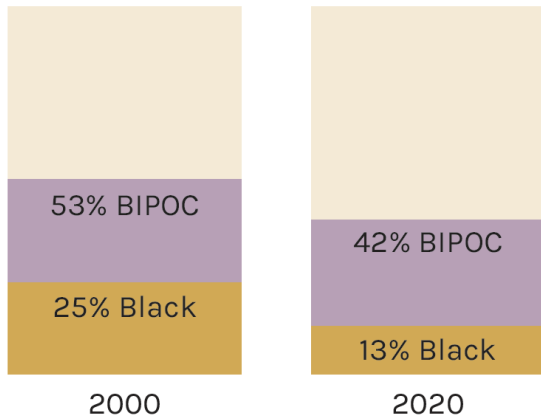
TIF investments coincided with business growth in TIF Districts, but not at the same pace as comparison areas.

Small Business Count (2003 to 2019)

	Small Businesses (1-50 Employees)			
	2003	2019	Change #	Change %
Central City TIF Districts				
Central Eastside	757	1,140	383	151%
Downtown Waterfront	741	923	182	125%
North Macadam	292	413	121	141%
Convention Center	339	410	71	121%
River District	777	1,126	349	145%
South Park Blocks	714	781	67	109%
Neighborhood TIF Districts				
Interstate Corridor	856	1,709	853	200%
Gateway	376	324	-52	86%
Lents Town Center	469	642	173	137%
Airport Way	262	333	71	127%
Comparison Areas	3,413	5,363	1,950	157%

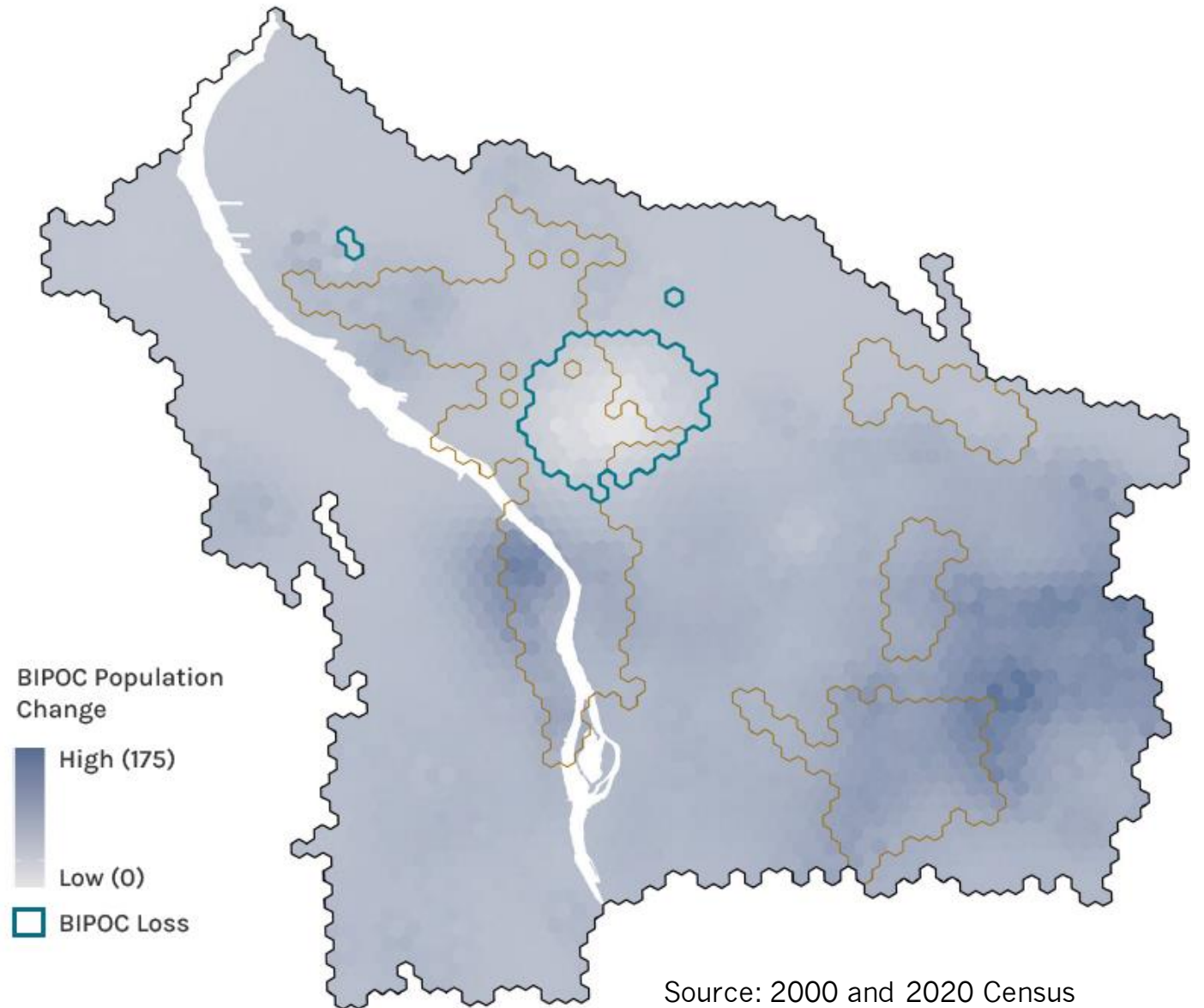
TIF's Impact on the Black Community in Northeast Portland

Interstate Population, 2000 and 2020



In the 20 years between 2000 and 2020, the Black population in the Interstate Corridor fell from a quarter of the population to 13%.

Nominal Change in BIPOC Population by Census Tract (2000 to 2020)



Source: 2000 and 2020 Census

Housing Precarity (2000-2022)

Change in Indicators of Housing Precarity (2000-2022)

Legend

- Grew more slowly than comparison areas
- Same growth as comparison areas
- Grew up to 2x as fast
- Grew more than 2x as fast

	Rent	Cost Burden Rate	Affordable Housing	Market Rate Housing	Renter Housing Production	Change in BIPOC Share	Change in B.A.+* Share
All TIF Districts	Grew up to 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew more than 2x as fast	Grew up to 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast
Central City TIF Districts							
Central Eastside	Same growth as comparison areas	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew more than 2x as fast	Grew more than 2x as fast	Same growth as comparison areas	Grew more slowly than comparison areas
Downtown Waterfront	Grew up to 2x as fast	Grew up to 2x as fast	Grew up to 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew up to 2x as fast	Grew up to 2x as fast
North Macadam	Same growth as comparison areas	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew more than 2x as fast	Grew more than 2x as fast	Grew up to 2x as fast	Grew more slowly than comparison areas
Convention Center	Grew up to 2x as fast	Grew more slowly than comparison areas	**	Grew more than 2x as fast	Grew more than 2x as fast	Grew up to 2x as fast	Same growth as comparison areas
River District	Grew more slowly than comparison areas	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew more than 2x as fast	Grew more than 2x as fast	Same growth as comparison areas	Same growth as comparison areas
South Park Blocks	Same growth as comparison areas	Same growth as comparison areas	Grew more than 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew up to 2x as fast	Grew up to 2x as fast
Neighborhood TIF Districts							
Interstate Corridor	Same growth as comparison areas	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew up to 2x as fast	Grew up to 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast
Gateway	Grew up to 2x as fast	Grew up to 2x as fast	Same growth as comparison areas	Grew more than 2x as fast	Grew up to 2x as fast	Same growth as comparison areas	Same growth as comparison areas
Lents Town Center	Grew up to 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew more slowly than comparison areas	Grew up to 2x as fast	Grew up to 2x as fast	Grew up to 2x as fast

*Population aged 25+ who have a bachelors degree or more.

**Convention Center had 0 affordable units in 2000, so the growth rate is now shown.

Potentially Destabilizing



Faster pace of new market-rate construction

Disruption from construction of new infrastructure



Faster average rent growth, because of higher rents in new construction



Decrease in BIPOC populations in some TIF areas

Potentially Beneficial



Improvements in indicators of housing precarity



Stabilization of rent increases in older housing, built before 2000



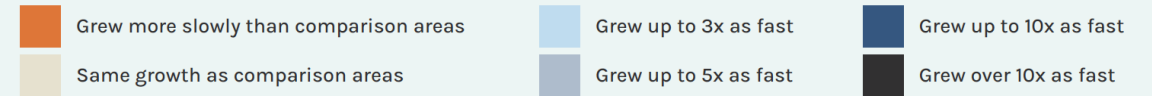
Improved access to infrastructure and open space



New housing supply reduced rent pressures throughout the District

Changes in TIF Districts (2000-2022)

Reading the Chart



	Housing Production	Private Investment (per acre)	Job Growth	Rent	Market Rate Housing	Affordable Housing	Change in BIPOC Share	Small Businesses
Comparison Areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas
TIF Districts	Grew up to 3x as fast	Grew over 10x as fast	Grew up to 3x as fast	Grew up to 3x as fast	Grew up to 3x as fast	Grew up to 3x as fast	Grew more slowly than comparison areas	Grew more slowly than comparison areas
Central City TIF Districts								
Central Eastside	Grew up to 5x as fast	Grew over 10x as fast	Grew up to 3x as fast	Same growth as comparison areas	Grew up to 5x as fast	Grew up to 3x as fast	Same growth as comparison areas	Same growth as comparison areas
Downtown Waterfront	Grew up to 3x as fast	Grew over 10x as fast	Grew up to 3x as fast	Grew up to 3x as fast	Grew more slowly than comparison areas	Grew up to 3x as fast	Grew up to 3x as fast	Grew more slowly than comparison areas
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South Park Blocks	Grew up to 3x as fast	Grew over 10x as fast	Same growth as comparison areas	Same growth as comparison areas	Grew more slowly than comparison areas	Grew up to 10x as fast	Grew up to 3x as fast	Grew more slowly than comparison areas
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Lents Town Center	Same growth as comparison areas	Grew up to 10x as fast	Grew more slowly than comparison areas	Grew up to 3x as fast	Grew more slowly than comparison areas	Grew up to 3x as fast	Grew up to 3x as fast	Grew more slowly than comparison areas
Airport Way	Same growth as comparison areas	Grew up to 5x as fast **	Grew up to 3x as fast	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Same growth as comparison areas	Grew more slowly than comparison areas

Sources: Costar, Census, QCEW, Bureau of Development Services, Portland Housing Bureau.

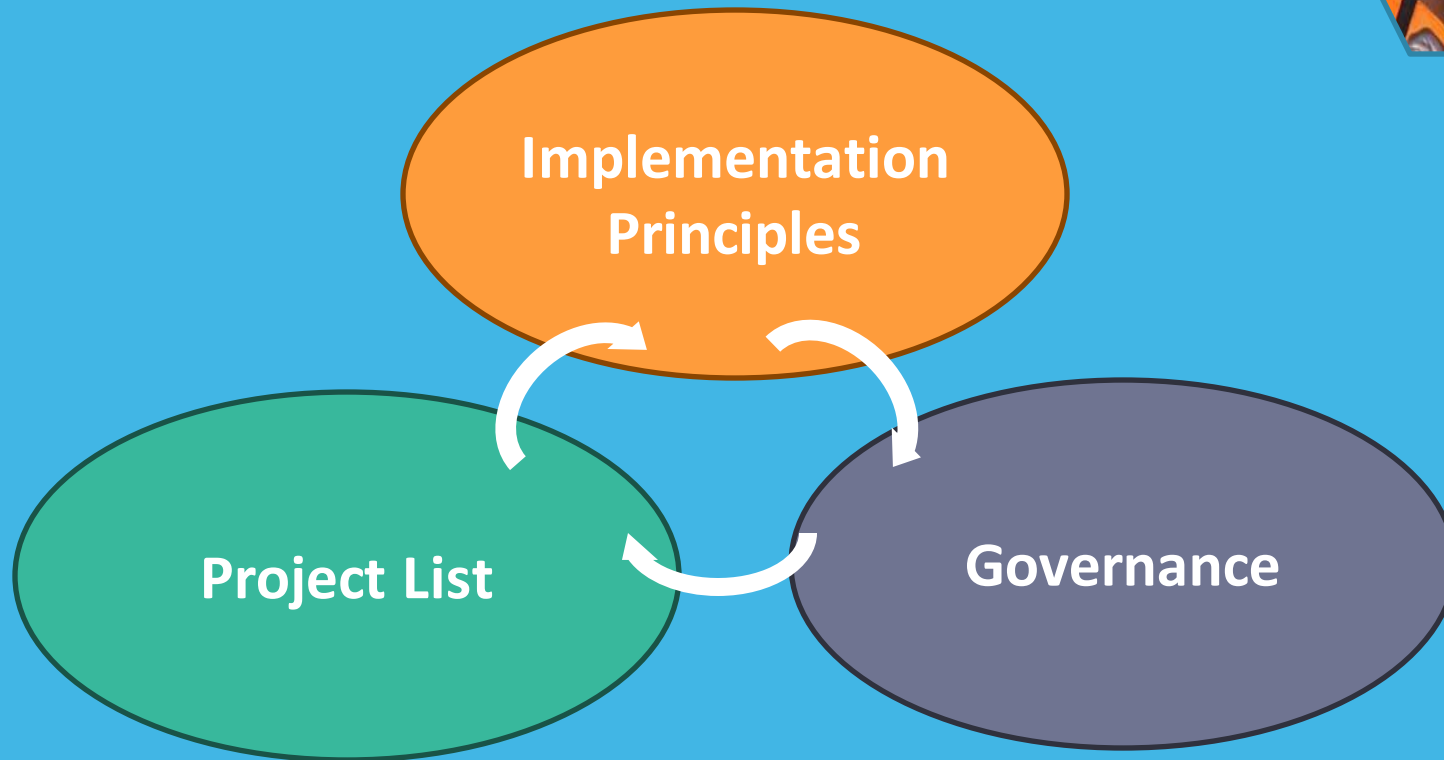
Note: Job growth was between 2003 and 2021, due to data availability issues

What did the City learn?

TIF is part of a broader public toolkit that should include other public policies and other funding sources. As the City considers forming new TIF Districts, it should focus on:

- Incenting significant new housing production in TIF districts
- Reducing systemic barriers to economic opportunity before and during investments in infrastructure or other catalytic projects
- Building community trust through better accountability and transparency on how money flows and is connected to public outcomes
- Leveraging state/federal dollars to maximize positive impacts

Lessons Learned, Implications for East Portland



Housekeeping



Check your email

- We may occasionally send materials to review in advance of meetings, or ask for feedback



Reach out with questions

- Confused? Have concerns or questions? Please reach out to project staff.



RSVP to meetings

- Let us know how you'll be attending meetings so we can prepare and order food.

Project Website:

<https://prosperportland.us/portfolio-items/east-portland-tif-exploration/>

Project Email Address:

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