

East Portland TIF Exploration – 82nd Ave
Summary Notes – April 17, 2024

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Staff: Kathryn Hartinger, Dana DeKlyen, Roger Gonzalez, Camille Trummer, Paula Byrd, Kiana Ballo, Jessica Conner, Robert Smith, Raul Preciado Mendez, Brian Moore

Summary Meeting Notes

1. Camille Trummer welcomed committee members and reviewed the meeting goals and agenda.
2. Staff shared [this presentation](#).
3. Camille prompted the committee to discuss yesterday's joint steering committee/working group meeting focused on the recent TIF report presentation from EcoNorthwest.
 - a. *Comment:* It was transparent about it not being a qualitative report, but it would be helpful to get qualitative information in addition to the data that was presented.
 - b. *Comment:* There was good information in the report but it feels like the city council wanted to cherry pick what they wanted to hear.
 - c. *Comment:* There were things that were very confusing and a lot of places that did not provide the necessary information. One of the things that was named in the report is that the immigration of people to Portland is more diverse than the existing population so that dynamic does not show up in the data, the immigration group could be masking displacement. It is hard to pull out what is relevant for East Portland specifically because everything was aggregated.
 - d. *Comment:* Flagging that this group is deeply immersed in this process and is still confused around this report. It feels like engaging the community is hollow unless people understand this complex process.
 - e. *Comment:* This is part of the working group's role to help translate to community, that is community organizing and mobilizing.
 - f. *Comment:* With a diverse group of people showing up to open houses, there is a dialogue between people with a range of knowledge and experiences. This is why there is a video and a survey to reach a wide audience of people. With these meetings week after week there are still questions that come up. It is helpful to have committee members show up to open houses to share knowledge and experience as well.
 - g. *Comment:* It feels like there needs to be information gathering metrics into the TIF plan in order to measure what impacts are created. For example, beyond looking at total BIPOC population, looking at immigration and departure of BIPOC populations.
 - h. *Comment:* The main takeaway is there are lessons to learn from the report. Interstate had a negative impact, and those mistakes are a cautionary tale.
 - i. *Comment:* There are strong case studies for negative impacts and there is additional data that could help to understand those lessons. The data is sound, but the analysis feels incomplete.
 - j. *Comment:* Any type of report on economic data is always going to assume interpretive errors. The goal of the interpretation will have seeped through. The more examples of interpretation of the information helps to triangulate the real story.
 - k. *Comment:* The TIF district data aggregated hid some of the takeaways for East Portland.
 - l. *Comment:* There were three big takeaways that were validating for the Cully approach: housing, governance, and infrastructure. Housing production needs to happen in

tandem with stabilization. Market rate housing can help insulate existing buildings. There are two major things that are different with cully: Governance and limiting what types of infrastructure projects are eligible for funding. The five-year action plans are a new development that was not a part of the districts in the study. It is also very difficult to tease out what impacts were a result of TIF and were a result of zoning and policy. There are lessons in how to talk about infrastructure, being specific on when and what to constrain future councils. This is a strategic decision, and the infrastructure aspect of the project list is the big part of this conversation.

- m. *Comment:* There was not as much community engagement in previous districts, this is a step in the right direction. The unfortunate thing is that it won't be clear if this works until it happens. The reality is that there is still harm that can be done despite the best intentions. It is known that these areas need money, and this is one of the best ways to get money, but it has potential to cause harm.
 - n. *Comment:* This is true and there are systems in place to create inequity and this is a charge to mitigate those harms.
 - o. *Comment:* That is why there are some groups that are concerned about the risks outweighing the benefits of TIF.
 - p. *Comment:* This is a good tool to get more housing and there needs to be tight restrictions on what TIF can fund to avoid city council making bad decisions on behalf of the community.
 - q. *Comment:* The project list is the greatest tool to ensure the community's vision is upheld.
4. Kathryn moved to a discussion around TIF eligible projects and what should be included in the TIF plan project list.
- a. *Question:* Curious how people are seeing the construction of market rate private housing, is that a strategy to use here to prevent displacement? Should the project list include funding to close the gap for private development? *Answer:* That could be explored, gap financing for private development usually requires some regulated affordable housing requirements. Adding more market rate development is good but there are other tools outside of TIF to help incentivize developers. The 45% set aside for affordable housing is for 60% AMI or lower but the other 55% of funds can be used for gap funding for market rate housing.
 - b. *Comment:* With the state of the construction market and economy right now, things are down from a real estate perspective. When the market is down and things are difficult, the public sector can step in and help. There is an opportunity for public sector to step in and support housing development to deliver more units. The region is wildly short on units and creating more housing is important. While there is a need for affordable housing, not all housing should be restricted affordable housing. When the market shifts, public intervention is not appropriate.
 - c. *Question:* The other "tools" could be increasing FAR and density zoning, right?
 - d. *Comment:* There is a good amount of multi-dwelling zoning within the current draft boundary - lots of capacity for housing.
 - e. *Comment:* That was one of the takeaways from the ECONorthwest report - all housing is good to keep rents down.
 - f. *Comment:* There is a need for a spectrum of housing options. There are a number of incentives already in place for housing development. The cost of labor, labor shortages, cost of land, and cost of construction materials are out of anyone's control.

- g. *Comment:* Emphasizing that there needs to be housing production goals to address the housing shortage.
- h. *Comment:* With the idea of complete communities, is there a way to guide projects with the geographical intentionality of achieving these priorities around pedestrian districts? *Answer:* The priorities could be named for each center. Think about the guidance you would want the leadership group working with this plan 10 year from now. Breaking out the priorities for microneighborhoods makes a lot of sense.
- i. *Question:* For property acquisition, what is the process for how that goes through review? *Answer:* There would be guidance from the action plan for the types of sites and consultation with the next iteration of the leadership committee. The funds have to be approved by Prosper Portland board.
- j. *Question:* Do you have an example of this kind of project? *Answer:* As far as land banking goes, typically it is not an allowable use for a TIF district because TIF projects require some sort of improvement. The examples that are shown are entering into an agreement with community organizations where Prosper owns the land and provides a low rent ground lease to the community organization while looking ahead to redevelopment about 20 years out or more. In terms of working with the community to buy land, that is not an allowable TIF use dollars. The funding would be provided to make improvements to the property if a third party wanted to do land banking, Prosper can help by funding demolition or prep for future use.
- k. *Question:* With land acquisition and land banking in Cully, are there any protections for people using these things for their personal benefit? *Answer:* In the governance charter there is language to address that. It also depends on who the advisory body is advising, outside of the governance charter the committee is subject to personal finance laws.
- l. *Question:* Overspending on infrastructure led to negative project outcomes? *Answer:* In interstate, a large portion of the funds went to light rail first. Without building affordable housing before making those investments led to a lot of displacement. This is the important implementation principles and phasing projects intentionally.
- m. *Comment:* There is a sense that the City should be paying for infrastructure and the bulk of the money should not go to big stuff, instead restricting it to smaller projects that are people focused.
- n. *Comment:* From safety and livability, there are fundamental infrastructure needs in this district.
- o. *Comment:* These areas have been underinvested in over decades and are lacking infrastructure. This is tricky but being specific in the project list is important.
- p. *Comment:* Over the last five years, there have been many multifamily projects that could not get the project to pencil and turned it into a townhouse development to get out of paying for street/sidewalk improvements. And if the only improvements are in front of the development, it complies with the law, but it is not contributing to a walkable community. Can there be wiggle room to help expand whole street segments to create a network of streets and sidewalks without backfilling the responsibility of the city and developers to fund that work.
- q. *Comment:* Infrastructure should not be a bad word but there should be differentiation and language to insulate what could be funded with TIF.
- r. *Comment:* It is critical to be thoughtful with this. There are so many unimproved roads that need to be fixed and there is an impact on property value/tax when improvements are made. When East Portland was annexed, they were promised a lot of things that have not been done and TIF funds should not be used to address those issues.

- s. *Comment:* When talking about infrastructure, what comes first will change what comes after which cannot be predicted.
5. Camille thanked the committee for their participation, reviewed next steps, and closed the meeting.