

## East Portland TIF Exploration – Steering Committee Meeting

Summary Notes – August 13, 2024

Committee Members: Nick Sauvie, Alando Simpson, Angela Rico, Annette Mattson, Bill Bruce, Bill Kent, Helmi Hisserich, Jeff Renfro, Duncan Hwang, Jessica Arzate, JR Lilly, Matina Kauffman, Tye Gabriel, Sabrina Wilson, ShaToyia Bentley, Kimberly Branam

Staff: Kathryn Hartinger, Roger Gonzalez, Raul Preciado Mendez, Chabre Vickers, Dana DeKlyen, Brian Moore, Jessica Conner, Paula Byrd, Tony Barnes, Shea Flaherty Betin, Kiana Ballo

### Summary Meeting Notes:

1. Chabre Vickers welcomed participants and reviewed the meeting goals and agenda.
2. Angela Rico provided comment for Commissioner Rubio thanking steering committee members for their work over the past year.
3. [Staff shared this presentation.](#)
4. Chabre shared the public participation guidelines.
5. Kathryn Hartinger reviewed the East Portland TIF exploration timeline and the city council direction that prompted the exploration process.
6. Roger Gonzalez highlighted the high-level public engagement statistics from the robust community outreach effort related to the TIF exploration process. He noted this work will continue for any approved districts throughout the life of the district.
7. Roger discussed the community feedback heard across the three districts including the desire to support existing residents and businesses, housing opportunities, spaces for community connection, middle and living wage jobs, thriving new small businesses and community serving retail, targeted infrastructure improvements, and ongoing community education, engagement, and leadership.
8. Roger shared district specific feedback heard in the community engagement.
9. Raul Preciado Mendez provided an overview of the three proposed districts including boundaries, priorities for each geographic area, acreage, assessed value, and financial projections for year 5, 10, and 30 for each district.
10. Dana DeKlyen reviewed the proposed project list and funding allocations for the investment priority categories for each district. The three buckets for investment include affordable housing, economic & urban development, and infrastructure.
11. Dana presented the results of each district's working group vote to proceed, request more time for exploration, or not to proceed. All three districts received a majority vote to move proceed. The Parkrose-Columbia Corridor working group also held a vote to determine final boundaries, staff provided three boundary scenarios in response to Argay Terrace Neighborhood Association's request for more time for exploration in their neighborhood. The proposed district was renamed to the Sumner-Parkrose-Argay-Columbia Corridor (SPACC) TIF District.
12. Tony Barnes shared the financial impact forecasts of East Portland and Central City TIF districts on taxing jurisdictions including the total impact and annual average impact ranges for the

various jurisdictions. He noted the range depends on how much long-term debt that is issued by the district over time.

13. Tony also presented the financial impact on the K-12 Education funds and shared that the state school fund backfills the impact of TIF districts, so the impact on public schools is greatly reduced compared to the other taxing jurisdictions.
14. Tony discussed the taxes foregone specifically to the City of Portland General Fund from the new TIF districts and compared those to the impact of taxes being returned to the City by expiring TIF districts like the River District, Lents, and Interstate.
  - a. *Question:* Sabrina Wilson asked why the projected loss to East Portland school districts is less than Portland Public Schools. *Response:* Tony replied that this is related to the state equalization formula based on a per student calculation and the number of students in each district.
  - b. *Question:* Annette Mattson asked what the percentage of the budget the impact from TIF represents? *Response:* Jeff Renfro replied that the ongoing general fund is around \$650 million for the County, but TIF does create a real impact to the county especially after year five.
  - c. *Question:* Annette Mattson asked how market rate and affordable housing developments impact tax generation? *Response:* Tony discussed that the new construction with no tax abatement comes onto the tax roll whether it is residential or commercial, that revenue is growing the TIF which means that anything above the 3% natural growth increases TIF revenues under the maximum indebtedness. When the assessed value grows to the limit of maximum indebtedness, revenues start going back to the other taxing jurisdictions.
  - d. *Question:* ShaToya Bentley asked why working group members voted to wait instead of proceeding. *Response:* Roger responded that from the conversations with working groups, there are a few high-level issues coming from those members including wanting to understand the impacts of TIF, especially from industrial lands, increasing education of TIF, wanting to use time to repair trust between the city and the neighborhood, and the concern around affordable housing impacts on the neighborhood.
  - e. *Question:* JR Lilly stated that it will be important to share information about the administrative costs that come out of the TIF funds.
  - f. *Question:* Sabrina asked if it is true that if a housing development is mixed income (not all affordable) then the whole housing complex is taxed at a “normal” rate and therefore, developers may not be as incentivized to do mixed income housing developments. *Response:* Helmi Hisserich responded that mixed income housing is exciting from a policy perspective and is challenging for financing, but it is worth while to explore this. Jessi Conner added that inclusionary housing usually has about 10-20% affordable units within a development to receive a tax exemption on the affordable units, not the market rate units.
15. Chabre held a vote for steering committee members to determine whether the exploration yielded results that aligned with City Council’s direction.

<b>Call the Roll</b>	<b>Vote on Alignment (Yes, No, Abstain)</b>
Annette Mattson	Yes
Sabrina Wilson	Yes
Duncan Hwang	Yes
Nick Sauvie	Yes
JR Lilly	Yes
Alando Simpson	Yes
Matina Kauffman	Yes
ShaToya Bentley	Yes
Andy Miller	Not present
Kevin Martin	Not present
Bill Bruce	Yes
Jessica Arzate	Yes
Nuhamin Eiden	Not present
Tye Gabriel	Yes
Jonath Colon	Not present
Mourad Ratbi	Not present
Lee Po Cha/Tina Do	Not present
Jeff Renfro	Abstain
Helmi Hisserich	Abstain
Kimberly Branam	Abstain

16. Kathryn reviewed the immediate next steps for the legislative process leading into action planning and shared details related to the process of action planning.
17. Kimberly Branam presented the upcoming milestones including dates for the various approvals, briefings, and public hearings. She noted there will be a need for continued engagement with this group throughout the legislative process.
18. Kimberly thanked committee members again for their work and closed the meeting.