

Review of housing set aside reveals positive results

The once hotly contested affordable housing set aside moves forward at City Hall

BY JOHN MILLER
CONTRIBUTING WRITER

As a long time advocate for affordable homes here in Portland I was very happy to discover that the city has exceeded its 'TIF Set Aside' spending on affordable housing in urban renewal districts over the past five years. I am involved in a review panel that's looking at the past five years' performance and then making recommendations for the next five years. It's heartening to see that the city has made good, at least in large part, on this critical commitment.

Without getting too "wonky," here's some background. TIF stands for Tax Increment Financing, the primary source of funding for development in urban renewal areas. In 2006 the City of Portland adopted the "TIF Set Aside" that mandated that 30% of all TIF funds in urban renewal districts be spent on affordable housing. Further, the City defined a set of income guidelines to make sure that the money was spent to meet our city's greatest housing needs. Lastly, the city mandated that the 30% goal applied to each district, and not as a city wide goal (an important distinction — more on that below).

The projections in 2006 estimated the TIF Set Aside would raise \$121 million dollars for affordable housing in the city's nine eligible urban renewal districts. Five years later, it now looks as though actual spending on affordable housing projects in URAs has been \$153 million dollars — about 33% of TIF expenditures overall. That's very good news and illustrates the city's commitment to help solve our affordable housing challenges here in Portland.

There are two very important features of the Set Aside policy that I'd like to emphasize here. First, the policy states that the goal is "by district" rather than as a city-

wide goal. This is important because it ensures that affordable homes are evenly distributed throughout the city, and not concentrated in a few areas. One of the drawbacks of urban renewal in other cities around the country has been that after the improvements are made, property values rise, and low and moderate-income families can't afford to live there anymore. This unintended consequence of urban renewal is kept in check here by mandating that, in addition to a host of community improvements, affordable homes are built within each district so that people of all incomes have a chance to live in newly revitalized areas.

The second important feature of the set aside policy is the income guidelines that detail what the money will be spent on (and more importantly, who will receive the benefits of the public investment). In most districts the guidelines mandate that between a third and a half of the set aside funds be spent on the development of homes that are affordable to families making 30% or less of the median family income (MFI) — seniors, people with disabilities and working families. The rest of the funds are targeted toward homes for a variety of income levels, up to 100% MFI, and it varies by district.

Dedicating up to half the funds in a district to homes for very low income people is critical, because it is very difficult to develop housing to serve 0-30% MFI residents. Without this dedicated funding source, it's likely that many of these projects would not be developed, making our affordable housing shortage even greater. Overall, the review of the TIF Set Aside shows that we fell short in meeting the goal of developing homes for families making 0 to 30% MFI, and so more work is

needed here in the future.

At this point in time the City and other partners are conducting a review of the Set Aside policy, and they'll make recommendations for changes to the policy, if any, going forward. I'm optimistic that these recommendations will allow the continued success of the Set Aside as we strive to meet the varied housing needs of our city.

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I applaud the Portland Development Commission and the Portland Housing Bureau for their good work on this policy, and Commissioner Nick Fish for his steadfast stance in support of the "by district" aspects of this critical financing tool.

The TIF Set Aside helps to ensure that decent, quality affordable homes are built throughout the city and helps to ensure that Portlanders are not unintentionally forced out of their neighborhoods as a result of urban renewal.

John Miller is the Executive Director of Oregon On

Oregon ON is a nonprofit trade association that supports and strengthens community development and affordable housing organizations through advocacy, communications, peer learning, and best practices. Oregon ON works to ensure that hardworking families, seniors and people with disabilities can afford housing and still have enough money for other basic necessities.

An overview of housing from the past session in Salem

Two steps forward, two steps back on the affordable housing front in Oregon

BY ALISON MCINTOSH
CONTRIBUTING WRITER

Looking ahead to February 2012 — our voices can create housing opportunity.

The State Legislature has been adjourned for over two weeks now, and we're a little more than two weeks into the new state budget. The dust is settling, but the full impact of the work of the Legislature on Oregonians struggling to make ends meet won't be known for many months.

We all need a safe, stable place to call home. Our state and our communities are stronger and better when everyone has access to opportunity, which comes from having a place to call home. The Oregon Housing Alliance — a coalition of organizations from across the state concerned about the lack of affordable housing — has worked along with other housing advocates since 2004 to secure the resources we need to create strong communities across Oregon.

The Oregon Housing Alliance made progress this past legislative session, but it was not nearly enough. Our victories were important: we secured funding to help preserve existing affordable housing across Oregon; protected tools such as the Oregon Affordable Housing Tax Credit and others to help build new affordable housing; we protected funds for emergency rent assistance; we helped pass protections for tenants living in foreclosed properties; and we worked in coalition with partners to prevent the worst of the cuts to the Temporary Assistance for Needy Families (TANF) program.

Despite these small gains, this Legislative session was a disaster for low income Oregonians. The prolonged recession and the continuing shortage of affordable housing

have left too many of our neighbors at risk of or experiencing homelessness. Too many of our families and neighbors are struggling to keep both a roof over their head and food on the table. Devastating cuts were made to essential services and supports, and we know that the impacts of these choices will hit hardest and be hardest felt by those who are already hurting. While we made progress on many fronts, overall we have stepped backwards this session.

Protecting the most vulnerable among us and maintaining a strong safety net is one of the core functions of our government. The Legislature should make decisions that uphold and advance this purpose. Instead, the Legislature made a choice in the 2011 session to pass a budget for human services and housing that will barely keep emergency services afloat during the next two years. The decisions made will have far reaching and very real consequences that will include thousands of Oregonians unable to access emergency rent assistance or affordable housing, or the supportive services they need to get back to work.

When the Legislature returns in 2012 and 2013, we need them to be ready to make choices that will put all of our options — including new revenue — on the table, and we need them to make the best choices for our state. We need your voice and your help in the coming months to ensure that this happens. We know how to solve the crisis of homelessness and the lack of affordable housing. The solution begins when housing advocates begin to speak louder. We must do everything we can to build up our voices, to work across issues, and to help legislators understand the impacts of their decisions on the men, women, and children in their districts who need the opportunity that

stable housing provides in order to fully engage in their life and their community.

Over the next year, three years and five years, we must work to expand the voices of those concerned about the lack of safe, stable and affordable housing for all Oregonians. We must document the effects of the economic recession, and the effects of the 2011-2013 budget on our neighbors

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passed by the Legislature this session, and share what's happening with decision makers.

Housing advocates must speak louder and do more to ensure everyone has a place to call home. If we're going to build a movement across Oregon that speaks out for our communities and our neighbors, we have to shift the conversation in our state from "we can't" to "we must", and we need to talk to our neighbors and communities about our vision of what we want our home towns and our state to be, rather than about the budget and the deficit. We can solve the problems we face. We can make sure everyone has a safe, stable place to call home, and the opportunity that comes with it.

Alison McIntosh is a Policy Manager with Neighborhood Partnerships.

The Housing Alliance brings together advocates, local governments, housing authorities, community development corporations, environmentalists, service providers, business interests and all others dedicated to increasing the resources available to meet our housing needs to support a common statewide legislative and policy agenda.