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Title: Affordable housing on waterfront is debated
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SUMMARY: How much? Some say that the **30 percent** goal would cut into amenities such as parks and streets

"A one size fits all approach is not good." -- Mark Williams, OHSU manager

The question of whether to spend public money on **affordable housing**, or streets and parks is causing a rift between the Portland City Council and property owners in one of Portland's most ambitious urban renewal areas.

An advisory committee mainly of property owners with some residents of the emerging South Waterfront area has come out against a citywide policy that would require such redevelopment projects to spend about one-third of their public money on **affordable housing**. While the committee said it favors funding for such projects in South Waterfront and across the city, it did not favor having a "predetermined set aside" that might leave less money for other priorities.

In April, as several Portland City Council members faced tough re-election bids, the council voted 4 to 0 to study requiring as much as **30 percent** of tax money generated in such areas be spent for **affordable housing** projects.

The Portland Development Commission, which is conducting the study, is expected to present some data at a City Council meeting Wednesday.

The study so far seems to indicate a **30 percent** goal may not be out of reach for some areas. The North Macadam Urban Renewal Area, which covers the South Waterfront project, has spent less than **1 percent** of its budget so far on **affordable housing**. But in the next five years the area has forecast spending **39 percent** of its budget, minus administrative expenses, on **affordable housing**.

Committee members said they felt the City Council's proposal would restrict their decision-making too much year-to-year and shortchange budgets for parks, a riverfront greenway and streets in the mostly vacant industrial area. Like many urban renewal areas, the one that covers the South Waterfront is short of cash for a wide range of projects.

Committee members, at a meeting Thursday, were concerned about how to fund road projects costing tens of millions of dollars and a lush riverfront greenway that could cost **\$30 million** or more. Costs for many of the parks and other amenities foreseen in the area are still unknown.

"Those are the kinds of things the council needs to understand," said Rick Saito, who along with some partners owns 3.6 acres in the district.

The controversy over **affordable housing** in urban renewal areas stems in part from City Council frustration over the ballooning cost of a controversial aerial tram in the South Waterfront area. The city, OHSU and developers in the district all contributed to paying for the tram's rising costs, with some saying the tram project was receiving money to the detriment of **affordable housing** and other projects.

City Commissioner Sam **Adams**, who voted for the study, said the city needs to make up for declining federal support of **affordable housing** development.

"You've got to have some resources available to make deals and leverage that with the private sector," **Adams** said. "Our best source is **tax increment** financing."

Adams

said he thought the advisory committee was right to be concerned about what he called "raiding existing redevelopment projects." To avoid such conflicts, he said the council should allow many of the urban renewal districts to borrow more money than they are currently allowed.

All projects?

Part of the disagreement appears to stem from whether the council wants all urban renewal areas to allocate the same percentage of budgets to **affordable housing**.

"A one size fits all approach is not good," said Mark Williams, Oregon Health & Science University's manager overseeing the university expansion in South Waterfront.

For his part, **Adams** said he doesn't want to see a single requirement for all the areas. Some of the areas are focused on industrial development and don't even have residential zoned land, he noted.

Extending debt levels of some districts could help them all reach an average of **30 percent** funding across all the districts, he said.

Commissioner Erik Sten, who pushed for the council resolution in April, was not available for comment late Friday.

The North Macadam committee voted unanimously to support the motion, written by Williams of OHSU. The committee's only designated **affordable housing** advocate, Michelle Haynes, of REACH Community Development Inc., had left the meeting before the discussion and vote came up.