



Commissioner Nick Fish
City of Portland

October 22, 2008

During my brief tenure as Housing Commissioner for Portland City Council, I have begun working with stakeholders, my colleagues and staff to undertake a comprehensive review and assessment of the housing system. This process will continue with Council worksessions in late 2008 and early 2009 where we will examine broad policy issues, performance, resources and the financial tools available to the community. I anticipate the review and assessment will prompt us to modify some policies and practices immediately, while more fundamental changes will be included in the Portland Plan (*Comp. Plan/Central Portland Plan update*) to be completed in 2010.

The review will draw upon expertise from the Bureau of Planning (BoP), the Portland Development Commission (PDC), and the Bureau of Housing and Community Development (BHCD), to give Council:

- A snapshot of current housing needs;
- An overview of our current array of housing policy objectives;
- The programmatic tools currently available to achieve them, including those that require public funding through abatements or other forms of investment, and objectives that have been achieved without requiring public funding;
- An assessment of our performance based on objectives; and
- The trends we see developing that may call for policy shifts or a different mix of programmatic tools given an ever changing economic market.

I'll be asking for your input on general policy direction, priorities for limited public dollars, and the suitability of continuing to use tools like limited term property tax abatements to achieve City and regional housing, growth management, and urban development goals.

However, before having a forward looking conversation, there is clearly a need to address some outstanding issues – such as the City's current use of two categories of residential tax abatements: those available to multi-family projects and those applicable to individual home ownership properties. On July 28, 2008 City Auditor Gary Blackmer released his Office's audit on Housing Tax Abatements which are jointly administered by the Portland Development Commission and the Portland Planning Commission.

The Audit asks that by July 28, 2009 the Commissioner-in-Charge deliver a status report on specific recommendations. However, I felt we needed to put this issue behind us sooner rather than later, therefore the following report fulfills my request that PDC and BoP present me with a document that:

1. Identifies actions that have been taken or will be undertaken by PDC and Planning in response to each recommendation, and
2. Includes an annual report on the previous year's tax abatements (this is the identical report that will be submitted to Multnomah annually in November).

In several weeks, per an agreement with Multnomah County, I expect to be making a report that will summarize the cost and evaluate the effectiveness of our current array of limited term property tax abatement programs. My hope is to reach consensus with our taxing district partners about the social utility of certain abatements, so that we may continue to use them as a tool to achieve of our next slate of housing objectives and other policy goals.

Gil Kelley and Bruce Warner are available for any briefings you may need.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick", followed by a horizontal line.

Nick Fish
Commissioner
City of Portland