

**ORDINANCE No. 185760 As Amended**

\*Authorize a local improvement district deferral option for certain local improvement districts (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City Council passed Resolution No. 35738 on November 4, 1998 directing the establishment of the Local Improvement District Administrator position to be housed in the Bureau of Transportation, assuming responsibility for the local improvement district process and transferring this responsibility from the City Auditor.
2. The Local Improvement District Administrator conducted an extensive two-year public outreach process utilizing input from over 200 City of Portland residents and property owners outlined in "Improving Portland's Local Infrastructure: Recommendations for the Local Improvement District Process", a report which was accepted by City Council by the passage of Resolution No. 35937 on November 1, 2000. Section 5.2.1 of this report included an objective of offering deferrals to low-income residents participating in local improvement districts, as well as additional deferrals for large lots.
3. Since the redesign of the local improvement district program in 2000, 34 local improvement districts (LIDs) have been formed by City Council of which seven (7) have successfully utilized safety net programs for qualifying property owners, including combinations of grants and/or low income deferrals.
4. The safety nets offered with the LIDs in Finding No. 3 above have been successful in attracting petition support as high as 100%, and the Council desires to offer deferrals for future LIDs that are not eligible for tax-increment or Community Development Block Grant financing; these LIDs currently offer 5, 10 and 20 year financing but no deferral option.

NOW, THEREFORE, the Council directs:

- a. That the City Auditor, subject to the approval of the form contract by the City Attorney, shall develop a fourth LID financing contract option that includes a deferred payment in the first 5 years after final assessment is imposed.
- b. The City Auditor, in conjunction with the Local Improvement District Administrator and the Office of Management and Finance, shall identify an eligible source of revenue, which may include bond proceeds, to support implementation of the LID deferral option, and report back to Council by December 31, 2014.

- c. The fourth financing option described in directive 'a' of this ordinance shall be offered to all property owners participating in certain LIDs only if all of the following conditions are met:
  - i. Fifty-one percent (51%) or more of the households who will likely use the newly-constructed street improvement (as determined by the Bureau of Transportation) within a particular LID earn less than eighty percent (80%) of the area's median family income (MFI); and,
  - ii. The LID is not eligible for tax-increment, Community Development Block Grant or other subsidies; and
  - iii. The funding source identified in directive 'b' is identified by December 31, 2014.
- d. Costs of the deferral will not be cross-subsidized between LID projects or between property owners in accordance with Internal Revenue Service regulations governing tax-exempt Limited Tax Improvement Bond financing of LID installment payment contracts.
- e. The deferral program is offered contingent on the lien securing the LID obligation being in a senior lien position until paid in full by the property owner. Notwithstanding any other finding or directive in this Ordinance to the contrary, the City shall not agree to subordinate its LID liens to other non-City liens.

Section 2. The Council declares that an emergency exists to spur the paving and improve the life and safety on existing gravel streets and to benefit those that are in process; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council,

NOV 29 2012

Mayor Sam Adams  
 Prepared by: Andrew Aebi:slg  
 Date Prepared: November 15, 2012

**LaVonne Griffin-Valade**

Auditor of the City of Portland

By

  
 Deputy

Agenda No.  
**ORDINANCE NO. 185760 As Amended**  
 Title

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>MAYOR SAM ADAMS</b> <i>L. Saltzman on behalf of Mayor Adams</i> <b>COMMISSIONER APPROVAL</b>	CLERK USE: DATE FILED <u>NOV 20 2012</u>  LaVonne Griffin-Valade Auditor of the City of Portland
Mayor—Finance and Administration - Adams	By: <u><i>[Signature]</i></u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Leonard	
<b>BUREAU APPROVAL</b> Bureau: Bureau of Transportation Group Manager: Greg Jones Development & Capital Program <i>GP</i> Other: Prepared by: Andrew Aebi:slg <i>AAA 11/13</i> Date Prepared: November 15, 2012 <i>11/13</i>	ACTION TAKEN:
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date <b>NOVEMBER 29, 2012</b>	
<b>City Attorney Approval</b>	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input checked="" type="checkbox"/> <b>Start time: 2:00</b>  <b>Total amount of time needed: 2:02</b> (for presentation, testimony and discussion)  <b>CONSENT</b> <input type="checkbox"/>  <b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed: _____</b> (for presentation, testimony and discussion)
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FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	