



**Proposed Amendments to the North Macadam and
Central Eastside Urban Renewal Areas**
Planning and Sustainability Commission
January 13, 2014

Background & Action

December 9, 2014:

- PSC considered whether changes to the North Macadam and Central Eastside URAs were supportive of the city's Comprehensive Plan
- Heard testimony about concern for meeting housing goals in N. Macadam URA

Since hearing:

- PDC and PHB provided a memo in response in PSC questions
- PDC and PHB have taken steps to advance affordable housing implementation

Proposed Action Today: PSC is asked to find that the recommended URA changes support the Comprehensive Plan

Additional TIF Resources for Affordable Housing

North Macadam URA

- Estimated affordable housing resources without the amendment: \$9 million
- Estimated affordable housing resources with the amendment: **\$40 million**

Central Eastside URA

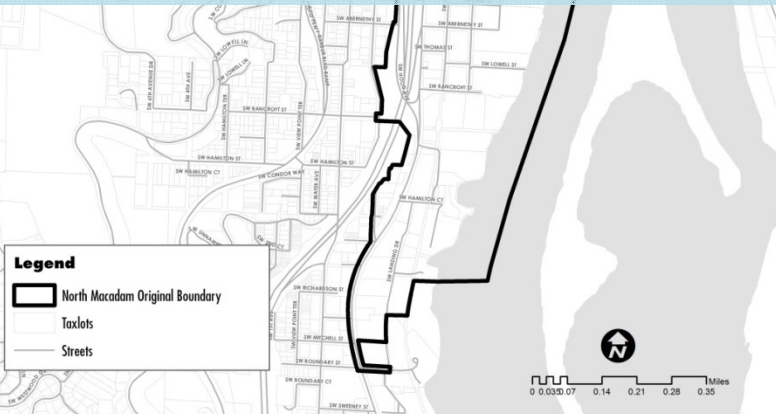
- Estimated affordable housing resources without the amendment: \$4 million
- Estimated affordable housing resources with the amendment: **\$10 million**

North Macadam URA Amendment

Status Quo

North Macadam Original Area

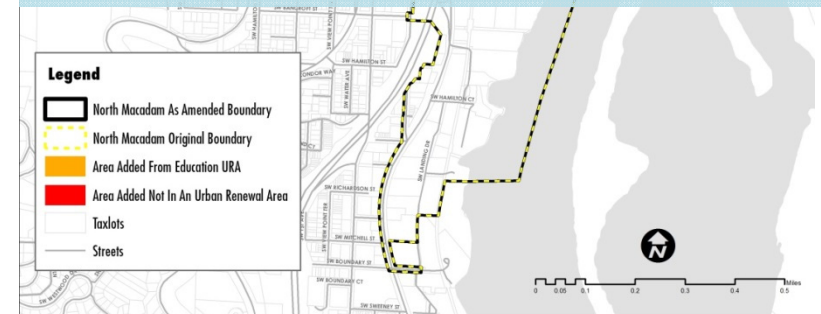
- Greenway (partial) - \$2M
- SW Bond (partial) - \$2M
- Property redevelopment loans - \$ 3M
- Business development loans - \$2.5M
- Affordable housing - \$9M



Amended

North Macadam As Amended

- Greenway - \$12M
- SW Bond - \$8M
- Ross Island Bridge Park - \$5M
- PSU/University Place - \$19M
- Business development loans - \$2.5M
- Utilities – TBD
- Affordable housing - \$40M+



Affordable Housing Approach in North Macadam

- \$40M provides sufficient resources to reaffirm 2003 affordable housing goals
- PDC & PHB developing plan for mixed-use project on RiverPlace Parcel 3 with 200-400 units
- If ZRZ development gains momentum, URA has financial capacity to bring forward TIF to accelerate affordable housing investment
- PHB and partners will work with partners to secure operating resources for 0-30% MFI units
 - For example, Home Forward may convert vouchers to project-based subsidy



Parcel 3

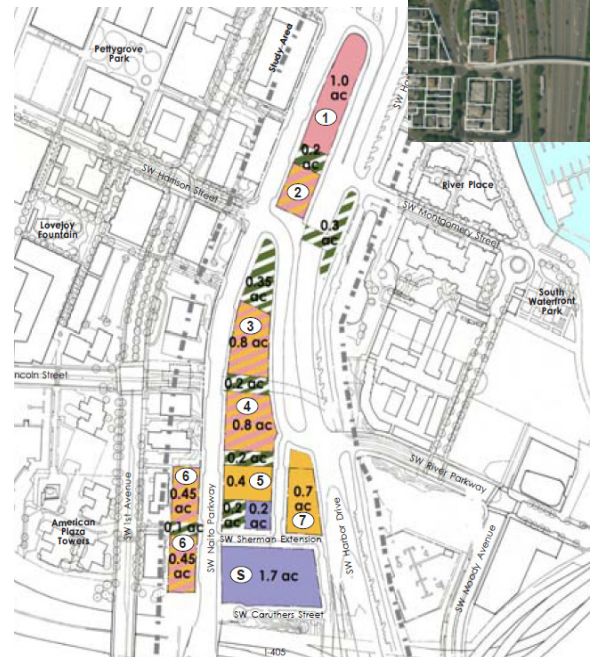
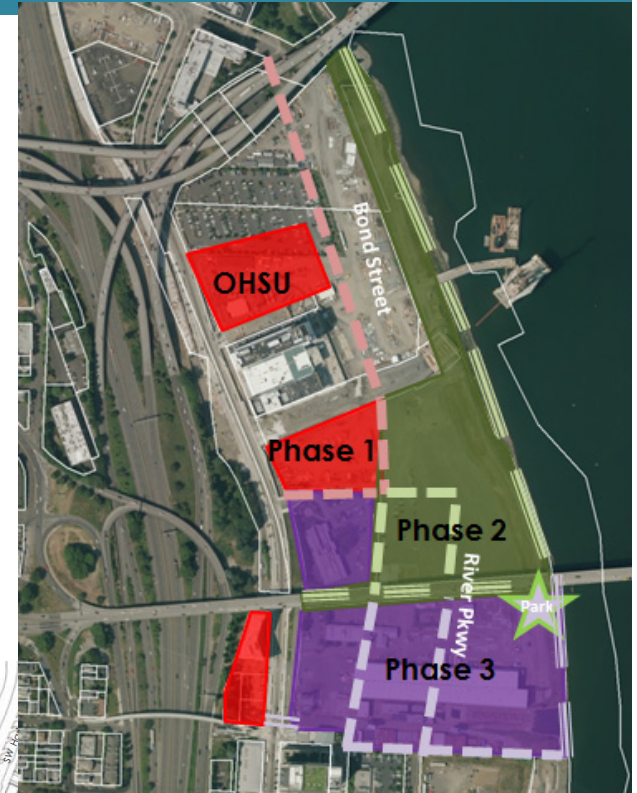
Affordable Unit Goals for South Waterfront Area

	Total	Achieved to Date	Net Remaining
0-30% MFI	166	42	124
31-60% MFI	313	167	146
Subtotal	479	209	270
61-80% MFI	103	0	103
81-100% MFI	172	0	172
101-120% MFI	34	0	34

Affordable Housing Approach in North Macadam

- Stronger language in ZRZ Development Agreement
 - PHB has the right to subsidize rental units within every ZRZ residential project via an Affordable Housing Covenant
 - PHB right to purchase property if fewer than 479 affordable units built within the North Macadam URA when ZRZ initiates Phase 2 development
- ODOT and PBOT jointly own 5.1 acres on both sides of Naito Parkway at Harbor Drive; 2004 Concept Plan identified potential for 140 units on West Naito site

ZRZ Development

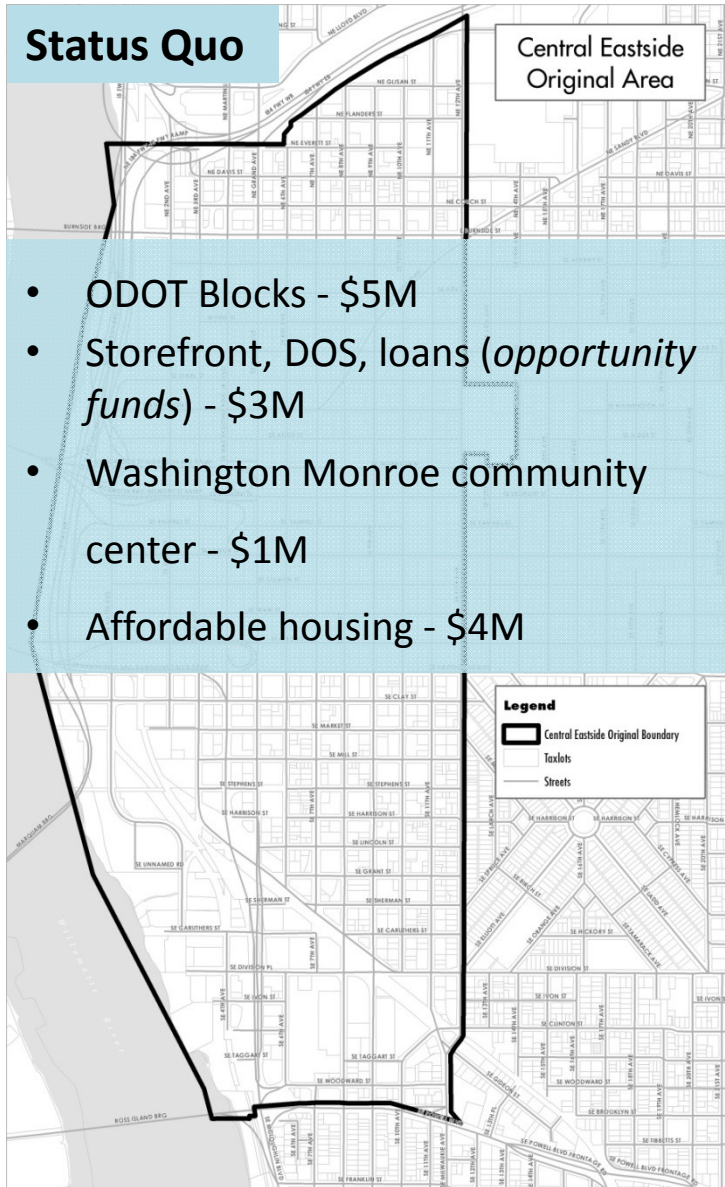


Harbor/Naito

Central Eastside URA Amendment

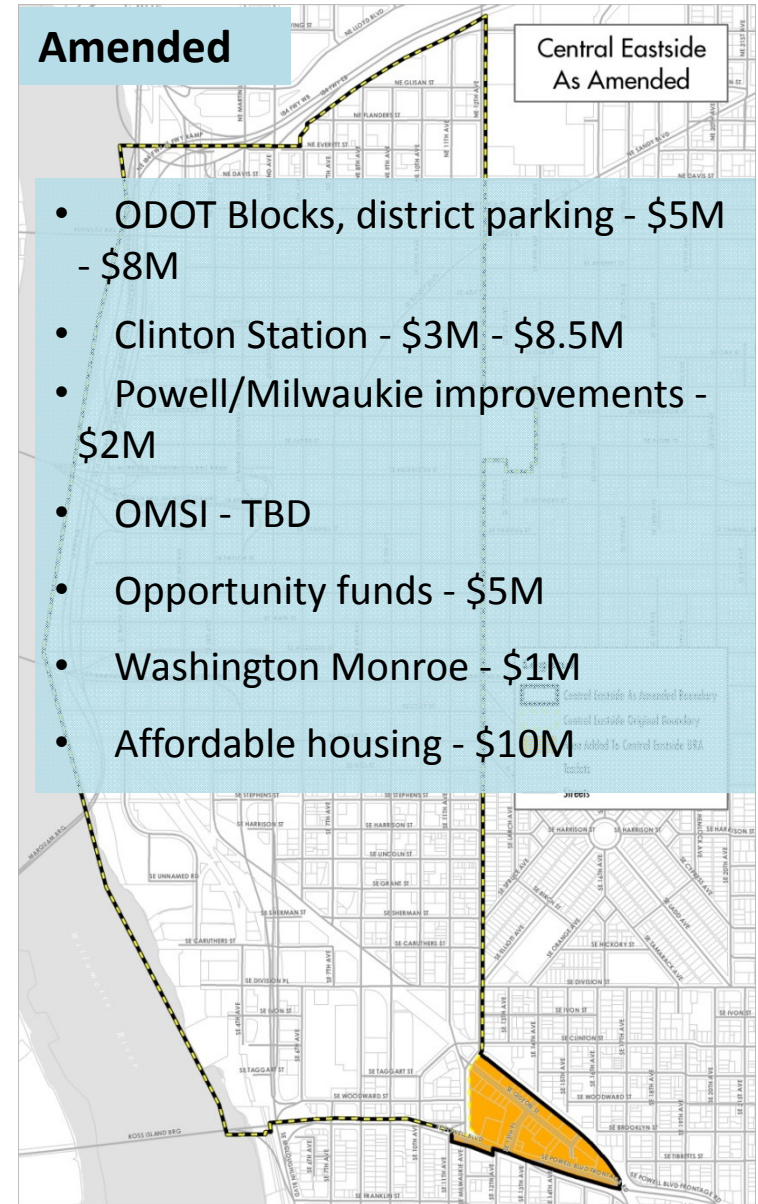
Status Quo

- ODOT Blocks - \$5M
- Storefront, DOS, loans (*opportunity funds*) - \$3M
- Washington Monroe community center - \$1M
- Affordable housing - \$4M



Amended

- ODOT Blocks, district parking - \$5M - \$8M
- Clinton Station - \$3M - \$8.5M
- Powell/Milwaukie improvements - \$2M
- OMSI - TBD
- Opportunity funds - \$5M
- Washington Monroe - \$1M
- Affordable housing - \$10M



Affordable Housing Approach in Central Eastside

- PHB has committed to and is moving forward a project that includes 102 affordable units
- Estimate at least an additional 55 new affordable rental units would be created
- Affordable units anticipated to included as part of the Clinton Triangle station area redevelopment
- Even if growth exceeds projections, no additional resources would become available as this projection anticipates reaching maximum indebtedness

Upcoming Meetings

PDC Board Meeting

January 21, 2014 1:30-5 p.m. @ 222 NW 5th Avenue

City Council Hearing

January 29, 2014 2-3:30 p.m. @ 1221 SW 4th Ave

Amended North Macadam URA: Resources and Projects

FY	Resources*	PHB**	PDC	Projects	Level of Confidence
2014.15	\$1.2M	\$80K	\$1.2M	<ul style="list-style-type: none"> Bond Street design and construction District parking PSU School of Business ZRZ Economic Development Affordable Housing 	High
2015.16	\$8.0M	\$2.0M	\$4.3M		
2016.17	\$11.2M	\$2.0M	\$10.4M		
2017.18	\$9.3M	--	\$5.6M		
	SUBTOTAL	\$4.08M	\$21.5M		
2018.19	\$13.3M	\$0.3M	\$12.6M	<ul style="list-style-type: none"> Parks and Open Space Bond Street design and construction University Place redevelopment ZRZ Economic Development Affordable Housing Target Industry Recruitment 	Medium
2019.20	\$12.2M	\$2.8M	\$11.1M		
2020.21	\$24.3M	\$6.1M	\$21.3M		
2021.22	\$27.5M	\$6.5M	\$16.1M		
2022.23	\$37.5M	\$7.0M	\$18.1M		
	SUBTOTAL	\$22.7M	\$79.2M		
2023.24	\$46.4M	\$7.2M	\$12.9M	<ul style="list-style-type: none"> PSU/Budget Rent a Car acquisition PSU/4th Ave Building ZRZ Economic Development Affordable Housing Target Industry Recruitment 	Low
2024.25	\$57.9M	\$6.5M	\$13.1M		
TOTAL	\$248.8M	\$40.5M	\$126.7M		

* Future resources modeled assuming 50% private development with a 6:1 leverage.

** Based on housing set-aside target for the North Macadam URA including Central District DA requirements.

North Macadam Forecast

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
Resources										
TIF Proceeds	\$0.7M	\$6.5M	\$7.0M	\$7.9M	\$9.6M	\$21.2M	\$22.6M	\$24.1M	\$25.0M	\$22.7M
Other Income	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M	\$0.2M
Beginning Balance	\$7.1M	\$4.5M	\$2.0M	\$5.2M	\$2.5M	\$2.9M	\$4.8M	\$13.2M	\$21.2M	\$35.0M
	\$8.0M	\$11.2M	\$9.3M	\$13.3M	\$12.2M	\$24.3M	\$27.5M	\$37.5M	\$46.4M	\$57.9M
Expenditures										
Parks & Open Space					\$0.1M	\$8.1M	\$3.5M	\$5.0M		
Bond Street	\$0.7M	\$1.5M	\$2.4M	\$3.7M						
PSU DA		\$2.0M		\$5.0M	\$4.6M	\$3.4M				\$4.0M
ZRZ Ec Dev		\$2.5M					\$2.0M*	\$2.0M*	\$2.0M*	
Housing	\$2.0M	\$2.0M		\$0.3M	\$2.8M	\$6.1M	\$6.5M	\$7.0M	\$7.2M	\$6.5M
Target Industry							\$0.5M	\$0.5M	\$0.5M	\$0.5M
Staffing/Indrt	\$0.8M	\$1.2M	\$1.6M	\$1.8M	\$1.8M	\$1.8M	\$1.8M	\$1.8M	\$1.6M	\$1.0M
Total Project Expenditures	\$3.5M	\$9.2M	\$4.0M	\$10.8M	\$9.3M	\$19.5M	\$14.3M	\$16.3M	\$11.3M	\$12.1M
Ending Balance										
	\$4.5M	\$2.0M	\$5.2M	\$2.5M	\$2.9M	\$4.8M	\$13.2M	\$21.3M	\$35.0M	\$45.8M

Central Eastside Forecast

	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Resources								
TIF Proceeds	\$3.0M	\$3.0M	\$6.7M	\$4.5M	\$4.8M	\$5.4M	\$3.0M	\$2.3M
Other Income	\$0.1M	\$0.1M	\$0.8M	\$0.4M	\$0.1M	\$0.1M	\$0.1M	\$0.1M
Beginning Balance	\$7.5M	\$7.0M	\$1.6M	\$2.8M	\$3.5M	\$3.7M	\$5.3M	\$5.3M
Expenditures								
Strategic Sites	\$0.5M	\$0.5M	\$2.0M					
Storefront/DOS	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M	\$0.4M
CPRL	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$0.5M	\$1.5M	\$1.5M	\$1.5M
Washington Monroe		\$1.0M						
Transportation Improvements		\$0.5M	\$2.0M	\$2.5M	\$1.0M			
District Parking	\$1.5M	\$1.5M						
Housing	\$0.1M	\$3.5M	\$0.8M	\$0.1M	\$2.3M	\$1.5M	\$0.9M	\$0.7M
Staffing/Indirect	\$0.6M	\$0.6M	\$0.7M	\$0.6M	\$0.6M	\$0.4M	\$0.4M	\$0.3M
Total Project Expenditures	\$3.6M	\$8.6M	\$6.3M	\$4.1M	\$4.8M	\$3.8M	\$3.1M	\$2.9M
Ending Balance	\$7M	\$1.6M	\$2.8M	\$3.5M	\$3.7M	\$5.3M	\$5.3M	\$4.9M

City-ZRZ DA Phasing

- **Phase 1: 2014 - 2017**
 - Development
 - West of Moody and Block 6
 - OHSU Knight Challenge
 - Infrastructure
 - SW Bond & Woods connector (PDC)
 - District parking (PDC)
 - Approx. \$8M-\$11M TIF
- **Phase 2: 2018 - 2023**
 - Development: east of Bond
 - Infrastructure
 - Greenway & Ross Is. Connector (PDC)
 - In-water work already completed (ZRZ)
 - Stormwater management (BES/ZRZ)
 - SW Bond, Woods, & River Pkwy (ZRZ)
 - Affordable Housing rental housing covenant/option to purchase property (PHB)
 - Approx. \$48.4M TIF
- **Phase 3: 2023+ (URA ends 2025)**
 - Development: south of R.I. Bridge & 3030 Moody
 - Infrastructure
 - Greenway (south of Ross Is Bridge)
 - Park acquisition/ development
 - N/S Streets - Bond, River Pkwy
 - Gibbs Street
 - PP&L undergrounding
 - TBD based on development timing & TIF availability



City-PSU Development Agreement Phasing

Phase 1: 2014 – 2017

- PSU/COP
 - Match 30,000 sf office space at new School of Education/XSB
- PSU/PDC
 - Terminate University Place DA and PILOT
 - Public/private redevelopment of Jasmine
 - New School of Business/commercial development
- Approx. \$8M TIF (\$4M NMAC URA) and \$11M City investment

Phase 2: 2018 – 2023

- University Place public/private redevelopment
- Approx. \$13 M TIF

Phase 3: 2023 – 2025

- Budget Rent a Car
 - Acquisition & redevelopment
- Fourth Ave Bldg.
 - Incubator and other space for new and emerging businesses
- Approx. \$4 M TIF

