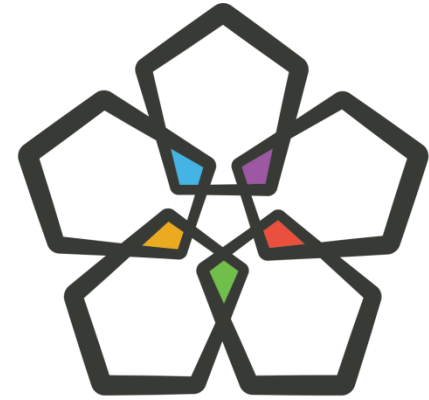




**Portland
Housing
Bureau**



**PROSPER
PORTLAND**

Building an Equitable Economy

**JOINT N/NE OVERSIGHT & CDI COMMITTEE MEETING
JULY 19, 2018**

AGENDA

Welcome, Introductions, & Racial Equity History

N/NE Committee Overviews & Purposes

Brief TIF History/Project Types

How TIF Works in Portland

Maximum Indebtedness & Amendment Process

Potential Amendment: Economic Development &
Affordable Housing Impacts

N/NE Neighborhood Housing Strategy Oversight Committee

- Formed in 2014
- Oversees the implementation of the N/NE Neighborhood Housing Strategy
- Reports annually to City Council on the progress toward the goals and commitments made in the N/NE Housing Strategy

COMMITTEE MEMBERS

Dr. Steven Holt, Chair, Kingdom Nation Church and Try Excellence, LLC

Jilian Saurage Felton, Saurage Consulting

Felicia Tripp Folsom, Portland Housing Center

Marlon Holmes, Kenton Neighborhood Resident

Sheila Holden, Pacific Power

Lisa K. Bates, Portland State University

Dr. T. Allen Bethel, Sr., Albina Ministerial Alliance

Triston Dallas, attorney

Karin Edwards, Cascade Campus, Portland Community College

Virgie Ruiz, Self Enhancement, Inc.

N/NE Community Development Initiative Oversight Committee

- Formed in 2017
- Oversees the implementation of the N/NE Community Development Initiative
- Reports to Prosper Portland Board on the progress toward the goals and commitments made in the N/NE CDI

COMMITTEE MEMBERS

Leesha Posey, Co- Chair, City of Portland

Haben Woldu, Co-Chair, Weiden-Kennedy

Oscar Arana, NAYA

Jennifer Huang, YBA Architect

Dorcie Johnson, Multnomah County

Khanh Le, Main Street Alliance

Maurice Rahming, O'Neill Construction Group

Chonitia Smith, Health Advocate

Karis Stoudamire-Phillips, Moda Center

Prof. Gwen Thompson, Concordia University

Karen Ward, Portland Abbey Arts

Brief TIF History/ Project Types

Jeana Woolley, JM Woolley
Consulting

History of N/NE Urban Renewal & TIF

Major Redevelopment Areas:

- Veterans Memorial Coliseum (General Obligation bond)
- Legacy Emanuel Urban Renewal District
- Oregon Convention Center (URA)
- Interstate Corridor (URA)
- Amendment to housing Set Aside policy

Typical Public Private Development Process

- Assemble and Land Bank Sites
- Create Redevelopment Vision
- RFP Redevelopment Opportunities
- Set up MOUs/Disposition and Development Agreements (DDAs)
- Oversee Delivery of Desired Project Outcomes

Public/Private Partnership Model

- **Defined Development Outcomes**
 - Types of Uses
 - Responsiveness to Local Revitalization Objectives/Strategies

- **Defined Community Outcomes**
 - Jobs and Construction Workforce Participation
 - DMWESB Participation
 - Sustainability Features
 - Neighborhood Revitalization
 - Affordable Commercial Retail Space
 - Wealth Creation Opportunities

Example of TIF Use in Interstate URA

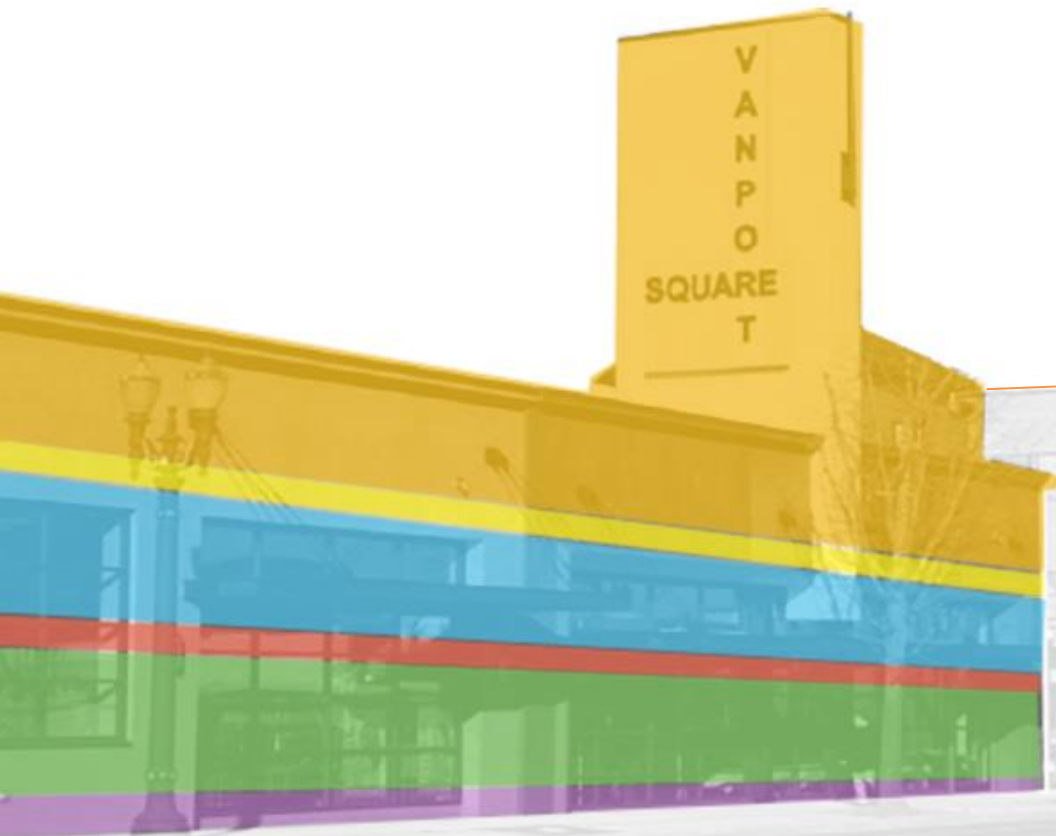
Vanport Square Phase I

- Renovation of the former Marco Machine Works building and
- New construction of 15,000 square foot mixed-use building on corner of MLK and Emerson
- Commercial condominium ownership opportunities for small, local businesses
- NMTC provided affordable financing for purchase of units
- 36,000 square feet of retail/office space
- 16 commercial condominiums, targeting local small small businesses (12 minority and/or women owned units)

Public/Private Partnerships

Vanport Square Phase I

(\$12+ million with TIs)



■ **\$6.5M**

Prosper Portland TIF loan

■ **\$0.2M** Developer equity

■ **\$2.1M**

New Markets Tax Credits

■ **\$0.3M** additional
Prosper Portland TIF funding

■ **2.4M** bank loan
for tenant improvements

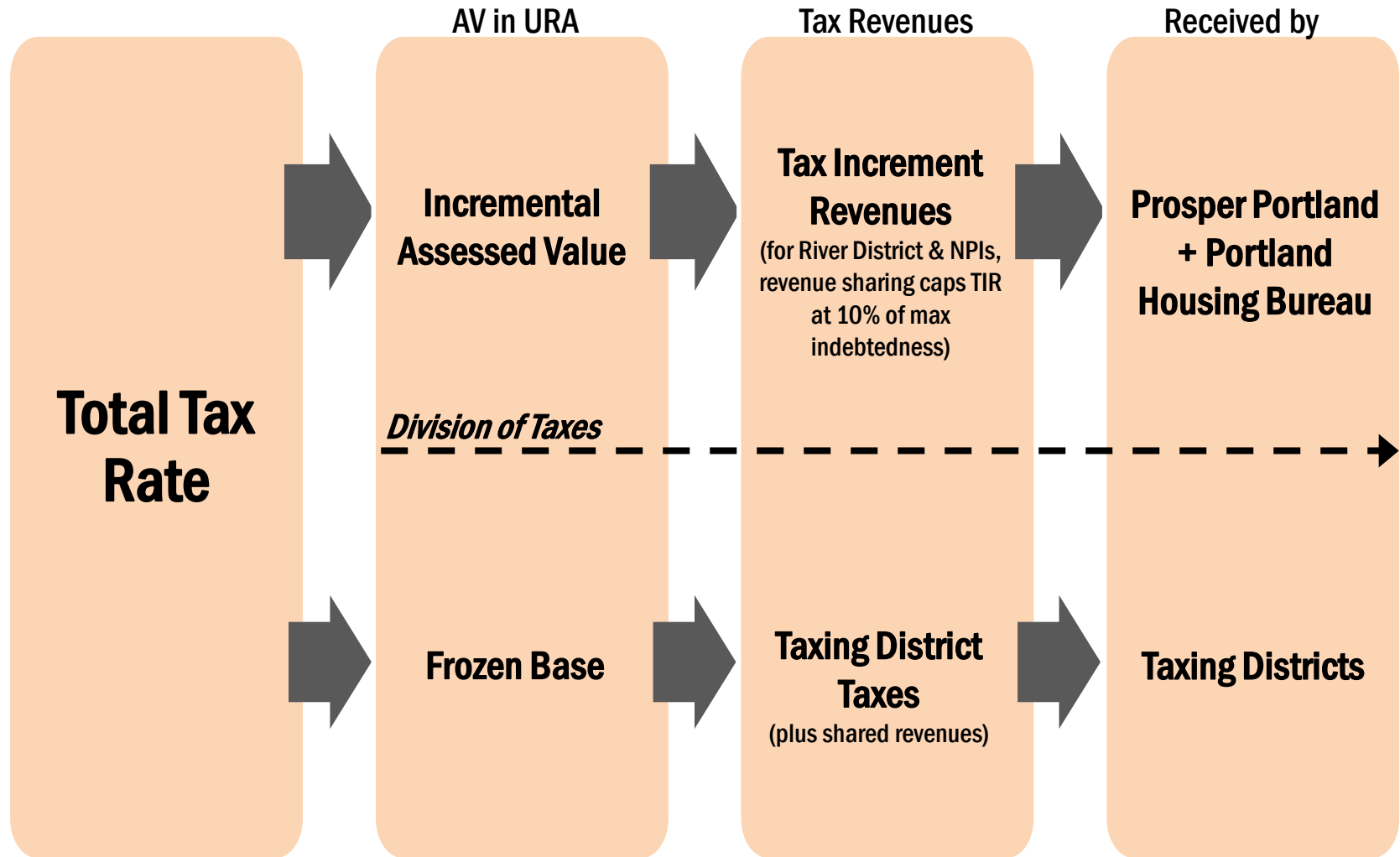
■ **\$0.6M** buyer down payments

QUESTIONS?

Urban Renewal Basics - Maximum Indebtedness & Amendment Process

Elaine Howard Consulting, LLC

How TIF Works in Portland



FAQs

Q: Do URAs increase property taxes?

A. No. URAs dedicated portion of property taxes to be invested in specific geography.

Q: Is TIF a primary driver of development in city?

A. No. URAs cover less than 15% of the city. In areas with TIF, impact greatly varies (e.g. Gateway, Lents, Interstate, River District).

Q. Can Prosper or PHB condemn property or make people sell?

A. Not for private purposes. The City can only condemn property for infrastructure or other public uses.

Maximum Indebtedness

- What is Maximum Indebtedness (MI)?
- How MI is established
- How MI increases can be done
- Revenue sharing

Maximum Indebtedness

- Legal limit of investment in given Urban Renewal Area
 - Current MI of Interstate URA - \$335,000,000
- Controlling factor for urban renewal (along with geographic boundary)
- Can only be increased through a substantial amendment

Plan Limitations

- Existing Plan Amendment limitations:
 - Can not be increased in size by more than 20% of original area
 - Can not increase Maximum Indebtedness (MI) by more than 20% of original MI (unless approved by taxing districts)
\$67,000,000 for Interstate URA

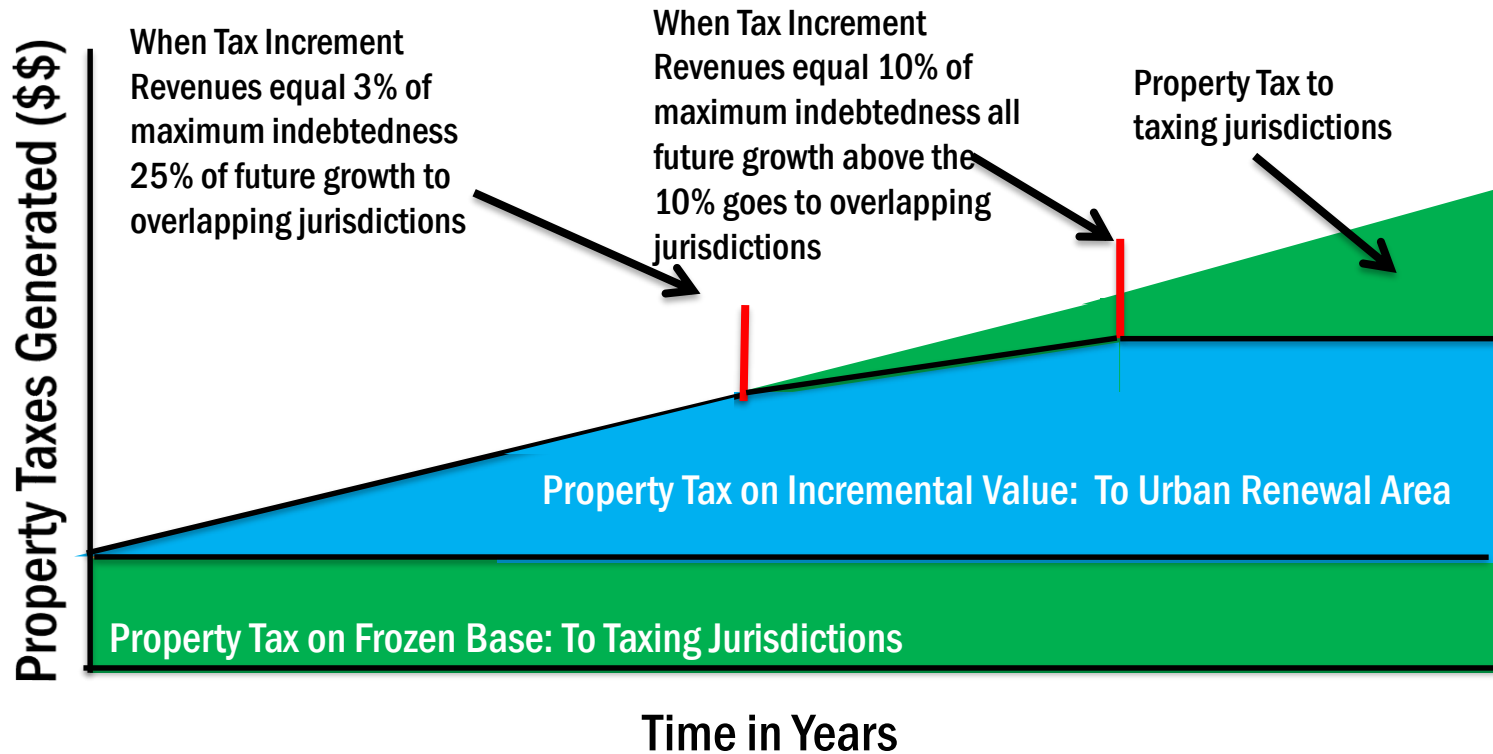
Revenue Sharing & Impacts to Taxing Districts

- Revenue Sharing is triggered with Substantial Amendment
- If ICURA were increased by 20%, the time frame for defeasance is extended which impacts taxing jurisdictions:

	Status Quo	With increase
Defeasance Date	FY 2022-23	FY 2025-26
Taxes back to Jurisdictions	FY 2023-24	FY 2026-27

Revenue Sharing

2009 change to ORS 457



***Would apply to new URA's or URA's with substantial amendments that increase Maximum Indebtedness. Currently applies to River District, Central Eastside and NPI districts.*

Process for Substantial Amendment

Public Input



Preparation of Amendment and Report on Amendment



Prosper Portland Board review



Planning & Sustainability Commission review for conformance to Comprehensive Plan



Multnomah County Briefing



City Council hearing and vote on non-emergency ordinance

QUESTIONS?

Potential Amendment: Economic Impact

- Increases non set-aside ICURA budget for economic development activities by \$18 million
- Re-evaluate current N/NE CDI investment allocations to ensure maximum economic impact such as:
 - Prosperity Investment Program (PIP)
 - Community Livability Grant (CLG)
 - Cultural-Business Hub
- More robust conversation around loans to grant ratio

Current N/NE CDI Allocations

\$10,750,000

44 PROPERTY OWNERS

Promote Property Ownership and Redevelopment

\$ 9,250,000

55 BUSINESS OWNERS

Support Business Ownership and Growth

\$ 5,000,000

60 HOMEOWNERS

Invest in New and Existing Homeowners

\$ 2,500,000

20 NON-PROFITS

Advance Community Livability Projects

\$ 4,500,000

1-2 PROJECTS

Invest in Cultural-Business Hub,
formerly called Anchor/Signature Project

\$32,000,000 TOTAL

Investment Options *(if based on current N/NE CDI allocations)*

- Without MI Increase
 - \$6M to PIP grants
 - \$6.25M to Business Assistance
 - \$2.5M to CLG grants
 - \$8M to Property Owner assistance
 - \$4.5M to Cultural Hub
 - \$4.5M housing programs
- With MI Increase
 - \$10M to PIP
 - \$10.45M to Business Assistance
 - \$4M to CLG
 - \$13.3M to Property Owner assistance
 - \$7.5M to Cultural Hub
 - \$4.5M housing programs

Economic Impact: Outcomes to Date

26/44

Property Owners

17/55

Business Owners

15/20

Nonprofits

14/56

Homeowners



Economic Impact: Future Focus

Community Outreach to increase access to prosper Portland services and programs.

Support for large-scale real-estate development projects

Exploring geographic amendments to the ICURA

QUESTIONS?

Portland Housing Bureau



Overview of accomplishments within the district 2000 to present

Overview of units in development pipeline

Proposed plan for additional affordable housing with increase in TIF set aside through maximizing indebtedness in the district

ICURA: Home Repair Loans – Goal Preventing Displacement

The City has provided 420 home repair loans in the Interstate Corridor Urban Renewal Area.

Income Levels		
Below 50%	201	48%
51-80%	151	36%
81%+	14	3%
Unreported	54	13%

Years 2000 – June 2018

The City has provided 282 home repair grants in the Interstate Corridor Urban Renewal Area.

Income Levels		
Below 50%	256	91%
51-80%	26	9%

FY 13/14 - 17/18

ICURA: Home Purchase Loans – Goal Creating New Homeowners

The City has provided 668 home purchase loans in the Interstate Corridor Urban Renewal Area.

Income Levels		
Below 50%	119	18%
51-80%	420	63%
81%+	84	13%
Unreported	45	7%

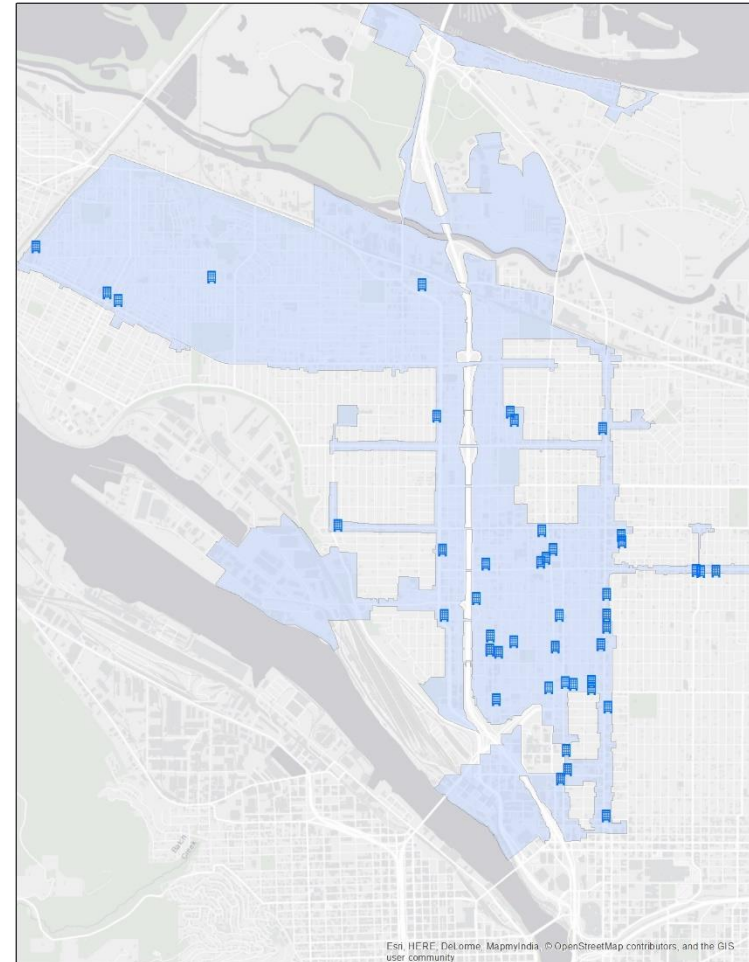
Years 2000 – June 2018

ICURA: Regulated Affordable Rental Housing – Creating Rental Homes

The City currently maintains 1,515 regulated affordable rental units in the Interstate Corridor Urban Renewal Area.

Regulated Affordable Rental Housing Units: Total Units

0-30% Regulated Units	150
31-50% Regulated Units	575
51-60% Regulated Units	739
61-80% Regulated Units	51
Total	1,515



PHB Rental Projects in Development

Sponsor	Rental Project	# units	TIF allocation
PCRI	Beatrice Morrow	70	\$ 7,350,000.00
PCRI	King Parks	70	\$ 5,700,000.00
IHI	Magnolia II	50	\$ 4,000,000.00
CCC	Charlotte Rutherford	50	\$ 1,580,000.00
Bridge	N. Williams	60	\$ 4,500,000.00
Bridge Meadows	New Meadows	14	\$ 1,700,000.00
		314	\$ 24,830,000.00
Reach	Argyle (if gap approved by the Mayor)	189	\$ 15,900,000.00
Total		503	\$ 40,730,000.00

PHB Home Ownership Units in Development

Sponsor	Project	# Units	TIF allocation
AAAH Collaborative	several	36	\$3,300,000
Proud Ground	5020 N. Interstate	40	\$5,000,000
Habitat	7513 N Olin	12	\$1,500,000
Habitat	Kilpatrick	18	\$1,800,000
Total		106	\$11,600,00

Potential Amendment: Affordable Housing Impact

Remaining Set Aside TIF

**\$6,000,000
Land Banking**

**Reserve for
Projects underway
\$7,780,555**

Proposal for Additional TIF Set Aside

**Home Ownership
purchase and
development
\$11,750,000
50-70 units**

**Rental
Development
\$6,000,000
48 Units**

**Land Banked
Project
\$15 to \$22
million**

**Future Project
\$7,500,000**

QUESTIONS

REFERENCE ONLY
ADDITIONAL EXAMPLES
PUBLIC/PRIVATE PARTNERSHIPS

Public/Private Partnerships

Portland Mercado

A place for dining in, taking to go and grocery shopping for the surrounding Lents & East Portland neighborhoods

Developed by Hacienda CDC

Recorded over 2.5 million in sales for 19 small businesses in the first year

Created 114 new jobs in the first year of business

Welcomed an average of 580 people per day

Public/Private Partnerships

Portland Mercado

\$0.9M

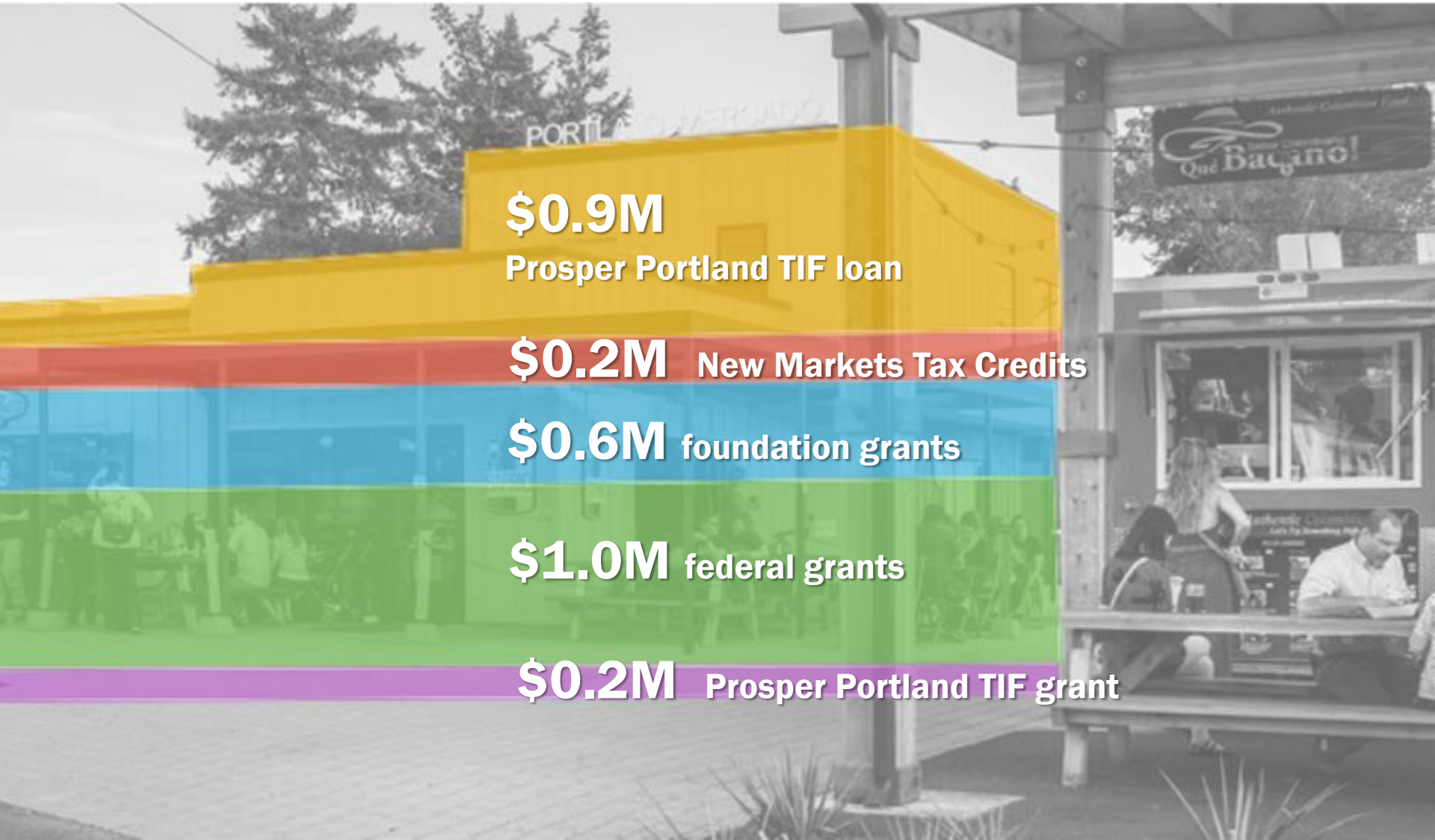
Prosper Portland TIF loan

\$0.2M New Markets Tax Credits

\$0.6M foundation grants

\$1.0M federal grants

\$0.2M Prosper Portland TIF grant



Public/Private Partnerships

June Key Delta Community Center

A "living building" dedicated to the energy and foresight of Portland educator June Key

Developed by the Portland Alumnae Chapter of Delta Sigma Theta

Provides a community center to sustain the needs of the neighborhood

Public/Private Partnerships

June Key Delta Community Center

\$135K

Prosper Portland TIF loan

\$35K Business Energy Tax Credits

\$250K Capital Campaign

\$73K Other grants (including ETO)

\$117K City of Portland grant

\$320K Prosper Portland TIF grant

PUBLIC/PRIVATE PARTNERSHIPS

Asian Health & Service Center (AHSC)

- 30,000 square foot commercial building with the mission of bridging between Asian and American cultures, reducing health inequity, and improving health care quality for all Asians
 - Offices for 25 employees, community and clinic services, and event space
 - Rooftop garden and on-site parking
- 
- An architectural rendering of a modern, multi-story commercial building. The building is overlaid with a semi-transparent, colorful graphic consisting of several horizontal bands in shades of red, yellow, blue, green, and purple. The background shows a blurred outdoor scene with people walking and a bicycle, suggesting a community-oriented environment.

PUBLIC/PRIVATE PARTNERSHIPS

Asian Health & Service Center (\$16 million)

