



Bureau of Planning and Sustainability

Innovation. Collaboration. Practical Solutions.

MEMO

DATE: October 30, 2020

TO: Planning and Sustainability Commission

FROM: Nicholas Starin, City Planner

CC: Andrea Durbin, Director; Eric Engstrom, Principal Planner

SUBJECT: Interstate Corridor Urban Renewal Area Plan Amendment

Staff will brief the Planning and Sustainability Commission (PSC) on the proposed 13th amendment to the Interstate Corridor Urban Renewal Plan on November 10, 2020. A PSC hearing on the amendment is scheduled for November 24, 2020. This memo provides you with some background on the proposal and outlines the PSC's role.

Summary of Proposed Amendment

The proposed amendment increases the maximum indebtedness of the Interstate Corridor Urban Renewal Plan (Interstate Corridor Plan) by \$67,000,000 to a total of \$402,000,000. Seventy percent (~\$45 million) of the funds generated by this increase will be allocated to the Portland Housing Bureau (PHB) for affordable housing that implements the N/NE Neighborhood Housing Strategy. The remaining thirty percent (~\$19 million) will support Prosper Portland programs and projects that implement the goals and objectives of the North/Northeast Community Development Initiative Action Plan, including a Cultural Business Hub and the Williams & Russell project. This amendment is incorporated into the Amended and Restated Interstate Corridor Urban Renewal Area Plan 2021, attached for your reference.

Staff Recommendation

Staff recommends that the PSC take the following actions:

- (1) Recommend that the Portland City Council adopt the 13th Amendment to the Interstate Corridor Urban Renewal Plan, and
- (2) Send a letter to the City Council finding that the 13th Amendment to the Interstate Corridor Plan conforms to the City of Portland Comprehensive Plan.



Background and Context

Urban Renewal Plan Authority and PSC Role

Authority for the use of urban renewal is codified in Chapter 457 of the Oregon Revised Statutes (ORS). The statutes include criteria for establishing urban renewal areas (or tax increment finance districts) and the required contents of urban renewal plans and reports. Prosper Portland is the City's designated urban renewal and redevelopment agency. Proposed urban renewal plans and plan amendments are prepared by Prosper Portland staff and approved by the Prosper Portland Board of Commissioners and submitted to Portland City Council for adoption. On October 14, 2020, the Prosper Portland Board approved the Amended and Restated Interstate Corridor Urban Renewal Plan 2021, which incorporates the proposed 13th amendment, and referred it to the City Council.

ORS 457 also requires that the City's Planning Commission (PSC) review proposed urban renewal plans and substantial amendments to urban renewal plans. Policy 1.8 of the Comprehensive Plan reiterates this requirement. The proposed 13th amendment to the Interstate Corridor Plan is considered a substantial amendment because it increases the maximum indebtedness of the plan. The PSC's recommendations on urban renewal plans and amendments are submitted to the Portland City Council for its consideration.

N/NE Neighborhood Housing Strategy

The N/NE Neighborhood Housing Strategy is an initiative by the Portland Housing Bureau to address the legacy of displacement in North and Northeast Portland through investments in new affordable rental housing, opportunities for first-time homebuyers, and home retention programs for longtime residents.

The N/NE Neighborhood Housing Strategy began in 2014 as a community-led effort. The City's funding commitment to the N/NE Neighborhood Housing Strategy has since grown to approximately \$70 million. A central feature of the strategy is the N/NE Preference Policy, which prioritizes current and former longtime residents of the North/Northeast Portland community for the City's affordable housing investments in the Interstate Corridor Plan area. A community-based N/NE Oversight Committee guides strategy implementation and tracks progress toward meeting its goals. The oversight committee unanimously voted to support increasing the maximizing indebtedness of the Interstate Corridor Plan on September 19, 2019.

Achievements of the strategy to-date include creation of over 500 affordable rental units, facilitation of 51 new homeownership opportunities, and disbursement of 891 Preventing Displacement grants and loans.

Approximately \$45 million (70 percent) of the funds generated by amendment are allocated to PHB for affordable housing programs that implement the N/NE Neighborhood Housing Strategy, including:

- Preventing displacement grants and loans
- Creating new homeowners, including at the Carey Boulevard property site



- Creating new rental units, including at the Strong property site (which was re-zoned as part of the Comprehensive Plan to facilitate housing opportunity)
- Land banking

North/Northeast Community Development Initiative

The North/Northeast Community Development Initiative (CDI) began in January 2016 with the goal of determining how to spend the remaining uncommitted tax increment financing (TIF) resources in the Interstate Corridor Plan area. Prosper Portland convened an Advisory Committee composed of members of the Neighborhood Economic Development Leadership Group and other community representatives to guide the development of an action plan. The Action Plan was developed with the guidance and advice of the Advisory Committee, the input of thirty-five stakeholders who participated in 1:1 or group interviews, public input at Advisory Committee meetings, and public input from the nearly 200 community members who attended Community Forums on October 8 and October 20, 2016. In January 2017, the Portland City Council adopted the North/Northeast CDI Action Plan.

The goal of the North/Northeast CDI Action Plan is to use TIF resources to foster economic prosperity among communities and individuals that have not fully participated in, or benefited from, economic opportunities in the Interstate Corridor Urban Renewal Area. Prosper Portland recognizes that the Black community and other communities of color have experienced significantly restricted access to employment and wealth creation opportunities within the Interstate Corridor Plan area. This disparity has hindered economic opportunities and reduced community capacity to support cultural and community assets.

The North/Northeast CDI Action Plan is specifically designed to foster economic prosperity among African Americans, people of color and long-term and former members of the community. The Action Plan is a living document that is guided by a community-based N/NE CDI Oversight Committee. The committee tracks plan performance and recommends adjustments to take advantage of unique opportunities to promote wealth creation and/or to place resources where demand and market conditions are strongest. On February 12, 2020, the N/NE CDI Oversight Committee voted in favor of exploring increasing maximum indebtedness of the Interstate Corridor Plan.

The achievements of the CDI Action Plan as of 2019 include investments in the form of 106 grants and 24 loans totaling over \$8 million in support of property ownership and redevelopment, business ownership and growth, home ownership and support, and community livability.

Approximately \$19 million (30 percent) generated by the proposed amendment will support the goals and objectives of the CDI Action Plan, including:

- **Williams & Russell Project:** Honor Portland’s African American community and support community housing and economic needs on a 1.7-acre vacant block (“Hill Block”) returned to the community by Legacy Health.
- **Property Improvements and Redevelopment:** New loan products to assist with improvements to underutilized commercial and residential properties.



- **Creating Affordable Commercial Space:** Assistance for emerging or displaced small business owners by creating affordable commercial space.
- **Cultural Business Hub:** Foster multigenerational wealth creation by investing in 1-2 larger-scale projects that will provide commercial space for small businesses owned by African Americans and other people of color.

Relationship to the Comprehensive Plan

ORS 457.095 requires determinations by the governing body that substantial amendments to an urban renewal plan be in conformance with the City’s Comprehensive Plan. Detailed findings of the proposed amendment’s conformance with the Comprehensive Plan are attached for your reference.

Overall, the 13th amendment is in conformance with Portland’s Comprehensive Plan. In particular, the increased funding provided by the amendment supports and helps implement the Comprehensive Plan’s Guiding Principles on Economic Prosperity and Equity, and the Goals and Policies of Chapter 5 Housing and Chapter 6 Economic Development.

In support of Goal 5.B Equitable access to housing and Goal 5.D Affordable housing, the increased investment in new affordable housing and increased home ownership opportunities, in conjunction with the N/NE Preference Policy, will help reverse the legacy of displacement that disproportionately affected African Americans in North and Northeast Portland.

The amendment also supports Policy 6.30 Disparity reduction, by funding projects such as the Cultural Business Hub that will foster economic prosperity among communities and individuals who have not equitably benefited from job creation, business development and other economic opportunities in Portland’s North and Northeast neighborhoods.

Attachments

1. Letter to the PSC from Prosper Portland Executive Director Kimberly Branam and Portland Housing Bureau Director Shannon Callahan
2. Amended and Restated Interstate Corridor Urban Renewal Plan 2021
3. Report on the Amended and Restated Interstate Corridor Urban Renewal Plan 2021
4. Findings of Fact Report

