

IMPACT STATEMENT

Legislation title: Approve the Amended and Restated Interstate Corridor Urban Renewal Plan 2021 to add projects and increase the maximum indebtedness (Ordinance)

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Presenter name: Kimberly Branam, Shannon Callahan

Purpose of proposed legislation and background information:

The Interstate Plan was adopted by Portland City Council on August 23, 2000, by Ordinance No. 174829 to provide resources to fund and foster the economic development and redevelopment of north and northeast Portland. The originally approved Interstate Plan maximum indebtedness was \$335,000,000. To date, the City has issued \$265,200,000 in debt, financing job creation, business support, affordable housing, infrastructure, and other community priorities. The Interstate Plan has subsequently been amended twelve times to distribute TIF resources more effectively and equitably into initiatives that met community goals.

In 2018, Portland Housing Bureau (PHB) staff identified several affordable housing projects that would benefit from an investment of TIF resources. However, to access these TIF resources, the City Council would need to increase the Interstate Plan maximum indebtedness through a formal amendment to the Interstate Plan. The North/Northeast (N/NE) Housing Oversight Committee, which informs implementation of PHB's N/NE Neighborhood Housing Strategy, on September 19, 2019 voted unanimously to support increasing maximum indebtedness in order to allocate funding for the identified PHB projects.

Prosper Portland staff has engaged the N/NE Community Development Initiative (CDI) Oversight Committee (whose role is to oversee implementation of Prosper Portland's N/NE CDI Action Plan, which prioritizes community economic development investments in the Interstate Plan area) on the merits of increasing maximum indebtedness. On February 12, 2020, the N/NE CDI Oversight Committee voted in favor (five yes, two no, two abstentions) to explore increasing maximum indebtedness in the Interstate Plan.

The potential amount for maximum indebtedness increase is currently estimated at \$67,000,000, of which approximately \$45,000,000 would be reserved for PHB investments, and the remaining will be under the management of Prosper Portland to be invested in N/NE Action Plan priorities, including the Williams and Russell project.

Financial and budgetary impacts:

If the proposed amendment to the Interstate Plan is approved, the impacts to the City of Portland (City) would take effect in fiscal year (FY) 2022-23. The proposed amendment would extend the date that the City will begin receiving incremental assessed value to FY 2024-25, instead of in FY 2022-23 without the amendment. The value of those taxes and

impact to the City over two years is expected to be \$16,184,221 (\$9,421,865 in FY 2022-23 and \$6,762,356 in FY 2023-24).

Community impacts and community involvement:

As described above, the N/NE Housing Oversight Committee and N/NE CDI Oversight Committee have voted in support of amending the Interstate Plan. More recently, PHB and Prosper Portland staff have provided additional briefings on the proposed amendment, including:

- N/NE Housing Strategy Oversight Committee - September 10, 2020
- Portland Housing Advisory Commission - October 6, 2020
- N/NE CDI Oversight Committee Co-Chairs - October 6, 2020
- Williams and Russell Project Working Group - October 7, 2020
- Multnomah County Board of Commissioners – December 1, 2020

An increase of the Interstate Plan’s maximum indebtedness has the potential to create resources for PHB to invest in more than 200 new affordable housing units in furtherance of the N/NE Neighborhood Housing Strategy, which aims 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.” It will also provide critical resources for Prosper Portland to invest in projects that are in line with community economic development goals as identified in the N/NE CDI Action Plan, including:

- Increase employment and wealth creation opportunities for long-term and returning residents, business, and property owners,
- Strengthen community capacity to produce economic opportunities, and
- Support cultural/community assets.

100% Renewable Goal:

This action will have no effect on the City’s goal of meeting 100 percent of community-wide energy needs with renewable energy by 2050.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



Portland Planning and Sustainability Commission

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December 4, 2020

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Dear Mayor Wheeler and City Commissioners:

The Planning and Sustainability Commission (PSC) enthusiastically offers our support for the 13th Amendment to the Interstate Corridor Urban Renewal Plan (Interstate Plan), currently scheduled to come before Portland City Council on December 16, 2020. The PSC was briefed on November 10, 2020, on this item, held a public hearing on November 24, 2020, and voted unanimously to recommend that City Council adopt this amendment to further the goals set out in Portland's *Comprehensive Plan*.

The proposed amendment increases the maximum indebtedness of the Interstate Plan, making available an additional \$67 million in tax increment funding. The Portland Housing Bureau and Prosper Portland are prioritizing investments in affordable housing and economic development, with a focus on projects and programs that will benefit Portland's Black community, people of color, and long-term and former members of North and Northeast Portland. The PSC strongly supports these priorities and encourages the Portland Housing Bureau and Prosper Portland to continue to coordinate with the N/NE Housing Oversight Committee and the N/NE Community Development Initiative Oversight Committee on the implementation of these priorities.

Overall, the 13th Amendment is in conformance with Portland's *Comprehensive Plan*. In particular, the increased funding 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. The increased investment in new affordable rental housing and home ownership opportunities, in conjunction with the N/NE Preference Policy, will help reverse the legacy of displacement that has disproportionately affected Black households in North and Northeast Portland. New community economic development initiatives enabled by the amendment, such as the envisioned Cultural Business Hub, will foster economic prosperity among communities and individuals that have not equitably benefited from job creation, business development, and other economic opportunities in the city.



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It is vitally important for the City to continue to directly address the legacy of previous planning and urban renewal efforts that have disproportionately and negatively impacted Black households and businesses in North and Northeast Portland. We strongly urge the City Council to adopt this amendment to the Interstate Plan. Thank you for considering our recommendation.

Sincerely,



Eli Spevak
Chair

