



CITY OF
PORTLAND, OREGON
BUREAU OF WATER WORKS

AA
Mike Lindberg, Commissioner
Michael F. Rosenberger, Administrator
1120 S.W. 5th Avenue
Portland, Oregon 97204-1926
Information (503) 823-7404

December 9, 1993

RECEIVED

DEC 13 1993

COMMISSIONER LINDBERG'S OFFICE

Neal Beroz
Director, Residential Development
the Network
5415 S.E. Milwaukie Suite 3
Portland OR, 97202

Dear Mr. Beroz,

I am writing in regard to your letter of December 3, 1993, in which you ask that certain Water Bureau permit fees be waived.

The City Council, by ordinance, has established both connection fees and system development charges. The former pays the actual cost of hooking you to the system, and the other is essentially the purchase of system capacity. By ruling of the City Attorney, these fees and charges can not be waived. However, if there is a concern about paying them up front, I can offer a payment arrangement plan that will enable you to make monthly payments over a period of time.

I know that this is not the response you seek. However, it is the considered policy of the Bureau and the City. We have an obligation to all of our customers and ratepayers to treat everyone equitably-- whether profit or nonprofit, individual or corporation. We can allow payments over time, but cannot waive them.

Sincerely,

Michael Rosenberger
Water Bureau Administrator

cc: Commissioner Mike Lindberg

Administration
5415 S.E. Milwaukie, Suite 3
Portland, Oregon 97202
503/238-0769



December 3, 1993

Mr. Mike Rosenberger
Administrator
Portland Water Bureau
1120 SW 5th Ave.
Portland, OR 97204

PORTLAND WATER BUREAU

DEC 07 1993

ADMINISTRATORS OFFICE

RE: Fee waiver request
Hopewell Apartments

Dear Mr. Rosenberger:

Southeast Mental health Network, Inc. and Ecumenical Ministries of Oregon, Inc. have been awarded a Section 811 Capital Advance by the Department of Housing and Urban Development to construct 12 units of housing for individuals who are low income, are disabled by mental illness, and are HIV positive.

The Network and EMO, as sponsors of this project, are committed to providing affordable housing to low income disabled persons, consistent with the Multnomah County Comprehensive Housing Affordability Strategy. Both sponsors are non-profit 501(c)(3) corporations which have demonstrated long standing commitment to serving this and other disadvantaged populations.

The proposed Hopewell Apartments project is located at 1264 SW Cheltenham Street on a parcel owned by EMO. There is an existing structure on the site which will be incorporated into the development or demolished. Plans call for eight one bedroom and 4 two bedroom units, serving both single individuals and small families or client / caretaker households. Construction cost is estimated at approximately \$515,000.

• **Administration**
Development
Fiscal Services
Volunteer Program
5415 S.E. Milwaukie
Portland, OR 97202
503/238-0769

• **Case Management**
• **Health Program**
• **Residential Services**
2020 S.E. Powell
Portland, OR 97202
503/238-0705

• **Crisis Services**
2040 S.E. Powell
Portland, OR 97202
503/238-0780

• **Vocational Services**
• **Rehabilitation Services**
• **Phoenix Fellowship Center**
503/232-8503

• **Rehabilitation Counseling**
• **Recreational Services**
5120 S.E. 28th
Portland, OR 97202
503/239-5317

• **Residential Programs**
• **Nawikka Court Apartments**
5110 S.E. 76th
Portland, OR 97206
503/774-4335
• **Tillicum Court Apartments**
5135 S.E. 73rd
Portland, OR 97206
503/777-2620

• **70th Street House**
3909 S.E. 70th
Portland, OR 97206
503/777-2620
• **Outpatient Services**
Cape Counseling Services
Network Associates
5415 S.E. Milwaukie
Portland, OR 97202
503/232-6970

In order to stay within budget on this project, the waiving of fees is essential. Given the non-profit status of the co-sponsors, the intended beneficiaries of the project, and the project's tight budget, please waive all fees which may be assessed by the Bureau in connection with this project.

I have included copies of the Network's and of EMO's non-profit documentation, as well as of HUD's award notice. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Neal Beroz", with a long, sweeping horizontal line extending to the right.

Neal Beroz, Director
Housing Development

Internal Revenue Service
District Director

Department of the Treasury

RECEIVED SEP 14 1981

Date: 11 SEP 1981

EP/EO-II(JD)

Employer Identification Number:
91-0770054

Accounting Period Ending:
June 30

Form 990 Required: ☒ Yes ☐ No

Person to Contact:
John Sutton

Contact Telephone Number:
(206) 442-5106
SEA:EO:81-1472

Southeast Mental Health Network Inc.
5120 SE 28th Avenue
Portland, OR 97202

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(1) and 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should contact us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

The box checked in the heading of this letter shows whether you must file Form 990, Return of Organization Exempt from Income tax. If Yes is checked, you are required to file Form 990 only if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

P.O. Box 21224, Seattle, Washington 98111

(over)

Letter 947(DO) (5-77)



Office of the Secretary of State Corporation Division

I, Jack H. Graham, Director of the Corporation Division,

DO HEREBY CERTIFY:

SOUTHEAST MENTAL HEALTH NETWORK, INC. was incorporated under the Oregon Nonprofit Corporation Act on August 07, 1980 and is an existing corporation on the records of the Corporation Division as of the date of this certificate.

Jack H. Graham

Director

By Amelia J. Davis
Date August 7, 1980

915 Second Avenue, Seattle, WA 98174
Address any reply to: ~~XXXXXXXXXXXXXXXXXXXX~~

Department of the Treasury

R. L. Webber (206) 442-5110

District Director

Internal Revenue Service

Date:

MAR 26 1975

In reply refer to:

FL-1256, Code XXX 428

SEA:EO: 75-341



▷ Ecumenical Ministries of Oregon
0245 SW Bancroft
Portland, OR 97201

EIN 93-0625359

Purpose: Religious
File Returns with Internal Revenue Service Center: Philadelphia, Pennsylvania
Accounting Period Ending: December 31
Address Inquiries to District Director of Internal Revenue: Seattle, Washington

Gentlemen:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 170(b)(1)(A)(vi) and 509(a)(1).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes under sections 2055, 2106, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let us know so we can consider the effect of the change on your exempt status. Also, you must inform us of all changes in your name or address.



Department of Commerce Corporation Division

Certificate of Incorporation

OF

ECUMENICAL MINISTRIES OF OREGON

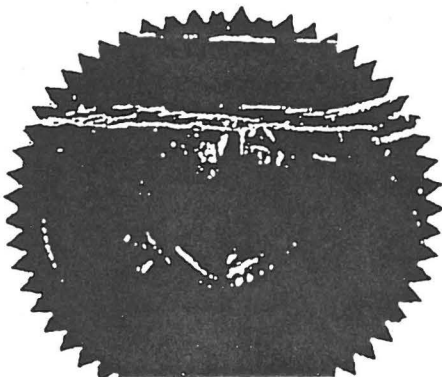
The undersigned, as Corporation Commissioner of the State of Oregon, hereby certifies that duplicate originals of Articles of Incorporation, duly signed and verified pursuant to the provisions of the Oregon Nonprofit Corporation Act, have been received in this office and are found to conform to law.

Accordingly, the undersigned, as such Corporation Commissioner, and by virtue of the authority vested in him by law, hereby issues this Certificate of Incorporation and attaches hereto a duplicate original of the Articles of Incorporation.

In Testimony Whereof, I have hereunto set my hand and affixed hereto the seal of the Corporation Division of the Department of Commerce of the State of Oregon this
5th day of December, 19 73.

Frank J. Healy
Corporation Commissioner

By Nellie J. Fitch
Chief Clerk





U.S. Department of Housing and Urban Development

Portland Office, Region X
520 Southwest Sixth Avenue
Portland, Oregon 97204-1596

September 30, 1993

Certified Mail-Return Receipt Requested

Mr. William Crevey
Ecumenical Ministries of Oregon
0245 SW Bancroft Street
Portland, OR 97201

Mr. Gregg Lowe
SE Mental Health Network
5415 SE Milaukie
Portland, OR 97202

Dear Messrs. Crevey and Lowe:

SUBJECT: Notification of Selection for a Section 811
Fund Reservation
Location: 1264 SW Cheltenham
No. of Units: 12 No. of Residents: 11
Project No.: 126-HD009-CMI
City and State: Portland, Oregon

I am pleased to advise you that your application for a Fund Reservation to construct, acquire, or rehabilitate 12 units of housing under the Section 811 Supportive Housing Program for persons with disabilities has been approved for the following:

One Independent Living Facility consisting of 12 units for 11 persons with disabilities plus 1 unit for residential staff.

Capital advance authority in the amount of \$722,100 has been reserved for this project, along with Project Rental Assistance contract and budget authority of \$33,400 and \$668,000, respectively.

Please indicate by signing in the space provided whether or not you accept this Notification, including the special conditions or requirements that are specified herein, and certify to your understanding that the project must be developed in accordance with the terms set forth in this Notification. Return two signed copies of this Notification, along with the Housing Consultant's Contract (if any) and the HUD-2530, Previous Participation Certificate, and resume for the consultant to this office within 14 days from the date you receive this letter.

FUND RESERVATION TERMS AND CONDITIONS

Your acceptance of this Notification constitutes a certification and agreement by the Sponsor that:

1. An application for conditional commitment which meets HUD's design and cost standards and programmatic requirements will be submitted by the owner. Design

and cost standards apply to all projects regardless of the proposed operating cost level. The design must not include prohibited features and must be cost efficient.

2. There will not be made any sale, assignment, conveyance, or any other form of transfer of this Notification, the Fund Reservation, the property or project, or any interest there, except transfer from the sponsor to an approved single-purpose owner organized by it.
3. The Fund Reservation will be canceled if the Sponsor/Owner fails to have control of an approvable site within 12 months of the date of this Notification or if construction, rehabilitation or acquisition has not commenced within 18 months from the date of this Notification, unless further extensions beyond the 18 months are approved by HUD. Such extensions will be based upon HUD's determination that the Owner has established a reasonable schedule and is making sufficient progress toward the start of construction.
4. The Section 811 and Project Rental Assistance funds reserved for the project identified herein may not be used in connection with any other project without the express written approval of HUD.
5. This Fund Reservation will be subject to cancellation, at HUD's option, in the event there comes into existence, or HUD becomes aware of a pre-existing conflict of interest involving the project on the part of officers or directors of either the sponsor or owner organizations (including affiliates).
6. An attempt will be made to obtain exemption from state and/or local real and/or personal property taxes. Evidence of filing, together with the response received from the taxing authority, must be submitted with the conditional or firm commitment application in one of the following forms:
 - a. tax exemption
 - b. tax abatement
 - c. Payment in Lieu of Taxes (P.I.L.O.T.)
 - d. ineligibility for any tax relief

Eligibility for a, b, or c must be supported by a copy of the appropriate legislation or ordinance.

7. Special Conditions or Requirements.

This Notification of Selection is issued subject to:

- a. Formation of a legally acceptable single purpose Owner corporation.
- b. Evidence that the site is under the Owner's control no later than 12 months after the date of the fund reservation.
- c. Submission of a Form HUD-2530, Previous Participation Certificate, for all officers and directors of the boards of the sponsor and owner within 90 days and the subsequent clearance thereafter.
- d. Credit investigation clearance of the Owner's officers of the board.
- e. Submission of a conditional commitment application in full compliance with design and cost standards and programmatic policies within 120 days from the date of this letter.
- f. A commitment by the Sponsor to pay for any excessive design features included in the project.
- g. Submission of Conflict of Interest and Disclosure Certifications for each officer and director of both the Sponsor and Owner and Identity of Interest and Disclosure Certifications for all known development team members

NOTE: Any time a new development team member is identified or changed, an Identity of Interest and Disclosure Certification must be submitted. Likewise, at any time the Sponsor or Owner changes any officers or director, a Conflict of Interest and Disclosure Certification must be submitted for the new persons.

8. While the Owner of the project may design a service program that provides the types of services generally needed by persons with chronic mental illnesses and HIV-infection, any other person with similar disabilities, who could make use of the service program and the accessible features of the facility, must also be admitted as space is available.

To provide you and your architect with assistance in the development of a proposal that meets HUD's Design and Cost Standards, HUD would like to schedule a project planning conference as soon as possible. To arrange the conference please contact Ruth Curtis, Multifamily Housing Representative, at (503) 326-2686.

If two copies of this Notification indicating acceptance are not returned within the specified period, or if you accept and a single purpose owner corporation fails to submit a conditional commitment application within the specified period, HUD may rescind this Notification and cancel the Fund Reservation. If you have any questions regarding the requirements for submission of the conditional commitment applications, please call Ruth Curtis.

We look forward to working with you toward the successful completion of this project.

Sincerely,

Mark Pavolka

R. C. Brinck
Manager

Enclosures

Ecumenical Ministries of Oregon

SE Mental Health Network

Accept:

[Signature]

(Signature of Authorized Officer)

Accept:

[Signature]

(Signature of Authorized Officer)

Not Accept:

Not Accept:

(Signature of Authorized Officer)

(Signature of Authorized Officer)

Name/Title

Date:

Oct 7th, 1993

Name/Title

Date:

Oct. 5, 1993

cc:

Topaz Faulkner, Faulkner/Conrad Group



CITY OF PORTLAND
BUREAU OF PARKS AND RECREATION

1120 S.W. 5TH, ROOM 502
PORTLAND, OREGON 97204-1976
(503) 796-5193



MIKE LINDBERG, Commissioner

CHARLES JORDAN, Director

3/6/92

Memo

To: Art Alexander-Commissioner Lindberg's Office
Loretta Young-Commissioner Bluemenauer's Office
Jim Firgurski-Parks Bureau
Tom Dixon-Planning Bureau
Erica Rooney - PDOT/Traffic Management
Mark Becketel - PDOT/Planning
Glen Pierce - PDOT/Engineering

From: David Judd-Parks Bureau

Subject: A "pre" pre-application meeting to discuss the proposal by Self-Enhancement, Inc.(SEI) to construct a facility at Unthank Park

SEI is a non-profit organization, operating in cooperation with the Albina Ministerial Alliance, the Portland Public Schools and the Portland Parks Bureau to provide counseling, education and recreational programming for youth ages 7-18 in northeast Portland.

Since their founding in 1981, SEI has delivered its services in schools and other locations, and now seeks to construct their own facility at Unthank Park in northeast Portland. Clearly, the proposal would provide a neighborhood-based location for the delivery of services. There are, however, many complex issues involved in siting this facility in a neighborhood park.

In our discussions with Ray Leary and Tony Hopson of SEI we saw the need to discuss the proposal with the various city agencies that would be involved as this project is pursued further. To that end we would like to ask you to attend a meeting to discuss the proposal and provide SEI and their architectural firm an informal response to the proposal.

The details of the meeting are:

When: 3:00pm-4:30pm Wednesday March 11

Where: Parks Bureau/Room 1302 Portland Bldg/"Forest Park"
Conference Room

Please call Palma(796-5379) if you cannot attend. Thank you.

c: Ray Leary/Tony Hopson



CITY OF PORTLAND
BUREAU OF PARKS AND RECREATION

1120 S.W. 5TH, ROOM 1302
PORTLAND, OREGON 97204-1933
(503) 796-5193



MIKE LINDBERG, Commissioner

CHARLES JORDAN, Director

March 4, 1992

Ray Leary/ Tony Hopson
SEI, Inc.
2156 NE Broadway
Portland, Oregon 97232

Mr. Leary and Mr. Hopson:

Thank you for sharing your proposal with the Park Bureau. We continue to be supportive of the concept, knowing that we have some obstacles to overcome. I have discussed your proposal with my staff and asked them to comment on it's feasibility and outline the Park Bureau's and other City Bureau's requirements of such a project. The following is a summary of those comments. Although thorough they may not be inclusive of all issues. Your relationship with the surrounding neighborhoods, and the ability to develop support within the community, will be of special importance to your success with this project.

Planning/Design issues relevant to proposal:

- The Park was originally developed in the 1960's by PDC using federal funds as part of the Model Cities Program. There may be restrictions on modifications to and development within the park. We are in the process of trying to resolve this issue.
- With construction of the proposed facility impacting half the Park a redesign of the remainder of the Park should be included. This should be done so that remaining features complement the overall design and functions of the building and the Bureau is not left with a "remnant" of a park attached to a new building.
- Is the project to be developed incrementally or in a single step? What is the project time line for raising construction funds and implementing construction? What assurances can be provided that long term operation, maintenance and capital improvement funding will be provided, once the facility is built? Some assurances will be necessary.
- If the land were leased and the facility was to built on Park Property, a conditional use permit would most certainly be required. The CUP process would bring out other issues, among them;

Art -

RECEIVED

MAR 05 1992

COMMISSIONER LINDBERG'S OFFICE

I wasn't sure
if you had gotten a copy of this.

Please keep me up to date
Remember mtg. Wed March 11

3pm

JLD

Do the proposed services/facility duplicate or conflict with services already provided by the Park Bureau? It is important that this not be the case.

Could the same goal be achieved by making improvements to an existing Community Center or constructing a new center and then leasing space within the facility to SEI? This might indicate an alternative strategy.

Is there other land available within the target area that meets SEI's criteria and would include the proposed development as a permitted use? This would avoid arguments over the elimination of valuable park/open space within the city.

traffic impact (trip generation to and from) upon surrounding properties generated by the users of the new facility;

hours of operation and numbers of users at any one time, schedules and frequency of major events (10 pm closing time in a residential neighborhood during the week may cause concern);

use of materials, design (metal/glass skin?)- are they compatible with surrounding properties (primarily wood frame structures);

and scale - this is a two story building with a footprint larger (appx. 42,400 sf) than that of both the existing and new portions of Dishman CC (40,000 sf) - What are the projects impacts on adjacent properties (primarily residential);

is parking (37 spaces) adequate for occupancy load of the proposed building? at less overall square footage Dishman CC provides 43 spaces and barely meets code minimums - shared use parking arrangements may be required and a Traffic Demand Management Plan could also be required as a part of any Conditional Use.

- Both site plans (A & B) share a potentially common problem. The exit from the proposed parking lot onto N. Kerby St. may be too close to the intersection in plan "A" and may also be too close in plan "B". The proposed layout of the building, however, allows relatively few other options. Options would include a single entry/exit parking lot using N. Failing St. (if allowed by PDOT); redesign of building layout; modifications to the street system (if allowed by PDOT); or taking more park land for the lot.
- Maintenance of grounds and building would need to be spelled out in an agreement between the Bureau and SEI, Inc.

Your proposal is a worthwhile undertaking and I hope you will continue to pursue it. The issues raised by my staff should help you prepare for some of the hurdles you may face. I would be happy to assist you by providing whatever background information and advise is available from myself and my staff.

Sincerely,



Charles Jordan,

Director of Parks and Recreation

cc: Mike Lindberg, Commissioner of Public Affairs
David Judd, Assist. Director Parks and Recreation
Rich Gunderson, Recreation
John Sewell, Parks Planning
David Jordan, Recreation
Jim Figurski, Parks Planning



SELF ENHANCEMENT, INC.

2156 Northeast Broadway • Portland, Oregon 97232

RECEIVED

(503) 249-1721 • Fax (503) 249-1955

JUN 06 1994

MIKE LINDBERG'S OFFICE

June 2, 1994

Commissioner Mike Lindberg
1220 SW 5th Avenue, Room 414
Portland, OR 97204

6/8
→ Art pls give me an update
on where we are
The
White

Dear Commissioner Lindberg:

I am writing you as a board member of Self Enhancement, Inc. (SEI). I'm sure you are aware of the new SEI Center and our plans to build on a portion of Unthank Park.

The architect is Yost Grube Hall Architecture P.C. and the identified prime contractor is Drake Construction. We will have a combination of donated labor and materials and contractors who need to be paid for their services.

It is our hope that the City of Portland can contribute the permit fees associated with this project. I have attached the fee estimates associated with the project so that you can identify those associated with your bureau.

Thank you for the consideration and I look forward to hearing from you. I can be reached at (503) 378-5651.

Sincerely,

Faye Burch

Faye Burch
Board of Directors

cc: Art Alexander
Elise Anfield

SELF ENHANCEMENT, INC.
CITY BUILDING FEE ESTIMATES & REIMBURSABLES
 September 2, 1993

Cost Category	Remarks	Cost Estimate
Building permit		\$ 20,712.00
Plan Check	65% of building permit	\$ 13,462.00
Microfilm fee		\$ 1.40
State Surcharge	5% of building permit	\$ 1,035.60
Fire & Life Safety	40% of building permit	\$ 8,242.80
Fire code enforcement	11.8% building permit	\$ 2,340.45
Zoning inspection fee	12% of building permit	\$ 2,485.44
Sign permit		\$ 50.00
Water connection fee	4" line tap into Kirby 5,000 credit for existing 2"	\$ 10,979.00
Sewer Connection Fee	Based on 27 staff, 400 students + 300 in auditorium)	\$ 14,127.00
Mechanical	Based on \$674,200 est.	\$ 4,163.30
Plumbing permit	\$750 (50 fixtures est) + \$300 (ext. plbg) +\$30 water heaters (2)	\$ 1,080.00
Electrical	Over 100 amps \$340 + temp svc. \$140	\$ 680.00
Grading permit fee	4,000 cu.yd. est.	\$ 290.00
Addressing fee		\$ 15.00
Temporary Certificate of Occupancy		\$ 50.00
Sub-Total		\$ 79,714.00
Printing & Reimbursable Expenses		\$ 20,000.00
Soils & Survey		\$ 6,650.00
Total		\$ 106,364.00 (5)



City of Portland, Oregon
Office of the City Auditor
Assessments and Liens Division
Daniel G. Vizzini, Manager
503-823-4087 FAX: 503-823-4571

MEMORANDUM
July 19, 1994

TO: Dennis Cain, Water Bureau
CC: Art Alexander, Commissioner Lindberg's Office
RE: Assessment Loans for Water System
Development Charges and Connection Fees

In anticipation of our first Water SDC assessment loan, we have collected some information regarding the loan program, assessment liens and collection policies. These materials were originally compiled for street improvement projects, but apply to any City assessment loan.

To facilitate the City's dealings with SEI, I am providing a copy of this memorandum and materials to Art Alexander in Commissioner Lindberg's Office.

Please feel free to call me or refer others to me for additional information concerning assessments, loans and other related issues.

Attachments.

Assessment Loans

You automatically qualify for an assessment loan if your property is assessed for a local improvement, sidewalk repair, or system development charge. The City does not consider your income for employment status when setting up assessment loans.

To get a loan, all you need to do is read, complete, sign and return an installment payment contract to the City Auditor. To complete the installment payment contract, you must choose one of the following **installment payment options**:

- △ Monthly payments based on a 5 year pay-back period.
- △ Monthly payments based on a 10 year pay-back period.
- △ Monthly payments based on a 20 year pay-back period.
- △ Two payments per year (semi-annual) based on a 20 year pay-back period.
- △ Senior Citizen Assessment Deferral Program - State pays semi-annual installments over 20 years.)

Interest on Assessment Loans. The City calculates the interest portion of your installment bill based on the unpaid balance of your loan. This means that with each installment, the portion of your payment which goes to interest gets smaller. For monthly payment plans, the portion which goes to principal gets larger. For the semi-annual payment plan, the principal portion remains the same.

The City sells municipal bonds to finance assessment loans, and bases the loan interest rate on the interest costs of the municipal bonds. The interest rates for 5 and 10 year loans are typically lower than the interest rate for 20 year loans. The City charges simple interest, not compound interest, on assessment loans.

The City tries to sell municipal bonds at least once per year. Between each bond sale, the City charges a temporary variable interest rate. You may pay installments based on a temporary interest rate for as long as two years before your loan is adjusted to an interest rate based on a municipal bond sale.

Historically, the City has been able to offer loans with interest rates below the interest on residential mortgages. The City will continue to try to hold down assessment loan interest rates, despite increased bond sale and collection costs. The City encourages you to compare assessment loan interest and administrative costs with the costs charged by local banks and financial institutions.

In most cases, interest on assessment loans is tax deductible. However, you should always check with your tax accountant or consultant to determine the tax status of your assessment loan.

Installment Bills

You will receive installment bills from the City Auditor after you agree to pay your assessment in installments and return to the City a signed installment payment contract.

Each bill will contain:

- △ The amount of past due installments, if any.
- △ A detailed statement of the current installment principal, interest and costs.
- △ The amount of penalties and collection costs, if any, which the City charges against past due installments.
- △ The amount required to pay-off the loan in full.
- △ The installment payment due date.
- △ The assessment account number and property tax identification number.
- △ The detailed statement of the principal, interest, penalties and costs which have been paid during the calendar year.
- △ A payment coupon that you should return with your payment.

The City Auditor mails bills about 20 days before the payment due date. The monthly installment bill includes interest charges for the 30-day period ending on the installment due date. The semi-annual bill includes interest charges for the six month period ending on the installment due date.

The City Auditor deposits and posts payments on the day the payments are received, not on the date that you mail the payment. Be sure to mail your payment in time to reach the City Auditor's Office on or before the payment due date. Keep the following basics in mind when paying your installment:

- △ Make your check payable to the City of Portland.
- △ Write your account number on your check.
- △ Be sure your payment is at least equal to the amount due on the installment bill. You may pay more than the amount billed. The excess amount will reduce your loan principal. The City does not penalize you for prepayments or early payoffs

Late Interest, Penalties and Collection Costs

The City charges late interest, penalties and collections costs on delinquent or past due accounts.

- △ The City charges late interest for each day following the payment due date for each installment. The late interest is calculated, without compounding, based on the loan interest rate.
- △ The City charges a penalty on each installment which is more than 60 days past due. The penalty is each to one half of one percent (0.005) of the loan principal balance.
- △ The City charges a late billing fee of \$25 per bill for accounts which are more than 90 days past due.
- △ The City may charge against an installment loan the full legal costs of foreclosure to collect delinquent assessments and assessment loans.

Assessment Liens and Property Ownership

A City assessment is a lien on your property. The lien insures that the City will be repaid for the costs of constructing the local street improvement. The lien has a very direct impact on your use of your property.

- △ When you sell or transfer your property, you may arrange to have the new owner assume the installment payments on your outstanding assessment loan. However, the City may not reduce the status of the assessment lien at the time the property is sold or transferred.
- △ Banks and financial institutions may require that you pay the assessment and remove the lien before you get a mortgage, second mortgage, home equity loan, or before you refinance an existing mortgage or property loan.

Senior Citizen Deferrals

The Oregon Department of Revenue offers a loan payment deferral program for low income senior citizens. The program is intended to allow senior citizens to avoid making assessment payments for as long as they live in their homes.

To be eligible:

- Δ You are age 62 or older.
- Δ Your household income is less than or equal to \$17,500 per year.
- Δ You must be the deedholder or contract purchaser of the property which has been assessed, and the property must be your homestead or principle residence.
- Δ You must complete an application form and arrange for an installment payment loan with the City Auditor's Office.

Once the deferral is approved, the State Department of Revenue makes regular assessment loan payments on your behalf. On each installment payment, the State charges interest at a simple annual rate of 6%. You may make payments against your loan at any time if you wish to reduce the amount owed to the State.

The State is repaid by August 15 of the calendar year following any one of these events:

- Δ You sell or transfer ownership of your property.
- Δ You move or no longer use the property as your principle residence.
- Δ You die and your property transfers to your heirs.

If you are want more information, contact the City Auditor's Office at 823-4090.

Assessment Rates and Charges

The City requires that local improvement district and assessments pay for themselves, without significant subsidy from City taxpayers. As a result, the City charges the following fees and charges to recover administrative costs:

- △ **Local Improvement Costs.** The City charges the full actual costs of design and inspection engineering, construction, right-of-way acquisition, interest on construction financing, legal advertisements and notices. Actual costs vary with each improvement project.
- △ **Assessment Fees.** The City recovers the cost of administering LID projects by charging \$4.35 per \$1,000 of project costs.
- △ **Recording Fees.** The City recovers the costs of recording local improvement district assessments by charging a fixed charge of \$28 per assessment account.
- △ **Financing Fees.** The City recovers the costs of processing assessment loans and selling municipal bonds by charging a fixed charge of \$40 per assessment account and .49% of the assessment amount at the time the City processed an installment payment contract. These fees may be included in the amount of the assessment loan.
- △ **Bill Transaction Fees.** The City recovers the costs of customer services, billing, payment processing and accounting by charging a bill transaction fee of \$1.90 per assessment bill.
- △ **Late Billing Fee.** The City recovers the costs of pursuing delinquent property owners by charging a late billing fee of \$25 per late bill on an account which is more than 90 days past due.
- △ **Penalties.** The City charges a delinquent payment penalty equal to one half of one percent of the assessment balance when an account is more than 60 days past due. For assessment loans, this charge is added for each installment which is more than 60 days past due.
- △ **Open Lien Interest.** After an initial 30-day interest-free period, the City charges interest on the assessment balances from the assessment date at a simple annual rate of 12% or 3 percentage points in excess of the local prime rate, whichever is greater. The current rate is 12%.
- △ **Interest on Assessment Loans.** The City charges a temporary variable interest rate until the City sells municipal bonds to finance your loan. Thereafter, the interest rate is based on the bond sale interest rate plus an administrative allowance. The current temporary rate is 7.25%

**CITY OF PORTLAND, OREGON
INSTALLMENT PAYMENT CONTRACT**

The undersigned agree to pay in installments the assessment, plus interest set by the City Council, an amount determined by City Council to be sufficient to pay a proportionate part of the costs of administering the bond assessment program and issuing bonds, and any penalties, billing charges and rebilling charges as set forth in the Terms and Conditions of this contract. Further the undersigned understands that the amount owing shall be a lien against the benefitted property and the lien shall be recorded in the Docket of City Liens.

Owner's Name and Address:

Tax No. Account No. Project No.

Property Address:

Legal Description:

Project Description:

The undersigned enters into this loan contract based on the following irrevocable selection of the amount to be financed and the method for repaying the loan. The undersigned understand that the loan amounts include non-refundable financing fees which are charged by the City to defray the cost of processing and recording this loan contract.

LOAN CALCULATION GOOD THROUGH _____:

Improvement Costs/Assessments	\$
Plus: Accrued Interest, Penalties & Costs	
Less: Deposits	
 SUB-TOTAL	 \$
 Plus: Financing Fee	
 TOTAL LOAN AMOUNT	 \$

PAYMENT OPTIONS (Loan must exceed \$2,500 to qualify for a 20-year option):

_____ 5 Year Monthly Installments	_____ 10 Year Monthly Installments
_____ 20 Year Monthly Installments	_____ 20 Year Semi-Annual Installments
_____ Senior Citizen Assessment Deferral (State pays installments over 20 years)	

This contract is submitted in accordance with provisions of ORS 223.205-295, the Charter of the City of Portland, and Chapters 5.30, 5.31, 17.12, 17.14 and 17.36 of the Portland City Code. In consideration of and pursuant to these legal provisions, the undersigned hereby expressly waives all irregularities and defects, jurisdictional or otherwise, in the proceedings to cause the local improvement for which the final assessment is levied and in the calculation of the actual cost of the local improvement. The undersigned has read and agrees to abide by the provisions printed on the reverse side of this contract.

Signed: _____ Date: _____

Signed: _____ Date: _____

All owners of record must sign this contract.

INSTALLMENT PAYMENT CONTRACT OPTIONS, TERMS AND PROVISIONS

Payment Options and Schedules. The City offers five loan payment options; three monthly payment plans, a semi-annual plan and an assessment deferral plan. The City uses the following calculations when preparing installment bills:

Monthly Payment Options: Monthly installments include increasing principal and decreasing interest amounts, plus a bill transaction fee. Interest is charged through the bill due date. Installment billings begin 30 to 60 days after the loan contract is received by the City.

Semi-Annual Payment Option: Installment payments are billed every six months, beginning 5 months after the loan contract is received by the City. This option is only available on contracts over \$2,500. Each installment consists of one fortieth (1/40) of the original loan amount plus 6 months of interest on the outstanding balance and a bill transaction fee.

Senior Citizen Assessment Deferral Option: The State of Oregon makes semi-annual installment payments on your behalf. When the property is sold or transferred to a new owner, the State is repaid for the total of their installment payments plus simple interest of 6% per year. To qualify, you must be at least 62 years old, be living in the affected property, and must have a household income of less than \$17,500 per year.

Special Certification for 5-Year Loans: The 5-year loan term option may be selected on a voluntary basis. In so doing, you consent to repay this contract in less than the 10 year minimum term required by State law. You acknowledge that this contract accurately describes the assessed property and the local improvement for which the assessment is made. Also, you acknowledge that the loan amount described in this contract is a lien which is recorded in the Docket of City Liens.

Interest Rates and Billing Charges. The City finances this installment loan by selling improvement bonds at favorable interest rates. Prior to the bond sale, the City charges an interim interest rate which may be changed based on bond market conditions. The present interim interest rate is 7.25%. After the bond sale, the installment interest is fixed at a permanent rate equal to the true interest cost of the bonds plus a financing rate set by City Council. The City calculates separate interest rates for each of the 5, 10 and 20 year loan terms. Each bill includes a bill transaction fee which may be adjusted at any time without notice. The present fee is \$1.90 per bill.

Billing and Payment. The City bills you directly for your loan installments. Your installments are not made a part of your property tax bill. Make your payments on or before the payment due date. Include your account number on your check and make the check payable to the City of Portland. You may shorten the payment period by paying more than the required amount. The entire unpaid balance may be paid off at any time, without prepayment penalty, and with interest to the date of final payment.

Penalties for Non-Payment. The City charges additional interest on late installment payments, based on the loan interest rate and the amount of time that your payment is past due. The City charges a penalty equal to one half of one percent (0.005) of the loan balance when this contract is more than 30 days past due. The City charges a rebilling fee of \$25.00 per late bill after this contract is 60 days past due. Beyond 60 days past due, the City may declare this contract in default and require a new loan contract subject to new interest rates and charges. The City may also require payment of the entire amount of delinquent installments, plus interest, penalties, billing charges and costs. This loan is secured by a lien on the benefitted property. The City lien may be assumed when the property is transferred, however the City may not subordinate the lien. Banks or financial institutions generally require full payment of this loan before closing a private mortgage or refinancing transaction. The City may enforce its property lien by foreclosing and selling the property to collect the outstanding loan balance and all related-costs.

Change of Address. You are responsible for notifying the City Auditor's Office, Assessments and Liens Division, of any change of ownership or billing address.

Finance Fee. The City charges a **non-refundable** financing fee to pay for processing your loan and selling bonds. The current fee is \$40.00 plus 0.49% (.0049) of your loan amount. The fee may be paid at the time this contract is filed or added to the loan amount.

Bond Reserve Fee. In addition, the City may charge a bond reserve fee if required to sell assessment bonds. Proceeds from the bond reserve fee will be dedicated to a reserve account and used as security for the assessment bonds.

City of Portland
Collection and Foreclosure of Special Assessment Liens

Placing Liens on Property to Secure Special Assessments

Oregon law, City Charter and City Code authorize the City Council and City Code Hearings Officer to place liens on real property to secure payment of special assessments. The City must provide public notices and conduct a public hearing before liens are recorded. Public notices are mailed to property owners at addresses found on county property tax records.

City liens are recorded and collected by the City Auditor's Office. The City Auditor's Office mails and processes all assessment notices, billing statements, installment payment contracts, and other documents relating to special assessment liens. City liens are not included on county property taxes bills. All special assessment payments are made to the City Auditor's Office.

Special Payment Options

Property owners are required to pay special assessments in full or arrange City financing within 30 days following the date of the final assessment notice.

Long-term installment payment plans are available for special assessments involving street, sewer, water, sidewalk and other local public improvements, as well as sewer and water systems development charges. These assessments are also eligible for special assessment deferral programs provided by the State of Oregon. Property owners in the Mid County Sewer Project are also eligible for a special sewer safety net program administered by the Bureau of Environmental Services.

The Auditor's Office also offers special installment payment plans for property owners who are subject to City foreclosure. Under these plans, property owners may make monthly installment payments sufficient to pay only interest charges for a period limited to three (3) years. Property owners must demonstrate financial hardship to qualify for these special plans. The City must offer payment options as a part of the collections process before foreclosure actions begin.

Collecting Delinquent Liens

The City Auditor's Office is responsible for billing and collecting special assessment liens. The City Auditor's Office bills delinquent accounts monthly until lien accounts are brought current, paid in full or financed through an installment payment plan. City Code authorizes the following interest, charges and penalties for delinquent accounts:

- Daily late interest on delinquent assessment accounts at an annual rate of 12%. Daily interest on installment or "bonded" assessment accounts at a fixed bond interest rate.
- Monthly billing fee of \$25 for accounts that are more than 60 days late.
- Monthly penalties of 1/2 of 1% of the outstanding principal balance of the assessment accounts which are more than 90 days late.
- Reasonable legal and administrative costs to collect late assessments.

Foreclosure and Property Sale

If all other collections efforts fail, the City may foreclose to collect delinquent assessments. The City foreclosure process takes a minimum of six (6) months from the time when the City Auditor's Office identifies delinquent liens for possible foreclosure. During this six month period the City must:

- Notify property owners and any mortgage holders of the lien delinquency and payment options. The notice must be made by certified or first class mail twice during a three month period.
- Offer property owners special payment plan options to payoff or bring current delinquent liens.
- Publish a public notice in a newspaper of legal record. The foreclosure notice shall include the legal description and location of property subject to foreclosure sale.
- Notify all interested persons of the foreclosure sale at least 60 days prior to the sale date. The notice must be made by certified and first class mail.

In addition to these pre-sale notices, property owners are given an opportunity to redeem foreclosed property up to one year following the foreclosure sale.

For additional information, call the City Auditor's Office at 823-4090



SELF ENHANCEMENT, INC.

2156 Northeast Broadway • Portland, Oregon 97232

RECEIVED

JUN 10 1994

(503) 249-1721 • Fax (503) 249-1955

COMMISSIONER LINDBERG'S OFFICE

June 2, 1994

Commissioner Mike Lindberg
1220 SW 5th Avenue, Room 414
Portland, OR 97204

Here's that non-profit fee waiver issue
again. This needs to be handled
in a joint BES WATER
briefing. So, get it
on the next agenda.

Dear Commissioner Lindberg:

I am writing you as a board member of Self Enhancement, Inc. (SEI). I'm sure you are aware of the new SEI Center and our plans to build on a portion of Unthank Park.

The architect is Yost Grube Hall Architecture P.C. and the identified prime contractor is Drake Construction. We will have a combination of donated labor and materials and contractors who need to be paid for their services.

It is our hope that the City of Portland can contribute the permit fees associated with this project. I have attached the fee estimates associated with the project so that you can identify those associated with your bureau.

Thank you for the consideration and I look forward to hearing from you. I can be reached at (503) 378-5651.

Sincerely,

Faye Burch

Faye Burch
Board of Directors

cc: Art Alexander
Elise Anfield

SELF ENHANCEMENT, INC.
CITY BUILDING FEE ESTIMATES & REIMBURSABLES
 September 2, 1993

Cost Category	Remarks	Cost Estimate
Building permit		\$ 20,712.00
Plan Check	65% of building permit	\$ 13,462.00
Microfilm fee		\$ 1.40
State Surcharge	5% of building permit	\$ 1,035.60
Fire & Life Safety	40% of building permit	\$ 8,242.80
Fire code enforcement	11.8% building permit	\$ 2,340.45
Zoning inspection fee	12% of building permit	\$ 2,485.44
Sign permit		\$ 50.00
Water connection fee	4" line tap into Kirby 5,000 credit for existing 2"	\$ 10,979.00
Sewer Connection Fee	Based on 27 staff, 400 students + 300 in auditorium)	\$ 14,127.00
Mechanical	Based on \$674,200 est.	\$ 4,163.30
Plumbing permit	\$750 (50 fixtures est) + \$300 (ext. plbg) +\$30 water heaters (2)	\$ 1,080.00
Electrical	Over 100 amps \$340 + temp svc. \$340	\$ 680.00
Grading permit fee	4,000 cu.yd. est.	\$ 290.00
Addressing fee		\$ 15.00
Temporary Certificate of Occupancy		\$ 50.00
Sub-Total		\$ 79,714.00
Printing & Reimbursable Expenses		\$ 20,000.00
Soils & Survey		\$ 6,650.00
Total		\$ 106,364.00 (5)

9.4. That it will promptly deposit into all funds and accounts all sums required to be so deposited.

9.5. That it will operate the Water System in a sound, efficient and economic manner, that it will not enter into any agreement to provide Water System products or services at a discount from published rate schedules, and that it will not provide free Water System products or services except for fire suppression and in case of emergencies.

9.6. That it will at all times maintain with responsible insurers all such insurance on the Water System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to such works or properties.

9.6.1. The net proceeds of insurance against accident to or destruction of the Water System shall be used to repair or rebuild the damaged or destroyed Water System, and to the extent not so applied, will be applied to the payment or redemption of the Bonds on a pro rata basis.

9.6.2. Insurance described in Section 9.6 shall be in the form of policies or contracts for insurance with insurers of good standing and shall be payable to the City, or in the form of self-insurance by the City. The City shall establish such fund or funds or reserves which it deems are necessary to provide for its share of any such self-insurance.

9.7. The City will not, nor will it permit others to, sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the Water System except:

9.7.1. The City may dispose of all or substantially all of the Water System, only if the City pays all Bonds or defeases them pursuant to Section 12

9.7.2. Except as provided in Section 9.7.3, the City will not dispose of any part of the Water System in excess of 5% of the value of the Water System in service unless prior to such disposition either:

9.7.2.1. there has been filed with the City a certificate of a Qualified Consultant stating that such disposition will not impair the ability of the City to comply with the rate covenants contained in Section 5.1 of this Master Ordinance; or

9.7.2.2. provision is made for the payment, redemption or other defeasance of a principal amount of Bonds equal to the greater of the following amounts:

9.7.2.2.1. An amount which will be in the same proportion to the net principal amount of Bonds then Outstanding (defined as the total principal amount of Bonds then Outstanding less the amount of cash and investments in the Sinking Fund) that the Gross Revenues attributable to the part of the Water System sold or disposed of for the 12 preceding months bears to the total Gross Revenues for such period; or

Dennis C

March 18, 1994

MEMORANDUM

TO: Mike Rosenberger, Water Bureau
Commissioner Kafoury
Steve Bauer

FROM: Jeff Golden, Comm. Lindberg's office *JK*

RE: The Proposal for a special appropriation to fund waivers for housing redevelopment costs: an opportunity for Habitat?

After reviewing a packet that includes Dennis Cain's 3/14 memo to you, Commissioner Kafoury's 2/7 memo to the Council on a Special Appropriations Fund, and a 2/8 memo on the same subject to Steve Bauer from the Auditor, Planning and Building Bureaus, I see an appropriate opportunity to address a related issue that has come our way.

The rationale for this special appropriation is that it directly supports affordable housing goals that the City has repeatedly endorsed. This particular proposal, however, expressly excludes new construction, which obviously entails relatively expensive water and sewer connection costs.

I would suggest that there is a very small number of newly constructed residences that deserve this kind of waiver as much as redevelopment units, for precisely the same policy reasons. The one example that comes to mind is Habitat for Humanity, whose entire mission is to harness private-sector energy to provide homes for people who can't compete in the housing market. When we charge thousands of dollars in hook-up charges we're working at cross-purposes with their efforts and our own policy objectives.

We're not talking about a big addition to the proposal here. I believe H-for-H constructed one new home last year, and hopes to complete 2 or 3 in 1994. That's in addition to a handful of renovations they've done which, in my opinion, should also qualify for the kind of relief envisioned in Commissioner Kafoury's proposal. While adding a category for H-for-H kinds of projects slightly complicates the job of crafting eligibility criteria for waiver relief, I hope that it will be considered in the context of this proposal.

I'd appreciate the efforts of anyone working on this to try to fold H-for-H's request into the program. Mike, I believe you have the written request and supporting material that they submitted about a month ago. Their Portland phone #s, according to the phone book, are 287-9529 and 245-1798. Thanks

cc: Comm Lindberg
Art Alexander

1- Kahovey already has authority to waive on new + redevelopment. May need to broaden for all Buildings/Planning/Auditor waivers to get reimbursement from special appropriation.

*Plan 10k
PROJECT
DONE B.
ORDINANCE
ENHANCED
BEFORE
BOND
ORDINANCE*



CITY OF
PORTLAND, OREGON
BUREAU OF WATER WORKS

Mike Lindberg, Commissioner
Michael F. Rosenberger, Administrator
1120 S.W. 5th Avenue
Portland, Oregon 97204-1926
Information (503) 823-7404

March 14, 1994

TO: Mike Rosenberger, Director
Bureau of Water Works

FROM: Dennis Cain, Director
Administrative Services

SUBJ: -Special Appropriation Proposal

The Auditor's Office, and the Bureaus of Buildings and Planning have jointly developed a proposal to establish a special appropriation in the General Fund to finance the costs of housing redevelopment. The agencies are at the forefront of the City's redevelopment program and are experiencing considerable revenue loss through the necessary waiver of outstanding liens and fees charged. The current annual estimate of revenue loss for the three agencies is \$485,000. As the City benefits from the program through renewed property tax collections and stable neighborhoods, the agencies are proposing that the General Fund finance a special appropriation through 1998-1999 to reimburse the agencies for revenue losses incurred while implementing the City's housing program.

The joint bureau proposal is focused on General Fund agencies. The cover memo from Commissioner Kafoury to Council appears to broaden the proposal to provide resources from the special appropriation "for all development bureaus to recover costs associated with implementing the City's housing policies." The method of financing the special appropriation in Commissioner Kafoury's memo is not certain as the General Fund isn't identified as it was in the joint bureau proposal. It is possible that additional City agencies, like Water and Sewer, will be invited to participate in the special appropriation if they experience waiver losses. Whether the General Fund would finance participation by other agencies is not clear. The benefit of a City housing program does extend beyond the General Fund, so others might be asked to help finance the proposal.

Since this is redevelopment of existing housing, which already should have water service, it would be unusual that Water would have any connection fees and systems development charges to waive. There may be customer delinquent charges existing from the previous occupant but those would be written-off in the normal course of business by Collections staff. Engineering staff indicate that they have not had any redevelopment waiver requests and they do not anticipate any. They have had waiver requests for new housing, but that is not being addressed in this proposal.



CITY OF
PORTLAND, OREGON
DEPARTMENT OF PUBLIC UTILITIES

Gretchen Kafoury, Commissioner
1220 S.W. 5th Avenue
Portland, Oregon 97204
Telephone: (503) 823-4151

DRAFT
M E M O R A N D U M

DATE: 2/7/94

TO: City Council

FROM: Commissioner Kafoury

SUBJECT: Lien/Fee Waiver Special Appropriations Fund

STAFF

While this is just a proposal, it is a policy issue which Council will need to address pretty soon.

Consider the issues raised and get some feedback from your managers on what should go into a City wide policy on waivers for non-profit development organization.

Att

Attached is a proposal from the Auditor's Office to establish a special appropriations fund that will allow bureaus to be reimbursed for expenses related to housing redevelopment. Currently, individual bureaus have policies that allow them to waive certain fees and liens, but there is no overall policy for the City. There is, however, strong policy directive to encourage redevelopment of residential properties and neighborhoods.

This is more frequently occurring through the efforts of non-profit housing development corporations (CDCs). In the past few years, nearly 25 community-based organizations have formed to acquire and rehabilitate residential property. Most of the properties have been acquired by Multnomah County through tax foreclosure and are being transferred to the CDCs. As these organizations gain capacity, more and more properties are being built or rehabbed for residential use. This provides a stable stock of affordable houses in our neighborhoods and also puts properties back on the tax roles.

As we assist in these community development efforts, development bureaus are bearing the brunt of redevelopment expenses in two ways. First of all, most of these properties come with a burden of existing liens. These may be for assessments for bonded improvements such as streets, sewers, and sidewalks as well as fees for nuisance abatement or housing code violations. The City can't recapture those charges and the CDCs that acquire the properties don't have the funding to cover existing liens (which add an estimated \$5,000 to each property).

Secondly, CDCs incur additional development charges when they begin to build or rehab properties. These include land use review fees for Planning Bureau services, building permits, and fees for transportation, water, stormwater and sewer hookups. The Planning Bureau waives fees at the discretion of the Bureau Director, which

MEMORANDUM

February 8, 1994

TO: Steve Bauer, Director of the Office of Finance and Administration

FROM: Barbara Clark, Auditor of the City of Portland
Margaret M. Mahoney, Bureau of Buildings
David Knowles, Bureau of Planning

COPIES: Council Executive Assistants

RE: Special appropriation to finance the transfer of derelict properties to housing and community development non-profit corporations.

On behalf of Bureaus of Buildings and Planning, and the Office of the City Auditor, we request a special appropriations to finance the costs of transferring derelict properties to housing and community development non-profit corporations. Specifically, the special appropriation is needed to pay approximately \$160,000 per year in planning and building fees, as well as an additional \$325,000 in special assessments for a variety of code violations and local improvements. We request that the Council commit to this special appropriation for a five year trial period to yield the maximum investment from Multnomah County and participating housing and community development non-profit corporations.

Background

The City of Portland and Multnomah County, through the *Comprehensive Housing Affordability Strategy (1991)*, have undertaken a variety of initiatives to promote and preserve housing for low and moderate income households. One such initiative involves the transfer of tax foreclosed property to housing and community development non-profit corporations, under the auspices of the Multnomah County Housing Affordability Demonstration Project and the Federal Nehemiah Housing Opportunity Program. When Multnomah County transfers tax foreclosed property, the recipient non-profit corporation requests the City to waive any outstanding property liens, as well as permits and fees which the City may charge during redevelopment.

We anticipate the transfer of 300 to 375 properties annually, at an average cost to the City of \$425 to \$500 in permits and fees, and an additional \$500 to \$2,000 in special assessment waivers. At current rates of property transfer and rehabilitation, we anticipate that 1,800 to 2,250 in single family residential properties may be recycled into productive homeownership by the end of FY 1998-99. We estimate the average cost to the City of \$1,300 per property. Such an investment will be recovered several times over in the form of renewed property tax collections and stable residential neighborhoods.

4. *Portland-Multnomah County Progress Board, Benchmarks (1993)*. Under the benchmarks section entitled, Economy, the Progress Board states as a goal, "...Foster and create vital neighborhoods with affordable housing and healthy commercial districts". Under the section entitled, Environment/Quality of Life, the Progress Board states as a goal, "...Provide an adequate variety and supply of safe, decent, affordable housing".

Guiding Principles

The City should manage the special appropriation based on the following guiding principles:

- △ Limit policies to residential properties, or properties which shall be converted to residential purposes.
- △ Limit participation to qualified non-profit housing organizations.
- △ Increase coordination between City organizations which are responsible for housing, community development, buildings, assessment and other related activities.
- △ Keep the process simple and efficient so as to accelerate the transfer of property into responsible hands.
- △ Protect the City's financial condition and commitments to bondholders.
- △ Insure compliance with constitutional and statutory guarantees of equal protection, uniformity, notice and financial accountability.

Program Considerations

We request that Council adopt a special appropriation within the General Fund to pay for the waiving of permits, fees and assessments related to residential properties which have been transferred to housing and community development non-profit corporations. We request that the special appropriation be established by budget amendment in the current fiscal year (1993-94) and continued at a constant rate through FY 1998-99.

We estimate, based on the rate of property transfers and redevelopment activity, that approximately \$160,000 in permits and fees, and \$325,000 in special assessments will be lost annually. The actual use of special appropriations should be managed by a lead housing development agency, which shall be responsible for the following tasks:

1. Determine and document the permits, fees and assessments which would be waived for each eligible property.
2. Make payments out of the special appropriation.
3. Provide Council an annual accounting of the use of the special appropriations, as well as the number of properties transferred and the number of redeveloped properties which have been sold as a result of the program.

Sample Property Subject to Lien Waiver

Description: Vacant Lot located in Brentwood-Darlington Neighborhood.
Transferred to Rose Community Development Corporation
Real Market Value = \$15,300

Outstanding Assessments

Project	Account	Date	Status	Principal	Interest	Penalties	Costs	Total
C8275	847	11/18/69	ACF	53.71	45.48	5.37	1,131.90	1,236.46
X1117	35907	05/13/69	Bldgs	421.44	419.96	82.29	1,180.40	2,104.09
C8275	848	11/18/69	ACF	48.71	41.42	4.87	1,131.90	1,226.90
C9598	50801	09/12/89	LID	2,596.00	1,419.14	506.22	1,180.30	5,701.66
X0425	25420	12/08/81	Bldgs	67.27	93.14	6.73	1,206.90	1,374.04
X1628	61889	04/30/91	Bldgs	1,938.64	625.14	300.39	810.30	3,674.47
Totals				5,125.77	2,644.28	905.87	6,641.70	15,317.62

ACF = Assessment Collection Fund

Bldgs = Bureau of Buildings

LID = LID Construction Fund

AM → AA



CITY OF
PORTLAND, OREGON

Gretchen Kafoury, Commissioner
1220 S.W. 5th Avenue
Portland, Oregon 97204
Telephone: (503) 823-4151

RECEIVED

JUL 18 1994

COMMISSIONER LINDBERG'S OFFICE

M E M O R A N D U M

DATE: July 18, 1994
TO: City Council
FROM: Gretchen Miller Kafoury *mk*
SUBJECT: SEI FEE WAIVER REQUEST

Art

We have received a request from Self Enhancement, Inc. for fee waivers for their development project at Unthank Park. The waiver request for the Bureau of Buildings' portion of the fees is over \$50,000. The Bureau is unable to absorb this cost with the current policy and budget. Several other bureaus have also been approached for waivers. The total request is for about \$106,000.

I would like Council to discuss options regarding this request. If you have an interest in addressing this, please let me know. I will ask Erik Sten to bring it to the next Execs meeting for your consideration.

Attachment

SELF ENHANCEMENT, INC.
CITY BUILDING FEE ESTIMATES & REIMBURSABLES
 September 2, 1993

Cost Category	Remarks	Cost Estimate
Building permit		\$ 20,712.00
Plan Check	65% of building permit	\$ 13,462.00
Microfilm fee		\$ 1.40
State Surcharge	5% of building permit	\$ 1,035.60
Fire & Life Safety	40% of building permit	\$ 8,242.80
Fire code enforcement	11.8% building permit	\$ 2,340.45
Zoning inspection fee	12% of building permit	\$ 2,485.44
Sign permit		\$ 50.00
Water connection fee	4" line tap into Kirby \$5,000 credit for existing 2"	\$ 10,979.00
Sewer Connection Fee	Based on 27 staff, 400 students + 300 in auditorium)	\$ 14,127.00
Mechanical	Based on \$674,200 est.	\$ 4,163.30
Plumbing permit	\$750 (50 fixtures est) + \$300 (ext. piping) +\$30 water heaters (2)	\$ 1,080.00
Electrical	Over 100 amps \$340 + temp svc. \$340	\$ 680.00
Grading permit fee	4,000 cu.yd. est.	\$ 290.00
Addressing fee		\$ 15.00
Temporary Certificate of Occupancy		\$ 50.00
Sub-Total		\$ 79,714.00
Printing & Reimbursable Expenses		\$ 20,000.00
Soils & Survey		\$ 6,650.00
Total		\$ 106,364.00 (5)

Support the application of the Northeast Community Development Corporation for federal funds, under the Nehemiah Housing Opportunity Program, to provide 250 units of housing to be made available for purchase by families who would not otherwise be financially able to realize home ownership.

WHEREAS, the City of Portland, through its Vacant/Abandoned Buildings Taskforce and Neighborhood Revitalization Strategy, has identified the revitalization of deteriorating neighborhoods as its highest priority; and

WHEREAS, the City of Portland has begun implementing a Neighborhood Revitalization Strategy, in conjunction with other local jurisdictions; and

WHEREAS, the rehabilitation of deteriorating houses in inner-city neighborhoods will provide long term benefits to the community by providing much needed affordable housing and by improving the physical appearance of the neighborhood, improving its overall livability for all residents; and

WHEREAS, the project is allowable under applicable State and local zoning regulations; and

WHEREAS, a multi-neighborhood project fits the needs of the City as no one neighborhood contains adequate available vacant land or houses to support the project;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Portland that:

1. The City supports the application of the Northeast Community Development Corporation to participate in the Nehemiah Housing Opportunity Program and will provide a letter, signed by the Mayor, to be included with the application package.
2. The City accepts the project schedule of the completion of 250 units of housing within the next three years.
3. The City will provide support to and provide coordination of the Nehemiah program within the neighborhood revitalization initiatives of the City.
4. The City will, if the project is funded by HUD, waive a permit and demolition fees for property developed under this program. Costs of the fee waivers will be covered by the City, 50% from the General Contingency Fund and 50% from the HCD Contingency Fund.

NOTE: NEHEMIAH HOUSING OPPORTUNITY PROGRAM.
INSTALLATION AND SYSTEM DEVELOPMENT CHARGES
WAIVED BY CITY RESOLUTION NO. 34603 OF AUG 2, 1989.

RESOLUTION No.

5. The City will, if the project is funded by HUD, expedite foreclosure on properties, within the law and the City's foreclosure policy but without delay, which are abandoned and suitable for the Nehemiah Project. To the extent allowable under bond covenants, contractual obligations or other legal restrictions, the City will defer collection of all City liens against the property until such time as the property is sold by ~~the~~ program participant.
6. To the extent allowable under bond covenants, contractual obligations or other legal restrictions, the City will not impose new connection fees or system development charges on vacant lots where sewer service has been interrupted for less than two years or on vacant abandoned property where sewer service has been connected pursuant to applicable City policy.
7. To the extent allowable under bond covenants, contractual obligations or other legal restrictions, the City, through the Water Bureau, agrees to waive any system development charges or connection fees, that would normally be charged, for up to 250 houses, covered by the Nehemiah Housing Opportunity Program.

Adopted by the Council, AUG 2 1989

Mayor Clark
Judy Shield:js
July 27, 1989

BARBARA CLARK
Auditor of the City of Portland
By *Mary E. Newell* Deputy



RECEIVED

JUN 20 1994

COMMISSIONER LINDBERG'S OFFICE

June 20, 1994

To: Linda Dobson
Art Alexander

From: David Gooley

Subject: Waiver of capital charges

I have researched the issue of waiving capital-related charges (e.g., sewer connection fees) and have discussed the concept with the Water Bureau. The following are preliminary findings.

1. Up to this point, BES has no experience with waiving capital charges. A request was made in 1982 to waive connection fees for the Performing Arts Center. However, the City's bond counsel wrote a letter that indicated a fee waiver would violate covenants in the sewer system revenue bond ordinance. City Council subsequently authorized a deferral of payment. It appears from our records that the deferral period ended with completion of construction in 1988 and all fees were paid.

Connection fees were not reduced or waived in the mid county financial assistance program. Cost reductions were in the form of a cap on line and branch charges (\$0.50 per square foot of property), based on adjustments to then-current inflation rates, and a credit for the remaining useful life of a typical cesspool (\$500).

2. Based on our current bond ordinance, neither the Commissioner nor Council can authorize a waiver of connection fees on a case-by-case basis. Fee waivers can only be granted by adjusting "published rate schedules," similar to the approach used in establishing user fees for low income households.

3. There would likely be three issues if Council chose to establish a different connection fee schedule for a class of customers. The first would be legal: What is the likelihood a customer from another customer class not eligible for fee waivers could challenge the underlying equity of the fee waiver and be successful? A related issue is to what extent other classes of customers would seek similar fee waivers. Our current forecast of connection fee revenues over the next 5 years is approximately \$12.5 million. Obviously, any negative impact to the City's ability to collect these revenues would have a significant impact on the Bureau's financial plan.

The second issue relates to mid county specifically: What would the financial impact be of fee waivers in mid county. Once more is known regarding the exact nature of the proposed

waivers and the customers that would be eligible, we should complete a financial impact analysis.

The third issue is whether the waiver would be made retroactive. This was a key issue in the financial assistance program in mid county. Approximately \$15 million of the cost of the financial assistance program came from refunds to properties that had already paid sewer costs. Depending on the nature of the waiver, potentially eligible properties in mid county that have recently paid connection fees might apply for refunds.

Let me know if you would like to discuss this memorandum further or if you have any additional questions.

c: Pete Kasting
Ann Conway
Bob Rieck
Jim Hagerman
Noam Stampfer