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190717

Ordinance

Authorize a full payment deferral loans program to property owners in the Errol Heights Local Improvement District until the participating property is sold and/or title transferred to another owner or entity (C-10064)

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Council adopted Resolution No. 37530 on February 3, 2021, declaring its intent to initiate local improvement district formation proceedings, and establishing the name of the local improvement district as the Errol Heights Local Improvement District (LID).
2. This ordinance accompanies another ordinance being presented to Council for the Errol Heights LID formation and shall only be adopted if the LID formation ordinance is adopted by City Council.
3. The scope of improvements for the LID includes clearing and grading streets to their proper subgrade; constructing asphaltic concrete streets with an aggregate base; constructing stormwater facilities primarily consisting of conveyance channels, stormwater planters, and sedimentation/sump systems; constructing sidewalk on SE Malden Drive and portions of SE Tenino Drive and SE Tenino Court; installing street lighting, provide gravel shoulders for parking and plant street trees.
4. Pursuant to City Code, assessments to property owners for LIDs will be imposed by separate and subsequent ordinances. As of February 16, 2022 the LID Project Manager anticipates that the LID final assessment ordinance may be heard by City Council on April 24, 2024.
5. Prior to presenting the LID final assessment ordinance to Council, the Portland Bureau of Transportation proposes to offer a new full payment deferral loans program option to all property owners within

Introduced by

[Commissioner Jo Ann Hardesty](#)

Bureau

[Transportation](#)

Prepared by

Elizabeth Tillstrom

Date Prepared

January 27, 2022

Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

February 23, 2022

the Errol Heights LID. Property owners can choose to defer payment of the LID assessment until future property sale or title transfer, or they can either pay 100% of the LID, or enter into a repayment financing contract at the time of LID final assessment. The deferred payment loan will be secured by a lien on each benefited property and will not accrue interest. Notwithstanding Section 17.08.130 D.3 of the Portland City Code, the liens will be filed directly with Multnomah County by the Portland Bureau of Transportation. At LID final assessment, the original LID assessments will be paid off by the Portland Bureau of Transportation and will be replaced by the deferral program loans and new liens for all properties within the LID that requested the deferral. The new deferred payment loans will be recorded directly with Multnomah County Recorder's Office by the Portland Bureau of Transportation at the time of final assessment and payoff of the original LID liens.

6. The Bureau's level of confidence in the cost estimates for this project is high as the design and final Engineer's Estimate have been completed.

NOW, THEREFORE, the Council directs:

- A. That the Portland Bureau of Transportation is hereby authorized, at LID final assessment, to pay LID assessments for all property owners within the LID who choose to participate in the deferred payment loans program.
- B. The Portland Bureau of Transportation to secure repayment of the deferred payment loans by recording a lien on all participating properties with Multnomah County Recorder's Office.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
February 23, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

 [Impact Statement](#) (40.08 Kb)

Budget Office Financial Impact Analysis

This legislation asks Council to authorize PBOT to offer a full deferral to property owners within the Errol Heights Local Improvement District (LID) until future property sale or title transfer. LID assessments are expected to raise a total revenue of \$1,639,959.58. *(This ordinance should be considered along with the Errol Heights Local Improvement District formation ordinance also included in this Council agenda).*

A total of \$9,359,752 in public funds leveraging the LID cut across several bureaus and funding sources. The approximate funding blend is: 1) Local Improvement District - \$1,639,960, 2) General Fund "Out of the Mud" Allocation - \$2,000,000, 3) Transportation System Development Charges - \$2,000,000, 4) Bureau of Environmental Services - \$2,872,620, and 5) Portland Parks and Recreation - \$847,172. Bureau cost responsibilities will be affirmed via Memorandums of Understanding (MOUs).

This item establishes a new program with the allowance of long-term loan deferrals on the LID. Because decades may elapse before all 116 properties in the LID turn over, PBOT will need to carry the up-front cost of the LID and any financing for an unknown period of time. PBOT has identified \$1,639,960 of General Transportation Revenue (GTR) to for these costs. There is significant uncertainty around the timing of repayment; LID assessment payments from future property sales will reimburse GTR whenever the property sales or transfers occur. Funds for construction of the project exist in PBOT's Capital Improvement Program in FY22 and FY23. No changes or updates to the budget are anticipated.

Agenda Items

93 Time Certain in [February 16-17, 2022 Council Agenda](#)

Passed to second reading

Passed to second reading February 23, 2022 at 9:30 a.m.

136 Regular Agenda in [February 23-24, 2022 Council Agenda](#)

Passed

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Mayor Ted Wheeler Yea