

ATTACHMENT 1**CONSTRUCTION EXCISE TAX GRANT
INTERGOVERNMENTAL AGREEMENT****Metro – City of Portland****N/NE Community Development – Pathway 1000 Initiative Project**

This Construction Excise Tax Grant Intergovernmental Agreement (“CET Grant IGA”) is effective on the last date of signature below, and is entered into by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland OR, 97232 (“Metro”), and the City of Portland (“City”), located at 1900 SW 4th Avenue, Portland OR 97201, collectively referred to as “Parties.”

WHEREAS, Metro has established a Construction Excise Tax (“CET”), Metro Code Chapter 7.04, which imposes an excise tax throughout the Metro regional jurisdiction to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary; and

WHEREAS, the CET is collected by local jurisdictions when issuing building permits, which the local jurisdictions then remit to Metro pursuant to Construction Excise Tax Intergovernmental Agreements to Collect and Remit Tax (“CET Collection IGAs”) entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the City has submitted a CET Grant Request (“Grant Request”) for the N/NE Community Development – Pathway 1000 Initiative Project (“Project”); and

WHEREAS Metro has agreed to provide the City CET Grant funding for the Project in the amount of \$250,000, subject to the terms and conditions set forth herein, and the parties wish to set forth the funding amounts, timing, procedures and conditions for receiving grant funding from the CET fund for the Project.

NOW THEREFORE, the Parties hereto agree as follows:

1. Metro Grant Award. Metro shall provide CET grant funding to the City for the Project as described in the City’s CET Grant Request, attached hereto as Exhibit B and incorporated herein (“Grant Request”), in the amounts and at the milestone and deliverable dates as set forth in Exhibit A attached hereto and incorporated herein, subject to the terms and conditions in this Agreement.
2. City Responsibilities. The City shall perform the Project described in the Grant Request and as specified in this Agreement and in Exhibit A, subject to the terms and conditions specified in this Agreement and subject to the “funding conditions” recommended by the Metro Chief Operating Officer and adopted by the Metro Council in Resolution No. 15-4640. The City shall obtain all applicable permits and licenses from local, state or federal agencies or governing bodies related to the Project, and the City shall use the CET funds it receives under this Agreement only for the purposes specified in the Grant Request and to achieve the deliverables and/or milestones set forth in Exhibit A.
3. Payment Procedures. Within 30 days after the completion of each deliverable/milestone as set forth in Exhibit A, the City shall submit to Metro an invoice describing in detail its expenditures as may be needed to satisfy fiscal requirements. Within 30 days of receiving the City’s invoice and supporting documents, and

subject to the terms and conditions in this Agreement, Metro shall reimburse the City for its eligible expenditures for the applicable deliverable as set forth in Exhibit A. Metro shall send CET payments to:

City of Portland
Bureau of Planning and Sustainability
1900 SW 4th Ave Suite 7100
Portland, OR 97201
Attention: Anthea Tan

4. Funding Provisions.

(a) CET Funds. Metro's funding commitment set forth in this Agreement shall be fulfilled solely through the programming of CET funds; no other funds or revenues of Metro shall be used to satisfy or pay any CET Grant funding commitments. The parties recognize and agree that if the CET is ever held to be unenforceable or invalid, or if a court orders that CET funds may no longer be collected or disbursed, that this Agreement shall terminate as of the effective date of that court order, and that Metro shall not be liable in any way for funding any further CET grant amounts beyond those already disbursed to the City as of the effective date of the court order. In such case the City shall not be liable to Metro for completing any further Project deliverables as of the date of the court order.

(b) Waiver. The parties hereby waive and release one another for and from any and all claims, liabilities, or damages of any kind relating to this Agreement or the CET.

5. Project Records. The City shall maintain all records and documentation relating to the expenditure of CET Grant funds disbursed by Metro under this Agreement. The City shall provide Metro with such information and documentation as Metro requires for implementation of the CET grant process. The City shall establish and maintain books, records, documents, and other evidence in accordance with generally accepted accounting principles, in sufficient detail to permit Metro or its auditor to verify how the CET Grant funds were expended. Metro and its auditor shall have access to the books, documents, papers and records of the City that are directly related to this Agreement, the CET grant moneys provided hereunder, or the Project for the purpose of making audits and examinations.

6. Audits, Inspections and Retention of Records. Metro and its representatives shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all City records with respect to all matters covered by this Agreement and Exhibit A. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls and other matters covered by this Agreement. All documents, papers, time sheets, accounting records, and other materials pertaining to costs incurred in connection with the project shall be retained by the City and all of their contractors for three years from the date of completion of the project, or expiration of the Agreement, whichever is later, to facilitate any audits or inspection.

7. Term. This Agreement shall be effective on the date it is executed by both parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this Agreement.

8. Amendment. This CET Grant IGA may be amended only by mutual written agreement of the Parties.

9. Other Agreements. This CET Grant IGA does not affect or alter any other agreements between Metro and the City.

10. Authority. City and Metro each warrant and represent that each has the full power and authority to enter into and perform this Agreement in accordance with its terms; that all requisite action has been taken by the City and Metro to authorize the execution of this Agreement; and that the person signing this Agreement has full power and authority to sign for the City or Metro, respectively.

Metro

City of Portland

By: _____
Martha Bennett

By: _____

Title: Metro Chief Operating Officer

Title: Mayor

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: _____
Alison R. Kean

By: _____

Title: Metro Attorney

Title: City Attorney

Date: _____

Date: _____

Attachments:

Exhibit A – Milestones and Deliverables Schedule
Exhibit B – Response to Conditions of Funding
Exhibit C – City's Grant Request

Exhibit A

IGA for Community Planning and Development Grants funded with CET

Metro – City of Portland

N/NE Community Development – Pathway 1000

Milestone and Deliverables Schedule for Release of Funds

Milestone	Deliverable	Date Due	Grant payment City/PCRI
1	Execution of CET grant IGA a. Completion of IGA with Addenda between City of Portland and Metro	March 2016	\$5,000/\$5,000 (Total \$10,000)
2	Project start-up a. Finalize scope of work -Align with N/NE Housing Strategy -Community engagement strategy b. Convene TAC, to include PCRI c. Hire consultant for housing needs and preferences research	April 2016	\$3,000/\$15,000 (Total \$15,000)
3	Research and community involvement a. Hire consultants for Milestones 4, 5 Housing needs and preferences findings b. Community outreach events c. TAC meeting d. Recommendations e. Mid-term progress report	Sept 2016	\$3,000/\$55,000 (Total \$58,000)
4	Opportunity sites a. Prioritized opportunity sites list including sites for new construction and conversion of market-rate to affordable housing b. TAC meeting c. Recommendations for opportunity sites	Jan 2017	\$3,000/\$60,000 (Total 63,000)
5	Business opportunities and community benefits a. Draft business opportunities report and Community Benefits Agreement (CBA) template b. Community outreach events c. TAC meeting d. Hire consultant for Milestone 6 e. Recommendations	Jan 2017	With Milestone 4

6	Funding and development plan <ul style="list-style-type: none"> a. Funding scenarios for priority sites b. Economic Impact analysis c. Draft funding and development plan, with review by TAC and Portland Housing Advisory Commission (PHAC) d. Community outreach events 	March 2017	\$3,000/\$65,000 (Total \$68,000)
7	Funding and development plan <ul style="list-style-type: none"> a. City Council resolution for actions to implement the Funding and Development Plan b. Final progress report with performance measures and method of sharing best practices/lessons learned 	June 2017	\$3,000/\$30,000 (Total \$33,000)
Total Reimbursable Amount*			\$20,000/\$230,000 \$250,000

*If the Grant contained any Funding Conditions, Grantee shall demonstrate satisfaction with those conditions at the applicable milestone or deliverable due dates. Conditions are also addressed in Exhibit B.

* Due dates are intended by the parties to be hard estimates of expected milestone completion dates. If the City anticipates that a due date cannot be met due to circumstances beyond its control, it shall inform Metro in writing no later than ten (10) days prior to the due date set forth above and provide a revised estimated due date; and Metro and the City shall mutually agree upon a revision to the milestone due dates set forth in this Agreement.

NOTE: City of Portland in-kind match \$33,000

Exhibit B: CET Community Planning and Development Grant

Metro and City of Portland: N/NE Housing Pathway 1000

Response to Proposed Conditions for funding:

- **More clearly describe how this planning work is related to the City's \$20M N/NE Investment strategy**

The planning grant aligns directly with the N/NE Neighborhood Housing Investment strategy, a community led five-year plan to address the massive involuntary displacement that occurred in the Interstate Corridor Urban Renewal Area during the period of 2000 – 2010, and beyond. During this period, 10,000 people were displaced and the overwhelming majority of them were African American.

This initiative will result in a clear roadmap to achieve Portland Community Reinvestment Initiative (PCRI)'s goal of creating 1,000 housing units over the next ten years in inner North and Northeast Portland. It dovetails with and helps implement the goals of the N/NE Neighborhood Housing Strategy, which allocates \$20 million towards acquisition of housing for home ownership, creation of new rental housing through redevelopment, single family home repair grants, and acquisition of land for future housing development.

The N/NE Neighborhood Housing Strategy includes a funding allocation plan and set of new practices and policies to address barriers to housing access, security, and economic opportunity expressed by community members. The initial funding commitment of \$20 million has since been augmented with additional funding created by the increase in TIF funds of 45 percent for housing development in the Interstate Corridor Urban Renewal Area.

PCRI's Pathway 1000 Initiative was created prior to the City's allocation of \$20 million for housing in inner N/NE Portland. These funds are one of the sources PCRI will use to create the 1,000 affordable housing opportunities as noted in its PW 1000 Displacement Mitigation Initiative. To date, PCRI has been allocated \$6.2M from the initial \$20M for the Grant Warehouse site rental housing development and for homeownership development.

PCRI was a key participant in the development of the N/NE Neighborhood Housing Investment Strategy. The Portland Housing Bureau (PHB), which manages the allocation of housing funds, will be contributing research, reports and data to this Initiative. PCRI will also rely on PHB's Right to Return policy and outreach to displaced community members.

- **Clarify the scope of this project and ID specific roles of partners**

Project scope

The project will result in a plan that guides implementation of the development of 1,000 housing units for displaced residents from N/NE Portland over a ten-year period. The project scope includes:

- Using existing data from the Portland Housing Bureau's N/NE Housing Strategy to identify housing needs and preferences of displaced residents, and continue work of Right to Return policy and criteria.

- Continuing ongoing outreach with target residents, to be led by Portland African-American Leadership Forum (PAALF) and PCRI with support by BPS district liaisons and PHB staff.
- Developing IMPLAN – measuring the full economic impact/benefit of the plan, showing how money invested in the community creates a multiplier effect that exceeds the initial investment by several-fold. *To be contracted to a consultant.*
- Identifying land and housing available from PCRI's inventory, public and nonprofit land and housing inventory, and existing market rate housing. Create criteria for evaluating these potential development sites. *To be contracted to a consultant and possibly help from PSU MURP program.*
- Creating a Technical Advisory Committee, staffed by the PM, including representatives from PHB, Metro, PCRI, PAALF and PDC, and other nonprofit organizations involved in the plan's development.
- Contracting with planning/land use consultant(s) to:
 - o Provide development analysis of identified potential sites and future sites.
 - o Identify commercial/service needs of returning residents, and existing and returning businesses to support these needs. *As part of community outreach, and using existing data*
 - o Develop Community Benefit Agreements to include local/minority hiring, job training. *IMPLAN will give information re jobs creation and business opportunities*
- Contracting with economic/finance consultant to develop financial strategy and funding scenarios for plan implementation. *PCRI and consultant*
- Creating the product: strategic plan for development of 1,000 housing units over ten-year period beginning 2017.
 - o Site identification and analysis for all sites in inventory
 - o Overall financial strategy
 - o Community Benefits Agreement template to include:
 - Job training pathway to trades jobs in construction of units, leading to permanent living-wage careers
 - Re-location of locally-owned businesses in any mixed-use projects

Partners

Portland Community Reinvestment Initiative (PCRI) – Identify housing needs and preferences for target population, via collaboration with Portland Housing Bureau (PHB) process and further outreach; identify commercial needs and preferences to mitigate for commercial displacement;

Portland African American Leadership Forum (PAALF) - Outreach and ongoing development of criteria for returning residents and businesses.

Bureau of Planning and Sustainability (BPS) – Grant management, technical assistance (economic development, real estate analysis, land use planning, GIS); and support for community engagement.

Portland Housing Bureau (PHB) – Provide existing reports including demographics, preference surveys; collaborate on financing opportunities, and outreach to displaced community members.

Technical Advisory Committee to include above partners as well as Metro (Emily Lieb), N/NE Business Association (NNEBA), Northeast Coalition of Neighborhoods (NECN), other housing nonprofits (Habitat for Humanity, Proud Ground, CDCs), PDC (Charri Schairer), Commissioner Saltzman's office (Shannon Callahan).

PCRI will employ consultants as needed to complete the various facets of the Implementation Plan for PW 1000, as follows:

Deliverables	Planning Partner
- IMPLAN, economic impact assessment	David Paul Rosen & Associates
- Housing Sites Analysis and Plan	Architect – TBD
- Community and Resident Analysis	PCRI/Consultant TBD
Identify the number of and update the City's and PCRI's affordable housing needs database, assess long term rental housing needs, homeownership preparedness	
- Community Benefits Plan/Agreements	Consultant TBD
Identify small business growth and development opportunities and jobs creation	
- Housing Development Strategy and Funding Plan	PCRI

- **Prior to execution of IGA, describe capacity & qualifications of planning staff (PCRI & BPS) who will work on this project**

Maxine Fitzpatrick is the Executive Director of Portland Community Reinvestment Initiative (PCRI), a role she has had since its inception in 1993. She has been developing affordable housing opportunities in North and Northeast Portland since that time, and has overseen the production of approximately 400 units of affordable housing that PCRI acquired or constructed, and the rehabilitation of 275 units in their original inventory. Under her leadership, the organization has grown from a staff of 6 to its current staff of 45, with a current annual budget of \$6M.

PCRI has been a leader in creating the Right to Return concept, now a policy used by PHB in its N/NE Housing Strategy, and a voice in proactively engaging the community in uniting to return to its historical roots in inner North and Northeast Portland.

Nan Stark of the Bureau of Planning and Sustainability is the project manager for this project. She has been a planner with the City of Portland for 21 years, of which 15 years were spent in development review with the Bureau of Planning and the Bureau of Development Services. In 2011 Nan joined BPS to work on the Central City Plan, and has served as the NE District Liaison since 2013. Nan has extensive experience in project management on both a micro and macro level, leading several major projects from concept through the development review process. Examples include:

- Redevelopment of Columbia Villa in North Portland to the New Columbia development;
- The Brewery Blocks development in the River District; and
- Major projects at Emanuel, Good Sam and Providence Medical Centers; and many others.

Tyler Bump has been an Economic Development planner with BPS since 2011, and will provide technical assistance related to the commercial/small business aspect of the plan. He has many years of expertise in economic analysis and modeling in the private and public sectors, including sections of BPS' Economic Opportunities Analysis for the City's Comprehensive Plan update that is currently in process. Tyler's work also involves extensive relationships with businesses in inner N/NE Portland.

- **More clearly describe how the City will deliver on its commitment to assure production of the 1,000 units in 10 years, and how the City will work collaboratively with nonprofits to achieve that goal.**

The goal of this project is to create a realistic, actionable plan that the City and nonprofit partners can implement to deliver on its commitment to provide housing for people who have been displaced from N/NE Portland. The City will provide technical and organizational support to PCRI to ensure that the roadmap to achieve this goal is clear, workable and feasible. This planning process will include the participation of other housing nonprofit organizations in order to ensure a viable implementation plan that is aided by capacity achieved through collaboration.

The City's financial commitment began in 2015 with the allocation of \$20M for affordable housing, resulting in the current process for the N/NE Housing strategy, led by the Portland Housing Bureau. Additional monies have been identified since the initial \$20M, coming from a recent increase in TIF funding for the neighborhood Urban Renewal Areas, which includes the Interstate Urban Renewal area that is the focus of this planning project. With the increase in TIF funding from 30 to 45 percent for housing in these URAs, and continuing construction within the Interstate URA that will further increase TIF monies, the City has made a clear commitment to funding that will be available through the life of the URA, which is to year 2022.

- **Include conversion of existing market-rate housing to regulated affordable housing, instead of placing all emphasis on identifying sites for new construction**

One of the important components of the plan is identifying existing housing owned by PCRI and other organizations to be utilized for regulated affordable single- and multi-family units. Analysis will include utilizing existing housing to its maximum density potential in order to achieve most efficient use of existing structures. In addition, opportunities for purchase of existing market-rate housing will be included in the analysis.

- **Identify the proportion of local match to total project cost, and if the match is a direct financial contribution or in-kind**

The Bureau of Planning and Sustainability will provide in-kind staff time of \$33,000 of FTE, or 12% of the project cost.

- **Work in partnership with PCRI to develop scopes and manage consulting contracts**

The project manager will be the lead contact with PCRI in following the project scope for each phase of the project, and ensuring that consulting contracts are managed on schedule and meeting the deliverables as identified.

- **Clarify that City Council is the governing body for this project and will provide fiscal oversight and take action on the final product.**

The City will be fiscal agent for the project and the project manager will manage fiscal agreements based on achievement of milestones and deliverables, as outlined in Exhibit A. City Council will review the IGA with Metro and vote to accept it by ordinance as the first step in the project.

City Council will review the final product (the Plan) and accept it by resolution, including any amendments they may require. This action will represent City Council endorsement of the steps and commitments to achieve project goals.

- **Include a public engagement strategy and specific tasks for its implementation**

The public engagement process will be led by PCRI and PAALF, with support from the BPS Northeast District Liaison and potentially other City staff from PHB. The plan will detail specific tasks and timelines for this process, which will be a continuation of the process that PHB is currently leading. The community is actively engaged in the process so far, and will continue to be through the duration of this plan and its implementation.

Exhibit A provides a basic outline of the public engagement schedule.

- **Identify specific performance measures appropriate for evaluating success of the project.**
 - Expected development outcomes: the Plan will identify how 1,000 units of affordable rental and home ownership housing will be created over a ten-year period, and will outline accompanying benefits to this goal, including:
 - Opportunities for job training for living wage jobs, building wealth for individuals which also builds wealth for the community;
 - Opportunities for businesses displaced by high rents and other factors, to return to the community;
 - Bringing back the African American community to its historic base in N/NE Portland with accompanying support services relevant to the needs and desires of this community.
 - Regional significance: the Plan will address the issue of affordable housing as the region grows over the next twenty years, focusing on a high-growth in-demand area of Portland.
 - Supporting 2040 Growth concept: the focus area of N/NE Portland will support growth in Centers, Corridors and Station Communities and Main Streets, where much of the housing will be located.
 - Best practices: The Plan can provide a model for other parts of the region and state facing issues of affordable housing and displacement. Equity for communities of color and low

income people through engagement practices and community wealth-building opportunities will be emphasized. The methodologies and financial tools explored will also be guided by best practices.

- **Adoption of the final product of this project by City Council.**

City Council will accept the final Plan by resolution, anticipated at the end of the project in mid-2017.

EXHIBIT C

Community Planning and Development Planning Grant Cover Sheet

Check one:
☐ Letter of Intent
☒ Full Application

Project Name	N/NE Community Development - Pathway 1000 In	Applicant Organization	City of Portland
Contact Name	Alexandra Howard	Address	1900 SW 4th Ave, Suite 7100, Portland, OR, 97201
Phone	503-823-7849	Fax	
Email	alexandra.howard@portlandoregon.gov	Fed. Tax ID #	93-6002136

Fiscal Agent Organization (if different from applicant)

Contact Name		Address	
Phone		Fax	
Email			

Project Location Description (25 words or less)

N/NE Portland, from roughly Lombard St to the north, I-84 to the south, Woolsey Ave to the west, and NE 33rd to the east.

Project Summary (50 words or less)

A plan to create at least 1000 new affordable homes in the next ten years—both for sale and for rent—and affordable commercial space in order to mitigate, prevent and reverse the residential and small business displacement that has occurred over the last ten years in North and Northeast Portland.

CPDG funding request

\$ 250,000

If submitting more than one
proposal, please rank this
proposal in order of priority

4

Metro Council
District of Project

5

Total project cost

\$ 283,000

We, the undersigned, attest that to the best of our knowledge the information in this application is true and that all signatories have authorization to submit this grant application to Metro's Community Planning and Development Grants Program.

Applicant

Organization Name City of PortlandPrinted Name Mayor Charlie HalesSignature Date 5/29/2015

Fiscal Agent

Organization Name _____

Printed Name _____

Signature _____

Date _____

To ensure complete letter of intent or full application, please see section 2 of the CPDG Application Handbook for a complete list of necessary documents for submittal.



Office of Mayor Charlie Hales
City of Portland

May 27, 2015

Martha Bennett
Chief Operating Officer, Metro
600 NE Grand Avenue
Portland, Oregon 97232-2736

Dear Ms. Bennett,

The City shares the Metro Council's goals for encouraging good planning that readies land for development, removes barriers to investment and improves livability, while promoting equity and climate smart communities. Metro's Community Planning and Development Grant program is instrumental in helping local jurisdictions plan and implement projects to meet these shared regional and City of Portland goals.

We greatly appreciate the grants we have been awarded in the past through Community Planning and Development Grant program. From the Powell-Division Transit and Development Project, to the Mixed Use Zones Project and the Barbur Concept Plan, these grants have helped us complete great work to benefit Portlanders and the region.

I am pleased to submit the following planning and development project applications for your consideration.

1. Improving Multi-Dwelling Development
New Standards and Regulatory Improvement
2. Powell Division Corridor - Building Transit and Healthy Connected Communities
Community Development and Station Area Design
3. 82nd Avenue Study - Understanding Barriers to Development and Design
Mixed Use and Employment Site Designs and Road Cross-Section and Access Analyses
4. N/NE Community Development - Pathway 1000 Initiative
Complementing Portland Housing Bureau's N/NE Neighborhood Housing Strategy
5. Improving the Design Review System
Improving Infill Development Outcomes and Building Support for Infill

We look forward to receiving feedback from Metro staff on these projects. Please do not hesitate to contact Bureau of Planning and Sustainability staff with any questions.

Sincerely,

Charlie Hales

Mayor

CC: Susan Anderson, Director, Planning and Sustainability
Joe Zehnder, Chief Planning, Bureau of Planning and Sustainability

Application: N/NE Community Development—Pathway 1000 Initiative

Project Narrative

A. Project Description

The N/NE Community Development project is intended to enable development that can help reverse the negative impacts of past policy, development. The project will produce strategic and implementation plans for development of at least 1000 new affordable homes and affordable commercial space in the next ten years. The housing will be both for-sale and rental. This is an ambitious goal that was framed by the Pathway 1000 initiative of Portland Community Reinvestment Initiatives (PCRI).

The project is intended to mitigate, prevent and reverse the residential and minority-owned small business displacement that has occurred over the last ten years in North and Northeast Portland. These impacts have especially been felt by the African-American community, which is the focus of this project.

Portland Community Reinvestment Initiatives (PCRI) will be the lead a community driven approach to the traditional concept plan development process. This approach integrates community voices, perspectives and priorities by leveraging the vision, expertise and collaborations. PCRI and other team members will ensure the process is community designed and led. With intentional community involvement in work plan tasks of housing needs and preferences analysis, development site analysis, financial feasibility and economic impact analysis, the project can develop an implementation plan that is a product of, by and for the target populations of displaced former N/NE residents, and those currently at risk of displacement.

For over 20 years, PCRI has invested in Portland's N/NE neighborhoods, preserving cultural diversity, preventing displacement and empowering low-income families through the availability of affordable neighborhood housing and resident services that assure all residents have opportunities to achieve stability and self-sufficiency. PCRI's housing is an invaluable asset for preventing displacement, eliminating concentrations of poverty, and enabling residents to be an integral part of their neighborhood. Currently, 49% of the families PCRI serves earn less than 30% of median family income (MFI) and 76% of the families served are from communities of color.

PCRI has developed the framework for **Pathway 1000**, its initiative to create 1000 new affordable homes in N/NE neighborhoods by 2025, in response to the displacement of 10,000 African American, and other low income residents from these neighborhoods during the last ten years. This grant funded project will advance the initiative by:

- Developing a deeper understanding of the housing needs and preferences of the target residents (previously-displaced residents as well as those at risk of being displaced)
- Designing contracting, small business, and workforce-related strategies that engage the target population
- Developing a deeper understanding of the commercial needs and opportunities available in the target area and how these can be leveraged alongside residential development
- Defining the criteria for evaluating and programming potential development sites, including PCRI-owned, publically owned, and privately-owned sites; that can be utilized both in N/NE and in other displacement risk areas
- Analyzing and developing funding scenarios and investment needed to build 1000 homes and identified commercial opportunities

Project Name: N/NE Community Development – Pathway 1000 Initiative
 Applicant: City of Portland

- Quantifying the economic impact of Pathway 1000, including immediate impacts of construction, jobs and suppliers, long-term impacts of new permanent jobs, and social impacts of family self-sufficiency, homeownership and recycling of affordable rental housing as a result of family success
- Creating a phased development plan and financial strategy
- Initiating implementation of housing development

Tasks

1. Background Research:

- a. Research housing needs and preferences of the target market for Pathway 1000.
- b. Gather information to design the contracting, small business and workforce related aspects of Pathway 1000.
- c. Assess opportunities and barriers for retention of attraction of minority small businesses in different commercial/mixed-use areas and buildings in N/NE.

2. Initial list of Sites:

- a. Define the criteria for evaluating and prioritizing sites that advance the goals of Pathway 1000
- b. Identify relevant potential privately-owned sites through available information from broker, realtor or other consultant.
- c. Identify sites that may be available through the Heritage Initiative. This is a PCRI effort to help long-standing African American N/NE property owners to consider redevelopment opportunities as part of Pathway 1000. This is intended to help property owners build wealth through a fair return or ownership interest in the development.
- d. Use criteria to identify sites for further evaluation.

3. Development Capacity of Sites:

- a. Explore the development potential, feasibility and community benefit for priority sites.

- b. Prepare concept level site plans, unit estimates and development cost estimates for sites.

4. Financial Strategy:

- a. Explore the financial tools needed given the type and affordability of the housing needs and preferences, and the characteristics of the sites.
- b. Develop funding scenarios that model the financial feasibility of public/private investment

5. Estimate of Other Benefits

- a. Analyze the employment and multiplier benefits from development of priority sites
- b. Identify and analyze other economic benefits—taxes on redeveloped land, business opportunities in ground floor commercial space, other social equity benefits
- c. Estimate the value of recycling regulated affordable rental housing when PCRI residents buy a home and their affordable rental is available for another low income family

6. Develop five year action plan

- a. Develop a strategic plan for unit production over the 10-year period.
- b. Develop plan for initial project.
- c. Develop and begin to implement a funding/fund-raising strategy.

PCRI will engage and contract with community based partners with expertise in community outreach, engagement and facilitation; and with organizations working in economic development, community business development, construction contracting support and workforce support. These partnerships will assure that the project advances community goals and priorities both in the planning and implementation stages.

PCRI will coordinate with BPS and PHB throughout the project, assuring that the project advances the City's anti-displacement and affordable housing goals, and provides a template for community driven planning. Portland State University's Center for Public Interest Design and the Urban Planning school will be key partners, utilizing both professional and student capacity to provide research and analysis.

B. Project site description

The project area will be the same as the City's N/NE Housing Plan boundaries. A map of the study area is provided with this application. Roughly, the project site will include all properties between Lombard St to the north, I-84 to the south, generally Woolsey Ave to the west, and NE 33rd to the east. Maps showing the change in the African-American and Latino populations in the study area between 1970 and 2010.

C. Project background

PCRI's Pathway 1000 Initiative is a community driven response to the historic and ongoing displacement of African Americans and other low-income people from Portland's N/NE neighborhoods. It builds paths to stability and prosperity for African Americans and others displaced from Portland's north and northeast neighborhoods by creating in the next decade 1,000 affordable homes, thousands of living wage jobs, and business growth and development.

PATHWAY 1000 addresses the impact of these critical displacement episodes:

- 1960 - Construction of Memorial Coliseum
- 1967- Construction of the I-5 Freeway
- 1973 - Emanuel Hospital expansion
- 2000 - Interstate Corridor Urban Renewal Area

Despite acknowledged potential for displacement of low income residents, predominantly African American, when the Interstate Corridor Urban Renewal Area redevelopment was being planned, commitments for investments to prevent displacement were not honored and the African American population in the area declined by more than 10,000 over the course of 10 years. Many displaced families moved to East Portland and East Multnomah County to find housing they could afford.

By building 1000 new affordable homes over the next decade, Pathway 1000 will create opportunities for displaced people to return, reduce the ongoing risk of displacement of low and modest income N/NE residents, and reverse the displacement trend over the next ten years. Pathway1000 can help assure that Portland's vaunted livability is inclusive and equitable and benefits all Portlanders. PCRI believes additional affordable housing development will be spurred by its initiative.

Pathway 1000 implements Portland's equity based planning goals and creates a model for how Portland can grow while honoring and nurturing the rich cultural identity of its neighborhoods, and bolstering economic and housing opportunity for all Portlanders.

The following local plans are reflected and will be advanced through this project:

- City of Portland Comprehensive Plan Update, Goals and Policies
- Portland Housing Bureau N/NE Neighborhood Housing Strategy

Project Name: N/NE Community Development – Pathway 1000 Initiative
Applicant: City of Portland

D. Evaluation Criteria

Expected Development Outcomes – This project will encourage the development of affordable housing units in a high-demand area of Portland, extending the benefits of healthy connected communities to a broader range of households and working actively to mitigate the effects of recent gentrification and displacement in Inner NE and N Portland. It will identify opportunity sites for new housing. This project will include the creation of a financial plan for developing housing, which will clearly outline how to achieve desired ends and will include a realistic schedule to achieve those ends. The community is driving this project. The City of Portland is working with an active and engaged constituency that is ready to contribute to, support and implement this project. City of Portland, Bureau of Planning and Sustainability staff will be responsible for working with the community, the consultant team and other City bureaus to realize this plan. Realizing the plan will require inter-agency coordination as well as public-private-non-profit partnerships.

Regional Significance – Portland is projected to grow by approximately 120,000 households between now and 2035. This project is focused on a high-growth, in-demand area and will provide pathways to provide housing to meet community needs, while accommodating growth.

Centers, Corridors and Station Communities and Main Streets in the 2040 Growth Concept – Work completed through this project will directly help further development in Main Streets, Corridors and Station Communities in Inner NE and N Portland. Boundaries of these areas will be considered during the planning process.

Other Locations – This project is explicitly focused on improving equity and making strides to mitigate for recent gentrification and displacement in N/NE Portland. This project aims to ensure that communities of color and low-income communities have good housing options in the well-served neighborhoods in N and NE Portland.

Best Practices – The lessons learned through this project can be applied wherever in Oregon there are challenges to affordable and there is the likelihood of involuntary displacement.

Leverage – Affordable housing is a critical issue across the region. The methodologies and financial tools explored in the project will be of great benefit to jurisdictions throughout the Portland Metro region. This project will also leverage the EPA Sustainable Communities technical assistance support that is being offered to N/NE Portland. In brief, through EPA's community engagement initiative, Making a Visible Difference in Communities, the EPA will support underserved communities in N/NE, addressing environmental challenges (e.g. environmental justice, air/water quality, stormwater management, brownfields, etc.) by leveraging federal, state, local resources to meet community goals, and develop best practices for community engagement for the Agency. Information regarding Making a Visible Difference in Communities may be [found here](#).

Matching Fund/Potential – The City of Portland will provide in-kind match in the form of staff hours and materials and services.

Growth Absorption – Portland is projected to grow by 120,000 households, much of which will be in multi-dwelling housing. This project provides a means to accommodate that growth in a way that forwards growth absorption in and near centers and corridors in Portland. This project focuses on close-in amenity-rich areas and will help them develop in a way that promotes equitable and inclusive growth.

Project Name: N/NE Community Development – Pathway 1000 Initiative
Applicant: City of Portland

Public Involvement – Given the diversity of households in the project area, public involvement for this project will take a non-traditional approach. Outreach for this process will be led by PCRI, a community non-profit organization, using principles of inclusive engagement, with the intention of developing a deep understanding of community needs and how to meet them.

Governing Body – The City of Portland will implement this project through a variety of tools that have yet to be determined. City staff has extensive experience developing partnerships and funding housing, in addition to writing new codes and regulations. The City, through the Portland Plan and the recent Climate Action Plan of working directly with community organizations. Those experiences will support the implementation of this project.

Capacity of Applicant – The City of Portland and the Bureau of Planning and Sustainable has a successful track record of completing work supported through Community Planning and Development Grants, including the Powell-Division Transit and Development Project, the Barbur Concept Plan and the Mixed Use Zones Project. The staff and consulting skills required to complete this project include: regulatory analysis; urban design, real estate analysis, housing finance and community involvement.

E. Collaborations

This project will be a collaboration between PCRI and the City of Portland. PCRI will guide a community-led process to achieve the deliverables outlined below in the proposed milestones and deliverables. Portland will monitor and ensure compliance with the grant requirements, and will provide technical and other support as needed during all phases of the project. PCRI will contract with technical experts to provide deliverables described in this application.

Maxine Fitzpatrick
Executive Director
Portland Community Reinvestment Initiatives
6329 NE Martin Luther King Jr., Blvd.
Portland, OR 97211
Phone: (503) 288-2923

Project Name: N/NE Community Development – Pathway 1000 Initiative
 Applicant: City of Portland

F. Proposed milestones and deliverables

MILESTONE 1: Agreements				
Deliverables	Due Date	City	PCRI	Total
City Council ordinance authorizing a contract to work with PCRI and signed contract with PCRI Signed Intergovernmental Agreement between the City of Portland and Metro	Jan-16	\$5,000	\$5,000	\$10,000
MILESTONE 2: Plan for understanding the population that Pathway 1000 is intended to serve				
Housing needs and preferences research plan Community outreach and involvement plan	Mar-16	\$3,000	\$15,000	\$18,000
MILESTONE 3: Building understanding of the community and sites Pathway 1000 should target				
Community outreach events Recommendations from housing research and community involvement Business and workforce utilization plan Criteria for identifying opportunity sites	Sep-16	\$3,000	\$55,000	\$58,000
MILESTONE 4: Identification of opportunities				
Mixed-use business opportunities report Prioritized opportunity site list Community outreach events	Jan-17	\$3,000	\$60,000	\$63,000
MILESTONE 5: Understanding financial feasibility				
Funding scenarios and resource development strategy for priority sites Economic impact analysis for Pathway 1000 and metrics to measure results Community outreach events	Mar-17	\$3,000	\$65,000	\$68,000
MILESTONE 6: Phased development and financial plan				
Phased development and financial strategy for years 1-5	Jun-17	\$3,000	\$30,000	\$33,000
		\$20,000	\$230,000	\$250,000

Project Name: N/NE Community Development – Pathway 1000 Initiative
Applicant: City of Portland

G. Project Management

Alexandra Howard, Project Coordinator
Bureau of Planning and Sustainability
1900 SW 4th Ave, Suite 7100
Portland, OR 97201
503-823-7849
alexandra.howard@portlandoregon.gov

Application: N/NE Community Development—Pathway 1000 Initiative

Budget Narrative

AGENCY PERSONNEL

City Planner II/District Liaison

In-kind: \$16,500

Grant: \$20,000

Hourly rate (salary and benefits): \$55

Estimated time: 664 hours over 18 months

- Grant compliance
- Manage PCRI contract with the City of Portland
- Cultivate community relationships
- Build local and regional agency partnerships
- Liaison with Portland Housing Bureau
- Outreach and engagement

City Planner II/Economic Development

In-kind: \$16,500

Hourly rate (salary and benefits): \$47

Estimated time: 351 hours over 18 months

- Economic development technical resource
- Economic analysis
- Policy analysis and review

CONSULTANT AND OTHER PARTNERS

Portland Community Reinvestment Initiative (PCRI)

Grant: \$230,000

- *PCRI Staff: \$90,000*
 - Contract management and selection of consultants
 - PCRI grant compliance
 - Community relationship building and maintenance
 - Outreach and engagement
 - Housing program analysis
 - Action plan development
 - Fundraising
- *Design, Real Estate, Community Planning, Outreach and Finance Consultants: 140,000*
 - Research housing needs and preferences of the target market for Pathway 1000
 - Small business and workforce research
 - SWOT analysis of commercial development in mixed use housing and primary corridors
 - Define the criteria for opportunity sites
 - Private property analysis
 - Assess development potential and feasibility
 - Recommend appropriate financial tools
 - Develop funding scenarios
 - Funding strategy development

Construction Excise Tax Planning Grant Program
Project Budget Form

Budget Form

PROJECT COSTS

1) Estimate the hours of work directly related to your project for agency personnel, consultants, and non-profit personnel. You can delete rows that do not apply and/or add more for specific descriptors.

2) Explain the tasks each is expected to complete *in the budget narrative* (i.e., design development, construction estimates, public involvement, technical research, code analysis, etc.).

Personnel Costs	Financial Match	In-Kind Match	CET Grant Request	TOTAL
Agency staff		33,000	20,000	53000
Consultants			140000	140000
Non-profit staff			90000	
Other, please list:				0
Total for Planning Services		33000	250,000	283000

Other Costs				
Overhead/Indirect costs - these can only be used as match				
Total for Other Costs				

TOTAL PROJECT COSTS		33000	250000	283000
----------------------------	--	-------	--------	--------

Note: See pages 27-29 of the CET Application Handbook for detail instructions.

Community Planning & Development Grant Program

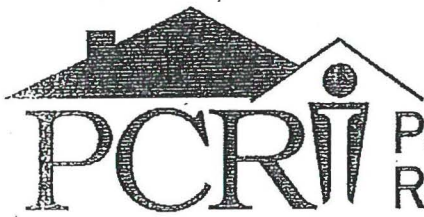
F2 - Match Form

Instructions: If your "Match Source" is a professional or technical service received as "In Kind," use the market average or actual salary or bid for that individual or service. Use the "Notes" field to document methodology.

Match Source	Choose One		Choose One		Amount	Notes
General Fund	<input type="radio"/> Financial	<input checked="" type="radio"/> In Kind	<input type="radio"/> Pending	<input checked="" type="radio"/> Secured	\$ 33,000.00	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	

Total \$ 33,000.00

187640



Portland Community Reinvestment Initiatives Inc.

6329 N. E. Martin Luther King Jr. Blvd www.pcrihome.org
Portland, Oregon 97211-3029 (503) 288-2923 TDD #711 Fax: (503) 288-2891

May, 28th 2015

Metro
Martha Bennett
Chief Operating Officer
600 NE Grand Avenue
Portland, Oregon 97232-2736

RE: Metro Community Planning and Development Grant
N/NE Community Development - Pathway 1000 Initiative

Dear Ms. Bennett:

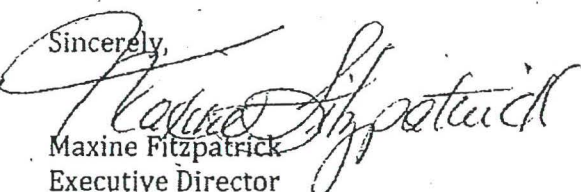
On behalf of Portland Community Reinvestment Initiatives (PCRI) I write to express our strong support for the Portland Bureau of Planning and Sustainability (BPS) full application for the *N/NE Community Development - Pathway 1000 Initiative*, through Metro's Community Planning and Development Grant program.

PCRI and its community partners have identified the need to integrate community voices, perspectives and priorities in our collective response to the displacement of African Americans and other low income people from N/NE Portland.

Working with BPS, the Portland Housing Bureau, other agencies and community partners, PCRI looks forward to our role in creating a ten year action plan and implementation strategies for the creation of 1,000 new homes in N/NE neighborhoods and measurable economic benefits for priority populations that will further the partners' goals for inclusive community development.

We further commend the City of Portland's willingness to pursue this grant funding as we believe the resulting work can be a model for success in mitigating and avoiding ongoing displacement, both in the target N/NE Portland neighborhoods, and in other areas where displacement of people of color and low income communities is a reality or a risk.

Sincerely,


Maxine Fitzpatrick
Executive Director

cc: Metro Councilor Sam Chase



"Meeting the affordable housing needs of the community"

187640

523

Agenda No.
ORDINANCE NO. 187137
 Title

*Authorize application to Metro Regional Government for a package of five grants for a total amount of \$1,559,500 as part of the Community Planning and Development Grant program (Ordinance)

INTRODUCED BY Commissioner/Auditor: Charlie Hales	CLERK USE: DATE FILED <u>MAY 22 2015</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland By: <u>Susan Parsons</u> Deputy
BUREAU APPROVAL Bureau: BPS <u>Joe Lehndor</u> Bureau Head: Susan Anderson	ACTION TAKEN:
Prepared by: Alexandra Howard Date Prepared: May 13, 2015	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date May 27, 2015	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)		YEAS	NAYS
CONSENT <input checked="" type="checkbox"/>	1. Fritz	✓	
REGULAR <input type="checkbox"/>	2. Fish	✓	
Total amount of time needed: 0 (for presentation, testimony and discussion)	3. Saltzman	✓	
	4. Novick	✓	
	Hales	✓	