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191937

Ordinance

Adopt the East 205 Urban Renewal Plan

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On April 26, 2023, City Council through Resolution 37617 adopted Advance Portland: A Call to Action for Inclusive Economic Growth, which directs action to pursue Tax Increment Financing (TIF) as a tool for inclusive growth and stabilization within the Central City and in alignment with community led TIF exploration in East Portland.
2. On June 28, 2023, City Council through Resolution 37623 directed Prosper Portland, as the duly organized urban renewal agency of the City of Portland, together with the Portland Housing Bureau and the Bureau of Revenue and Financial Services/Office of Management & Finance, to collectively pursue analysis and creation of new urban renewal districts ("TIF districts").
3. Prosper Portland convened a community-led steering committee to oversee the East Portland exploration processes as well as a community-led working group to specifically advise Prosper Portland regarding the optimal boundaries of a TIF District located east of I-205, and the priorities for investment within that district that could ultimately be codified in a new urban renewal plan ("TIF plan") for that area.
4. As a product of this extensive community engagement process, a TIF plan (the "East 205 TIF Plan" or "Plan") was developed for a proposed new TIF district containing 3,745 acres of area roughly bounded by 122nd Avenue to the west, the City line to the east, NE Glisan Street to the north, and SE Powell Blvd to the south and including the around the 82nd Avenue corridor running from roughly NE Fremont Street to the north and the City/County line to the south and including both the Rosewood Initiative and Division-Midway Alliance Neighborhood Prosperity Initiative areas, with a proposed maximum indebtedness of \$770,000,000 to finance projects under the TIF plan (the "East 205 TIF District" or "District").

Introduced by

[Mayor Ted Wheeler;](#)

[Commissioner Carmen Rubio](#)

City department

[Prosper Portland](#)

Contact

Justin Douglas

Governance, Learning and Outcomes Manager

✉ douglasj@prosperportland.us

Requested Agenda Type

Time Certain

Date and Time Information

Requested Council Date

October 30, 2024

Requested Start Time

9:45 am

Time Requested

30 minutes (4 of 9)

5. On August 28, 2024, after considering the proposed Plan, an accompanying Report prepared in accordance with ORS 457.087 (the "TIF Report"), and public testimony, the Prosper Portland Board of Commissioners adopted Resolution 7567, approving the East 205 TIF Plan and TIF Report, directing that the Plan and TIF Report be forwarded to the City Council for adoption, and directing the Plan and TIF Report be forwarded to the City's Planning Commission for its review and recommendations to the City Council. The Plan and TIF Report are attached hereto as Exhibits A and B respectively and are incorporated herein by this reference.
6. On September 24, 2024, the Portland Planning Commission held a public hearing and on October 8, 2024, voted to recommend that the Portland City Council adopt the Plan and found that it conforms to Portland's Comprehensive Plan. The Planning Commission's letter of support is attached as Exhibit C to this Ordinance.
7. The Plan was prepared in conformance with ORS Chapter 457 and with public involvement in all stages of its development. Notice of the October 23, 2024, Council hearing was sent on September 19, 2024, to postal patrons in the city of Portland, as required by ORS 457.120.
8. On October 23, 2024, the City Council held a public hearing to review and consider the Plan, TIF Report, Planning Commission Recommendations, and to receive public testimony.
9. The District, as a whole, is blighted (as defined in ORS 457.010(1)) based on the information set forth in Section 1 of the Report, and the rehabilitation and redevelopment activities set forth in the Plan are necessary to protect the public health, safety and welfare of both the District and the City as a whole.
10. The Plan conforms to the City's Comprehensive Plan and economic development plan as a whole, as set forth in Exhibit D, attached to this Ordinance and incorporated herein by this reference. The Plan provides an outline for accomplishing the urban renewal projects that the Plan proposes.
11. Acquisition of real property as described in the Plan is necessary to carry out the purposes of the Plan. No housing displacement is anticipated in the Plan; however, if displacement occurs, the Plan requires that such displacement will be made in accordance with ORS 35.500 to 35.530.
12. Adoption of and carrying out the Plan is economically sound and feasible, based on the Financial Analysis of the Plan as set forth in Section 3 of the TIF Report.
13. The City will assume and complete any activities prescribed to the City by the Plan.

NOW, THEREFORE, the Council directs:

- A. The East 205 TIF Plan, attached hereto as Exhibit A, is hereby approved and will be effective thirty (30) days after passage of this ordinance.
- B. Prosper Portland will administer implementation of the Plan, and the Portland Housing Bureau will assume and complete activities agreed upon by the City and prescribed to it by the Plan.
- C. The Plan is authorized to be financed, in part, by division of taxes as provided in ORS 457.420 to 457.450.
- D. The City Auditor will forward to Prosper Portland and the Planning Commission certified copies of this Ordinance upon approval by the Council.
- E. Prosper Portland must record in the Deed Records of Multnomah County, Oregon, a copy of this Ordinance and the Plan, upon adoption by the Council.
- F. Prosper Portland must send a copy of this Ordinance and the Plan to the Multnomah County Assessor.
- G. Prosper Portland, in accordance with ORS 457.115, must publish notice of adoption of this Ordinance approving the Plan, including the provisions of ORS 457.135, in the newspaper having the greatest circulation in the City within four days following adoption of this Ordinance.

Exhibits and Attachments

 [Exhibit A](#) 26.07 MB

 [Exhibit B](#) 1.41 MB

 [Exhibit C](#) 335.9 KB

 [Exhibit D](#) 1020.17 KB

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
October 30, 2024

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

The proposed East 205 District is 3,745 acres and is roughly bounded by 122nd Avenue on the west, the City line to the east, NE Glisan Street to the north, and SE Powell Blvd to the south. It includes both the Rosewood Initiative and Division-Midway Alliance NPIs and is estimated to generate up to \$770 million in TIF resources.

East Portland, in general, is home to many of Portland's most economically vulnerable households and small businesses. With this commonality, it's not surprising that the three areas voiced many of the same investment priorities focused on stabilizing existing residents and businesses so they could remain over time, thrive, and anchor new, inclusive growth, rather than be displaced by it.

Some of these priorities include:

- Creation of housing opportunities for all incomes
- Development of spaces for connection that create pride and belonging for diverse communities
- Access to middle- and living-wage jobs
- Addition of new, thriving small businesses and community-service retail services
- Support for targeted infrastructure improvements to improve safety, walkability and resilience
- Need for ongoing community education, engagement and leadership over the life of each district

However, each district area also has its own identity, and unique set of opportunities and challenges. These differences are reflected in the following priorities specific to East 205: Communities designed with multigenerational residential and commercial hubs; upskilling/coworking centers to support "solopreneurs" and home-based business owners; generational wealth for first-time BIPOC homeowners; and improved walkability, connectivity and transit access, with a focus on sidewalks.

Financial and Budgetary Impacts

The combined estimated fiscal impact to the City of Portland for the proposed East 205 TIF District over the life of the district totals approximately \$230 million.

Of the estimated \$770 million in TIF resources generated within the district over time, \$323 million would go to affordable housing, \$323 million to economic and urban development, and \$72 million to infrastructure in the district.

District	2030 / YR 5	2035 / YR 10	2050 / YR 30
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East 205

\$23M

\$158M

\$770M

East 205

Affordable Housing

- Single family home repair & homeownership
 - Multifamily rental, inc. rehab and preservation
 - Land acquisition
 - Houselessness related capital expenditures
 - Affordable infill/middle density housing
 - Mobile home parks
- \$323M

(45%)

Economic & Urban Development

- Commercial Property Acquisition, Development & Renovation (includes land banking, small business support and workforce housing)
 - Arts, Culture and Signage
 - Recreational Improvements
- \$323M

(45%)

Infrastructure

- Street and utilities improvements
 - Connectivity and accessibility
 - Public parks & open spaces
 - Public recreation investments
- \$72M

(10%)

SUBTOTAL*

\$718M

**Total resources for capital investments net of admin and financing costs.*

The East 205 TIF District would provide critical resources for the Housing Production Strategy, and over time can increase revenues via increases in tax value and generation of system development charges (SDCs) via development. TIF funds can also be used as a funding match when pursuing federal funds that could benefit the region.

To the extent the district creates new taxable assessed value due to new development in the district, the City of Portland and overlapping taxing jurisdictions will realize the additional tax revenue when value is returned either by the end of the district or sooner as revenue sharing thresholds are reached in accordance with ORS 457.

This action will require Prosper Portland and PHB staff to engage with community stakeholders in the action planning and policy review. Prosper Portland has adequate resources in its fiscal year 2024-25 adopted budget to hire four new staff should City Council approve any new districts.

Economic and Real Estate Development Impacts

Consistent with Oregon Revised Statutes chapter 457.089, Prosper Portland sent the draft plans and reports to 15 taxing districts offering an opportunity to meet and discuss the proposals and estimated fiscal impacts. In addition, Prosper Portland and PHB staff met with the Multnomah County Commission at a hearing on September 17, 2024, to discuss the draft plans and reports and the estimated fiscal impacts to the county.

Consistent with Oregon Revised Statutes chapter 457.120, Prosper Portland sent a mailer with notice of the October 23, 2024, City Council public hearing to approximately 356,000 households in the city of Portland.

Approving the plans and reports will provide access to a tool and financial incentive that has proven to advance equitable economic growth. According to an April 2024 third-party analysis conducted by consultant ECONorthwest titled 'Understanding Portland Tax Increment Finance District Investment Impacts, 2000-2022,' relative to non-TIF comparison areas, TIF districts saw:

- 6x the amount of total square footage of development
- 25x the amount of high-density development
- 4x the growth rate in housing production
- 5,300 units of TIF-funded affordable housing (46% of all affordable housing built in the city)
- 24,000 more jobs, which generally had 20% higher wages

Community Impacts and Community Involvement

Prosper Portland and Portland Housing Bureau staff conducted significant and thorough public participation related these actions. Engagement summaries are included in the East 205 TIF Plan, attached as Exhibit A to the ordinance, and provide further detail on the following engagement processes:

East Portland TIF Exploration Steering Committee. The East Portland Steering Committee convened in July 2023 and identified three areas for further exploration: East of 205, Parkrose/Columbia Corridor, and 82nd Avenue. As part of the engagement process, the steering committee was chartered to:

- advise on and review engagement processes;
- allocate available acreage (land area) and assessed value for further study;
- provide guidance to working groups on issues that arise with implications across districts;
- support community-led working groups conducting exploration processes; and,
- ensure any TIF District Plans resulting from exploration align with City Council guidance.

Steering Committee members included the following individuals and organizations:

Alando Simpson, City of Roses Disposal & Recycling
Andy Miller, Our Just Future
Angela Rico, Office of Commissioner Rubio
Annette Mattson, Mt. Hood Community College
Bill Bruce, Raimore Construction
Christina Ghan, Office of Commissioner Rubio
Duncan Hwang, Asian Pacific American Network of Oregon
Jeff Renfro, Multnomah County
Jessica Arzate, Multnomah Educational Services District
Jonath Colon, Centro Cultural
JR Lilly, Former East Portland Action Plan Advocate
Kevin Martin, Renter
Kimberly Branam, Prosper Portland
Lee P Cha, IRCO
Leslie Goodlow, Portland Housing Bureau
Matina Kauffman, Habitat for Humanity
Moe Farhoud, Property Owner
Mourad Ratbi, East Portland Community Office
Nick Sauvie, Rose CDC
Qing Tan, Pure Spice Restaurant
Sabrina Wilson, Rosewood Initiative
ShaToyia Bentley, The Ebony Collective
Tye Gabriel, East Portland Chamber of Commerce

Working Groups. Working Groups for each area were selected through an open call process, ensuring key partners and community representatives with deep knowledge of their respective geographies, and the diverse communities within those geographies, would lead the work. The three Working Groups kicked off their work in the fall of 2023, charged with:

- understanding the TIF District creation process and leading deep dive community district exploration conversations;
- coordinating district-focused community engagement and advising on contracts with community-based organizations and support public events;
- determining whether to move forward with a TIF District plan and, if supportive, co-creating Plan Documents with Prosper Portland and City staff for consideration by the Prosper Portland Board of Commissioners and City Council

Members of the Working Group for East 205 included the following individuals and organizations:

Karen Wolfgang, Resident
Annette Mattson, Mount Hood Community College
Sabrina Wilson, The Rosewood Initiative
Lisha Shrestha, Division Midway Alliance

Ken Richardson, David Douglas Superintendent
Mike Devlin, East Portland Chamber of Commerce
Kristin Romaine, Resident
Ali Omar Ibrahim, Africa Youth & Community Organization
Amanda Pham Haines, Unite Oregon
Jennifer Parrish Taylor, Urban League of Portland
Ana Meza, Rose CDC
Marie Josee Kangabe, East Portland Action Plan Advocate
Blanca Jimenez, Resident
Giovanni Bautista, Resident

Community Project Manager Engagement. There was a robust effort to engage the broader community in the TIF exploration process which included hiring a community-based project manager to facilitate engagement opportunities and be a resource for the community throughout this process. The Project Manager, Paula Byrd, developed a community survey, developed a short YouTube video, and worked with the Neighborhood Prosperity Network organizations to host a series of community open houses.

Prosper Portland and City-led Engagement. Prosper Portland and City staff facilitated a range of activities related to TIF exploration, including events, twice-monthly virtual office hours, regular email updates to interested parties, one-on-one conversations with community members, and briefings to community organizations. In addition, staff contracted with a dozen community/culturally specific organizations to partner on outreach and engagement.

100% Renewable Goal

This action does not have an impact on the city's 100% renewable goal.

Financial and Budget Analysis

\$770 million in TIF resources is estimated to be generated within the new district over 30 years, with \$323 million going to affordable housing, \$323 million to economic and urban development, \$72 million to infrastructure investments in the district, and \$52 million to administration and financing costs.

The combined estimated fiscal impact to the City of Portland for the proposed TIF District over the life of the district totals approximately \$230 million.

The new TIF District would provide resources for the Housing Production Strategy, and over time can increase revenues via increases in tax value and generation of system development charges (SDCs) via development. TIF funds can also be used as a funding match when pursuing federal funds that could benefit the region. To the extent the district creates new taxable assessed value due to new development in the district, the City of Portland and overlapping taxing jurisdictions will realize the additional tax revenue

when value is returned either by the end of the district or sooner as revenue sharing thresholds are reached in accordance with ORS 457.

Document History

Item 912 Time Certain in [October 23, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/23)
(<https://www.portland.gov/council/agenda/2024/10/23>)

City Council

Passed to second reading

Passed to second reading October 30, 2024 at 9:45 a.m. time certain

Item 926 Time Certain in [October 30-31, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/10/30)
(<https://www.portland.gov/council/agenda/2024/10/30>)

City Council

Passed

Aye (5):

Mingus Mapps, Carmen Rubio, Dan Ryan, Rene Gonzalez, Ted Wheeler