

Jaki Walker Executive Director

Board of Directors

George Richardson, Chairperson Helen Pittman, Treasurer Ron Herndon, Secretary Baruti L. Aratharee Mary Jo Henderson Linda Johnson October 15, 1991 Ronald May Marvin O' Quinn Carl Talton

Gretchen Kafoury, Commissioner City of Portland Department of Public Utilities 1220 SW 5th Avenue, Room 211 Portland, OR 97204

RE: Northeast Community Development Corporation (NECDC) 1991 request to the City of Portland for approval of the 91-92 Contract

Dear Gretchen,

The Board at NECDC is very pleased with the Agency's successful completion of the final phases of the Nehemiah Project development and preconstruction activities as well as the progress of NECDC's Development Team has made in the past five months. Attached to this cover letter you will find a brief overview of the Nehemiah Project activities.

I am also pleased to inform the Portland City Council that the final phase of the Nehemiah Project preconstruction activities began officially on September 16, 1991. NECDC's advertisement for qualified contractors appeared in the major construction and building trades publications beginning on that date. The Daily Journal of Commerce, the most popular and most widely read publication in the construction industry ran a full length feature article on the Nehemiah Project.

Aside from providing your office and the City Council with a brief update on the status of the Nehemiah Project, I am writing to request that you expedite approval of the second year of the three year commitment the City of Portland made to NECDC for the Nehemiah Housing Opportunity Program. Over the past five months NECDC staff has met individually with each Commissioner and/or a member of their staff. In those meetings each Commissioner or his or her aide has received a full briefing from the Nehemiah Project staff. In most cases they have visited on site and have had an opportunity to ask questions and make comments on the City contract and Nehemiah Project.

Portland is a city committed to improving the quality of life of it's residents. The Adopt-a-block strategy NECDC has implemented has been well received and widely supported. We were overwhelmed at the level of enthusiasm and support the Agency received for this kind of resource coordination. Our goal is to find a sponsor for each block NECDC will build a new house on and/or completely renovate and existing house. NECDC began this ambitious and highly innovative approach to community development and neighborhood revitalization on July 18, 1991. The four block coordinators from the banks meet weekly with NECDC and we hold a general planning meeting monthly will thirty plus resource providers.

First Interstate Bank, US Bank, Bank of America and Pacific First Federal Bank have each adopted a block and have started working with NECDC's Special Projects Consultant and NECDC's Development Team in this unique public/private partnership. These businesses have pledged both financial resources and human resources to assist the residents and property owners in this effort.

Over the next three years NECDC will build and/or renovate 250 properties and make them available to low and moderate income "first-time" homebuyers. NECDC and the Nehemiah partners have secured the construction financing for this project from a consortium of seven lenders at four points below market. The thirty year fixed mortgages for 250 eligible families has been secured from the Oregon Housing Agency (OHA) at 7%. The \$15,000 second mortgage financing is being provided by the Department of Housing and Urban Developments (HUD) Nehemiah Program, and the County has promised to donate 130 tax foreclosed properties to the Nehemiah Project.

We thank you for your continued support and assistance provided by your staff.

Sincerely,

George Richardson

NECDC Board Chair

cc: Jaki Walker, NECDC Executive Director Margaret Mahoney, Director Bureau of Community Development NECDC Executive Committee

ADOPT-A-BLOCK										
DESCRIPTION	NEIGHBOR- HOOD	ADOPTOR	ADOPTION DATE	ARCHITECTS	CONSTRUCTN TYPE	PERMIT APPLICATN SCHEDULE	BID RELEASE DATE	CONSTRUCTN DATE		
* Lot 11, Block 12 4038 N.E. Rodney Avenue	King	Pacific First Fed. Bank	07/17/91	Andrews Architects (Jim Andrews)	Single Family Two-Story House	09/15/91	10/14/91	11/15/91		
* N. 19.6' of Lot 15, Block 27 4070 N. Vancouver Avenue	Boise	Portland Trail- blazers	Pending Appl.	Elizabeth Atly	Single Family 1 & 1/2 Story Renovation	10/14/91	10/28/91	12/01/91		
Lot 2, Block 5 4415 N. Kerby Avenue	Humboldt	Collins Foundation	Pending Appl.	Giulietti & Ellen Architects	Single Family Attached Houses	N/A	N/A	N/A		
Lot 1, Block 7 4235 N. Borthwick Avenue	Boise	U.S. Bank	06/18/91	HDK Architects (Don King)	Single Family Det., 1 & 1/2- Story Houses	N/A	N/A	N/A		
Lot 11, Block 11 4134 N. Haight Street	Boise	Meyer Memorial Trust	Pending Appl.	Williams Church Architects (Peter Wilcox)	Single Family 2-Story Attached House	11/01/91	11/01/91	11/01/91		
Lot 6, Block 4 5621 N.E. Rodney Avenue S. of 5621 N.E. Rodney Ave.	Humboldt	Bank of America	06/18/91	Chris Michael DiLoretto	Historic Renovation 1 & 1/2-Story	12/01/91	12/15/91	02/01/92		
Lot 7, Block 4 5621 N.E. Rodney Avenue S. of 5621 N.E. Rodney Ave.	Humboldt	Bank of America	06/18/91	Not Assigned	Single Family Attached Houses	12/01/91	12/15/91	02/01/92		
Lot 7, Block 19 5765 N.E. Garfield Avenue	King	First Interstate Bank	06/18/91	Tim Richards	Single Family 1 & 1/2 Story Renovation	N/A	N/A	N/A		
Lots 13 & 15, Block 12 5842 N.E. 10th Street	Vernon	NIKE, Inc.	Pending Appl.	Driscoll Architects (Mike Mosdritzer)	Single Family 2-Story Attached Houses	11/01/91	11/01/91	12/01/91		
* Construction Funded by Grant from Collins Foundation										

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FACT SHEET FOR AMENDMENTS TO CHAPTER 3.102 OF CITY CODE

- This chapter of the City Code deals with Limited Property Tax Exemptions or Abatements (LTAs) for (1) Renter Occupied Rehabilitation (available citywide); (2) Owner Occupied Rehabilitation (in Distressed Areas); and (3) New Single Family Construction (in Distressed Areas).
- The programs in Chapter 3.102 are administered by the Building Bureau. They provide a limited 10 year exemption on the value added by the rehab improvements or new construction of eligible property.
- The ordinance adopting the new programs in 3.102 was passed by City Council in March 1990.

The Amendment Requiring Owner Occupancy

- The Planning Commission, when briefed on these programs, voted to recommend that the LTA for new single family construction in distressed areas require that the house be owner occupied during the term of the ten year exemption. Because of this, the Building Bureau decided to hold off implementing the new single family construction LTA until Council could
- consider the Planning Commission recommended amendments. We had hoped to bring this amendment before Council long ago but the vote on Measure 5 intervened. We obtained an opinion from the City Attorney that the LTA programs are still legal.
- Commissioner Kafoury has decided to submit a substitution ordinance without the owner-occupancy amendment in the belief that it would prove to be an administrative barrier to the efficient use of the program and would not further her goal of the production of affordable housing for both renters as well as home owners.

The Amendment Permitting Extensions for Certain Low Income Projects The other amendment is to permit an extension to a previously approved LTA beyond the original ten year period for qualifying projects which are under a low income rental contract (e.g., Section 8) with the feds or the state. The approval criteria were negotiated among the interested parties (PDC, Harsh Investment, and BOP). Planning Commission recommends passage of this amendment.

Other Amendments

• Other amendments are intended to clarify the language in the original ordinance and to revise the fee schedule at the Building Bureau's request.

Price Cap Resolution

• This resolution establishes a maximum price limit for new single family housing in distressed areas eligible for the LTA program discussed above (Chapter 3.102). The County Assessor's Office is listed as the first source of information but other sources can be used. It must be set annually.

For further information, please call Mike Saba at Ext. 7838.

Published Sept. 12, 13 & 16, 1991. 1963CB-31

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received,

PUBLISHED FIRST TIME TODAY CITY OF VANCOUVER

SEWER PUMP REFURBISHMENT Bids due 2:00 pm, Sept. 30 ADVERTISEMENT FOR BID

Notice is hereby given that the City of Vancouver, Washington, will receive sealed bids up to the hour of 2:00 p.m., Pacific Local Time, Monday, September 30, 1991, and publicly opened and read aloud at that time on the same day in the conference room on the lower level of City Hall, 210 East 13th Street, Vancouver, Washington, for: Refurbishment of the Hearthwood, Pinebrook, and Main Industrial #1 pump stations. The work includes removal, inspection, repair or replacement of parts, reassembly, testing, installation and startup of five (5) pumps and motors. The work is to be completed within 55 working days.

Prospective bidders may inspect the facilities during regular working hours by appointment. Schedule inspection through Mr. Terry Smith, Vancouver Operations Center, (206) 696-8243.

Bids shall be in accordance with the specifications and other contract documents on file in the Administrative Division, second floor, City Hall, phone (206) 696-8181, where copies may be obtained.

All bids shall be addressed to the attention of the Purchasing Agent, Vancouver City Hall, 210 East 13th Street, P.O. Box 1995, Vancouver, Washington 98668. All bids delivered shall be delivered to the Purchasing Agent, Lower Level, City Hall, 210 East 13th Street. Bids shall be placed in an envelope which is sealed and which clearly states the name of the bidder, the date of the bid opening, and appropriate wording to indicate definitely the nature of the contents.

Each bid shall be accompanied by a certified check, cashier's check, or bid bond in the amount equal to 5 percent of the bid. The City of Vancouver reserves the right to reject any or all bids and to waive minor formalities.

No bidder may withdraw his bid after the hour set for the opening thereof, unless the award of contract is delayed for a period exceeding thirty (30) days. MARCELYN JANDREAU,

MARCELYN JANDREAU, Purchasing Agent Published Sept. 16, 1991. 1982CB-1t

PUBLISHED FIRST TIME TODAY

CITY OF PORTLAND Proposals due 2:00 pm on Various Dates

INVITATION FOR PROPOSALS Sealed Proposals will be received at the Bureau of Purchases and Stores, Room 1313, Portland Building, 1120 SW Fifth Ave., Portland, OR 97204 for the Projects detailed below until 2:00 P.M. on the dates indicated.

Plans and Specifications may be

with the Construction Contractors Board prior to bid opening.

PROPOSAL NO. - DESCRIPTION

16-Sckavone Stadium Reconstruction. Contact: Susan Housser 796-6853. Proposals Due: October 8, 1991 by 2:00 p.m. Prequalification required in Category 19-Building Construction. A pre-bid meeting is scheduled at 10 am September 26, 1991 at the jobsite.

Published Sept. 16, 1991. C2400CB-1t

PUBLISHED FIRST TIME TODAY NORTHEAST COMMUNITY DEVELOPMENT CORPORATION NEHEMIAH HOUSING OPPORTUNITY PROGRAM Bids accepted beginning in October, 1991

REQUEST FOR QUALIFICATIONS New construction and extensive renovation of 250 homes over a three year period.

REQUEST FOR QUALIFICATIONS from Contractors, Homebuilders, and Renovators for the Nehemiah Housing Opportunity Program.

The Northeast Community Development Corporation (NECDC), (the Agency) requests Contractors Statement of Qualifications for construction of new houses and extensive renovation of existing older homes. A total of 250 houses will be constructed or renovated under the Federal Nehemiah Housing Opportunity Program in the King, Humboldt, Vernon, and Boise neighborhoods of Northeast Portland. Davis-Bacon and Oregon Prevailing Wage Rates do not apply.

Bids will be requested beginning in October, 1991 on eight prototype model units. Main construction/renovation program will begin early in 1992 at the rate of 10 construction starts per month. Bids will be solicited from contractors prequalified by the Agency based on Statements of Qualification.

For more information and submittal forms, please contact: Michael Trower, Director of Development, NECDC, 4114 N. Vancouver Avenue, Portland, Oregon 97217, (503) 282-5482.

Published Sept. 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 30, Oct. 1, 2, 3, & 4, 1991.

1984CB-15t

Services

PUBLISHED FIRST TIME TODAY

MULTNOMAH COUNTY PROVISION OF BILINGUAL MEDICAL INTERPRETATION SERVICES Proposals due 4 pm, Sept. 16 REQUEST FOR PROPOSALS (503) 217 4749 a conrequest and information p All responses to this pr by 5:00 p.m. September Published Sept. 16, 1991.

PUBLISH FIRST TIME

CENTRAL OR COMMUNITY C(PRINEVILLE/REDM(SERVICE OPER, Bids due 2:00 pm CALL FOR B

Central Oregon Commu soliciting bids for providing to carry a minimum of 2 which will deliver Prineville students to the Bend carr them to their respective c routes and schedules will to attend 8:00 a.m. classe their home cities no later

Central Oregon Comr reserves the right to reject tations, in whole or in parthat quotation which is in est of the College.

Specifications may be of Office of the Interim Ass Auxiliary Services, 2600 N Bend, OR (503) 382-6112 be accepted until 2:00 p.r October 2, 1991, at whic be publicly opened and re in the amount of 10% of required.

Each bidder must state the bidder is a "resident bi by ORS 279.029.

> GEN Interim Ass

Published Sept. 16, 1991

PUBLISF FIRST TIME

CITY OF GRE CONSULTING SERVIC PARKS AND RECREAT Statements due 2:00 REQUEST FOR ST OF QUALIFICA

The City of Gresham one consultant to provi design and constructior services for the develoneighborhood parks in brook Park, 2.4 Acres (C Park Phase I, 5.7 Acres (North Gresham Park Pha-(CIP #7028). Consultainclude public meetingstruction documents, City vice Development and E bidding, inspections and istration services for cor following improvements:

Tree pruning and ren ing, grading and drainag tems, seeded lawns, base

ORDINANCE No. 164769 SUBSTITUTE

*Amend the programs offering limited property tax exemption for residential rehabilitation and new construction of single-unit housing in distressed areas. (Ordinance; amend Code Chapter 3.102)

The City of Portland ordains:

Section 1. The Council finds:

- 1. That Oregon Revised Statutes (ORS) 308.450-481 (1975), enables cities to approve local property tax exemptions for rehabilitation improvements on certain nonowner-occupied residential property;
- 2. That a significant portion of the City's existing rental housing stock has benefited from the limited property tax assessment made possible by the adoption and administration of this program by the City;
- 3. That these rental units provide a large portion of the lower cost and moderate cost housing in the City;
- 4. That the City has established, as a fundamental housing policy, the importance of safe, sanitary housing through the adoption and enforcement of Housing, Building, Fire and related codes;
- 5. That both owner- and nonowner-occupied housing deterioration encourages a reduction of investment or value in surrounding properties and hence an acceleration of residential deterioration;
- 6. That the costs of this deterioration are great in social terms and in terms of a rapidly depreciated property tax base coupled with increased service demands;
- 7. That the City of Portland has adopted a strategy of Neighborhood Revitalization to marshall existing and new federal, state, and local resources to upgrade living conditions in areas of the city most in need of reinvestment;
- 8. That ORS 458.010 (1989) enables cities to approve limited property tax abatement for the rehabilitation of owner-occupied residential property in distressed areas designated by the city under the authority of ORS 308.450.

- 9. That the adoption of new programs of limited property tax abatement in targeted areas of the City carries out the Council adopted directives of the Vacant and Abandoned Buildings Task Force and is a key element in the package of financial incentives to carry out the reinvestment and home ownership goals of the Nehemiah Program as well as other programs.
- 10. That the 1989 State Legislature also adopted ORS 458.020 which allows cities to grant limited property tax abatement for the construction of new single-unit residences in distressed areas designated by the city;
- 11. That the adoption of this program by the City is intended to stimulate the construction of new single family residences in distressed areas in order to improve in those areas the general life quality, to promote residential infill development on vacant or underutilized lots, to encourage homeownership, and to reverse declining property values;
- 12. That the City Council on March 22, 1990 passed Ordinance No. 162854 amending Chapter 3.102 incorporating the new limited property tax exemption program for owner-occupied residential rehabilitation improvements and newly constructed single family housing in distressed areas;
- 13. During their 1989 session the Oregon State Legislature included among the several amendments to the property tax exemption programs the allowance for a city to extend the term of an approved exemption for a property under a low income rental agreement with an agency of the state or federal government and that the extension could be for the length of that contract.

NOW, THEREFORE, the Council directs:

a. That Portland City Code Chapter 3.102 is hereby amended to read:

Chapter 3.102

PROPERTY TAX EXEMPTION FOR RESIDENTIAL REHABILITATION AND NEW CONSTRUCTION OF SINGLE-UNIT HOUSING IN DISTRESSED AREAS

Sections: (No Change)

3.102.010 Definitions.

As used in this Chapter:

- (1) (3) (No Change)
- (4) "Eligible property" means land and the improvements thereon that meet all of the following criteria:
 - (a) Which are It is either a single or multifamily residential units unit or are it is not a residential structures structure but which it will be converted to residential units through rehabilitation improvements and a change of occupancy permit;
 - (b) Which are more than 25 years of age on January 1, 1986; The following expenditures have been made:
 - (i) On which property which is 25 years of age or more on January 1, 1986, sums have been were expended after September 13, 1975 and prior to January 1, 1998 for the purpose of making rehabilitation improvements and which sums in the aggregate equal or exceed ten percent (10%) of the true cash value of the land and improvements as reflected in the last equalized assessment roll preceding the application date; or
 - (ii) On which property, regardless of age, sums have been expended after January 1, 1990 for making rehabilitation improvements and which sums in the aggregate equal or exceed fifty percent (50%) of the cash value of the land and improvements as reflected in the last equalized assessment roll preceding the application date.
 - (c) Which The property provides not less than 50 percent of their its accommodations for residential and not transient occupancy;
 - (d) Which The improvements fail to be in substantial compliance; and

- (e) If owner occupied, the structure are is located in a distressed area.
- (f) If they are it is a single-unit residential structure units:
 - (i) Which have been The unit was newly constructed on or after January 1, 1990 and prior to January 1, 1998; and
 - (ii) It is located in a distressed area; and,
 - (iii) It Falls falls within the price limit as provided by Section 3.102.030(2)(a).
- (5) "Owner's Equity," as used in Subsection 3.102.060 (4), means the greater of either:
 - (a) Equity invested in the subject property including the owner's original cash equity at the time of acquisition and development plus additional cash outlays to the project to cover capital improvements and fund operating deficits. Routine maintenance and repair expenses which are funded from operating reserves as well as depreciation shall not be counted towards owner's cash investment; or
 - (b) Current appraised value less current indebtedness of the property. The Development Commission shall determine owner's equity based on information provided by the applicant.
- (6) "Reasonable Return," as used in Subsection 3.102.060 (4), means a ten percent return on equity.
- 3.102.020 Application for Limited Assessment.
 - (1) Any person desiring to apply for an exemption under the terms of this Chapter shall submit an application to the Bureau of Buildings. Each applicant shall pay a non-refundable fee as provided below:
 - (a) Single and two-family dwellings (occupancy classification R3), \$225 \$300;
 - (b) Multi-unit dwellings (occupancy classification R1), \$225 \$300 plus \$5.00 for each dwelling unit in excess of two;
 - (c) (No Change)

- (2) The applicant shall furnish other information which is reasonably necessary to fulfill the objectives of this Chapter. The application shall be assigned an application number.
- 3.102.030 Review of Application. (No Change)
- 3.102.040 Rental Agreement. (No Change)
- 3.102.050 Certificate of Qualification.
 - (1) (No Change)
 - (2) Within 30 days of receipt of the application, the Bureau of Buildings shall determine whether the property qualifies for limited assessment under this Chapter. Approval shall be given in the event that if one of the following alternatives are satisfied:
 - (a) The rehabilitation improvements were completed within two(2) years of the date of application for limited assessment; and
 - (b)(i) The applicant has paid all appropriate fees; and,
 - (c)(ii) Has filed the appropriate rental rate agreement; or
 - (3)(b) In the case of a newly constructedion single-unit residence approval shall be given in the event:
 - (a) (i) Construction began while the area was designated as distressed; and,
 - (b) (ii) The applicant has paid all appropriate fees; and
 - (e) (iii) The new structure is completed and complies with the code of the City of Portland.

(4) - (5) (No Change)

3.102.060 Assessment.

- (1) (3) (No Change)
- (4) If all residential units in a multiple-unit housing project are subject to a low income rental assistance contract with an agency of the state or federal government, an exemption provided under the terms of this Chapter may be extended beyond the ten (10) year limitation set in subsection (1) above to December 31 of the assessment year during

which the termination date of the contract falls. Within 10 days of the receipt of an application for an extension, the Bureau of Buildings shall transmit the application to the Portland Development Commission. The Development Commission staff shall review the application. Approval by the Development Commission staff shall be based on findings that:

- (a) The applicant has made reasonable efforts to obtain approval from the appropriate government agency for an increase in the allowable contract rent. Evidence of reasonable efforts shall include documentation showing contact with appropriate agencies and attempts to obtain written responses from the agency indicating their decision regarding modification of the rental contract;
- (b) The loss of the exemption will cause an increase in operating expenses to the extent that operating income for the property will be insufficient to cover operating expenses plus a reasonable return on the owner's equity in the projects. The evaluation of these criteria will be based upon projected average annual income and expense requirements over the extension period; and
- (c) The tax exemption is necessary in order to prevent displacement of low and moderate income tenants or loss of a low and moderate income housing resource.
- (5) The Development Commission staff, as part of the approval process under section 3.102.060(4), may require an independent financial audit of the previous ten year tax abatement period as well as forecasts for the requested extension period. If the annual financial statements submitted by the applicant are found to be incomplete and inaccurate, the applicant will be responsible for audit fees. A denial of an extension requested under 3.102.060(4) may be appealed to the City Council. The appeal shall be filed within 30 days of the date of the mailing of the notice denying the extension.
- (6) In order to maintain an exemption granted under section 3.102.060(4) the applicant, at least every three years, shall make reasonable efforts as defined in section 3.102.060(4)(a) to obtain increases in the allowable contract rents and submit documentation of such evidence to the Development Commission staff.

ORDINANCE No.

- (7) The Development Commission staff shall review the applicant's compliance with the conditions set forth in section 3.102.060(4) every five years. If the average annual rate of return for the period exceeds a reasonable rate of return as defined in section 3.102.010(6), the exemption shall terminate. An applicant may appeal a termination to the City Council within 30 days of the date of the mailing of the notice to terminate.
- 3.102.070 Annual Statements. (No Change)
- 3.102.080 Termination. (No Change)
- 3.102.090 Designation of Distressed Areas. (No Change)
- 3.102.100 Sunset of the Exemption for Owner-Occupied Rehabilitation and New Single-Unit Residences in Distressed Areas. (No Change)
- Section 2. The Council declares that an emergency exists because there should be no further delay in administering the limited property tax exemption program within distressed areas of the City.

Passed by the Council, OCT 2 3 1991

Commissioner Gretchen Kafoury Michael P. Saba, AICP:MS:mch September 6, 1991 BARBARA CLARK Auditor of the City of Portland

Offemers Deputy

Page No. 7 of 7

Agenda No. 5-1792

ORDINANCE NO. 164769

Title

SUBSTITUTE

*Amend the programs offering limited property tax exemption for residential rehabilitation and new construction of single-unit housing in distressed areas. (Ordinance; amend Code Chapter 3.102)

INTRODUCED BY Commissioner Gretchen Kafoury	Filed: OCT 1 8 1991
OUTED BY COMMISSIONER	Barbara Clark Auditor of the City of Portland
Affairs Finance and Administration	By: <u>Cay Kenchnur</u> Deputy
Safety Util Works	For Meeting of:
BUREAU APPROVAL Bureau: Planning	
Prepared by: Date: Michael P. Saba, AICP:mch 9-6-91	Action Taken: Amended
Budget Impact Review:Not Required	Passed to 2nd Reading Continued to:
Bureau Head: Robert E. Stacey, Jr. Planning Director	

AGENDA		FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			
				YEAS	NAYS	
Consent	Regular X	Blumenauer	Blumenauer	/		
NOTED BY		Bogle	Bogle	\checkmark		
City Adver	former	Kafoury	Kafoury	~		
City Auditor		Lindberg	Lindberg	1		
City Engineer		Clark	Clark	/		