DATE: January 21, 2015
TO: Board of Commissioners
FROM: Patrick Quinton, Executive Director
SUBJECT: Report Number 15-05
Approving Amendments to Six Urban Renewal Areas

BOARD ACTION REQUESTED
Adopt Resolution Nos. 7092 – 7097

ACTION DESCRIPTION
This action by the Portland Development Commission (PDC) Board of Commissioners (Board) would approve amendments to the following six City of Portland (City) urban renewal areas (URAs):

1. Central Eastside
2. Education District
3. North Macadam
4. Willamette Industrial
5. Airport Way
6. River District

Staff presented the proposed amendments to the PDC Board at its meeting on December 11, 2014. However, owing to stakeholder concerns about the approach to affordable housing in the North Macadam URA, the PDC Board elected to postpone any action until those concerns were addressed. Since then, staff from PDC and the Portland Housing Bureau (PHB) has drafted an approach to addressing affordable housing concerns that can be found in Attachment A.

Subsequent to the PDC Board meeting on January 21, 2015, staff will present the package of URA amendments to Portland City Council (City Council) on January 29, 2015, for a public hearing; City Council is expected to take formal action through ordinances on each of the URA amendments and the Zidell Realty Company (ZRZ) development agreement at City Council’s February 4, 2015, meeting. Such action would statutorily codify the amendments for fiscal year (FY) 2015-16. Should the PDC Board and the City Council approve the amendments, the action is expected to result in releasing approximately $122,000,000 in property taxes to taxing jurisdictions and providing $97,000,000 to PDC to invest in projects that will compel economic growth and real estate development in the North Macadam and Central Eastside URAs.

BACKGROUND AND CONTEXT
On May 7, 2014, City Council through Resolution No. 37072 (see Attachment B) directed PDC and City staff to begin processing amendments to six URAs that, if approved, would:

- Reduce the impact of urban renewal on taxing jurisdictions;
• Provide resources to meet economic development, redevelopment, and affordable housing goals; and
• Support Portland State University (PSU).

This set of URA amendment resolutions is complemented by two related resolutions that address separate development agreements with ZRZ and PSU, respectively.

Since May, staff has drafted amendments that meet City Council’s goals. Below is a description of each amendment.

**Central Eastside**

The amendment would expand the URA to include the Clinton Triangle, an approximately 16-acre area adjacent to the new Clinton Station on the Portland Milwaukie Light Rail Orange Line. In addition, this amendment would increase maximum indebtedness by 20 percent and extend last date to issue debt from FY 2017-18 to FY 2022-23 (see the map in Attachment C). It is estimated that the amendment will result in $16,000,000 in additional revenue to PDC over 10 years. The majority of these resources will be programmed to support implementation of the City’s redevelopment, economic development, and housing goals, including: 1. Redevelopment of the Oregon Department of Transportation properties; 2. Infrastructure investments for transit-oriented, employment-related development and, possibly, affordable housing in the Clinton Triangle area; and 3. Redevelopment of other strategic sites, including properties within the Oregon Museum of Science and Industry district, as identified in the City’s Central City 2035 Southeast Quadrant efforts.

The amendments would also yield approximately $6,000,000 in affordable housing resources to PHB for projects located in the Central Eastside URA.

**Education District**

The amendment would add approximately 35 acres from the Education District URA to the North Macadam URA to support PSU priorities, release the remaining acreage, release tax revenues to taxing jurisdictions, accelerate the last date to issue debt from FY 2040-41 to FY 2015-16, and effectively close the URA.

**North Macadam**

The amendment would expand the URA by approximately 45 acres (35 acres from the Education District URA), extend the last date to issue debt from FY 2019-20 to FY 2024-25, and not affect maximum indebtedness (see the map in Attachment D). It is estimated that the amendment will result in $81,000,000 in additional revenue to PDC over 10 years; the majority of these resources will be programmed to support the projects and commitments identified in two development agreements: 1. ZRZ, and 2. PSU. The PDC Board approved the PSU development agreement on December 11, 2014, and will consider approving the ZRZ development agreement in early 2015. The amendments would also yield approximately $32,000,000 in resources to PHB for the provision of affordable housing.

**Willamette Industrial**

The amendment will terminate collection of tax increment revenues, release acreage, release tax revenues to taxing jurisdictions, and allow PDC to support manufacturing companies with remaining bond proceeds. The last date to issue debt will be accelerated from FY 2024-25 to FY 2015-16.

**Airport Way**

The amendment will reduce acreage equal to 40 percent of the URA’s assessed value; approximately 971 acres (see the map in Attachment E). Since the last date to issue debt has passed, there is no impact to maximum indebtedness.
River District

The amendment will reduce acreage up to 30 percent of the URA’s amended planned assessed value and release tax revenue to taxing jurisdictions (see the map in Attachment F). There would be no impact to maximum indebtedness or the last date to issue debt.

COMMUNITY AND PUBLIC BENEFIT

If approved, the amendments will provide significant public benefits, primarily through the allocation of public resources and investments that meet shared citywide goals for economic development, redevelopment, social and basic services provision, education, and affordable housing. In addition, if approved, the amendments would provide significant financial resources to other taxing jurisdictions over the next 30 years (see the Budget and Financial Information section below).

PUBLIC PARTICIPATION AND FEEDBACK

Staff conducted robust public participation to inform the URA amendments; the primary means was through the URA Amendment Advisory Committee (Committee). The approximately 20-member Committee was chaired by Jillian Detweiler from the Mayor’s Office and represented a broad group of stakeholders, including taxing jurisdictions, neighborhood and business associations, and institutions. The Committee reviewed proposed boundaries, planned projects, and financial implications and submitted a memo with its recommendations to City Council (see the Committee memo and roster in Attachment G). The Committee presented its recommendations in person at a December 3, 2014, City Council meeting.

In addition to staffing the Committee meetings, PDC hosted a public open house on September 11, 2014, providing an opportunity for the general public to learn about and comment on the proposed amendments. To advertise the event, staff published an ad in The Oregonian, invited attendees through social media channels such as Facebook and Twitter, and sent an email announcement to approximately 3,000 individuals. Approximately 20 individuals attended the open house.

Staff met with the following neighborhood and business associations, informing them of the proposed amendments and soliciting feedback:

- Brooklyn Action Corps Neighborhood Association
- Buckman Community Association
- Hosford Abernathy Neighborhood District Association
- Kerns Neighborhood Association
- East Portland Action Plan Economic Development Sub-Committee
- Old Town/Chinatown Community Association
- Portland Downtown Neighborhood Association
- South Portland Neighborhood Association
- SE Uplift
- SW Neighborhood, Inc.
- Portland Business Alliance
- Central Eastside Industrial Council

As required by Oregon state law, on November 25, 2014, staff mailed a notice of the two substantial URA amendments (North Macadam and Central Eastside) to all property owners with a city of Portland address (approximately 150,000 recipients). Finally, staff attended three public meetings hosted by the Portland Planning and Sustainability Commission on September 9, 2014, December 9, 2014, and January 13, 2015.
**BUDGET AND FINANCIAL INFORMATION**

If approved, these amendments will have significant financial impacts to PDC and the taxing jurisdictions. The following table summarizes the 30-year impacts for the four major taxing jurisdictions:

<table>
<thead>
<tr>
<th>City of Portland</th>
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<tbody>
<tr>
<td>Amendment</td>
<td>A. Permanent Rate Taxes Returned/(Foregone) due to Plan Amendment</td>
<td>B. Net Cumulative Fiscal Impact through Date of Defeasance</td>
<td>C. Net Cumulative Fiscal Impact through 30 Years.</td>
</tr>
<tr>
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<tr>
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<td>C. Net Cumulative Fiscal Impact through 30 Years.</td>
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<td>A. Permanent Rate Taxes Returned/(Foregone) due to Plan Amendment</td>
<td>B. Net Cumulative Fiscal Impact through Date of Defeasance</td>
<td>C. Net Cumulative Fiscal Impact through 30 Years.</td>
</tr>
<tr>
<td>Willamette Industrial</td>
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<td>$59,197,802</td>
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<tr>
<td>Amendment</td>
<td>A. Permanent Rate Taxes Returned/(Foregone) due to Plan Amendment</td>
<td>B. Net Cumulative Fiscal Impact through Date of Defeasance</td>
<td>C. Net Cumulative Fiscal Impact through 30 Years.</td>
</tr>
<tr>
<td>Willamette Industrial</td>
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<td>Education</td>
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<td>$14,631,130</td>
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<tr>
<td>North Macadam</td>
<td>($59,478,112)</td>
<td>($7,302,515)</td>
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<td>Central Eastside</td>
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<td>($1,612,739)</td>
<td>$4,038,638</td>
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<td>$10,423,498</td>
<td>$27,840,710</td>
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</table>
RISK ASSESSMENT

There is little to no risk in approving the amendments, but there is a risk in not approving them, as staff would not be able to deliver on City Council’s directive.

ALTERNATIVE ACTIONS

The PDC Board could elect to not approve the package of amendments or only approve some of them. Should this occur, staff would not present the package to City Council, as it would not meet the original directive to amend six URAs.

ATTACHMENTS

A. PHB/PDC Memo dated January 12, 2015: Affordable Housing in the North Macadam and Central Eastside URAs
B. City Council Resolution No. 37072
C. Map of Proposed Expansion of Central Eastside URA
D. Map of Proposed Expansion of North Macadam URA
E. Map of Proposed Reduction of Airport Way URA
F. Map of Proposed Reduction of River District URA
G. URA Committee Memo to City Council (December 1, 2014)
DATE: January 12, 2015

TO: Portland Planning & Sustainability Commission

COPIES: Susan Anderson, Director, Bureau of Planning & Sustainability

FROM: Traci Manning, Director, Portland Housing Bureau
Patrick Quinton, Executive Director, Portland Development Commission

SUBJECT: Affordable Housing in the North Macadam and Central Eastside Urban Renewal Areas

This memorandum provides information as requested by the Portland Planning & Sustainability Commission (PSC) following their December 9, 2014 briefing on a proposed package of urban renewal area (URA) amendments, including substantial amendments to the North Macadam and Central Eastside URAs.

The Portland Housing Bureau (PHB) and Portland Development Commission (PDC) acknowledge that the PSC is proposing the goal of maintaining 30% of the housing in the Central City as affordable at 0-80% median family income (MFI) within the Central City 2035 plan. This memo outlines how the proposed changes to the North Macadam and Central Eastside URAs will help to achieve this goal by:

- Providing additional tax increment finance (TIF) resources for affordable housing;
- Affirming and advancing the July 2003 North Macadam URA Housing Strategy goals as approved by City Council Resolution No. 36160, as Amended; and
- Securing opportunities for affordable housing on additional properties through the development agreements (DAs) with Portland State University and ZRZ Realty.

Question I. How will the URA amendments contribute to affordable housing production? How many units? How likely?

The proposed URA package would increase TIF housing resources available and thus significantly contribute to affordable housing production by adding approximately $37 million in the North Macadam and Central Eastside URAs combined as follows:

North Macadam URA
- Estimated affordable housing resources without the amendment: $9 million
- Estimated affordable housing resources with the amendment: $40 million

Central Eastside URA
- Estimated affordable housing resources without the amendment: $4 million
- Estimated affordable housing resources with the amendment: $10 million
The amendment package also adds approximately $5 million in funding for affordable housing in the South Park Blocks URA. This is in response to a known concentration of housing preservation opportunities. While the closure of the Education URA, there is a loss of housing funds of approximately $46 million over the life of that district; in total the amendments produce a net present increase of $7 million additional resources for affordable housing. TIF funds almost always supplement other public incentives for affordable housing administered by the State of Oregon and PHB.

**North Macadam.** With the proposed amendment to the North Macadam URA and projections of approximately $40 million in Set Aside available for affordable housing, the City is able to reaffirm the current affordable housing goals for the South Waterfront Area as adopted by City Council in 2003:

<table>
<thead>
<tr>
<th>Affordable Unit Goals for South Waterfront Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
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<tr>
<td>----------</td>
</tr>
<tr>
<td>0-30% MFI</td>
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<tr>
<td>31-60% MFI</td>
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<tr>
<td><strong>Subtotal</strong></td>
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<tr>
<td>61-80% MFI</td>
</tr>
<tr>
<td>81-100% MFI</td>
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<tr>
<td>101-120% MFI</td>
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</tbody>
</table>

As a next step toward meeting these goals, PDC and PHB have established a project team and are developing conceptual plans for a mixed-use project that could provide 200-400 affordable housing units within the next three years on RiverPlace Parcel 3 (Parcel 3). PDC owns this approximately two-acre undeveloped lot at 2095 SW River Parkway in the North Macadam URA. Given the site’s Central Commercial (CXd) classification, it is estimated that roughly 450 housing units could be constructed.

PHB currently has $4 million in fiscal year (FY) 2015/16 and FY 2016/17 to fund the development of affordable housing in the next three years as shown below in Table A. As such, additional resources will be needed to increase density and number of units on Parcel 3 in the near term. The number of units will thus depend of the ability either to bring forward additional TIF resources or to identify other bridge funds to support the development.

In addition to the above project on Parcel 3, PHB needs three things to meet the goals:

1. An alignment of TIF availability and land development, which means identifying potential sites in addition to Parcel 3 that can be preserved until sufficient funds are available or can be brought forward to develop most of the goal units;
2. While $40 million of TIF is anticipated to be sufficient to cover the TIF-eligible capital cost of unit development, non-TIF operating resources will be required to contribute to the ongoing support of that number of 0-30% MFI units; and
3. Access to tools other than TIF for 61+% MFI units, which could include an incented interest by private developers to use property tax exemptions or an opportunity and need to buy floor area ratio in exchange for an in development incentive zoning program.

Central Eastside. In the Central Eastside, based on a $10 million forecast, PHB has committed to a project that includes 102 units and estimates at least an additional 55 new affordable rental units would be created. This estimate is for a scenario in which affordable units could be developed as part of the Clinton Triangle station area redevelopment.

Question II. How much could be available for affordable housing development in North Macadam and CES? After the initial infrastructure investments needed to support private TIF generating investment? Under future growth scenarios?

North Macadam. The amount and timing of TIF resources depend on the amount and timing of private development in the district and the rate of growth in tax revenues from existing private development in the URA. Based on projections within the ZRZ and PSU DAs, the allocation of the 30% set aside of TIF resources would yield approximately $40 million for affordable housing development over the life of the URA.

Table A on the next page shows the forecast revenues under a scenario where ZRZ and PSU add taxable development to the district in the envisioned timeframe. The table also shows the uses of TIF resources already planned for the district. These include investments in streets and other infrastructure needed to enable the private development to take place. They also include commitments for public improvements that have been made in past plans for the district or as part of DAs.

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1 Shifting resources forward would impact cost of debt and could reduce the overall amount of resources available for projects.
Table A

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
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<th>FY 22-23</th>
<th>FY 23-24</th>
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<tr>
<td>TIF Proceeds</td>
<td>$0.7M</td>
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<td>$7.0M</td>
<td>$7.9M</td>
<td>$9.6M</td>
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<td>$13.2M</td>
<td>$21.3M</td>
<td>$35.0M</td>
<td>$45.8M</td>
</tr>
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If TIF resources were divided 50/50 between PHB and all other uses in the last few years of the district, instead of 30/70, approximately $20 million of additional resources (for a total of $60 million) could be available for affordable housing development through the end of the district.

In the event that taxable development does not materialize as anticipated, it is estimated that approximately $32 million will be available for affordable housing within the life of the district.

The 1999 North Macadam Framework Plan projected that the total district housing production would be between 1,500 and 3,000 units. Similarly, one of the Land Use and Urban Form Objectives from the South Waterfront Plan is to provide for 10,000 jobs and at least 3,000 housing units by 2019. The 2003 Strategy states once it becomes clear that the total build-out of district housing units will exceed the 3,000 unit target, then the affordable unit goals will need to be increased. To date, approximately 2,250 new housing units have been developed within the Central District and ZRZ’s Emery project. Should additional resources become available, such resources could contribute to pursuing an increased goal for 0-60% MFI units in the district.

**Central Eastside.** Based on projected growth, development in the amended area and the extension, the application of the 30% set aside would produce approximately $10 million for affordable housing within the extended timeframe (see Table B on the next page). Even if growth exceeds projections, no additional resources would become available as this projection anticipates reaching maximum indebtedness.
Table B

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY 15-16</th>
<th>FY 16-17</th>
<th>FY 17-18</th>
<th>FY 18-19</th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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<tbody>
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<td>TIF Proceeds</td>
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Question III. What is the most affordable housing that the city can get through the ZRZ DA? How many units? How likely?

The ZRZ DA aligns the expected TIF generated by private development with the needed public investments in infrastructure, affordable housing, parks and open space, and economic development.

The ZRZ DA includes an opportunity for PHB to invest in affordable housing in ZRZ residential projects should PHB have the needed resources. The DA establishes a public/private partnership in which PHB is guaranteed the opportunity to choose to subsidize rental units to meet 0-60% MFI housing goals within every ZRZ residential project. The subsidized rental housing units would occur via an Affordable Housing Covenant, which would provide PHB with the ability to determine whether it is feasible and desirable to subsidize affordable housing units in a proposed development up until construction documents are initiated. At that point, the partnership either continues if subsidy is available or is dissolved until the next housing project on ZRZ property is initiated.

PHB also has the opportunity to purchase property for affordable housing development. The opportunity for PHB to purchase property would be triggered at the time that ZRZ initiates Phase 2 of Zidell Yards and if fewer than 479\(^2\) units of affordable housing have been built within the North Macadam URA.

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\(^2\) Goal for 0-60% MFI as established in 2003
Currently, a priority for TIF resources is in the development of Parcel 3 (currently owned by PDC). Remaining resources after the development of Parcel 3 could be used for the purchase of affordability in ZRZ housing developments.

Question IV. How will other resources and use of city-owned property contribute to producing affordable housing? How many units? How likely?

As previously mentioned, PDC owns Parcel 3 and is working with PHB on a mixed-use project on that site. The site had a 2014 real market value of between $7 million and $9 million; however, a current appraisal has not been completed by PDC.

The Oregon Department of Transportation and Portland Bureau of Transportation also jointly own 5.1 acres in two parcels on both sides of Naito Parkway at Harbor Drive. This site, commonly known as Harbor/Naito, is zoned Central Commercial (CXd), and in 2008 the PBOT portion (60%) had a market value of $3.5 million. The 2004 Harbor Naito Concept Plan identified a mix of uses for the property including 140 units on the West Naito site.

In addition to the above sites, currently available funding mechanisms like property tax exemptions (“MULTE”) and SDC exemptions could support the creation of affordable units.

Question V. What is the gap in being able to meet this goal even after the proposed URA amendment?

In terms of the 2003 North Macadam Housing Strategy and related goals, as previously mentioned, there are four main drivers in relation to achieving those goals:

- Land availability or ability to leverage private development;
- Level of funding and/or other tools to incent 0-60% MFI affordable housing;
- Opportunities to use tools other than TIF for 61+% MFI units; and
- Availability of continued operational subsidy for 0-30% income restricted units.

It is difficult to predict the gap associated with meeting the goal of 30% of all new units in the Central City being affordable. In the aggregate, the resources needed to meet that goal would be significant and greater than the current funding stream for affordable housing development.

The draft Comprehensive Plan forecasts that up to 30,000 units could be added to the Central City by 2035. Since approximately 30% of Central City housing units are affordable units currently that would mean 10,000 additional affordable units would need to be produced by 2035 - or 500 per year.
City Council Resolution No. 37072

RESOLUTION No. 37072 As Amended

Take action towards amending six Urban Renewal Areas to advance redevelopment and economic development objectives while reducing the impact of urban renewal on taxing jurisdictions (Resolution)

WHEREAS, the City of Portland uses urban renewal as a tool to meet redevelopment and economic development goals; and

WHEREAS, the Portland Development Commission (PDC) manages seventeen Urban Renewal Areas (URAs), including the six Neighborhood Prosperity Initiative districts; and

WHEREAS, a targeted package of changes to URAs will preserve affordable housing investments and help the city better meet its redevelopment and economic development objectives in alignment with the Portland Plan, Central City 2035, and Economic Development Strategy; and

WHEREAS, the package of URA changes will collectively reduce the impact of urban renewal on taxing jurisdictions by returning acreage to the tax rolls and providing additional resources to the City of Portland, Multnomah County, Oregon State School Fund and Library Districts; and

WHEREAS, City Council intends to amend the Willamette Industrial URA plan by terminating collections of property tax revenues, releasing these revenues to taxing jurisdictions, releasing acreage from the URA limitation calculation, and promoting economic development by providing assistance to manufacturing companies with remaining bond proceeds; and

WHEREAS, City Council intends to add approximately 35 acres of the Education URA to the North Macadam URA to support Portland State University (PSU) priorities, execute a development agreement with PSU, release remaining acreage of the Education URA and close that district, and release tax revenues to taxing jurisdictions; and

WHEREAS, City Council intends to reduce the Airport Way URA in acreage to the equivalent of approximately 40 percent of the URA’s assessed value; and

WHEREAS, City Council intends to reduce the River District URA to the equivalent of approximately 30 percent of the URA’s amended plan value and release tax revenues to taxing jurisdictions; and

WHEREAS, City Council intends to expand the North Macadam URA to include approximately 35 acres from the Education URA to support PSU priorities and extend the last date to issue debt by five years to seize opportunities through a Development Agreement with ZRZ Realty and Oregon Health and Science University’s $500 million challenge grant, with no impact to maximum indebtedness; and

WHEREAS, City Council intends to expand the Central Eastside URA to include additional Portland Milwaukie Light Rail station areas, extending the last date to issue debt by five years, and increasing maximum indebtedness by approximately 20 percent; and
WHEREAS, the changes detailed above are anticipated to return a net present value of approximately $67 million before compression over thirty years to the City of Portland, Multnomah County, Oregon State School Fund and Library Districts.

NOW, THEREFORE BE IT RESOLVED, that City Council directs PDC and OMF to prepare proposed amendments to the Willamette Industrial, Education, Airport Way, River District, North Macadam, and Central Eastside URAs as outlined above, or with modifications that are equal to or better in meeting the goals articulated in the first, third and fourth whereas clauses of this resolution; and

NOW, THEREFORE BE IT RESOLVED, that City Council directs PDC and OMF to work with the Bureau of Planning and Sustainability and the Portland Housing Bureau, coordinate with partner taxing jurisdictions, and engage community stakeholders to consider, discuss, and finalize the proposed amendments; and

NOW, THEREFORE BE IT RESOLVED, that City Council directs PDC and OMF to submit a UR-50 form that will cease collecting revenue in the Willamette Industrial URA and return revenue approximately equal to the reduction of the River District URA for fiscal year 2014/15; and

BE IT FURTHER RESOLVED that PDC and City of Portland staff will present all six amendments to the PDC Board and/or City Council for formal approval as required by statute through resolution/ordinance this fall.

Adopted by the Council: MAY 07 2014

Mayor Charlie Hales
Prepared by: Justin Douglas
Date Prepared: May 1, 2014

LaVonne Griffin-Valade
Auditor of the City of Portland
By: [Signature]
Deputy
Take action towards amending six Urban Renewal Areas to advance redevelopment and economic development objectives while reducing the impact of urban renewal on taxing jurisdictions (Resolution)

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- Completed ☑ Amends Budget ☐
- Portland Policy Document: No ☐
- City Auditor Office Approval: Required for Code Ordinances
- City Attorney Approval: Required for contract, code, easement, franchise, charter, Comp Plan

Council Meeting Date 5/7/14

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Board Report – Amendments to Six Urban Renewal Areas
January 21, 2015

RIVER DISTRICT URBAN RENEWAL AREA

Proposed Reduction - 36.4 acres
December 1, 2014

To: Portland City Council

From: Jillian Detweiler, Policy Director, Office of Mayor Charlie Hales

Subject: Recommendations of the Urban Renewal Area Amendments Advisory Committee

On May 7, 2014, Portland City Council adopted Resolution No. 37072. The Resolution directed the Portland Development Commission (PDC) and City of Portland staff to take action towards amending six urban renewal areas (URAs) and to engage community stakeholders in considering and finalizing proposed amendments. If approved, the amendments should collectively:

- Reduce the impact of urban renewal on taxing jurisdictions;
- Provide resources to meet economic development, redevelopment, and affordable housing goals; and
- Support Portland State University.

The purpose of this memorandum is to summarize the results of PDC’s outreach to stakeholders and the recommendations of the URA Amendments Advisory Committee.

Public Involvement

PDC convened an Urban Renewal Area Amendment Advisory Committee as part of its community engagement efforts. Committee members are listed in Appendix A. The Committee met five times over the past several months. PDC established a page on its website providing information about the URA amendments, the Committee meetings and other opportunities to participate.

PDC also held an open house to provide information on the proposed amendments and attended 15 neighborhood and business association meetings to share proposals that would affect that specific neighborhood. PDC shared associations’ feedback or alternative proposals with the Committee.

Committee Recommendations

The Committee considered amendments to six URAs that City Council proposed in May as outlined in Resolution 37072. While the Committee unanimously agreed on a number of the amendments proposed, the Committee was not unanimous on its full recommendation. The Committee’s discussion and voting on proposed amendments to each of the six URAs was as follows:
1. **Airport Way** – The Committee considered the proposal to reduce the acreage in this URA equal to 40 percent assessed value. Since the last date to issue debt has passed, there is no impact to maximum indebtedness.

   - The Committee unanimously supported this proposed amendment, including the boundary changes as prepared by PDC staff and attached as Appendix B.

2. **River District** – The Committee considered the proposal to reduce acreage up to 30 percent of the amended assessed value. The resultant tax revenues would be released to taxing jurisdictions. The amendments to River District URA would have no impact to maximum indebtedness or the last date to issue debt.

   - The Committee supported this proposed amendment, with the majority of the Committee also supporting the map of properties to be removed from the River District URA as prepared by PDC staff and discussed with the public, including the Pearl District Neighborhood Association, and Attached as Appendix C.

   - The League of Women Voters supports removal of additional acreage from the River District should the district have the capacity to do so without affecting current district obligations.

3. **Downtown Waterfront.** The Committee had extensive discussions regarding moving certain Old Town/Chinatown (OTCT) properties from the Downtown Waterfront URA to the River District URA in response to a proposal submitted by the Portland Business Alliance (PBA). PBA proposed adding between 3 and 11 blocks to the River District URA.

   - The Committee recommended extending the River District URA boundary to include Block 33 in OTCT, a property currently in the Downtown Waterfront URA, as redevelopment of this full-block site between Couch and Davis streets, 4th and 5th avenues, was considered critical to the success of OTCT. Adding Block 33 to the River District URA would require reducing the boundaries of Downtown Waterfront URA by that block. This action would have no significant impact on taxing jurisdictions. This proposal is shown in Appendix D.

   - The representatives of the League of Women Voters and Multnomah County opposed expanding the River District URA to include Block 33.
4. **Willamette Industrial** - The Committee considered the proposal to amend the plan to terminate the collection of tax increment revenues and release all acreage.

   - The Committee voted unanimously to support this proposed amendment and use the remaining bond proceeds to assist manufacturing companies and industry-related needs.

5. **North Macadam and Education** – The Committee considered the proposal to expand the North Macadam URA by approximately 45 acres as shown in the map prepared by PDC staff (Appendix E), 35 acres of which are currently within in Education URA and another ten acres from areas not currently in a URA. The Committee considered a related proposal to eliminate the Education URA releasing 109 acres.

   - The Committee voted unanimously to support these two actions. The North Macadam amendment would not change maximum indebtedness, but it would extend the last date to issue debt from FY 2019/20 to FY 2024/25 and will provide resources to deliver on the key development-enabling public infrastructure and other elements of the Development Agreements with ZRZ and PSU.

Portland Housing Bureau (PHB) staff met with a housing sub-committee and briefed the full Committee on revising affordable housing goals in the URA. While the Committee did not take formal action on these discussions, the League of Women Voters stated its position that the City and PHB should maintain the affordable housing goals articulated in the Report on the North Macadam Urban Renewal Plan (1999), the Council-adopted South Waterfront Plan (2002), and the North Macadam Development Strategy (2003).

6. **Central Eastside** – The Committee considered proposals to expand the Central Eastside URA by up to 20% through a variety of scenarios. The Committee also considered increasing the URA’s maximum indebtedness by 20% (from approximately $105M to $126M) and extending the last date to issue debt from FY 2017/18 to FY 2022/23 in order to fund priorities of the current and expanded CES URA.

   - The Committee voted to expand the Central Eastside URA boundaries by approximately 16 acres as shown in Appendix F to include the ‘Clinton Triangle’, an underdeveloped area adjacent to the new Clinton Station along the Portland Milwaukie Light Rail alignment. The committee also voted to increase the maximum indebtedness and to extend the last date to issue debt.

   - The League of Women Voters questions the appropriateness of extending the life of the district and diverting more money from the county and schools in order to
install transportation infrastructure in the Clinton Triangle, which should be the city’s responsibility, and recommended the city use its own resources. In light of the already extended life of the district (32 years), the League stated that financing newly emerging projects within the existing boundaries by increasing maximum indebtedness would not keep faith with the other taxing jurisdictions and the people they serve.

- PDC also asked the Committee to consider a proposal from the Brooklyn Action Corps to extend the Central Eastside URA south along SE Milwaukie, SE 17th Avenue, to SE Holgate. (Appendix G). The Committee did not support this proposal. Members noted that such an expansion was too aggressive given the scale of available resources and need for strategic application of those resources towards core Central Eastside priorities.

Next Steps

On December 9, 2014, the Planning and Sustainability Commission (PSC) hold a hearing specific to the two substantial amendments, whether the revised North Macadam and Central Eastside urban renewal plans are in conformance with the City’s Comprehensive plan and other adopted plans. The PSC will be asked to write a letter in support of plan conformance to City Council. Shortly thereafter, the PDC Board will hold a public hearing on December 11, 2014 on the six proposed URA amendments and the associated development agreements. Finally, as mentioned City Council will hold a public hearing December 17, 2014.
Appendix A

Members of the Urban Renewal Area Amendment Advisory Committee:
Debbie Aiona, League of Women Voters
Scott Andrews, President, Melvin Mark Properties
Jillian Detweiler, Committee Chair, Policy Director, Office of the Mayor
Peter Finley Fry, Central Eastside Industrial District
Greg Goodman, Co-President, Downtown Development Group
Marion Haynes, Vice President, Portland Business Alliance
Brent Hieggelke, Chief Marketing Officer, Urban Airship
Damien Hall, Attorney, Ball Janik
Sean Hubert, Senior Director, Housing & Employment, Central City Concern
Pat LaCrosse, OMSI Board Member Emeritus, Former PDC Executive Director
Wade Lange, Vice President, Regional Manager, Portland, American Assets Trust
Nolan Lienhart, Director of Planning & Urban Design, ZGF Architects
Jonathan Malsin, Real Estate Principal, Beam Development
Brian Newman, Director, Campus Planning & Development, OHSU
Rick Saito, Insite Development
Kat Schultz, Principal, GBD Architects and CC 2035 West Quadrant Stakeholder Advisory Committee Co-Chair
John Tydlaska, Economic Development Director, Multnomah County
David Wynde, Deputy Chief Financial Officer, Portland Public Schools
Helen Ying, Consultant, Chinese American Citizens Alliance Portland Lodge
Dan Zalkow, Executive Director for Planning, Construction, and Real Estate, Portland State University
Appendix B

Airport Way Urban Renewal Area
Appendix C

Proposed URA Amendment: River District

Block 33