



PROSPER
PORTLAND
Building an Equitable Economy

DATE: March 13, 2019
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 19-07
Authorizing an Increase in Community Livability Grant Funding to Allen Temple C.M.E. Church in an Amount of \$420,000

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7303

This action by the Prosper Portland Board of Commissioners (Board) will authorize an increase in Community Livability Grant (CLG) award funding to Allen Temple C.M.E. Church (Allen Temple) from \$280,000 to \$700,000. Prosper Portland funding will provide resources to allow Allen Temple, located at 4236 NE 8th Avenue in the Interstate Corridor Tax Increment Finance (TIF) district (see a map in Attachment A), to fund improvements to the community center located inside a historic church with deep roots in the African-American community.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action delivers on Prosper Portland's Strategic Plan goal of creating healthy, complete neighborhoods by investing in cultural assets in priority neighborhoods. The action also delivers on the N/NE Community Development Initiative Action Plan goal of advancing community livability and support for non-profit organizations.

BACKGROUND AND CONTEXT

Allen Temple is an historic, 9,600 square feet, 106-year-old church located in inner northeast Portland. Allen Temple has been a community institution, providing food bank services, counseling services, referrals for people living with HIV/AIDs, homeless outreach, and social justice training. On February 7, 2015, two electrical fires resulted in extensive damage to the church, forcing the congregation to relocate to Maranatha Church and causing a disruption in the community center services.

Since 2015, the Allen Temple team has sought funding to make improvements to repair the church and resume community center activities. To be eligible for Prosper Portland financial assistance, on August 9, 2017, the Prosper Board through Resolution No. 7248 voted to amend the Interstate Corridor TIF district boundary to include the church property. Shortly thereafter in September 2017, representatives from Allen Temple applied for a Prosper Portland fiscal year (FY) 2017-18 CLG award to restore the fire-damaged church building and make improvements to its community space. Through a competitive process, in November 2017 a CLG evaluation team consisting of staff and members of the N/NE Community Development Initiative Oversight Committee (CDI Oversight Committee) recommended a CLG award for \$280,000 to rebuild a portion of the building, specifically the approximately 4,893 square foot Fellowship Hall community center and mezzanine area. Improvements to the Fellowship Hall will

include a reception area, day care center, community meeting space, a classroom for counseling, Americans with Disabilities Act (ADA) compliant restroom and kitchen, heating and cooling systems, new windows, and a new sprinkler system. Improvements to the mezzanine include a cry room, sound booth, and administrative offices.

Due to delays in the construction timeline, the Allen Temple team was unable to utilize any of the \$280,000 from the FY 2017-18 CLG award. In addition, the project team discovered that the basement walls of the lower level of the building suffered water damage and needed to be replaced. The timeline delays and enhanced scope of required work significantly increased both labor and material costs. Additional construction costs include those incurred with the compliance of Prosper Portland’s Green Building Policy certification requiring that tenant improvements of less than 5,000 square feet comply with the Green Tenant Improvement Guide requirements.

In January 2019, the FY 2018-19 CLG evaluation team, including Prosper Portland staff and members of the N/NE Community Development Initiative Oversight Committee, made a preliminary recommendation to increase CLG grant funding for Allen Temple from \$280,000 to \$700,000 to help assist with the increased costs and enhanced scope.

With Prosper Portland’s additional funding, the church renovation is expected to be completed by fall 2019. The total construction cost for the restoration project is \$2,200,000 and the restoration project will be completed with the following financial and in-kind sources:

SOURCE	AMOUNT
Insurance	\$780,467
Prosper Portland FY 2017-18 CLG Grant	\$280,000
Proposed Prosper Portland FY 2018-19 CLG Grant	\$420,000
City of Portland Special Authority Grant	\$30,000
Oregon Community Foundation	\$20,000
Randall Foundation Grant	\$10,000
Northeast Coalitions of Neighbors Grant	\$1,500
Northwest Natural Gas	\$1,000
Brick Campaign and Donation	\$84,657
Anticipated Income from Sale of Vacant Property	\$300,000
In-Kind Donations	275,0000
Total	\$2,202,624

EQUITY IMPACT

Allen Temple is a historic church with long-standing roots in Portland’s African-American community; the increased CLG award will provide much-needed resources to offer community space in northeast Portland and restore this historic structure.

Prosper Portland's Business and Workforce Equity programs will apply to the Allen Temple renovation. Allen Temple has already contracted with Carleton Hart Architecture, a minority certified firm, as their design team. In addition, PacificMark Construction, a minority certified firm, will act as their general contractor. Constructing Hope, which is an apprenticeship program providing opportunities for people of color in construction trades, will be involved in various phases of the construction. Women in Trade, an apprenticeship program for women in construction trades will also be involved in various phases of the construction.

COMMUNITY PARTICIPATION AND FEEDBACK

As noted, the CLG evaluation committee included both staff and a former member of the N/NE Community Development Initiative Oversight Committee.

There is strong community support for this project. The Portland City Council approved Allen Temple's request to waive 50 percent of building permit fees and on January 3, 2018 through Resolution No. 188756 approved a special authority grant agreement with Allen Temple in an amount not to exceed \$30,000. Allen Temple has also received additional grants from local foundation and significant in-kind services for consultant services, materials, and labor.

BUDGET AND FINANCIAL INFORMATION

There are sufficient resources in the Interstate Corridor Tax Increment Finance district fiscal year (FY) 2018-19 budget and five-year forecast for this action (see Attachment B). With the additional financial assistance from Prosper Portland, the sale of a vacant lot, donations from a brick campaign and in-kind donations, Allen Temple has received the financial support to complete the restoration and community center improvement project.

RISK ASSESSMENT

There is a risk that Allen Temple may require additional resources to complete the restoration project; staff has communicated that there are no further CLG grant funds available.

ATTACHMENTS

- A. Project Map/Aerial
- B. URA Financial Summary

Interstate Corridor Urban Renewal Adopted FY 2018-19 Budget

**Financial Summary
 Five-Year Forecast**

<u>Interstate URA Fund</u>	<u>Revised 2 FY 2017-18</u>	<u>Adopted FY 2018-19</u>	<u>Forecast FY 2019-20</u>	<u>Forecast FY 2020-21</u>	<u>Forecast FY 2021-22</u>	<u>Forecast FY 2022-23</u>
Resources						
Beginning Fund Balance	32,315,126	26,441,718	7,796,221	14,670,823	24,490,435	24,668,199
Revenue						
Fees and Charges	1,854	1,510	2,128	534	236	-
Interest on Investments	287,856	27,454	5,269	25,495	94,772	-
Loan Collections	186,601	500,098	222,303	75,427	52,789	52,789
TIF - Short Term Debt	25,974,000	26,973,000	26,973,000	26,973,000	15,869,031	-
Rent and Property Income	283,879	332,605	361,041	390,125	364,692	-
Reimbursements	93,386	93,956	104,623	115,913	106,465	-
Total Revenue	26,827,576	27,928,623	27,668,364	27,580,494	16,487,985	52,789
Total Resources	59,142,702	54,370,341	35,464,585	42,251,317	40,978,420	24,720,988
Requirements						
Administration						
A00030-Debt Management-ISC	32,610	32,610	32,610	32,610	32,610	32,610
Administration Total	32,610	32,610	32,610	32,610	32,610	32,610
Community Economic Development						
A00122-Community Development-ISC	210,000	200,000	200,000	200,000	200,000	-
A00106-NPI & Main St Network-ISC	75,000	75,000	50,000	50,000	25,000	-
Economic Development Total	285,000	275,000	250,000	250,000	225,000	-
Housing						
A00171-Affordable Housing-ISC	21,071,843	33,116,885	9,759,453	7,215,901	9,429,359	6,778,372
A00516-N/NE Middle Ino Hsg-ISC	1,400,000	2,200,000	2,100,000	-	-	-
Housing Total	22,471,843	35,316,885	11,859,453	7,215,901	9,429,359	6,778,372
Infrastructure						
Transportation						
A00249-Killingsworth Stscape-ISC	791,155	-	-	-	-	-
A00250-Lombard Investment-ISC	0	1,000,000	-	-	-	-
Infrastructure Total	791,155	1,000,000	-	-	-	-
Property Redevelopment						
Real Estate						
A00335-Nelson Bldg-Indust-ISC	624,247	86,497	86,497	86,497	86,497	16,562
A00336-Spar-Tek Building-ISC	28,248	30,989	30,989	30,989	30,989	30,989
A00337-Argyle Lot-ISC	6,700	6,700	6,700	6,700	6,700	-
A00338-3620 NE MLK Prkng-ISC	18,066	18,066	18,066	18,066	18,066	16,000
A00342-Real Estate Mgmt-ISC	17,500	5,000	5,000	5,000	5,000	-
A00552-Albina Triangle Garage-GTW	0	12,500	12,500	12,500	12,500	-
Commercial Property Lending						
A00366-CPRL-GeneralHSC	1,000,000	3,435,314	1,950,000	3,500,000	1,300,000	1,300,000
A00527-CPRL-PIP Match-ISC	1,350,000	1,350,000	1,350,000	1,350,000	550,000	550,000
Redevelopment Strategy						
A00333-MLK Alberta-ISC	584,937	644,143	203,280	212,427	229,997	2,422
A00515-MLK Heritage Markers-ISC	250,000	-	-	-	-	-
Redevelopment Grants						
A00131-CLG-GeneralHSC	639,789	500,000	500,000	500,000	500,000	-
A00502-Prosperity Investment Program (PIP) Grant-ISC	2,332,065	1,200,000	1,200,000	1,200,000	500,000	-
Property Redevelopment Total	6,851,552	7,289,208	5,363,031	6,922,178	3,239,748	1,915,972
Total Program Expenditures	30,432,160	43,913,703	17,505,094	14,420,689	12,926,717	8,726,954
Personnel Services	583,288	521,077	697,723	710,900	721,527	731,913
Total Fund Expenditures	31,015,448	44,434,780	18,202,817	15,131,589	13,648,243	9,458,867
Interfund Transfers - Indirect Charges	2,385,536	2,139,340	2,590,945	2,629,293	2,661,978	2,696,511
Contingency	25,741,718	7,796,221	14,670,823	24,490,435	24,668,199	12,565,611
Total Fund Requirements	59,142,702	54,370,341	35,464,585	42,251,317	40,978,420	24,720,988