

N/NE Community Development Initiative (CDI)

Oversight Committee Work Session - December 19, 2019, 6:00-8:30pm

June Key Delta Community Center, 5940 N Albina Ave.

Members present: Jennifer Huang, Quinton Blanton, Gwen Thompson, Maurice Rahming, Karis Stoudamire-Phillips, Leesha Posey, Dorcie Johnson

Members not present: Michael Harper, Oscar Arana, Karen Ward, Chonitia Smith

Facilitator: Dr. Steven Holt

Meeting Minutes:

- Welcome-Prosper Portland Executive Director Kimberly Branam
 - The Prosper Portland Board wanted to ensure that with the N/NE CDI the project would support African American community, that is envisioned and led by Oversight Committee. We appreciate work and conversations that have been happening.
 - Join us on January 9 to open house to hear about community visions for the Williams Russell project.
 - We would like to continue to have open dialogue and communication between Housing Oversight Committee, Williams Russell PWG, and N/NE CDI Oversight Committee.
 - Both the Williams Russell Project Working Group and Housing Oversight Committee will have recommended that the Williams Russell property be included in URA. Recommendations haven't been written yet, but both committees have voted and recommending to include.
 - Housing Oversight Committee will also recommend that Maximum Indebtedness be maximized. The Williams Russell Project Working Group hasn't made recommendation on this yet.
- Amendment Criteria Priorities/Process- Justin Douglas, Prosper Portland
 - Justin helps manage process of amendments to existing TIF or creation of new TIF
 - Kim sent these documents to committee prior to meeting to review.
 - Justin and team wanted the amendment process to be a clear process that anyone could understand even though it is a technical and complex topic.
 - The criteria created focuses on amendments that are considered minor amendments. The state statute allows certain amendments that are minor to have minimal scrutiny. Less than 30 acres of land is a minor amendment. This means there is 30 acres that can be amended and would still be considered minor.
 - Amendments on larger than 30 acres would trigger a longer process that is more thorough. The team felt a longer process would mean they can't deliver as quickly on amendments since the process can get dragged out.
 - This criteria will be used to inform Prosper Portland and Housing Bureau Committees.
 - The goal is for the amendments actions to be opportunity to deliver on N/NE CDI goals or Housing Committee goals.

- First Criteria - Long term property owners and business owners that want to amend site. Recent example includes Dean's Barber Shop for roofing, storefront improvement, flooring, plumbing, and was only 0.9 acres. They were able to make improvements by putting into TIF district. This example shows how an amendment could be a really small site but have a big impact. They wouldn't have been able to access these financial resources if outside boundary.
 - Another example: St Johns Opportunity Center- small CBO advocating for improvements in community, commercial corridor north of St. Johns that's outside of ICRUA TIF district. May be considered for inclusion for access to resources, but still question at this point. Action hasn't been made.
 - Second Criteria- focuses on large scale opportunities to deliver on a Cultural Business Hub or any economic development opportunities. Williams Russell is 1.7 acres, which isn't actually large but is a significant amount in context. Williams Russell could be used as a site for a Cultural Business Hub depending on the PWG decisions.
 - Third Criteria- amendments that could benefit Community Based Organizations (CBO) and utilize resources. Prosper Portland Board voted to include Allen Temple CME property into the ICRUA, which is a strong CBO. There were two fires to the church, and the funds allowed improvement to the fellowship hall that serves social gatherings. Allen temple received a Community Livability Grant to make those improvements. The size of the site is 0.16 acres.
- The original cap for amendments was 40 acres. Because of these previous amendments, there is closer to 30 acres left now. The acreage is cumulative, so over the past couple years any amendments have decreased the total amount available.
- We could request larger than 30 acre amendments but it triggers different process. The Maximum Indebtedness conversation is considered a substantial amendment just like acreage amendment over 30 acres. The process could take 9 months to 1 year. Thought process behind minor amendments is to not get held up in long-term process.
- Process: if received requests to make amendments, and did it once a year, this didn't seem responsive. There are missed opportunities if wait for annual response to requests. But monthly amendments to bring packages to Board is a lot of staff time to make happen. If there are two requests to be included, they would be put against criteria and bundled together with another site if there was one. Currently thinking quarterly review of requests would be a good middle ground.
- Question: How do you ensure all applicants have the same information that this is possible and accessible? Ideas include sharing this info through the monthly online communique, hosting an open house info session, committee members could share/recommend. Since this process hasn't been done before it is new and there is flexibility of how to accomplish these goals.
- Kimberly Branam- Historically, most TIF districts don't get amended. City Council may make recommendation or if there's a big real estate opportunity. Historically it hasn't come from community-driven requests. The ICURA TIF District is already 4,000 acres,

and could potentially do amendments on annual basis. Most other districts are amended every 10 or 15 years.

- Currently, there are 30 acres that are left to amend. If a substantial amendment was pursued, there would be up to 270 acres to amend.
- Question about process: If there are 5 properties that we identify, meet criteria, and there is only space for three properties, how do you weigh which should come in and which shouldn't?
 - Amendment process in March, May, and would be making decision at that point what gets included and what doesn't. Worried about staff time to amend regularly and go before Board.
 - Most of commercially zoned area within N/NE CDI was amended in around 2009-2010. Williams Russell wasn't included then because wasn't ready.
- Housing Bureau- want to provide as much housing as we can. Single family homes are our last criteria. If there was a choice between single family home or asking for property where can have large scale affordable rental housing, would choose one with more quantity of housing provided.
 - Don't want to bring people in and they have to wait for money or be put on waiting list and then money runs out.
 - Housing Bureau doesn't have internal capacity to manage process, which is why there's long wait. Just to meet current goal PHB is still behind.
- Concern over single family housing homeowners- put priority on homeownership for those that were displaced in N/NE CDI, but these amendments don't reflect that. Money that N/NE CDI gave to Housing Bureau is for people to purchase within ICURA or for people to get home repairs.
 - PHB is already providing home repair services that own homes within 80-120% AMI within TIF.
 - Capacity to provide services is the issue for including homeowners, paying for staff is why it's a low priority. Because operating within staffing that have.
- Question: Committee members would like to request a history of amendments made to review previous amendments and align with criteria listed.
 - Criteria listed provides recent examples that have been amended and why
- Question: Who benefited and what happened from previous amendments? The committee would like to see document that quantifies what happens after an amendment is made.
- In TIF in the past, long term, black, low income, have not benefited and have even been harmed. The N/NE CDI came together acknowledging this and are seeking ways to create process to ensure that amendments are fulfilling that goal.
- Comment: N/NE Housing Committee was set up to establish housing so now it sounds like this would be outside the scope of N/NE CDI.
 - Long term homeownership goal is a partnership with others. Committee members thought the Action Plan was a living document that could make changes to based on community response. And currently, don't know how to help those that are right outside ICURA by 500 feet.

- ADU program- PHB would like to partnership on these efforts. There are some concerns about impacts on homeowners from the presentation made at the last oversight committee meeting. The mayor didn't approve the ADU model that PHB presented. Concern people will get into something without understanding implications and then get stuck with increased property and income taxes while keeping the space affordable for 15 years.
 - Comment from Committee: Would rather put 1.8 million designated for ADU back into an area that N/NE CDI Committee has more direction over
- Increasing Maximum Indebtedness- Leslie Goodlow, Portland Housing Bureau
 - Same presentation given to PWG and Housing Oversight Committee in the past during a joint meeting
 - Number of units built in Interstate TIF district since the district started:
 - 15,034 units
 - 1472 used other City/TIF funds
 - 62 regulated with limited tax exemption for multi-family
 - As of 2018, the demographics of regulated units- 31% African American, 21% elderly, 27% had children, 49% single parent family households. 2019 hasn't been reported yet.
 - Leslie can send this PPT to the group
 - Average income is \$18,000. Gross rent is \$509
 - Projects that have been done since starting the Housing Strategy:
 - As of June 2020, 503 units open
 - Spent 40 million dollars of TIF
 - Good deal because usually units are about \$100,000 subsidy per unit, so this is a bit better than that.
 - Homeownership Development Process: 4 projects currently in pipeline
 - Owland- Townhomes (8 are spoken for)
 - Kilpatrick- Townhomes & Flats (10 are spoken for)
 - 5020 N Interstate- going to Council late January to begin construction. 40 AFFORDABLE UNITS. 10-20 Market rate. None of these are sold yet, still under construction. September is when targeted to be sold to preference policy.
 - How TIF Works: When URA was developed in 2000. Once district closes the funds go back to taxing jurisdictions, but goes to state before it comes back. So don't always get as much back as you send.
 - Question: After end date of TIF district, can some of the money stay to be used? Example: Willamette TIF District
 - Tony from Prosper Portland: Like in Willamette, dollars raised by TIF can be spent past the end date, can be held until projects are finished. It's bond money that was raised, so while TIF money goes back, the money that was left from Bond can continue until dollars are spent.
 - If declared surplus, the statue states the funds would go back to general fund.
 - The ICURA does not have an end/close date. The end date of a district, last date to issue debt, is usually built into URA when it is adopted. This district never had a date built into the plan. In other districts, there would have to be amendment

to go past end date passed by City Council. But for ICURA, because there is no end date, in order to raise Maximum Indebtedness, it might take more time to raise the MI.

- This is important for this committee because the reason why ICURA is only TIF district with no end date is because of the gentrification, the policies and practices of Portland Development Commission at the time, when this district was created that was considered in the decision.
 - Maximum indebtedness is the maximum amount that can be borrowed over the life of the URA. The URA plan states what the maximum dollar amount is that can be borrowed.
 - Can not increase by more than 20% either by land or by dollars. To maximize MI for TIF would be additional 67 million dollars.
 - We have four projects that Housing Bureau and Housing Oversight Committee have discussed of what the plan would be with additional TIF dollars
 - 1.) Carey Blvd- came into URA, would be for homeownership. 40-60 townhomes for ownership.
 - 2.) Strong Property- purchased by PHB in summer, just short of acre, between Williams and Vancouver on Alberta. Planning to put rental, may be mix of rental and homeownership. Could potentially put 100 units of affordable rentals.
 - 3.) TBD Rental Project
 - 4.) TBD Rental or Homeownership Project, which is being held for Williams Russell site if they came into URA and decided housing was priority. Currently 83% of those surveyed have said housing is priority for that property.
 - TIF Dollars if MI increased: Breakdown of 67 million
 - 46.9 million requested by Housing, 20 million would come to N/NE CDI through Prosper Portland.
 - Strong Property- opportunity to partner for development on ground floor with retail or something to benefit with community. Popular busy street corner.
 - Housing Oversight committee plans to recommend to Prosper Board to maximize MI for ICURA. Also supportive of recommending to include Williams Russell on ICURA because would like to see housing on property.
 - N/NE CDI Will have to decide if they want to support these recommendations.
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- Williams & Russell Amendment- Bryson Davis, Co-Chair of Williams Russell Project Working Group (PWG)
 - Goals of PWG: working on developing vacant lot on corner of Williams and Russell that is currently owned by Legacy. The PWG has spent the past several months getting feedback from community on the priorities of what to build on-site.
 - Affordable housing at the top, business/entrepreneurial support is goal of group

- Community feedback will be the key piece included in design plan.
- During the open house community event on January 9th, we will talk about what we've been doing and communicating back the info that has been gathered.
- Current status of project process: trying to do three things at once.
 - First: start planning for what to do when original 24 month time frame expires, and how we will form things going forward. We have enough funding to go through September 2020 currently.
 - Second: determine ownership, what sort of ownership structure we want as the site is developed
 - Third: move forward with feedback from the community and how does that look like in an ask from developers, including forming Request for Proposals (RFPs) for developers and what are priorities that have to be met.
 - Subcommittees will be restructured to focus on different tasks. Community engagement will continue with the subcommittee.
 - There will be more outward facing communication as way to show status of project.
- Funding piece: how do we fund the work the PWG is doing as we run out of money? Since housing is likely going to be built, there is possibility of funding from PHB that could be used to help with pre-planning if in the site is in the ICURA.
- Being in URA could be advantage when we go to developers, whether we use any TIF funding or not. It creates more options for developers.
- The PWG voted in November to recommend to the N/NE CDI that they support Williams Russell being added into ICURA. Prosper Board is final decision maker, but want both groups to be supportive of each other in this decision.
- The ask from the PWG to the N/NE CDI Oversight Committee is to join us in recommending to support adding Williams Russell into the ICURA.
- Question: Why is it beneficial to developers to be in URA?
 - Response: Developers will want to know whether the site is in the URA or not because they can access funds/benefits of URA. There is the potential to ask for money, such as housing, to build housing component of property. Developers would be looking at any sort of potential funding a project could get that is related to being in URA. They would take this into account when creating proposal for the PWG to review for the site.
- The Committee is concerned about a large amount of money that would be asked for a small property.
 - The PWG won't be asking for money until get ownership settled. Ownership is dependent on feedback from community and what wants to be put on site. Ownership of housing or mixed use would be different kinds of ownership models.
 - Inclusion in the ICURA seems beneficial no matter the ownership model. Legacy has fully committed to it being transferred to whomever the PWG decides.
- The PWG has started to look at several avenues for funding. Meyer Memorial was discussed in beginning of process to help support initial planning stage, and may be

potential source moving forward. May not be. Currently seeking other funding sources options.

- There is enough money for the PWG to do work through the RFP and until we settle ownership model by September. Then would look for additional funding.
- Housing could pay for food, planning, meetings, which could be covered under TIF dollars if included in ICURA
- If community says wants market rate housing that creates wealth, couldn't use 8 million from PHB because that's for building affordable units.
- One process working on right now is the zone change. The property is currently zoned as campus institutional, hoping to get switched to CM3. There is hearing in February.
- Question: what does PWG plan to do if zoning change doesn't happen?
 - One of key benefits of zone change is clear legal separation of property from Legacy campus, an indication that it is separate and being returned to community. Zoning just influences the structures that can be built there.
 - PWG will send zoning change slides about info of project to Oversight Committee
 - Zoning has to follow lot lines. So when the amendment was drawn, it included gardens currently on Russell, so for example a Community Livability Grant would be awarded to improve gardens if in ICURA.
 - The alternative is to sub-divide lot. Part of amendment to take to Prosper Board is that Legacy would not be able to access TIF dollars even if their property is brought in along with Williams Russell site.
 - If Legacy sells the property after added to URA, the new owner would have to go through the process of requesting/applying for benefits.

N/NE CDI Oversight Committee Discussion

- Maximum Indebtedness
 - Committee members generally understand concept of what increasing maximum indebtedness and that would mean an additional \$67 million for the ICURA TIF funds
- Amendment Criteria/Process
 - Committee would like more clarity on how the decisions will be weighed of who gets accepted and who gets denied with the remaining 30 acres left to amend.
 - The criteria don't clearly outline a process for acceptance/denial into ICURA
 - Uncertainty whether Prosper Portland is wanting to develop this process with Committee or if they will be presenting draft for feedback from committee
- Williams & Russell Amendment
 - Would provide opportunity for funds but does not guarantee funds.
 - This could cover the cost of the PWG meetings, including food, staff, etc. for the PWG
 - Concern about the question of ownership of the site and how it will create generational wealth for Black community.
 - Would feel more comfortable including the site in the ICURA if there was a plan for ownership and site development that clearly benefits Black community and those displaced.

Summary of Action Items:

1. Invitation to Williams Russell Open House on January 9 at New Song Community Church to hear about community visions for the Williams Russell project.
2. N/NE CDI Oversight Committee Members will be asked to make a recommendation on Maximum Indebtedness and ICURA Amendment to include Williams and Russell site at the January 15 regular oversight committee meeting
3. Prosper Portland Board will be voting on these two recommendations in March
4. Oversight Committee requests:
 - a. Prosper Portland Staff
 - 1) Clarification of decision-making process for amendments that are a result of the criteria decisions (ie. how properties will be prioritized over one another)
 - 2) History of amendments made to ICURA boundary aligned with current criteria provided. Information about who benefited and what happened from previous amendments (ie. quantify what happens after amendment is made)
 - b. Williams Russell Project Working Group- share copy of zoning information about site change from campus industrial to CM3 and when this is happening.
 - c. Leslie Goodlow, PHB- Increasing Maximum Indebtedness power point slides