



DATE: October 14, 2020
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 20-46
Approving the Amended and Restated Interstate Corridor Urban Renewal Plan 2021 and Forwarding to City Council with a Recommendation for Approval

BOARD ACTION REQUESTED

Adopt Resolution No. 7400

This action by the Prosper Portland Board of Commissioners (Board) will approve an amendment to the Interstate Corridor Urban Renewal Plan (Interstate Plan) that will increase the district's maximum indebtedness. Put simply, maximum indebtedness is the amount of debt that the City of Portland (City) can borrow to invest in a tax increment finance (TIF) district. If approved, this action will initiate the formal public review process including: a briefing to Multnomah County Board of Commissioners; a consult and confer process with impacted taxing districts; review by the Planning and Sustainability Commission for conformance with the City's Comprehensive Plan; and a city-wide notice of a hearing by the Portland City Council to consider adoption of a non-emergency ordinance that is currently contemplated to occur in December 2020.

The changes made in this Amended and Restated Interstate Corridor Urban Renewal Plan 2021 (Amended and Restated Plan) are referred to, for convenience, as the 13th Amendment and are identified in Attachment A to this report. The action taken by Portland City Council will be consideration of the Amended and Restated Plan, which amends and restates the Interstate Plan in its entirety, incorporating and subsuming all prior versions and amendments, which are of no further force and effect to the extent absent from the Amended and Restated Plan.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action will deliver on Prosper Portland's Strategic Plan goals to create healthy, complete neighborhoods; foster wealth creation within communities of color; and form 21st century civic networks, institutions, and partnerships. It is also consistent with the agency's Financial Sustainability Plan as it will "seek additional revenues for capital and operations by leveraging core expertise."

BACKGROUND AND CONTEXT

The Interstate Plan was adopted by Portland City Council on August 23, 2000, by Ordinance No. 174829 to provide resources to fund and foster the economic development and redevelopment of north and northeast Portland. The originally approved Interstate Plan maximum indebtedness was \$335,000,000. To date, the City has issued \$265,200,000 in debt, financing job creation, business support, affordable housing, infrastructure, and other community priorities. The Interstate Plan has subsequently been

amended twelve times to distribute TIF resources more effectively and equitably into initiatives that met community goals.

In 2018, Portland Housing Bureau (PHB) staff identified several affordable housing projects that would benefit from an investment of TIF resources. However, to access these TIF resources, the Prosper Portland Board and City Council would need to increase the Interstate Plan maximum indebtedness through a formal amendment to the Interstate Plan. The North/Northeast (N/NE) Housing Oversight Committee, which informs implementation of PHB's N/NE Neighborhood Housing Strategy, on September 19, 2019 voted unanimously to support increasing maximum indebtedness (see the N/NE Housing Strategy Oversight Committee letter in Attachment B) in order to allocate funding for the identified PHB projects.

Prosper Portland staff has engaged the N/NE Community Development Initiative (CDI) Oversight Committee (whose role is to oversee implementation of Prosper Portland's N/NE CDI Action Plan, which prioritizes community economic development investments in the Interstate Plan area) on the merits of increasing maximum indebtedness. On February 12, 2020, the N/NE CDI Oversight Committee voted in favor (five yes, two no, two abstentions) to explore increasing maximum indebtedness in the Interstate Plan (see the N/NE CDI Oversight Committee letter in Attachment C).

The potential amount for maximum indebtedness increase is currently estimated at \$67,000,000, of which approximately \$45,000,000 would be reserved for PHB investments, and the remaining will be under the management of Prosper Portland to be invested in N/NE Action Plan priorities, including the Williams and Russell project.

EQUITY IMPACT

An increase of the Interstate Plan's maximum indebtedness has the potential to create resources for PHB to invest in more than 200 new affordable housing units in furtherance of the N/NE Neighborhood Housing Strategy, which aims to "address the legacy of displacement in North and Northeast Portland through investments in new affordable rental housing, opportunities for first-time homebuyers, and home retention programs for longtime residents." It will also provide critical resources for Prosper Portland to invest in projects that are in line with community economic development goals as identified in the N/NE CDI Action Plan, including:

- Increase employment and wealth creation opportunities for long-term and returning residents, business, and property owners,
- Strengthen community capacity to produce economic opportunities, and
- Support cultural/community assets.

COMMUNITY PARTICIPATION AND FEEDBACK

Within the past month, staff have provided the following briefings:

- N/NE Housing Strategy Oversight Committee - September 10, 2020
- Portland Housing Advisory Commission - October 6, 2020
- N/NE CDI Oversight Committee Co-Chairs - October 6, 2020
- Williams and Russell Project Working Group - October 7, 2020

While staff did not seek a formal vote, all groups were generally supportive of the proposed amendment to the Interstate Plan.

BUDGET AND FINANCIAL INFORMATION

As noted above, should the Prosper Portland Board and City Council ultimately approve an increase in Interstate Plan maximum indebtedness, PHB and Prosper Portland will have access to a considerable increase in resources beginning in fiscal year 2021-22.

RISK ASSESSMENT

There are few to no risks to this action, as it simply initiates the Interstate Plan amendment process.

ATTACHMENTS

- A. 13th Amendment
- B. N/NE Housing Strategy Oversight Committee Letter
- C. N/NE CDI Oversight Committee Letter

Amended and Restated Interstate Corridor Urban Renewal Plan 2021

Incorporating the 13th Amendment to the Interstate Corridor Urban Renewal Plan

Deletions are shown in ~~crossout~~, additions in *italics*

1. Preface to Plan:

Interstate Corridor URA Plan History

	<i>Resolution/Ordinance</i>	<i>Date of Adoption</i>	<i>Description</i>	<i>Report</i>
<i>Amended and Restated</i>	<i>Res. 6883 Ordinance 184773</i>	<i>6/8/11 7/27/11</i>	<i>Expansion along Martin Luther King Jr. Blvd, Killingsworth, Albert, Lombard Street, and St Johns Town Center</i>	<i>11-197-05- 0006</i>
<i>8th Amendment</i>	<i>Res. 7127</i>	<i>6/24/2015</i>	<i>Add public building project: Charles Jordan Community Center</i>	
<i>9th Amendment</i>	<i>Res. 7248</i>	<i>8/9/2017</i>	<i>Added property totaling 1.46 acres</i>	
<i>10th Amendment</i>	<i>Res. 7306</i>	<i>4/10/2019</i>	<i>Added property totaling 5.57 acres</i>	
<i>11th Amendment</i>	<i>Res. 7356</i>	<i>1/15/2020</i>	<i>Added property totaling 5.38 acres</i>	
<i>12th Amendment</i>	<i>Res. 7361</i>	<i>3/11/2020</i>	<i>Added property totaling 3.74 acres</i>	
<i>13th Amendment/Amended and Restated 2021</i>			<i>Increased Maximum Indebtedness, added projects, updated Plan</i>	

2. Front Page:

ADOPTED AUGUST 2000

AMENDED AND RESTATED THROUGH JULY 27, 2011-2021

Logo changed to Prosper Portland logo from PDC logo.



3. I. INTRODUCTION

Amended and Restated Interstate Corridor Urban Renewal Plan 2011

Amended and Restated Interstate Corridor Urban Renewal Plan 2021

This Amended and Restated Interstate Corridor Urban Renewal Plan 2021 makes changes to the Plan, which changes are identified in this Amended and Restated Plan, or referred to for convenience, as the “13th Amendment.” This Amended and Restated Interstate Corridor Urban Renewal Plan 2021 amends and restates the Plan in its entirety, incorporating and subsuming all prior versions of the Plan, which prior versions are of no further force and effect to the extent absent from this 2021 Amended and Restated Plan. This 13th Amendment increases the maximum indebtedness (“MI”) by \$67,000,000 to a new MI of \$402,000,000. Seventy percent of these funds are allocated to affordable housing to be implemented through the Portland Housing Bureau and the remaining thirty percent will be invested in administration , programs and projects that implement goals and objectives of the North/Northeast Community Development Initiative Action Plan, including the Williams & Russell project

4. II. PUBLIC INVOLVEMENT

13th Amendment

The North/Northeast Community Development Initiative began in January 2016 with the goal of determining how to spend the remaining uncommitted Interstate Corridor Plan tax increment finance (“TIF”) resources. Prosper Portland convened a Project Advisory Committee composed

of members of the Neighborhood Economic Development Leadership Group and other community representatives to guide the development of an action plan for the remaining funds.

In January 2017, the Portland City Council adopted the North/Northeast (“N/NE”) Community Development Initiative (“CDI”) Action Plan. This plan reflects the input of the Project Advisory Committee as well as the feedback from:

- *Thirty-five stakeholders who participated in group or one-on-one interviews*
- *Community members who attended Project Advisory Committee meetings*
- *The North/Northeast Neighborhood Housing Strategy Oversight Committee*
- *More than 200 community members who participated in community forums held on October 8 and October 20, 2016.*

The goal of the N/NE CDI Action Plan is to use the remaining TIF resources to foster economic prosperity among communities and individuals who have not fully participated in or benefited from economic opportunities in the Interstate Corridor URA.

Prosper Portland recognizes that the Black community and other communities of color have experienced significantly restricted access to employment and wealth creation opportunities within the Interstate Corridor URA – even while other communities and businesses have seen significant gains. This disparity has hindered economic opportunities and reduced community capacity to support cultural and community assets.

The Plan and the remaining investments are therefore specifically designed to ensure that the remaining Interstate Corridor Plan economic development resources are directed toward long-term and former members of the community who have not benefited from the impact of public and private investments to date.

In 2017 the N/NE CDI Oversight Committee formed the ICURA Expansion Subcommittee to review potential changes to the Interstate Corridor Plan to include the property at N. Williams and N. Russell streets. A Williams & Russell Project Working Group was formed to provide community outreach and communication about the Williams and Russell project. In meeting minutes from the February 12, 2020 N/NE Oversight Committee, it was stated that the Williams and Russell PWG had collected over 600 responses from community surveys regarding feedback on the site.

A N/NE CDI Oversight Committee work session was held on December 19, 2019 to review information on the potential changes to the Interstate Corridor Plan. The N/NE CDI Oversight Committee was briefed on the MI increase and addition of the N Williams and Russell site to the Interstate Corridor Plan on Feb 12, 2020. A vote was taken on two recommendations: to increase the maximum indebtedness and to amend the Interstate Corridor Area to include the Williams and Russell site. The two recommendations passed with majority votes.

The result of this work was to add the 1.7 acre property at N Williams and Russell to the Interstate Corridor Plan boundary. This was completed by Resolution No. 7361 on March 11, 2020.

The 13th Amendment is the implementation of the recommendation to increase the maximum indebtedness of the Interstate Corridor Plan.

5. III. GOALS AND OBJECTIVES

Principles by Topic Area

ECONOMIC DEVELOPMENT/JOBS

12. Economic Development Strategy. Work toward accomplishing the goals of the City of Portland’s ~~Economic Development Strategy (the “EcDev Strategy”)~~ and ~~Neighborhood Economic Development Strategy (the “NED Strategy”)~~ *North/Northeast Community Development Initiative Action Plan* to create thriving commercial areas, successful neighborhood businesses, and equitable access to quality jobs throughout the Area. Strive to position neighborhoods, local businesses and their residents to connect to and compete in the regional economy

6. IV. RELATIONSHIP TO LOCAL PLANS AND OBJECTIVES

See Exhibit “D” *for the Comprehensive Plan Findings.*

City of Portland’s Economic Development Strategy

~~The EcDev Strategy was adopted by Council on July 8, 2009. The EcDev Strategy sets forth the approach for building an environment for business success and family prosperity in Portland, with the goal of creating 10,000 net new jobs in five years. To achieve this goal, the EcDev Strategy calls for job growth, innovation in sustainability and equality of economic opportunity through competitiveness, urban innovation and neighborhood business vitality. This Plan meets the specific EcDev Strategy objectives as follows:~~

Competitiveness: ~~Portland intends to maximize the opportunities for traded sector firms (firms that import resources and export goods and services) to produce quality jobs.~~

- ~~1. This Plan provides programs to assist businesses within Portland’s targeted clusters, assisting firms with expansion of exports, supporting higher education innovation efforts and aligning workforce development to match the skills needed.~~

Urban Innovation: ~~Portland will embark on the next generation of innovation and investment in green building.~~

- ~~2. This Plan provides financial assistance through the Green Features Grant program for businesses that want to make sustainable improvements to their buildings. Substantial investment has been made to fund businesses that adopt green technology, highlighting those that support close to zero carbon footprints.~~

~~Neighborhood Business Vitality:~~ ~~Equalize opportunity and stimulate economic activity in neighborhoods throughout the City.~~

- ~~3. This Plan helps equalize opportunity and stimulate economic activity in neighborhood commercial districts. Currently there are two Portland Main Street Programs based on the “Main Street Approach” created by the National Trust for Historic Preservation that overlap with the Area, St. Johns and Alberta. PDC staff will work closely with these groups with particular emphasis on small business development, local retail and service firms, and M/W/ESBs.~~
- ~~4. This Plan contemplates funding storefront improvement grants and provides other direct assistance to businesses within these neighborhood districts.~~

7. V. URBAN RENEWAL AREA

Description

Eliot: Eliot is the southernmost of the neighborhoods which comprise the Area. It includes much of the Lower Albina Industrial District (occupying the area between the I-5 freeway and the Willamette River), an older industrial sanctuary bisected by the main line of the Union Pacific Railroad. N. Russell Street between N. Interstate Avenue and I-5 has emerged as an exciting mixed-use area in recent years, with several commercial activities mixed in among older industrial uses. East of the freeway, the portions of the Eliot neighborhood within the Area consist primarily of the southern stretch of the Vancouver/Williams corridor (a north-south corridor featuring a mix of commercial, residential, and light manufacturing uses, along with several vacant sites), and the Russell Street corridor almost to NE Martin Luther King, Jr. Blvd. Small portions of the Eliot Conservation District, and all of the Russell Conservation District, fall within ICURA’s boundaries. The Area also includes commercial properties along NE Martin Luther King Jr. Boulevard and surrounding I-5. *The 12th Amendment adopted in March 2020 amendment added the North Williams and Russell site to the ICURA Plan boundary.*

Interstate Corridor Urban Renewal Area Map (prior map deleted in its entirety)



Source: Prosper Portland GIS

8. VI. PROPOSED LAND USES

The City of Portland’s Comprehensive Plan and implementing ordinances govern land use within the Area. Any adopted change in the Comprehensive Plan or implementing ordinance shall automatically amend this Section, as applicable, without the necessity of any further formal action. This Section VI and Exhibit “B” (Comprehensive Plan Map) shall thereafter incorporate the relevant amendments, additions or deletions. To the extent this Section VI and Exhibit B conflict with the Comprehensive Plan or Zoning Code, the Comprehensive Plan and Zoning Code shall govern. The Report on the Amended and Restated Interstate Corridor Urban Renewal Plan (the “Report”) accompanying this Plan contains a brief description of the zoning designations which correspond to the Comprehensive Plan designations. Title 33, ~~Portland City~~ *Planning and Zoning Code* is incorporated herein to establish the maximum densities and building requirements to be implemented with this Plan.

Comprehensive Plan Map Designations	Corresponding Zoning
Industrial Sanctuary	IG1, IG2, IH
Central Employment	EX
Mixed Employment	EG1 and EG2
<i>Mixed-Use - Dispersed</i>	<i>CM1, CR</i>
<i>Mixed-Use - Neighborhood</i>	<i>CM1, CM2, CE</i>
<i>Mixed-Use - Civic Corridor</i>	<i>CM1, CM2, CM3, CE</i>
<i>Mixed-Use – Urban Center</i>	<i>CM1, CM2, CM3, CE</i>
General Commercial	CG
Urban Commercial	CS and CM
Office Commercial	CO1 and CO2
Neighborhood Commercial	CN1 and CN2
Central Commercial	CX
Institutional Campus	CI1, CI2, IR
<i>Single-Dwelling 10,000</i>	<i>R10</i>
<i>Single-Dwelling 7,000</i>	<i>R7</i>
<i>Single-Dwelling 5,000</i>	<i>R5</i>
<i>Single-Dwelling 2,500</i>	<i>R2.5</i>
<i>Multi-Dwelling - Neighborhood</i>	<i>RM1</i>
<i>Multi-Dwelling - Corridor</i>	<i>RM2</i>
<i>Multi-Dwelling - Urban Center</i>	<i>RM3, RM4</i>
Central Residential	RX
High Density Multi-Dwelling Residential	RH
Medium Density Multi-Dwelling Residential	R1
Low Density Multi-Dwelling Residential	R2
Attached Residential	R2.5

High Density Single Dwelling Residential	R5
Medium Density Single Dwelling Residential	R7
Low Density Single Dwelling Residential	R10
Open Space	OS

9. VII. URBAN RENEWAL PROJECTS AND PROGRAMS

Property Redevelopment

Tax increment revenue generated by the 13th Amendment and allocated to Prosper Portland will be invested in administration, programs and projects that implement goals and objectives of the N/NE CDI Action Plan, including the Williams & Russell project.

1. Commercial Redevelopment

(e) Williams/Russell Site This site is designated for the development of a Cultural-Business Hub. The concept as defined in the N/NE CDI is: Foster multigenerational wealth creation by investing in a larger-scale projects that will provide commercial space for small businesses owned by Blacks and other people of color. The project will be a place for businesses to grow and thrive, and will create active, vital sites offering culturally specific products, services, foods and/or entertainment. The project would be owned by Blacks and other people of color and meet specific timing, conditions and criteria:

Project Selection Criteria:

- 1. Aligns with the goals and objectives of the N/NE CDI Action Plan especially:
 - *Fostering multigenerational wealth creation through property ownership.*
 - *Fostering multigenerational wealth creation through business ownership.**
- 2. Provides commercial space for small businesses owned by Blacks and other people of color to grow and thrive.*
- 3. Demonstrates a commitment to tenanting a majority of the project with local, minority-owned businesses.*
- 4. Provides long-term community benefits for Blacks and other people of color.*
- 5. Provides meaningful contracting opportunities throughout the development and construction process for Blacks and other people of color.*
- 6. Demonstrates financial feasibility and commitment from development and financial partners. Portions of this project could also be considered to fit in the Business Development category of projects.*

Housing

(f) Housing projects in 13th Amendment:

There are three projects to be undertaken in the Area by the Portland Housing Bureau. If there is additional tax increment revenue or if one of these projects does not move forward, then Prosper Portland will provide the Portland Housing Bureau with use of such funds in accordance with ORS 456.125(5) for additional affordable housing units and to support affordable housing in alignment with the North/Northeast Neighborhood Strategy.

1. *Home ownership opportunity 40 to 50 households on the Carey Boulevard property purchased by the Portland Housing Bureau from the Water Bureau. Income restrictions for this project are up to 80% median family income (MFI) for two bedrooms or less or up to 100% MFI for three or more bedrooms. The Portland Housing Bureau will use the preference policy established in the North/Northeast Neighborhood Housing Strategy to select home buyers.*
2. *Strong property development, located at the corner of Williams and Alberta, of either home ownership or multifamily rental. This property was purchased by the Portland Housing Bureau in late summer of 2019. It has the potential of 100-150 units of rental housing. Incomes restrictions for this project are at 60% MFI or less. The Portland Housing Bureau will use the preference policy established in the North/Northeast Neighborhood Strategy.*
3. *Funds set aside for the Williams & Russell project in the event that the decision is made by the Project Working Group to include housing on that site. The same guidelines as the above two projects will apply depending on the type of development that is chosen, homeownership or rental.*

Business Development

The Commission may provide assistance and incentives, including loans, grants or other funding programs, for private, nonprofit and for profit parties to undertake projects and programs that are supportive of the wealth creation, economic development, jobs creation and employment goals of this Plan, with particular focus on those projects and programs that fulfill the goals of the ~~EeDev Strategy and the 2011 Council adopted NED Strategy~~-N/NE CDI Action Plan.

10. X. METHODS FOR FINANCING THE PROJECT

General Description of the Proposed Financing Methods

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance from the Federal Government, the State, City, County, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS Chapter 457 and Chapter XV of the City Charter. Upon request of the Commission, Council may from time to time issue revenue bonds, certificates, debentures or promissory notes to assist in financing project activities as provided by Section 15-106 of the City Charter.

Tax increment revenue or other financing described above and obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457 and Chapter XV of the City Charter in connection with the implementation of this Plan.

The total maximum indebtedness which may be incurred to complete the Plan is
~~\$335,000,000.~~ \$402,000,000.

11. XV. EXHIBITS

- A. *Interstate Corridor Urban Renewal Area - Legal Description of Area Boundary*
- B. *Interstate Corridor Urban Renewal Area - Comprehensive Plan Map*
- C. Description of Outreach Efforts for the Interstate Corridor Urban Renewal Area
- ~~D. Original (2000) Comprehensive Plan Findings~~
- ~~E. Comprehensive Plan Findings~~
- D. *Comprehensive Plan Findings*



Prosper Portland Board of Commissioners
Attn: Gustavo J. Cruz, Commission Chair
222 NW 5th Avenue
Portland, Oregon 97209

RE: Interstate Tax Increment Financing District Maximizing Indebtedness and Inclusion of the Williams and Russell Property into the District

Chair Cruz,

I am writing to you today on behalf of the N/NE Neighborhood Housing Strategy Oversight Committee to make formal recommendations on two topics: Maximizing Indebtedness of the Interstate Tax Increment Financing District and the Inclusion of the “Williams and Russell” property into the District.

1. Maximizing Indebtedness – Our committee has discussed the issue of maximizing indebtedness in several meetings beginning in June 2018. We participated in a joint meeting with the NE CDI in July 2018 and then most recently in September 2019 at our meeting. The Portland Housing Bureau presented plans to our committee highlighting four potential projects to be developed utilizing the additional funds that would come from the increase.
 - a. Home ownership opportunity 40-50 households on the Carey Blvd. property purchased from the water bureau and included in the Interstate District last year by your board.
 - b. Strong property development of either home ownership or multifamily rental. This property was purchased by PHB in late summer of 2019, it has the potential of 100-150 units of rental housing.
 - c. Funds set aside for the Williams & Russell project in the event that the decision is made by the PWG to include housing on that site.
 - d. Rental project to be determined at a later date.

As you can see the potential for an additional 350-400 units that would utilize the preference policy is critically important to the committee, as we continue to operate in a housing crisis, specifically a situation where African American households in Portland are most greatly impacted. We are convinced that the additional funds are necessary for continued reduction of housing disparity in NE Portland for low income families, and more specifically, African American families.

To that end, the N/NE Neighborhood Housing Oversight Committee unanimously voted to support maximizing indebtedness of the Interstate TIF District on September 19, 2019. (See attached meeting summary)

2. Inclusion of the Legacy owned Williams & Russell site into the Interstate TIF District – Our committee has been kept informed through the participation of one of our members, Jilian Saurage Felton, as a member of the Project Working Group. The OC is aware and understands the historic value of this property to the African American community, they support the efforts of the PWG in their planning for the development of the project. We understand that housing has been identified as a top priority through surveys and community engagement. We believe that in order for the project to be successful, funds must be identified and prioritized to support the development, that being said, the NE Oversight Committee, supports the recommendation of inclusion of the property into the TIF District and an allocation of TIF dollars to support affordable housing development on the property.

If you have any questions, please contact, Leslie Goodlow, Equity and Business Operations Manager, Portland Housing Bureau, at leslie.goodlow@portlandoregon.gov or 503-823-4160, she will ensure that the committee is kept apprised of the process and provide additional information if needed.

Thank you for your consideration,



Dr. Steven Holt, Chair
N/NE Neighborhood Housing Strategy Oversight Committee

Prosper Portland
Attn: Kimberly Branam
222 NW 5th Avenue
Portland, Oregon 97209

RE: Interstate Tax Increment Financing District Maximizing Indebtedness and Inclusion of the Williams and Russell Property into the Interstate Corridor Urban Renewal Area (ICURA).

Dear Kimberly,

I am writing to you today on behalf of the N/NE Community Development Initiative (CDI) Oversight Committee to present a formal recommendation on the following two items:

1. Maximizing Indebtedness (MI) of the Interstate Tax Increment Financing District (TIF) and
2. The inclusion of the Williams and Russell (W&R) property, formerly known as the Hill Block property, into the ICURA TIF district.

1. Maximizing Indebtedness - Our committee participated in multiple joint meetings with members of Prosper Portland and the N/NE Housing Oversight Committee in order to consider an approximately \$67M increase in MI. During our February 2020 N/NE CDI meeting, we voted to approve the N/NE Housing OS Committee's recommendation to pursue MI contingent upon the following understanding:

- a. Based on a 70/30 percent formula, 70% or 47M of the 67M will go to the N/NE Housing Initiative to support 3-4 housing projects to be allocated in accordance with PHB's program guidelines. Oversight and accountability of the 47M will be the responsibility of the N/NE Housing Oversight Committee.
- b. The remaining 30%, or 20M in TIF will be directed to the goals of the N/NE Action Plan. Based on many discussions over the past 2 (two) years, oversight and accountability of these funds will be the responsibility of the N/NE CDI Oversight Committee. On the eve of our vote, we were informed that allocation of the 20M is now "undetermined," and may be "set-aside." It is our position that any MI funding not assigned to the N/NE Housing Initiative be allocated to the goals of the N/NE Action Plan, and oversight of these funds remain the responsibility of the N/NE CDI Oversight Committee. In 2017 the N/NE Action Plan was established to guide Prosper Portland's investment of TIF resources for economic development in the Interstate Corridor. Creation of the N/NE CDI Oversight Committee was established to provide oversight and accountability for the implementation of the Action Plan. Any departure from this established framework needs to be clearly explained to the N/NE CDI so that its members may articulate this to the N/NE residents and greater Portland community. With the understanding that the items described above are reasonable, and unchallenged, our committee voted as follows:

During the February N/NE CDI meeting five members voted "Yes", two members "Abstained", and two members voted "No" on the increase of maximum indebtedness.

Yes: 5

No: 2

Abstained: 2

2. Our committee considered the expansion of the ICURA boundary to include the Williams & Russell site currently owned by Legacy. We participated in many discussions related to

the inclusion of the W&R property into the ICURA over the past 2 (two) years and voted in favor of the recommendation, based upon the following:

a. We understand that the N/NE Action Plan directs ICURA resources towards long-term and former members of the community who have not benefited from the impact of public and private investments to date. It is our understanding that Legacy and the PWG intend to follow this directive. Our support depends on the successful transfer of the Legacy owned property to an African American community organization or significant progress towards this goal. With this understanding, the position of our committee is that TIF funds should not be allocated to the PWG, a developer, or other entity on their behalf, until Legacy has completed (or is close to completing) the successful transfer of the W&R property to the African American community, or an African American organization that aligns with the intent of the N/NE Action Plan.

b. We are concerned that the joint efforts of including property owned by Legacy into the ICURA, followed by setting-aside TIF dollars to develop it, sends the wrong message to the already embattled community we represent. Allocation of TIF funding that excludes N/NE CDI committee oversight benefiting Legacy (or prior to the transfer of the property to the African American community) implies favoritism and may present a conflict of interest. We strongly recommend, when working with a large corporation with a history of predatory development in the N/NE community, that you exercise caution and provide appropriate consideration to the message this sends to the impacted and displaced community. We look forward to reviewing how PWG and Legacy will address community benefits and make amends for the displacement of the N/NE African American community. With the understanding that the items described above are reasonable, and unchallenged, our committee voted as follows:

During the February N/NE CDI meeting four members voted "Yes", two members "Abstained", and three members voted "No" to include the Williams and Russell project into the district.

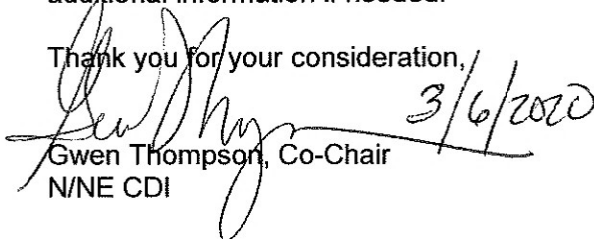
Yes: 4


No: 3

Abstained: 2

If you have any questions, please contact Gwen Thompson at 503-310-5283, or Maurice Rahming at (503-493-6045) and we will ensure that the committee is informed and provide additional information if needed.

Thank you for your consideration,


Gwen Thompson, Co-Chair
N/NE CDI


Maurice Rahming, Co-Chair
N/NE CDI