# Old Town/ Chinatown

## FIVE-YEAR ACTION PLAN

JULY 2014

PDC PORTLAND DEVELOPMENT COMMISSION
www.pdc.us

Photo: DAO Architecture

# I. Executive Summary:

Old Town / Chinatown is Portland's oldest neighborhood. It is a neighborhood of continuous evolution – and despite facing a number of challenges – it is a neighborhood on the brink of great progress. This Action Plan outlines recommended steps and resources to create a safe, vibrant, economically healthy neighborhood that will maintain Old Town / Chinatown's unique character and harness its opportunities.

Thirteen key actions are identified to achieve three strategic objectives:

1. Attract new neighborhood investment to activate key properties and improve district connectivity;
2. Promote business vitality by increasing employment and retail activity; and
3. Align resources and build local capacity for improving district livability.

A companion District Toolkit, described in Appendix A, will ensure resources are available for successful implementation of the Action Plan.

# SUMMARY OF ACTION PLAN OBJECTIVES AND ACTIONS

## Neighborhood Investment 1

**1.1 Private Properties**
Facilitate rehabilitation and development of privately-owned properties

**1.2 PDC Properties**
Promote development and/or occupancy of PDC-controlled properties

**1.3 Connectivity and Parking**
Invest in strategic infrastructure and connectivity improvements, including structured parking to serve the district

**1.4 PHB Investment**
Strategically invest affordable housing resources in Portland Housing Bureau portfolio

**1.5 BEST PRACTICES**
Sponsor a "best practices" tour with key property owners and firms to highlight exemplary development models and tenant spaces

## Business Vitality 2

**2.1 Neighborhood Businesses & Retail**
Expand and enhance street-level uses within the district through partnerships and investment

**2.2 Entrepreneurship**
Foster a supportive environment for startup businesses

**2.3 Cluster Industry**
Invest in Cluster Industry supportive initiatives

**2.4 Institutions**
Engage educational institutions in opportunities for partnership, program support and expansion

## District Livabiity 3

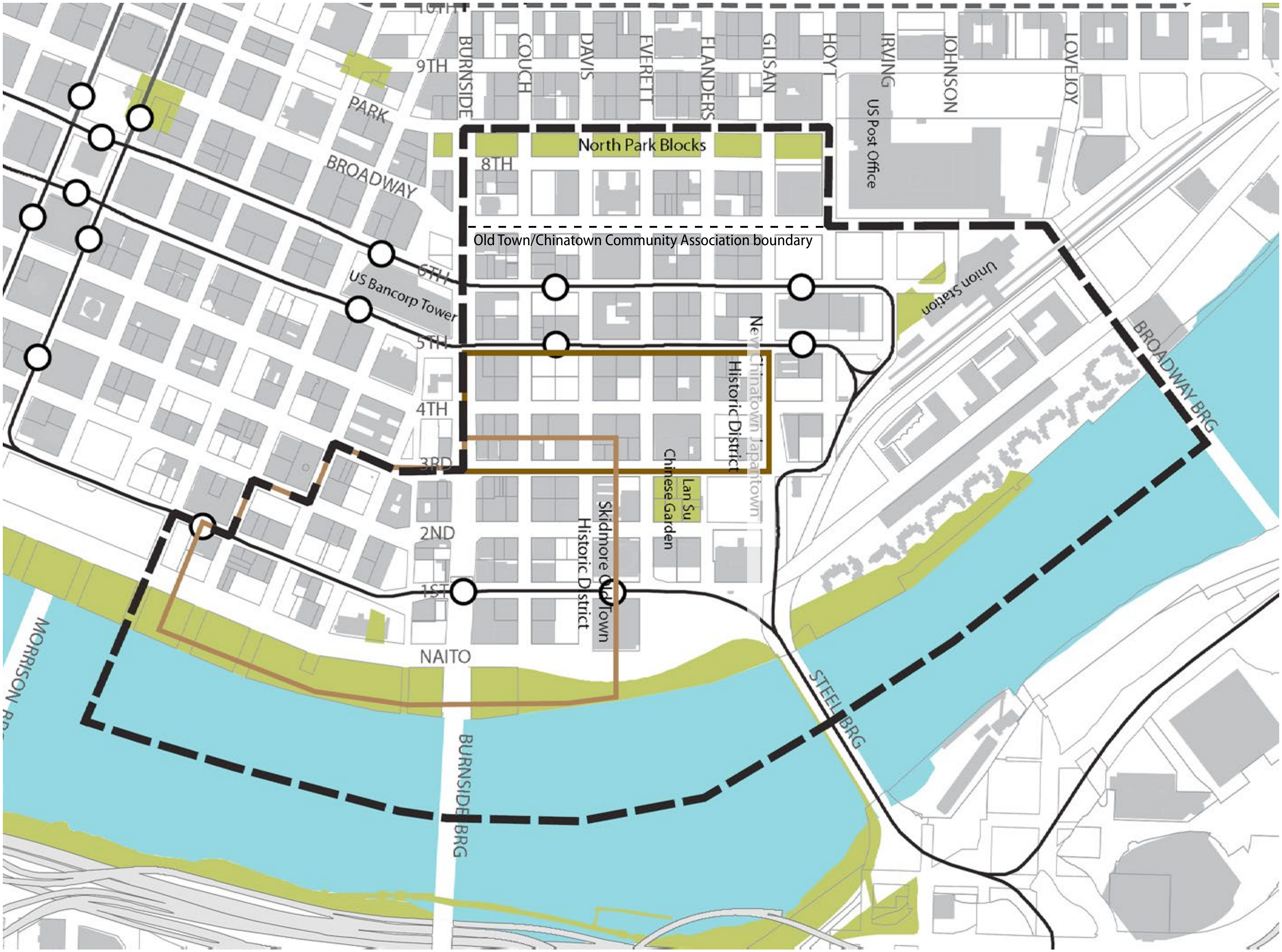
**3.1 Safety**
Identify strategic safety initiatives and/or improvements

**3.2 Promotion & Programming**
Establish District Manager position to support district management and public space programming efforts

**3.3 Vision**
Establish district collateral for use by PDC and community partners

**3.4 Cultural Preservation**
Honor and enhance the district's multiethnic history

## Old Town/Chinatown Action Plan Focus Area




Map courtesy of Portland Bureau of Planning and Sustainability

## II. Introduction to Old Town/Chinatown

A completed SWOT analysis asked four key questions, which are intended to provide a high-level orientation of the current conditions of Old Town / Chinatown (OT/CT):

1. What does OT/CT do well?
2. What could OT/CT improve?
3. What trends and opportunities could OT/CT take advantage of?
4. What could harm OT/CT?

| STRENGTHS: What does OT/CT do well? | WEAKNESSES: What could OT/CT improve? |
|---|---|
| • Community capacity and engagement<br>• Higher education and other institutional anchors<br>• Portland Saturday Market<br>• Oregon Nikkei Legacy Center<br>• Quality & management of low-income housing and social service operators<br>• Historic buildings / diverse building stock<br>• Light rail and transit access<br>• Signature open spaces: North Park Blocks, Lan Su Chinese Garden, Waterfront Park, Japanese American Historical Plaza<br>• Attractive to creative companies (affordable rents & unique spaces)<br>• Flexible zoning – Central Commercial (CX)<br>• Proximity to Pearl District, CBD/Retail Core, river, Rose Quarter | • Density (perception/reality) of social services & homeless<br>• Safety, mental health, drug use concerns<br>• Street presence around Greyhound/Union Station<br>• Outdoor queuing & loitering at some social services<br>• Juxtaposition/proximity of entertainment uses, retail, housing, employment, social service uses – not the right balance and critical mass for success<br>• Residential socio-economic diversity<br>• Barriers / hard boundaries to district – USPS, Burnside, Broadway, North Park Blocks, river, railroad tracks<br>• Condition of existing building stock / unreinforced masonry buildings / small footprints<br>• Surface parking lots<br>• Toolkit to address financial impediments for property owner & businesses |

| OPPORTUNITIES: What trends & opportunities could OT/CT take advantage of? | THREATS: What could harm OT/CT? |
|---|---|
| • Lower cost opportunity for office & retail in Central City<br>• Variety of office space sizes/opportunities (new & rehab) and interest in creative spaces<br>• Property owners with multiple buildings – "portfolio leasing" for growth tenants<br>• Emerging retail emphasizing design industry<br>• Leverage open space as an amenity<br>• Portland Development Commission (PDC)-owned properties<br>• Union Station: commercial space & multi-modal hub<br>• CC2035 initiative - including focus on OT/CT policy issues<br>• Redevelopment of surface parking lots and development of structured parking<br>• Interest in district management<br>• International interest in District, including EB-5 & foreign investment | • Unrealistic expectations of some property owners<br>• Closing of restaurants and retail<br>• Increase in social services<br>• Increase in homeless and/or mental health-related activity<br>• Increase in drug-related activity<br>• Unmanaged and/or increase of certain entertainment-related activities<br>• Limited and decreasing historic preservation incentives |

## III. Challenges

Building upon the SWOT analysis and previous plans developed by the neighborhood, four key areas of needed improvement were identified for the district:

a. **Imbalance of Uses and Identity:** In order to create a thriving neighborhood, a balance of multiple (and traditionally conflicting) uses must be achieved. If done well, this rich integration of cultural and historic landmarks; entertainment uses; affordable, student, and middle-income housing; educational and institutional anchors; social service providers; retailers and restaurants; creative office spaces; open space; and other activating uses such as the Saturday Market and cultural attractions is what will make this district so desirable. Currently, the imbalance between these uses – and the lack of a critical mass of certain uses such as retail, housing and employment – prevents the district from reaching a true tipping point. In addition to today's uses and activities, the area's identity is also rooted in its complex multiethnic history, which is reflected in the neighborhood's two national historic districts. An article in Portland Monthly magazine ("Portland's Hottest Microhoods," March 22, 2013) articulates what many know intuitively: Portland is a city of mini-neighborhoods which each have their own identity, appeal to a particular demographic, and status symbol. Old Town / Chinatown is wrestling to establish its microhood identity.

b. **Crime and Perception of Safety:** The most recent annual data shows there are a higher number of crimes reported in Old Town / Chinatown than in other areas of the Central City. Drug law offenses represent a high percentage of these crimes, and are particularly concentrated in the neighborhood. Assault crimes are also more highly concentrated in Old Town / Chinatown compared to elsewhere within the Central City. This level of criminal activity has had an impact on the market's perception of the neighborhood and deters business growth, neighborhood investment, and tourist activity.

c. **Cost of Building Rehabilitation & New Construction:** Since seismic requirements were incorporated into building codes, significant investment has been required to improve unreinforced masonry buildings – often making redevelopment infeasible. Smaller buildings in particular have largely remained vacant or underutilized, and in poor condition. New construction is similarly only viable where greater development entitlements and/or rents can be achieved, namely west of the historic districts. The prevalence of quarter and half block parcel ownership – or smaller – further challenges development feasibility. Larger development opportunities, for either historic rehabilitations or new construction, are truly rare in the district. Multiple predevelopment analyses, completed and underway, continue to supply financial feasibility data to determine the optimal capital stack, including the applicability of the PDC's financial programs and other available tools.

Also of interest is the ability to identify appropriate financing to provide the type of office space and lease terms desired by entrepreneurial high growth businesses. These firms typically have a desire for shorter and more flexible lease terms than traditionally offered – and are seeking spaces often ranging between 1,000 – 10,000 sf, which can be well suited for the neighborhood's historic building stock. As Portland's employment base shifts, and these tenants desire spaces in areas such as Old Town / Chinatown, landlords and other partners will need to identify how to accommodate the needs of this high growth model.

d. **Lack of District Connectivity:** Old Town / Chinatown suffers from challenging barriers on all sides of the district (Burnside, North Park Blocks/Broadway, USPS/Union Station/railroad tracks, Naito). Improving physical connectivity between Old Town / Chinatown and adjacent areas including Downtown, the Pearl District and Waterfront Park can strengthen the vitality and economic health of the area. The lack of turns off Burnside and an absence of significant positive street activity exacerbate crossing perceptions along West Burnside. Similar perceptions occur along NW Broadway where high traffic volumes and an inconsistent street-level environment deter pedestrians from walking between the Pearl and Old Town / Chinatown. Conversely, strategically embracing these boundaries and enhancing the gateways to the district can help promote and protect the unique character of the neighborhood.

Internal to the district, a lack of linkages between development nodes also poses challenges. Activity can be found around the Waterfront Park and Ankeny/Burnside area with the redevelopments completed by the University of Oregon, Oregon College of Oriental Medicine, and Mercy Corps. The area along NW 5th Avenue including the Goldsmith Block, Technology & Arts Building, and PDC's office is also well populated. And the Lan Su Garden is a well-known draw for tourists visiting Portland. However, these areas serve as independent islands of activity, with little vibrancy and connectivity between them. Walking from one point to the other feels unwelcoming.

The completion of the NW 3rd and 4th Avenue Streetscape project improved the character of the area and added Festival Street amenities on NW Davis and NW Flanders. Nevertheless, a lack of consistent management of the streetscapes has been a problem and the project has not stimulated economic development to the degree desired. This speaks to the importance of coupling appropriate design, maintenance, and district management when considering future infrastructure improvements.


# IV. Action Plan

The following Action Plan outlines how PDC, bureaus of the City of Portland (City) and community partners can leverage the strengths and opportunities of Old Town / Chinatown. To overcome the challenges described above, the Action Plan prioritizes the following objectives:

1. Attract new **neighborhood investment** to activate key properties and improve district connectivity;
2. Promote **business vitality** by increasing employment and retail activity; and
3. Align resources and build local capacity for improving **district livability**.


The Action Plan focuses the efforts and resources PDC and the City can bring to bear to achieve these objectives and to leverage the private investment needed to achieve long-term stability for the neighborhood.

The recommendations in this Action Plan are strongly supported by the Old Town/Chinatown Community Association. The Action Plan incorporates insights gained from years of partnering with community groups including the former Visions Committee, Neighborhood Association, and Land Use Subcommittee and more recent feedback from Portland Business Alliance and many other neighborhood stakeholders. The recommendations are also generally consistent with the findings to-date of the Bureau of Planning and Sustainability's focus on Old Town / Chinatown as part of its work on the West Quadrant Plan of the Central City 2035 Plan.

Additionally, the Action Plan incorporates input from conducted interviews with 12 entrepreneurial organizations and 15 software firms, and a survey of 170 entrepreneurs in the Portland metro area. This information helped inform the Action Plan regarding the needs and interests of potential business tenants.


Photo: Will Clouser

## Neighborhood Investment

**OBJECTIVE 1: Attract new neighborhood investment to activate key properties and improve district connectivity.**

Responsible Partners: Portland Development Commission, Portland Housing Bureau, Portland Bureau of Transportation, Regional Arts & Culture Council (RACC)

### Action 1.1 Facilitate rehabilitation and development of privately-owned properties.

A number of property owners in the district have expressed interest in investing in their properties – ranging from storefront improvements to full building rehabilitations or new construction on surface parking lots. A limited number of properties in the neighborhood are also for sale. A recommended package of financial resources and technical assistance, further described in Appendix A: District Toolkit, partnered with private sector interest, can help move efforts forward. Priorities for property redevelopment include the addition of market rate housing to create a balanced mix of residential income; economic vitality through business retention and recruitment; preservation of the unique historic properties in the two historic districts; and the maintenance of the cultural integrity of the district.

### Action 1.2 Promote development and/or occupancy of PDC-controlled properties.

The following chart outlines the PDC owned or controlled properties in the district and proposed objectives and status or next steps for each project.

| Project | URA | Objective |
|---|---|---|
| Old Town Lofts<br>Commercial Space<br>NW 4th & NW Flanders | DTWF | **PDC Owned.** Build out vacant 4,000 SF ground floor commercial condo space as Accelerator Annex to support entrepreneurial firms (see also: Action 2.2) |
| Union Station<br>Commercial Space | RD | **PDC Owned.** Market vacant office spaces currently available; explore minor interim improvements to improve tenancy. |
| Grove Hotel<br>NW 5th & Burnside | RD | **PDC Owned.** Vacant building strategically located at district gateway. Negotiations for redevelopment of property as hotel/hostel underway. |
| Block 8L<br>NW Naito & NW Davis | DTWF | **PDC Owned.** Vacant ¾ block parcel. Negotiations for redevelopment of property as office & residential uses underway. |
| PDC Office Vacancy<br>222 NW 5th | DTWF | **PDC Leased.** Software cluster co-location opportunity. Market lease opportunities as available. |
| 510 NW 3rd<br>(Block A&N) | RD | **PDC Owned.** Site of Fire Station #2; historic building located at district gateway. Issue Request for Interest to seek development partner. |
| Block R<br>NW Glisan & Broadway | RD | **PDC Owned.** Vacant parcel with significant development entitlements. Disposition currently on hold. |
| Former Blanchet House<br>NW 4th & NW Glisan | RD | **PDC Controlled.** PDC has option to acquire and is evaluating acquisition and redevelopment feasibility. |

**Action 1.3 Invest in strategic infrastructure and connectivity improvements, including structured parking to serve the district.**

The following investments are intended to address connectivity challenges into and within the district, and long-term parking management considerations:

| Project | Objective |
|---|---|
| Infrastructure Improvements; District Traffic & Circulation Analysis | PBOT will pursue the following as funding is available:<br>• West Burnside/River District Infrastructure Improvements include: left turn lane at 4th Avenue off eastbound Burnside & new traffic signal at NW Couch & Broadway. Project is funded and construction is to begin Summer 2014.<br>• Prepare a local circulation study for the area north of Burnside. Consider street configurations including travel directions, travel lanes, traffic control, bicycle access and parking. Address barriers created by NW Broadway, W Burnside, NW Naito Parkway, the Steel Bridge ramps, Waterfront Park and the railroad tracks.<br>• Study possible reconfiguration of the Steel Bridge ramps and the rail line to improve pedestrian and bike access to/along the greenway trail, NW Flanders and McCormick Pier and create new development opportunities.<br>• Improve bicycle and pedestrian connectivity and safety throughout the district, including Davis and Flanders as primary east-west bicycle routes. |
| District Parking | PDC will coordinate with PBOT to evaluate opportunities for a district parking solution, including an evaluation of existing parking supply, demand and feasibility of strategic opportunity sites; identification of necessary or recommended policy changes to further parking solutions; and pursuing opportunities for implementation as appropriate. |
| RACC Public Art Fund | RACC and PDC currently have $280,000 accrued in a fund for public art within the DTWF URA. Public art can be used to strategically improve perceptions of connectivity to and within the district. |

## Neighborhood Investment

### Action 1.4 Invest affordable housing resources to rehabilitate and/or preserve PHB portfolio properties.

The Portland Housing Bureau has prioritized the following investments within the timeframe of the Action Plan to further the no net loss goal within the district while also supporting the community's priority for increased diversity of residential incomes in the neighborhood.

| Project | URA | Objective |
| --- | --- | --- |
| Medford Hotel<br>NW 5th & NW Glisan | RD | Central City Concern-owned facility with first floor commercial potential. PHB is working with CCC to renovate structure including seismic improvements. PHB reserved $1.476M in River District TIF in Notice of Funding Available (NOFA) 2011; however, the amount is not sufficient to address seismic needs, much less needed renovation. Substantial additional funds needed in order to fully renovate. |
| Royal Palm<br>NW 3rd & NW Flan-ders | RD | Cascadia Behavioral Health-owned facility. PHB is working with owner to identify resources to renovate building or to build on another site. Request for PHB assis-tance pending. |
| Erickson-Fritz<br>NW 2nd /NW 3rd | RD | Innovative Housing-owned site. Pursuant to NOFA 2012, PHB will reserve River District TIF to renovate and seismically improve structures for occupancy by households with a range of incomes including market rate units. |
| Block "U2"<br>NW 6th & NW Hoyt | RD | PHB–owned site. PHB has agreement with Multnomah County to transfer site to County for construction of commercial facility for County Health Department administrative offices and a health clinic. Construction start anticipated in 2015. |


The following are currently in PHB's portfolio of regulated affordable housing properties in Old Town / Chinatown:

- Biltmore, 310 NW 6th
- Blanchet House, 310 NW Glisan
- Bud Clark Commons, 655 NW Hoyt
- Butte Hotel, 610 NW Davis
- Empire Place Apartments, 314 NW 5th
- Estate Hotel, 225 NW Couch
- Everett Station Lofts, 625 NW Everett
- Fifth Avenue Court, 221 NW 5th
- Helen Swindells, 10 NW Broadway
- MacDonald Residence, 615 NW Couch
- MacDonald West, 121 NW 6th
- Medford Hotel, 506 NW 5th
- Musolf Manor, 216 NW 3rd
- Pacific Tower, 323 NW 4th
- Royal Palm, 310 NW Flanders
- Sally McCracken, 532 NW Everett
- Shoreline, 123 West Burnside

### Action 1.5 Sponsor a "best practices" tour with key property owners and firms to highlight exemplary development models and tenant spaces.

This forum will provide district property owners and other key development partners an opportunity to see new innovative spaces that are successfully attracting the types of tenants that are also seeking space in Old Town / Chinatown. The Ford Building, Olympic Mills, New Relic's office in the US Bank tower, and the Leftbank Building are often mentioned as models. However, access to these tenant spaces is limited. A curated tour and discussion forum provides district property owners a unique opportunity to see these spaces and discuss why they work.

## Business Vitality

**OBJECTIVE 2: Promote business vitality by increasing employment and retail activity.**

Responsible Partners: Portland Development Commission, Portland Business Alliance

### Action 2.1 Expand and enhance street-level uses within the district through partnerships and investment.

Borrowing from the success and lessons learned from the retail core and West End, PDC will partner with the Portland Business Alliance (PBA) to leverage PDC's financial programs, PBA's expertise, community relationships, and best practices to help neighborhood businesses and landlords improve, tenant and promote the district. In addition to PDC's Storefront grant and commercial loan programs, example initiatives include: pop-up shops; the use of art to activate vacant storefronts; the creation of real estate recruitment materials such as market research, retail relocation guides, and vacancy inventories; and targeted outreach to key businesses for retention and recruitment activities.

### Action 2.2 Foster Entrepreneurship.

Old Town/Chinatown has long been attractive to small, creative firms. Entrepreneurship, and sustained growth of these firms, is essential to the continued success and growth of the Portland economy. Initiatives such as the following are intended to grow this important ecosystem:


| Project | Objective |
|---|---|
| Accelerator Annex at Old Town Lofts (PDC-owned) | The Portland entrepreneurial ecosystem is well supported through various incubators and accelerators located around town. However, graduates of these programs need a second-stage location. For these firms, it does not yet make sense to commit to traditional lease terms. Firms that would benefit from this second-stage space likely:<br>• have between 3 - 10 employees;<br>• have high-growth aspirations and potential;<br>• desire a flexible relatively short-term lease; and<br>• seek space offering value-added services so they can continue to be "heads down" on product development.<br>Research conducted by the Small Business Administration supports the notion that firms at this growth point become overwhelmed with management issues. A co-space location can provide resources to simplify the business process and allow management to navigate this challenging period. Models around the country have demonstrated that co-space locations can potentially generate high demand by providing significant value. PDC will seek partners for operations of the Accelerator Annex in the PDC-owned commercial condo at the Old Town Lofts building. |
| Startup PDX Challenge | The Startup PDX Challenge is an initiative designed to connect startups to Portland's growing entrepreneurial community. Selected startup businesses are provided rent-free office space for one year, a working capital grant, and free professional services designed to aid them in growing their business. PDC will sponsor the annual Startup PDX Challenge in Old Town / Chinatown in FY2014/15. |

# Business Vitality

**Action 2.3** **Invest in Cluster Industry supportive initiatives.**

PDC will identify opportunities to support cluster industry initiatives and businesses throughout the life of this Action Plan. Immediate opportunities may include tenant improvement investments to support a materials lab opportunity, pop-up retail for local Athletic and Outdoor industry companies and small manufacturers, and partnerships with property owners to accommodate growing traded sector firms in the Central City.

**Action 2.4** **Engage educational institutions in opportunities for partnership, program support and expansion.**

The district benefits from a unique concentration of educational anchors. The University of Oregon, Oregon College of Oriental Medicine, Pensole, the Art Institute's Culinary School and Industrial Design programs, and the new home of the Pacific Northwest College of Art are all in immediate proximity. The presence of these educational institutions provides long term stability, credibility, and activation of the district. PDC will engage these organizations to explore the creation of partnerships to better leverage resources, shared goals of building capacity in entrepreneurship and applied creative arts, and a desire to invest in the neighborhood. Examples include:

- Explore opportunities for program expansion and collaboration
- Monitor and inform campus master planning and expansion plans
- Discuss interim and ancillary space needs
- Explore collaboration opportunities for improving district connectivity and vacant storefront activation
- Monitor student housing feasibility and partnership opportunities

**OBJECTIVE 3: Align resources and build local capacity for improving district livability**

Responsible Partners: Mayor's Office, Portland Development Commission, Portland Police, Office of Neighborhood Involvement, Portland Business Alliance, Old Town/Chinatown Community Association

### Action 3.1 Identify strategic safety and livability initiatives and/or improvements.

City, PDC and community partners will engage to identify opportunities to coordinate resources and make strategic investments that will improve area safety and livability. Examples of efforts already underway and/or identified as priorities for future funding advocacy include:

| Project | Objective | Status |
|---|---|---|
| Public / Private Partnership | • Establish a patrol schedule and set of protocols to address undesirable activity. Coordination areas include:<br>  ◦ Union Station/Greyhound: coordination between Bud Clark Commons, Greyhound, Union Station security, Pacific Patrol, Portland Patrol Inc., Clean & Safe, Securitas, and Portland Police<br>  ◦ Burnside Bridge Area: coordination between Mercy Corps, University of Oregon, Oregon College of Oriental Medicine, Pacific Patrol, Portland Patrol Inc., Clean & Safe, Securitas, and Portland Police<br>• Evaluate alternatives to the current Street Closure Pilot Program<br>• Identify strategy for implementation and maintenance of public restrooms | Underway<br><br><br><br><br><br><br><br><br>Underway<br>Pending |
| City Services | • Increase funding for enforcement of the Noise Ordinance<br>• Reinstate regular Police walking beats in the neighborhood | Underway<br>Underway |
| County Services | • Increase County funding for drug and alcohol rehabilitation services including recovery beds<br>• Provide Multnomah County District Attorney dedicated to enforcing the OTCT Drug Impact Area | Future County funding requests |

## District Livability

### Action 3.2 Establish District Manager position to support district management and public space programming efforts.

Old Town / Chinatown has a long history of dedicated community volunteers, some of whom have been serving on various committees for more than a decade. However, efforts at true district management and public space programming have been spotty, as evidenced by the use and management of the Festival Streets. The newly formed Community Association has renewed focus on the use of this amenity. To ensure this motivation continues, and is met with success, a formalized District Manager position is recommended. This position will also coordinate closely with the PBA's Retail Advocate for the district to facilitate retention and recruitment activities. PDC/City grant funds will match community fundraising to hire a District Manager responsible for management, programming and fundraising efforts. In return, a clear work plan, status reports, and other deliverables will be required.


### Action 3.3 Establish district collateral for use by PDC and community partners.

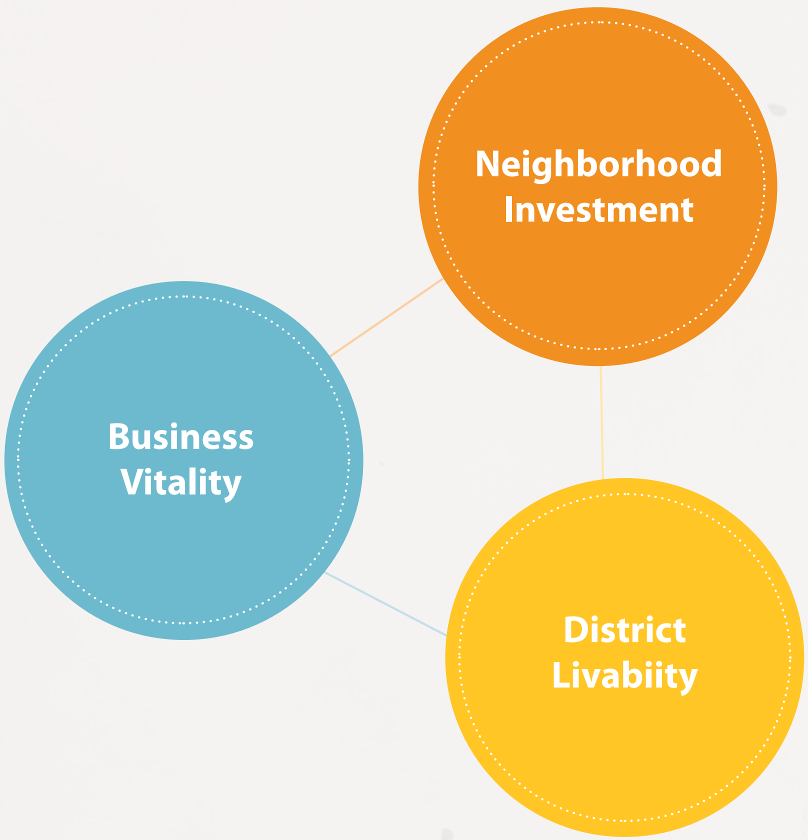
A cohesive story or brand is critical to an effective pitch, and once prepared can be used for multiple purposes – property dispositions, business recruitment, tenant leasing, tourism, retail advertising, etc. As discussed in the Challenges section, a neighborhood vision or identity is a draw for the demographic with which it resonates. However, this must be carefully crafted with authenticity and participation of community stakeholders. PDC will work with the Community Association, Portland Business Alliance, and a professional consultant team to develop a district marketing plan and appropriate materials.

### Action 3.4 Honor and enhance the district's multiethnic history.

PDC will introduce the Community Livability Grant Program in the Old Town/Chinatown neighborhood. The program awards grants through a competitive process and PDC will be seeking proposals that foster a vibrant and healthy community. Grants are available for real property improvements to public facilities and neighborhood and cultural amenities that meet the needs and honor the diversity and history of the area and its residents. Additional PDC programs may be applicable to community-sponsored projects that also embrace and enhance the district's unique history and character.

## V. Measures of Success

Successful implementation of the Action Plan will be demonstrated through the following key measures of success:




**Neighborhood Investment**
***Key Measure:***

- 500 new middle-income housing units constructed or under construction
- 5 buildings rehabilitated or underway
- District Parking strategy identified

**Business Vitality**
***Key Measure:***

- Net gain of 5 new retail stores open
- 500 new living wage jobs in district

**District Livability**
***Key Measure:***

- Four annual neighborhood events held, including use of public space
- Marketing collateral developed and used by community partners to promote district
- Community Livability Grant projects implemented

## APPENDIX A: DISTRICT TOOLKIT

Representatives of 17 City and private-sector agencies were convened to brainstorm tools that could be effective in changing the status quo in Old Town / Chinatown. The participants focused on four priority themes: seismic improvements, code enforcement (hazardous and derelict buildings), public safety and the street environment, and City development/permitting costs and processes. Additionally, feedback was provided through a variety of stakeholder forums and site-specific due diligence as predevelopment analyses were completed.

The following summarizes the recommended resources for implementation of the Old Town / Chinatown Action Plan. It should be noted these recommendations reflect resources over which the City and/or the Portland Development Commission have influence, rather than an exhaustive list of all public and private tools that may be brought to bear in the district. The resources are described in greater detail following the summary table.

Broader-reaching tools, such as modifications to the Central City Transportation Management Plan, Zoning Code or Building Code, which may be addressed through the Central City 2035 process and other forums were identified as "out of scope" for the District Toolkit recommendations. Several relevant policies are noted in the following section.

### I. Tools & Resources

| Key Issue | Tool | Recommended Budget | | |
|---|---|---|---|---|
| | | FY 14/15 | 5 Year Total | Source |
| Middle-Income Housing | **SDC Exemptions:** As a pilot, amend current city program to fill financial feasibility gap for housing targeting 60-100% MFI | 500 units (est. $7M) | | Fee Exemption |
| Built Environment & Job Creation | **PDC Business & Development Incentives:** Commercial Property Redevelopment Loans, Business Finance Loans, Storefront Grants, Predevelopment (DOS) Grants | | | |
| | **Seismic Program:** Provide $5.5 million for seismic assessments, implementation of seismic improvements, and evaluation of programmatic or regulatory changes. | | | |
| District Culture, Livability & Activation | **Community Livability Grant:** Support to community-based groups for projects promoting livable and healthy neighborhoods. $200,000 funded in FY 14/15. | $19,371,842 | $57M | PDC TIF |
| | **Retail Program:** Partner with Portland Business Alliance to recruit and retain district retailers, initiate OTCT Pop-up Shop Program, and activate vacant storefronts | | | |
| | **District Marketing:** Provide $20,000 matching grant for preparation of marketing collateral. | | | |
| | **District Manager:** Provide matching grant for professional district management, programming and promotion | $30,000 | $90,000 | General Fund |

a. **Middle-Income Housing Incentives:** A key strategy, strongly supported by the community, is to bring more moderate-income residents (60- 100% Medium Family Income) to the neighborhood while also maintaining the existing affordable housing. Today, 72% of rental housing units are restricted to households earning less than 60% MFI ($33,360 for a 2-person household). This means a couple working fulltime at minimum wage would earn too much to live in almost 3 out of 4 units available in the neighborhood. Citywide, 6% of housing stock is restricted to households earning 0-60% MFI, indicating Old Town/Chinatown has a disproportionately high concentration of low-income housing. The introduction of housing units serving households earning 60-100% MFI will make significant strides toward balancing the income mix of residents in the district. Technical analysis shows new construction of housing units of a standard size and at targeted price points is not viable without gap assistance, as the rent levels do not support the construction costs. A limited modification to the existing SDC Exemption Program could help bridge that financial gap and encourage greater income diversity in OTCT.

    i. **SDC Exemption Program:** Currently residential rental developments serving households earning at or below 60% MFI are eligible for the System Development Charge (SDC) Exemption Program administered by the Portland Housing Bureau. It is recommended that new construction of residential rental projects in Old Town/Chinatown serving households from 60% to 100% MFI also be made eligible for this program, with the following additional criteria:

        1. Eligibility limited to five years beginning July 1, 2014
        2. Total waived SDCs capped at 500 units
        3. Financial need demonstrated through project pro forma underwriting

b. **Built Environment & Job Creation Incentives:** The following tools are dedicated to growing jobs and leveraging private investment in the built environment of Old Town/Chinatown. Rehabilitation of historic buildings and new construction on vacant parcels is hindered by financial challenges and technical complexities. The following programs offered by PDC and partner bureaus are intended to help lower these barriers to investment.

    i. **Portland Development Commission (PDC) Business & Development Incentives:** PDC will earmark significant resources to offer the following existing programs in the district, which are available to assist with a wide range of improvements in the neighborhood. PDC's potential involvement, and terms for investment, in projects will be opportunity driven based on the proposed project benefit, need, and timing. Parties interested in pursuing PDC resources for residential redevelopment projects should contact PDC to discuss how these programs align with specific opportunities.

        1. **Commercial Property Redevelopment Loans (CPRL):** The CPRL Program can assist property owners with predevelopment, new construction or redevelopment, and tenant improvements. The program is intended to supplement equity contributions and traditional bank financing, and make a project feasible by filling gaps between available financing and project costs. PDC loan terms are flexible and loans can be subordinate to primary financing. Most costs related to the development are eligible for PDC's assistance, including: hard and soft project costs, property acquisition associated with a redevelopment project (no more than 49% of PDC funds can be used for acquisition), environmental analysis and remediation, seismic upgrades and tenant improvements, and public infrastructure improvements related to a development project. Loan types available include predevelopment, construction, and permanent financing.

| | Maximum Household Income (2014) | | Maximum Net Rent[1] (2014) | |
|---|---|---|---|---|
| | 1 Person | 2 Persons | Studio | One-bed |
| 30% MFI | $14,600 | $16,650 | $262 | $246 |
| 50% MFI | $24,300 | $27,800 | $504 | $507 |
| 60% MFI | $29,160 | $33,360 | $626 | $637 |
| 80% MFI | $38,850 | $44,460 | $868 | $896 |
| 100% MFI | $48,580 | $55,520 | $1,111 | $1,157 |

[1] Based on the HUD Portland Maximum Allowable Rents net of utility alowances published by Home Forward

2. **Business Finance Loans:** For business owners that occupy more than 50% of the project space, PDC Business Finance programs may be appropriate.  In general, these programs can address the need for:
    - Tenant improvements
    - Equipment purchase
    - Property development & rehabilitation (same as CPRL above)
    - Real estate acquisition (same as CPRL above)
    - Credit enhancement
    - Working capital
3. **Storefront Improvement Program:** The Storefront Improvement Program originated in the Old Town/Chinatown neighborhood.  For the past twenty years, it has re-established pride in some of Portland's oldest and best-loved neighborhoods by helping new and established businesses attract customers; leveraging private investment from current owners and inspiring improvements to neighboring buildings; and enhancing the appearance and charm of commercial areas while building a safer street environment.
    The Storefront program provides a matching grant of up to 50% for eligible costs, along with technical assistance, to assist property owners and lessees in rehabilitating their storefronts.  Recipients can use the support for a variety of improvements, from repainting and signage to purchase of new windows and awnings, up to the following limits:
    - Exterior Façade Improvements: maximum $20,000 grant per building.
    - Signage, Lighting and Awning Incentive: up to an additional $12,000
    - Business Tenant Signage Incentive: In the event where the property has exhausted all storefront funds, ground floor business tenants may be eligible for up to $2,000 per tenants who occupied the space within the year.
4. **Development Opportunity Services (DOS) Program:**  The DOS Program can share the cost of exploring the feasibility of expanding a business or redeveloping an under-utilized site or building. The program can reimburse 80% of approved pre-development costs, up to a maximum of $12,000.
    - For business owners the DOS program can help evaluate opportunities for business growth through expansion, better space utilization, relocation, or purchasing a building;
    - For long-time property owners, DOS can help explore development options and provide technical assistance;
    - For developers, DOS can assist when the site is more complex and/or the economics are challenging.

ii. **Seismic Program:**  PDC will invest $5.5M in the development and implementation of a Seismic Program for near term implementation in Old Town/Chinatown and applicable citywide.  A coordinated effort will be undertaken between PDC and related City Bureaus (Bureau of Planning and Sustainability, Bureau of Development Services, Bureau of Emergency Management, etc.) in the joint development of a Seismic Program to be piloted in Old Town/Chinatown and introduced city-wide.

c. **District Culture, Livability & Activation:** The following tools and resources are focused on creating and promoting positive energy and momentum throughout the district by activating the street-level environment, embracing the area's unique culture and history, and leveraging its range of assets to help the neighborhood reach its highest potential.

   i. **Community Livability Grants:** This program, administered by PDC, provides competitive grants for real property improvements to public facilities and neighborhood and cultural amenities that meet the needs and honor the diversity and history of the area and its residents.

   ii. **Retail Program:** PDC will partner with the Portland Business Alliance to facilitate retention and recruitment of retail tenants and improve the vitality of the street-level environment.

   iii. **District Marketing Grant:** PDC will provide up to $20,000 in grant funds, requiring a 50% match, for the development of a district marketing strategy to be jointly utilized by PDC and community partners. Vibrant and successful neighborhoods have a brand identity key to attracting developers and businesses, enhancing present businesses, and helping citizens and visitors know both the "place" and its position in Portland's history and development. A professionally facilitated and managed branding process will result in the creation of the following:

      1. Neighborhood identity
      2. Logo, letterhead and other branding treatments
      3. Style guide
      4. Brand statements to be used regarding history, culture, business, entertainment, neighborhood vitality, reasons to invest, etc.
      5. Lay-out of electronic and hard copy communication pieces useful for marketing the neighborhood to developers, new businesses, and for general use. (Deliverable specifics TBD)
      6. Video or other visual communications promoting district amenities to businesses, developers, visitors

   iv. **District Management Grant:** PDC/City will provide $30,000 in grant funds, requiring a 50% match, for the creation of a District Manager position. It is recommended public funding be provided for three years to help establish the position while other sustainable funding sources are identified. An objective of the Action Plan is "building local capacity for improving district livability." This objective focuses, in part, on the neighborhood identity, promotional efforts, utilization of the public realm, and creation of a sense of place in the neighborhood. Positive programming and promotion of the neighborhood is critical to transitioning the perception and utilization of the area. To be effective, this must occur in a focused, consistent and professional manner. The District Manager position would report to the Community Association and be accountable for the following:

      1. Neighborhood Communications:
         - Develop and implement communication strategies to reach residents and people who work in the neighborhood
         - Facilitate coordination between the various Community Association sub-committees at an advisory level (administrative duties are not within the scope of work).

2. Media Strategy: Create and send media releases promoting positive neighborhood events and activities; work with media to place stories about local happenings, cultural events, interesting individuals, new development, history, etc.
3. District Programming: Develop and coordinate a district events calendar including but not limited to the following opportunities:
    - Public Spaces including the Festival Streets
    - Educational Institutions
    - Cultural Institutions
    - Dining
    - Arts
    - Retail and Pop-Up Shops
    - Key Holidays
4. Retention & Recruitment: Work with the Portland Business Alliance Retail Advocate to facilitate targeted retention and recruitment activities.
5. Financial Sustainability: Identify and pursue opportunities for donated resources, grant funding, and other partnership opportunities.

## II. Policy Considerations

Concurrent to implementation of the Action Plan, there are a number of policy considerations influencing Old Town / Chinatown being considered in other venues and public/community discussions. The Bureau of Planning and Sustainability's (BPS) focus on Old Town / Chinatown as part of the Central City 2035 West Quadrant Plan provides a unique forum for discussions regarding several of these important topics, including:

- Regulatory framework for the two historic districts
- District parking management strategy and potential modification to the Central City Transportation Management Plan (CCTMP), particularly impacting district parking management strategies
- Evaluation of existing development entitlements and bonuses
- Urban design themes and district uses

Modifications to any of the above will further inform opportunities, constraints, and project feasibility as implementation of the Action Plan proceeds.