

ANNOTATED MINUTES

Tuesday, May 12, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

Chair Beverly Stein convened the meeting at 9:33 a.m., with Vice-Chair Sharron Kelley and Commissioner Gary Hansen present, and Commission Districts 1 and 3 positions vacant.

WS-1 Multnomah County Health Department 1998-99 Budget Overview and Highlights. HD Citizen Budget Advisory Committee Presentation. Issues and Opportunities. Board Questions and Answers.

BILLI ODEGAARD, TOM FRONK, SANDRA SPIEGEL, DENISE CHUCKOVICH, WENDY RANKIN, JAN SINCLAIR AND KATHLEEN FULLER-POE PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION.

There being no further business, the meeting was adjourned at 10:58 a.m.

Tuesday, May 12, 1998 - 1:30 PM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

Chair Beverly Stein convened the meeting at 1:30 p.m., with Vice-Chair Sharron Kelley present, Commissioner Gary Hansen arriving at 1:35 p.m. and Commission Districts 1 and 3 positions vacant.

WS-2 Multnomah County Department of Community and Family Services 1998-99 Budget Overview and Highlights. DCFS Citizen Budget Advisory Committee Presentation. Issues and Opportunities. Board Questions and Answers.

LOLENZO POE, IRIS BELL, KATHY TINKLE, MURIEL GOLDMAN, MARY LI, ROBERT

**TRACHTENBERG, NORMA JAEGER AND
HOWARD KLINK PRESENTATION AND
RESPONSE TO BOARD QUESTIONS AND
DISCUSSION.**

There being no further business, the meeting was adjourned at 3:05 p.m.

Thursday, May 14, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

REGULAR MEETING

Chair Beverly Stein convened the meeting at 9:35 a.m., with Vice-Chair Sharron Kelley and Commissioner Gary Hansen present, and Commission Districts 1 and 3 positions vacant.

CONSENT CALENDAR

**UPON MOTION OF COMMISSIONER KELLEY,
SECONDED BY COMMISSIONER HANSEN, THE
CONSENT CALENDAR (ITEMS C-1 THROUGH C-5)
WAS UNANIMOUSLY APPROVED.**

NON-DEPARTMENTAL

- C-1 Appointment of James Craft and Reappointment of Jim Fuji to the Multnomah County AGRICULTURAL BOARD OF REVIEW
- C-2 Appointment of Catherine Fortenberry to the Multnomah County ANIMAL CONTROL ADVISORY COMMITTEE
- C-3 Appointment of Dan Hull to the Multnomah County EMERGENCY MEDICAL SERVICES ADVISORY BOARD
- C-4 Reappointment of Royal Harshman as Multnomah County Representative to the MT. HOOD CABLE REGULATORY COMMISSION
- C-5 Reappointment of Laurie Craghead to the MULTNOMAH COUNTY PLANNING COMMISSION

REGULAR AGENDA

PUBLIC COMMENT

- R-1 Opportunity for Public Comment on Non-Agenda Matters. Testimony Limited to Three Minutes Per Person.

NO ONE WISHED TO COMMENT.

DEPARTMENT OF SUPPORT SERVICES

- R-2 RESOLUTION Supporting City of Portland Proposed Options to Repay Urban Renewal Bonds

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED, APPROVAL OF R-2. DAVE WARREN, MARK MURRAY, TIM GREWE AND CHRIS SCHERER EXPLANATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. RESOLUTION 98-56 UNANIMOUSLY APPROVED.

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

- R-3 Intergovernmental Agreement 700718 with the Multnomah Education Service District Funding the Multnomah Youth Cooperative Program to Provide Alternative Educational Services and Vocational Training to Ten Post-Adjudicated, Probationary Youth Referred to the Program by Juvenile Counseling Staff

COMMISSIONER KELLEY MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF R-3. BILL MORRIS EXPLANATION. AGREEMENT UNANIMOUSLY APPROVED.

DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 RESOLUTION Authorizing the Chair to Execute an Intergovernmental Agreement Establishing the South/North Land Use Final Order (LUFO) Steering Committee

COMMISSIONER HANSEN MOVED AND COMMISSIONER KELLEY SECONDED,

**APPROVAL OF R-4. SHARON KELLY OF METRO
EXPLANATION. RESOLUTION 98-57
UNANIMOUSLY APPROVED.**

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

R-5 PUBLIC HEARING and APPROVAL of 1998-99 Consolidated Plan and Annual Action Plan for the Community Development Block Grant Program Allocating Funds to Eligible Projects Located within the Cities of Fairview, Troutdale, Maywood Park, and Wood Village, and Unincorporated Areas of Multnomah County as Recommended by the Program's Policy Advisory Board

**COMMISSIONER KELLEY MOVED AND
COMMISSIONER HANSEN SECONDED,
APPROVAL OF R-5. CECILE PITTS AND KAREN
WHITTLE EXPLANATION. ROBERT HUGGINS OF
LEGAL AID TESTIMONY IN SUPPORT OF
HOUSING ASSISTANCE AND FAIR HOUSING
PROJECTS FUNDING. BRENDA JOSE
TESTIMONY IN SUPPORT OF ADAPT-A-HOME
PROGRAM FUNDING. FRED POLLASTRINI
TESTIMONY IN SUPPORT OF HABITAT FOR
HUMANITY FUNDING AND RESPONSE TO
COMMISSIONER KELLEY'S QUESTIONS ABOUT
HABITAT PROJECTS IN ROCKWOOD. CAROLYN
PIPER TESTIMONY IN SUPPORT OF HUMAN
SOLUTIONS TRANSITIONAL HOUSING FOR
HOMELESS FUNDING. CONSOLIDATED PLAN
AND ANNUAL ACTION PLAN UNANIMOUSLY
APPROVED.**

There being no further business, the meeting was adjourned at 10:20 a.m.

Thursday, May 14, 1998 - 10:00 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

Chair Beverly Stein convened the meeting at 10:28 a.m., with Vice-Chair Sharron Kelley and Commissioner Gary Hansen present, and Commission Districts 1 and 3 positions vacant.

WS-3 Multnomah County Department of Library Services 1998-99 Budget Overview and Highlights. DLS Citizen Budget Advisory Committee Presentation. Issues and Opportunities. Board Questions and Answers.

***GINNIE COOPER, SUSAN HATHAWAY-MARXER,
ANGEL LOPEZ, BECKY COBB, JEANNE
GOODRICH AND ELLEN FADER PRESENTATION
AND RESPONSE TO BOARD QUESTIONS AND
DISCUSSION.***

There being no further business, the meeting was adjourned at 11:35 a.m.

OFFICE OF THE BOARD CLERK
FOR MULTNOMAH COUNTY, OREGON

Deborah L. Bogstad

Deborah L. Bogstad



MULTNOMAH COUNTY, OREGON

BOARD OF COMMISSIONERS

Beverly Stein, Chair

1120 SW Fifth Avenue, Suite 1515
Portland, Or 97204-1914
Phone: (503) 248-3308 FAX (503) 248-3093
Email: Mult.Chair@co.multnomah.or.us

Vacant, Commission District 1

1120 SW Fifth Avenue, Suite 1500
Portland, Or 97204-1914
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Email:

Gary Hansen, Commission Dist. 2

1120 SW Fifth Avenue, Suite 1500
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Phone: (503) 248-5219 FAX (503) 248-5440
Email: Gary.D.Hansen@co.multnomah.or.us

Vacant, Commission District 3

1120 SW Fifth Avenue, Suite 1500
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Sharron Kelley, Commission Dist. 4

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Phone: (503) 248-5213 FAX (503) 248-5262
Email:
Sharron.E.Kelley@co.multnomah.or.us

**Any Questions? Call Board Clerk
Deb Bogstad @ 248-3277**

INDIVIDUALS WITH DISABILITIES
MAY CALL THE BOARD CLERK AT 248-
3277, OR MULTNOMAH COUNTY TDD
PHONE 248-5040, FOR INFORMATION
ON AVAILABLE SERVICES AND
ACCESSIBILITY.

MAY 12 & 14, 1998 BOARD MEETINGS

FASTLOOK AGENDA ITEMS OF INTEREST

2	Health Department Budget Session
2	Department of Community & Family Services Budget Session
3	Consent Calendar Appointments
3	Resolution Supporting Portland Urban Renewal Debt Repayment Option
4	Agreement Supporting Multnomah Youth Cooperative Program
4	Resolution Establishing South/North Land Use Final Order Steering Committee
4	Hearing on 1998-99 Annual Action Plan for CDBG Funded Projects
4	Library Services Budget Session
5	Budget Session & Hearing Schedule

Thursday meetings of the Multnomah County Board of Commissioners are cable-cast live and taped and may be seen by Cable subscribers in Multnomah County at the following times:

Thursday, 9:30 AM, (LIVE) Channel 30
Friday, 10:00 PM, Channel 30
Sunday, 1:00 PM, Channel 30
Produced through Multnomah Community
Television

Tuesday, May 12, 1998 - 9:30 AM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

WS-1 Multnomah County Health Department 1998-99 Budget Overview and Highlights. HD Citizen Budget Advisory Committee Presentation. Issues and Opportunities. Board Questions and Answers. 2.5 HOURS REQUESTED.

Tuesday, May 12, 1998 - 1:30 PM
Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

WS-2 Multnomah County Department of Community and Family Services 1998-99 Budget Overview and Highlights. DCFS Citizen Budget Advisory Committee Presentation. Issues and Opportunities. Board Questions and Answers. 2.5 HOURS REQUESTED.

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REGULAR MEETING

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NON-DEPARTMENTAL

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- C-2 Appointment of Catherine Fortenberry to the Multnomah County ANIMAL CONTROL ADVISORY COMMITTEE
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DEPARTMENT OF ENVIRONMENTAL SERVICES

- R-4 RESOLUTION Authorizing the Chair to Execute an Intergovernmental Agreement Establishing the South/North Land Use Final Order (LUFO) Steering Committee

DEPARTMENT OF COMMUNITY AND FAMILY SERVICES

- R-5 PUBLIC HEARING and APPROVAL of 1998-99 Consolidated Plan and Annual Action Plan for the Community Development Block Grant Program Allocating Funds to Eligible Projects Located within the Cities of Fairview, Troutdale, Maywood Park, and Wood Village, and Unincorporated Areas of Multnomah County as Recommended by the Program's Policy Advisory Board

Thursday, May 14, 1998 - 10:00 AM
(OR IMMEDIATELY FOLLOWING REGULAR MEETING)

Multnomah County Courthouse, Boardroom 602
1021 SW Fourth Avenue, Portland

BUDGET WORK SESSION

- WS-3 Multnomah County Department of Library Services 1998-99 Budget Overview and Highlights. DLS Citizen Budget Advisory Committee Presentation. Issues and Opportunities. Board Questions and Answers. 1.5 HOURS REQUESTED.

1998-99 MULTNOMAH COUNTY BUDGET WORK SESSIONS AND PUBLIC HEARINGS

23-Apr	Thursday	9:30 am	PUBLIC HEARING, Executive Budget Presentation and Approval
28-Apr	Tuesday	9:30 am	Central Citizen Budget Advisory Committee Report
		9:45 am	Juvenile & Adult Community Justice
29-Apr	Wednesday	9:30 am	Sheriff
		6:00 pm	PUBLIC HEARING @Gresham Library 385 NW Miller
5-May	Tuesday	9:30 am	District Attorney
		10:30 am	Non-Departmental
6-May	Wednesday	1:30 pm	Environmental Services
		3:00 pm	Support Services
12-May	Tuesday	9:30 am	Health
		1:30 pm	Community & Family Services
14-May	Thursday	10:30 am	Library (after regular Board meeting)
19-May	Tuesday	9:30 am	Aging and Disability Services
		10:30 am	Revenue Overview
		11:00 am	General Work Session (potential)
		1:30 pm	General Work Session (potential)
20-May	Wednesday	9:30 am	Alcohol and Drug Treatment Services Work Session
		6:00 pm	PUBLIC HEARING in Board Room
26-May	Tuesday	9:30 am	PUBLIC HEARING TSCC Hearing
		10:30 am	General Work Session (potential)
		1:30 pm	General Work Session (potential)
28-May	Thursday	9:30 am	PUBLIC HEARING, Adopt Budget

Unless otherwise indicated, all budget sessions will be held in the Multnomah County Courthouse, Boardroom 602, 1021 SW Fourth Avenue, Portland.

MEETING DATE: MAY 14 1998
AGENDA NO: C-5
ESTIMATED START TIME: 9:30

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Re-appointment to Planning Commission

BOARD BRIEFING: DATE REQUESTED: _____
REQUESTED BY: _____
AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: May 14, 1998
AMOUNT OF TIME NEEDED: Consent Calendar

DEPARTMENT: Nondepartmental DIVISION: Chair's Office

CONTACT: D. Farrell TELEPHONE #: 248-3953
BLDG/ROOM #: 106/1515

PERSON(S) MAKING PRESENTATION: _____

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Re-appointment of Laurie Craghead to the Multnomah County Planning Commission for a term ending May 30, 2002.

SIGNATURES REQUIRED:

ELECTED OFFICIAL: Beverly Steid
(OR)
DEPARTMENT
MANAGER: _____

MULTNOMAH COUNTY
OREGON
98 MAY - 1 PM 1:37
COUNTY COMMISSIONERS

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277

MEETING DATE: MAY 14 1998

AGENDA #: R-2
ESTIMATED START TIME: 9:30

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Resolution Supporting Portland Urban Renewal Debt Repayment Option

BOARD BRIEFING: DATE REQUESTED: _____

REQUESTED BY: _____

AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: May 14, 1998

AMOUNT OF TIME NEEDED: 10 Minutes

DEPARTMENT: Support Services

DIVISION: Budget and Quality

CONTACT: Dave Warren

TELEPHONE #: 248-3822

BLDG/ROOM #: 106/1400

PERSON(S) MAKING PRESENTATION: Dave Warren, Chris Scherer

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Approval of statutorily required resolution supporting Portland's proposed option for repaying urban renewal bonds.

5/20/98 copies to Dave Warren

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____

(OR) DEPARTMENT MANAGER: _____

Vickie J. Gales

98 MAY 14 PM 12:13
MULTNOMAH COUNTY
OREGON
COUNTY COMMISSIONERS

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN

GARY HANSEN

SHARRON KELLEY

BUDGET AND QUALITY
PORTLAND BUILDING
1120 S.W. FIFTH - ROOM 1400
P. O. BOX 14700
PORTLAND, OR 97214
PHONE (503)248-3883

TO: Board of County Commissioners

FROM: Dave Warren *DCW*

TODAY'S DATE: May 1, 1998

REQUESTED PLACEMENT DATE: May 14, 1998

SUBJECT: Resolution in Support of Portland's Proposed Urban Renewal Option

I. Recommendation / Action Requested:

Adopt the resolution supporting Portland's proposed option for repaying urban renewal bonded indebtedness.

II. Background / Analysis:

SB 1215, the implementing legislation for Measure 50, requires the County, as a jurisdiction affected by Portland's urban renewal plan, to adopt a resolution supporting or opposing the debt repayment option chosen by the City. Before adopting this resolution, the Board has the opportunity to review the options and review the proposed maximum amount of indebtedness for the urban renewal plan.

On May 14, the Board will hear a brief presentation about the maximum indebtedness levels for each of Portland's urban renewal districts. An excellent overview of the indebtedness levels and of the debt repayment options has been put together by the Portland Development Commission and it is attached.

On March 10, the Board and Portland City Council received an overview from Drew Barden and me about the potential tax revenue impact of the proposals under consideration by City Council. Copies of the financial impacts of the options discussed are also attached. The proposal now supported by City Council was called "Scenario A" in March. It caps the amount of increment value in four of the urban renewal districts, frees the balance of the increment value to be taxed by the City, Metro, the Port of Portland, and Multnomah County, and uses a separate levy to cover debt payments. This option nets the County an additional \$1.9 million (we believe) in 1998-99. It is the option on which our property tax revenue assumptions in the Proposed 1998-99 Budget are based.

III. Financial Impact:

The option currently favored by City Council adds approximately \$700 million of value to the roll of property from which Multnomah County receives the taxes. The County's permanent tax rate (\$4.35) and the Library Local Option Levy rate (\$0.59) will apply to that property.

However, in order to make debt payments on the urban renewal bonds, the City will add \$10 million of additional levy to the tax bills on property in Portland. This additional levy will cause taxes on some properties where the taxes currently are less than \$10 per thousand compared to real market value to become high enough to become compressed.

Compression affects all local governments, but not equally. Only after the Library Local Option Levy has been reduced to \$0 on a property do the other taxes (the permanent tax rate taxes) begin to be reduced. The additional urban renewal levy will cost the Library Levy a disproportionately high amount of revenue.

On balance, the property tax revenues for the County will net out \$1.9 million higher from the option currently proposed by Portland than from the default option of crediting PDC with property taxes from the full increment value of the urban renewal districts. The County will add approximately \$3.7 million to its tax levy; compression will eliminate about \$1.8 million of that addition.

IV. Legal Issues:

The implementing legislation requires cities with urban renewal districts to choose an option for retiring the debt incurred by those districts. This option can only be exercised prior to July 1, 1998. It cannot be changed in the future. The legislation also requires all affected jurisdictions to adopt resolutions supporting or opposing the cities' proposal before the cities adopt their choice.

V. Controversial Issues:

The proposed option places additional taxes on tax bills. No vote of the people is required

VI. Link to Current County Policies:

NA

VII. Citizen Participation:

None

VIII. Other Government Participation:

Portland is required to meet with each affected jurisdiction. Multnomah County is required only to pass a resolution supporting or opposing the debt repayment proposal.

PORTLAND DEVELOPMENT COMMISSION

MEMORANDUM

DATE: April 29, 1998
TO: Multnomah County Board of Commissioners
FROM: Felicia Trader *Felicia Trader*
SUBJECT: Implementation of Tax Increment Under Measure 50

Carl B. Talton
Chairman

Douglas C. Blomgren
Commissioner

Martin Brantley
Commissioner

John D. Eskildsen
Commissioner

Noell Webb
Commissioner

Introduction

The Portland Development Commission (PDC) and the City of Portland, through its Office of Finance and Administration (OFA), request the opportunity to discuss with the Multnomah County Board of Commissioners (the "Commission") two issues related to new statutory requirements for urban renewal agencies. In addition, PDC and OFA are requesting that Commissioners adopt a resolution in support of the urban renewal tax collection option, as discussed below.

Statutory Requirements for Urban Renewal Resulting from Measure 50

The Constitutional amendments resulting from passage of Measure 50 were implemented in the 1997 Oregon Legislature in Senate Bill (SB) 1215. The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans.

However, Measure 50 and SB 1215 specifically allow for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue they would have prior to the new law. The Legislature acknowledged that many private sector and public sector commitments were made based on anticipating the completion of urban renewal plans, and that these commitments should be honored.

In return for this "grandfathering" of existing urban renewal plans, the Legislature required that "existing urban renewal plans" be limited in cost, based on the state of the urban renewal plan in December, 1996. In order words, existing plans, and only existing plans, are entitled to the special grandfathering provisions of Measure 50.

Vera Katz
Mayor

Felicia L. Trader
Executive Director

1900 S.W. Fourth Avenue
Suite 100
Portland, OR 97201-5304

503/823-3200

FAX 503/823-3368
TTY 503/823-3366

internet
www.portlanddev.org



By July 1, 1998, several actions must be taken by the City Council and PDC to comply with SB 1215 and therefore preserve the revenue capacities of urban renewal plans. These actions include:

- (1) setting a maximum indebtedness figure - a maximum cost of the principal amount of the debt necessary to issue to complete projects and programs called for in the plan and amending each existing urban renewal plan to include this figure and;
- (2) choosing one of three methods or Options for actually collecting the urban renewal taxes.

The City of Portland had five active urban renewal plans in existence as of December 6, 1996. These are the Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center and South Park Blocks Urban Renewal Plans.

The City intends to amend these plans to include a maximum amount of indebtedness and to adopt an ordinance selecting a collection option for each plan so that the plans may be considered "existing urban renewal plans" and the revenue generating capacity of the plans may be preserved.

The statutes (ORS 457.437) require that PDC meet with the governing bodies of "affected municipalities" - in this case, the County Commission - to review the proposed maximum amount of indebtedness and the proposed collection option for these urban renewal plans. The statutes further require that after such meeting, the Commission shall adopt a resolution in support of, or in opposition to, the recommended collection option. The Commission is not required to adopt a Resolution with regard to the maximum indebtedness amount.

If the Commission adopts a resolution in opposition to the proposed option, the City Council must either change its recommendations in favor of the County's recommendations or acknowledge the Commission's action in a stand-alone resolution.

The maximum indebtedness amount is critical in that it defines the financial scope of "existing plans." The maximum indebtedness amount must be based on good faith estimates of the costs of the programs and projects called for or authorized by the urban renewal plans as of December 6, 1996 and may include inflation.

Proposed Maximum Indebtedness Amount for Each Plan

The proposed maximum amount of indebtedness for each existing urban renewal plan is summarized in the table below. Attached as an exhibit to this memorandum is summary information for each urban renewal area that shows the components of the maximum indebtedness, by project category.

PLAN	MAXIMUM AMOUNT OF INDEBTEDNESS
Airport Way	\$ 72,638,268
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

PDC has prepared these estimates in good faith and believes they accurately represent the maximum amount of indebtedness necessary to complete the urban renewal plans. In addition, PDC and the City are preparing financing plans that show the impacts of issuing and paying urban renewal debt to complete existing urban renewal plans. These plans address the issue of levy capacity within the Measure 5 limits on property taxes and they take into account the understandings reached between the City of Portland and Multnomah County regarding use of such levy capacity.

Selection of collection options

Under Senate Bill 1215, three options are available for collection of urban renewal taxes for existing districts. An option must be selected for each district by July 1, 1998, and cannot be changed thereafter. Options are described as below and illustrated on the attached slides:

Option 1: Option 1 provides that the urban renewal agency shall receive all taxes derived from the divide-the-taxes methodology for urban renewal plus a special levy, if required. The divide-the-taxes methodology applies the consolidated tax rate of all overlapping districts to the incremental value in each urban renewal area to generate urban renewal taxes.

The special levy is applied to all taxable property in the jurisdiction of the urban renewal agency sponsor. Depending on the amount of special levy, this option has the least impact on tax bills of the three options. Under the divide-the-taxes portion of the collection, no new taxes are created and taxing capacity is not affected.

Option 2: Option 2 provides for a special levy for the entire amount of urban renewal taxes. This option would result in tax payers seeing new taxes for the entire amount of the levy. The incremental values would be freed up for taxation by local governments and general fund revenues would increase. The special levy would impact Measure 5 capacity and increase the overall governmental tax rate.

Option 3: Option 3 combines the effects of Options 1 and 2 by allowing for governments to limit the amount collected under the divide-the-taxes methodology and collect a special levy, if required.

The City Office of Finance and Administration (OFA) and the PDC have worked closely together to determine options and levy amounts that would accomplish the following objectives:

- A stable revenue source for continued development
- The ability to manage the City’s entire property tax levy, including many issues that affect the County such as, the share of tax revenue among overlapping jurisdictions, capacity under the \$10 Measure 5 limit, and revenue available for general funds.
- Reasonable tax payer burdens for urban renewal financing.

As a result we are recommending that the City adopt Option 3 for the Airport Way, Downtown Waterfront, Oregon Convention Center and South Park Blocks urban renewal areas and Option 1 for the Central Eastside. We believe this approach gives the City maximum flexibility in managing its levy and, on the basis of the divide-the-taxes amounts indicated below, recognize that this decision will have a positive impact on the County’s general fund revenue.

	Divide the Taxes Amount
Airport Way	\$2,540,000
Central Eastside	n/a
Downtown Waterfront	\$7,710,000
Oregon Convention Center	\$5,740,000
South Park Blocks	\$5,660,000
Total	\$25,000,000

Recommendations

PDC and the City of Portland respectfully recommend that the Board of Commissioners for Multnomah County adopt a resolution substantially similar to the attached copy titled, “Supporting the Choice of Urban Renewal Tax Collection Options for the Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center and South Park Blocks Urban Renewal Areas”.

Attachments: Maximum Indebtedness Exhibit
 Graphics 1 – 5
 Draft Resolution

AIRPORT WAY URBAN RENEWAL AREA

Objectives

To "correct conditions which are the causes of blight so that the Area will be developed and redeveloped by private sector initiative and in the process of such development and redevelopment, produce job generating industries and businesses and increase property values."

Plan Expiration Date: May 14, 2011

Projects to Be Included in Determination of Maximum Indebtedness

PARKS

Slough Trail	848,070
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PARKS TOTAL	848,070
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REDEVELOPMENT

Land Acquisition	21,986,636
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PIC Site Prep and Infrastructure/Light Rail Project	30,000,000
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Airport Way Development Fund	2,479,399
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REDEVELOPMENT TOTAL	54,466,035
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TRANSPORTATION

Street Improvements (incl. pedestrian impvts.)	17,324,163
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TRANSPORTATION TOTAL	17,324,163
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GRAND TOTAL	72,638,268
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CENTRAL EASTSIDE URBAN RENEWAL AREA

Objectives

Preserve and enhance the unique characteristics of the Central Eastside Industrial District as a near-in employment center with a diverse industrial base complimented by concentrations of commercial and residential uses in appropriately designated areas.

Enhance business and development opportunities for existing firms, recognizing the importance of providing industrial sanctuaries for certain industrial activities while affording opportunities for commercial housing development within appropriately designated subareas.

Implement the Willamette River Greenway Plan, which preserves a strong working river while promoting recreations, commercial and residential waterfront development along the Willamette.

Increase accessibility to the river and enhance Greenway areas as a public resource and improve the environmental quality of life for adjacent and nearby neighborhoods.

Plan Expiration Date: August 26, 2006

Projects to Be Included in Determination of Maximum Indebtedness

HOUSING	
Multi-Family Housing	6,442,000
HOUSING TOTAL	6,442,000
PARKS	
Eastbank Riverfront Park	32,888,000
PARKS TOTAL	32,888,000
REDEVELOPMENT	
<i>Employment</i>	
Building Rehabilitation	4,005,000
Land Redevelopment	9,169,000
<i>Employment Subtotal</i>	<i>13,174,000</i>
<i>Neighborhood Commercial</i>	
Storefront Program	1,452,000
<i>Neighborhood Commercial Subtotal</i>	<i>1,452,000</i>
REDEVELOPMENT TOTAL	14,626,000
TRANSPORTATION	
MLK/Grand improvements	3,335,000
Water Avenue LID	1,000,000
CES Transportation & Infrastructure	7,983,000
TRANSPORTATION TOTAL	12,318,000
GRAND TOTAL	66,274,000

DOWNTOWN WATERFRONT URBAN RENEWAL AREA

Objectives

Primary objectives are to improve function, conditions and appearance of the area and to eliminate blighting influences. Emphasis is on conservation and rehabilitation of existing structures and providing public improvements and assistance to stimulate private investment.

More specifically, the Plan's objectives are:

1. To develop the Waterfront Park between the Marquam and Steel bridges as a major public open space and environmentally enhanced approach to the City and to provide pedestrianway connections to downtown.
2. To support the development of the high density retail/office core by providing transit and pedestrian facilities, convenient short-term parking, and open space, including a public square, thereby reducing traffic congestion.
3. To maintain existing low-income housing and promote additional new housing serving mixed income groups.
4. To support and promote the preservation and enhancement of historic buildings and districts.
5. To assist in the provision of transportation facilities, including transit and street improvements, necessary to maintain the Area's accessibility to the region and its ability to accommodate growth.
6. To stimulate private conservation, rehabilitation and development both within and adjacent to the Project Area through public improvements in the Project Area.
7. To eliminate blighted and deteriorated structures which are not suitable for conservation or rehabilitation.
8. To establish a redevelopment program for the South Waterfront Activity Area.
9. To establish a redevelopment program for the Pioneer Square Activity Area.
10. To establish a redevelopment program for the Morrison Street Project Area.
11. To establish a redevelopment program for the Union Station Project Activity Area, including the redevelopment of adjacent and other nearby properties.

Plan Expiration Date: April 24, 2004

Projects to Be Included in Determination of Maximum Indebtedness

HOUSING

Loans Funds	30,296,000
Preservation	14,440,000
Site Acquisition and Development	4,428,000
Ownership	4,138,000

HOUSING TOTAL 53,302,000

PARKING

Chinese Garden	11,308,000
Trailways	12,365,000
Ag. Center	5,064,000
South Waterfront	573,000

PARKING TOTAL 29,310,000

PARKS

Chinese Classical Garden	3,146,000
S. Waterfront Park Ext.	3,892,000
North Park Block	918,000

PARKS TOTAL**7,956,000****REDEVELOPMENT***Employment*

Opportunity Fund	20,119,000
Trailways Block	286,000
Parcel 6 Mitigation	763,000
Recruitment	540,000
Pre Dev. Assistance	441,000
Policy Dev. and Review	251,000
Creative Services Incubator	7,489,000

Employment Subtotal

29,889,000

Older/Historic Buildings

Seismic Loan Progr.	5,323,000
Union Station Restor.	8,347,000
Union St. Forecourt	1,367,000
511 Building	11,602,000

Older/Historic Buildings Subtotal

26,639,000

Neighborhood Commercial

Storefront Grants	1,540,000
Asian Market	1,009,000
Grocery Store (Horsebarn)	458,000

Neighborhood Commercial Subtotal

3,007,000

Other

Environmental Test/Remediation	400,000
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Other Subtotal

400,000

REDEVELOPMENT TOTAL**59,935,000****TRANSPORTATION***Transit*

Transit Mall Renovation	1,546,000
CC Streetcar Extension	500,000

Transit Subtotal

2,046,000

Streets

Reopen 8th Ave.	1,137,000
Ankeny Street	1,244,000
Front Ave. Impr.	449,000
Harrison St. Connection	2,336,000
SWF River Parkway	2,907,000

Streets Subtotal

8,073,000

<i>Pedestrian Improvements</i>	
Streetscape (China Town)	2,755,000
Pedestrian Bridge/Impov.	1,150,000
<i>Pedestrian Improvements Subtotal</i>	3,905,000
TRANSPORTATION TOTAL	14,024,000
PLANNING	
Brownfield Dev. Policy	373,000
China Town Develop. Plan	100,000
PLANNING TOTAL	473,000
GRAND TOTAL	165,000,000

OREGON CONVENTION CENTER URBAN RENEWAL AREA

Objectives

To "improve the conditions of the Plan Area. Eliminate blight and blighting influences, expand and improve public facilities and stimulate private investment and economic growth..." as follows:

Lloyd District

- Maximize job potential of the Oregon Convention Center.
- Target jobs and businesses to first benefit Northeast residents.
- Create opportunities for businesses that serve the convention trade.
- Reinforce the economic expansion of the east side.
- Upgrade the environment of the area to reflect the best of Portland to visitors.
- Ensure that activities work to stabilize neighborhoods.

Martin Luther King, Jr. Boulevard Extension

- Coordinate activities with goals and objectives of the Albina Community Plan.
- Provide for ongoing local input and community involvement.
- Support existing businesses.
- Focus on commercial nodes.
- Create local jobs by attracting new businesses and investment.
- Promote ownership by residents of the Albina community.
- Improve the image and function of the MLK Jr. Blvd.
- Encourage housing in areas zoned for housing or mixed use.

Plan Expiration Date: June 13, 2013

Projects to Be Included in Determination of Maximum Indebtedness

HOUSING

Lloyd Affordable	12,851,000
PreDev Assist.	379,000
MLK Affordable	10,502,000

HOUSING TOTAL 23,732,000

PARKING

Land Acq./Devel. - Retail Parking Structure	5,206,000
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PARKING TOTAL 5,206,000

PARKS

Eastbank Park	9,810,000
Eastbank Park Extension	7,288,000

PARKS TOTAL**17,098,000****REDEVELOPMENT***Neighborhood Commercial*

Land Acq./Devel. - Lloyd Land Acq. & Dev.	10,848,000
Small Bus. Assist - MLK Predev. Assist	3,496,000
Small Bus. Assist - MLK Storefront Grant	5,650,000
Small Bus. Assist - MLK Equity Loan Fund	4,835,000
Small Bus. Assist - MLK Mixed Use Dev.	2,936,000
Small Bus. Assist - Tech. Assist	1,598,000
Land Acq./Devel. - Commercial Site Dev.	12,005,000

<i>Neighborhood Commercial Subtotal</i>	<i>41,368,000</i>
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Other

Special Project - Headquarters Hotel	7,961,000
Special Project - WF Loan Repayment	1,807,000

<i>Other Subtotal</i>	<i>9,768,000</i>
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REDEVELOPMENT TOTAL**51,136,000****TRANSPORTATION***Streets*

Lloyd Area Wide Improv.	11,781,000
Convention Ctr. Area Impr.	16,563,000
First Ave. Frontage Rd.	4,371,000
Sullivan Gulch Trail	1,321,000
MLK/Alberta Street Plan	20,431,000
Broadway/Weidler	9,325,000
Arena Debt Serv.	545,000

<i>Streets Subtotal</i>	<i>64,337,000</i>
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Pedestrian Improvements

Lloyd Lighting Program	4,581,000
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<i>Pedestrian Improvements Subtotal</i>	<i>4,581,000</i>
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TRANSPORTATION TOTAL**68,918,000****PLANNING**

Planning Activities. - Lloyd Area Wide Plan.	1,421,000
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PLANNING TOTAL**1,421,000****GRAND TOTAL****167,511,000**

SOUTH PARK BLOCKS URBAN RENEWAL AREA

Objectives

To improve the condition and appearance of the Area, eliminate blight and blighting influences, to increase and improve housing, expand public facilities, and upgrade the South Park Blocks through:

- Urban redevelopment
- Housing (preservation and mixed use)
- Public improvements to support housing, cultural, campus, retail, and park areas
- Parking and circulation
- Historic preservation
- Employment and support services to support housing

Plan Expiration Date: July 23, 2008

Projects to Be Included in Determination of Maximum Indebtedness

HOUSING

Preservation	6,496,000
Mixed Income/Use	18,079,000
Affordable	36,381,000
Site Acquisition/Predev. Planning	8,074,000
Neigh. Commercial Service	8,406,000
Ownership	4,204,000

HOUSING TOTAL 81,640,000

PARKING

Cultural Center - Parking Garage	9,245,000
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PARKING TOTAL 9,245,000

PARKS

Cultural Center - Main Street Art Feature	623,000
Cultural Center - SPB Performance Area	662,000

PARKS TOTAL 1,285,000

REDEVELOPMENT

Employment

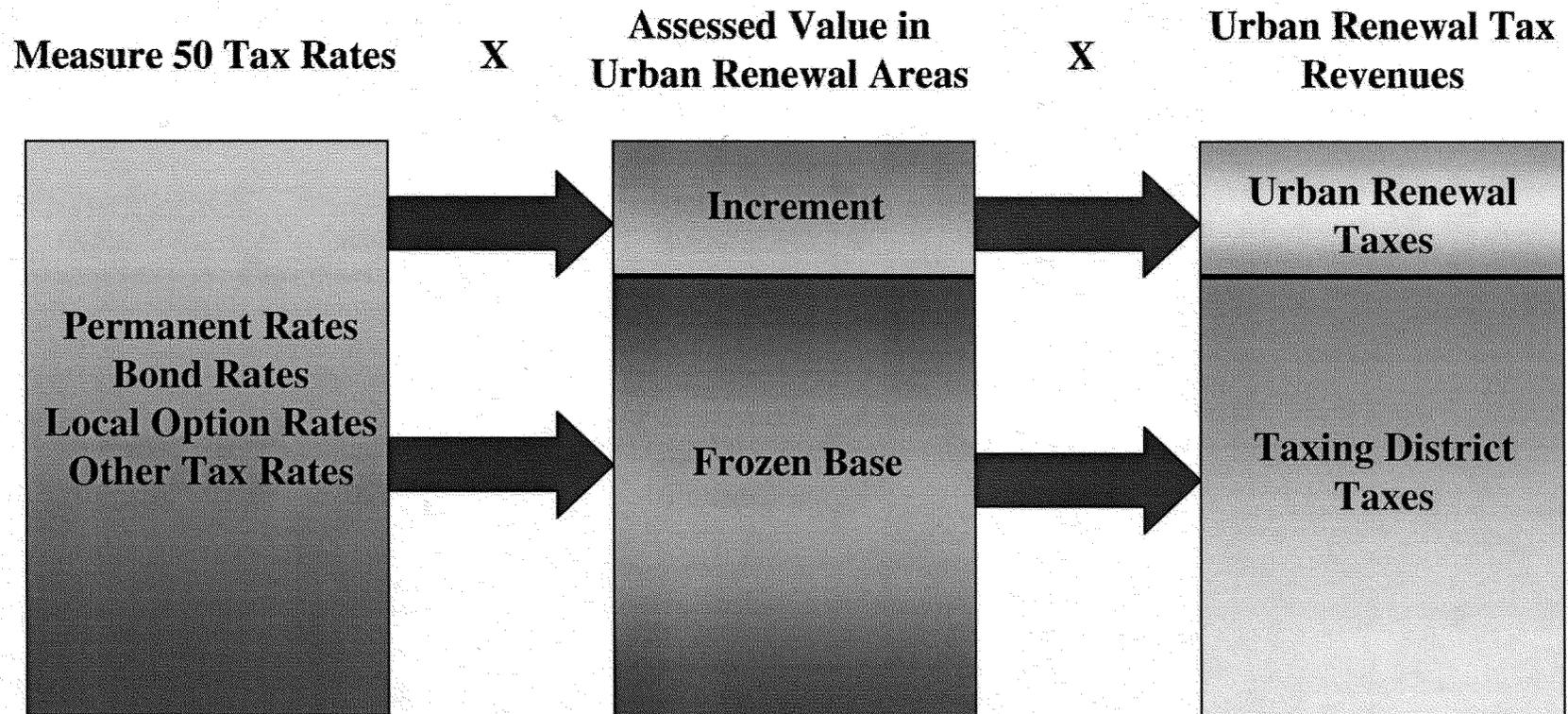
Redevelopment - Science Park	7,569,000
Redevelopment - Opportunity Fund	9,615,000

Employment Subtotal 17,184,000

<i>Older/Historic Buildings</i>	
Storefront Loans	887,000
Seismic/Rehab	4,447,000
Simon Benson House	638,000
<i>Older/Historic Buildings Subtotal</i>	<i>5,972,000</i>
<i>Other</i>	
Redevelopment - West End Core Area	879,000
<i>Other Subtotal</i>	<i>879,000</i>
REDEVELOPMENT TOTAL	24,035,000
TRANSPORTATION	
<i>Pedestrian Improvements</i>	
University District - Plaza	2,961,000
University District - Coordination	392,000
University District - 5th/6th Ave. Ped Impr.	5,411,000
University District - 4th Ave. Ped. Improve.	1,504,000
Commercial Park Blocks	3,360,000
Cultural Center - OHS Area Streetscape	653,000
Streetcar - Streetscape (West End)	6,300,000
Streetcar - Streetscape (South End)	6,833,000
<i>Pedestrian Improvements Subtotal</i>	<i>27,414,000</i>
TRANSPORTATION TOTAL	27,414,000
GRAND TOTAL	143,619,000

Graphic 1

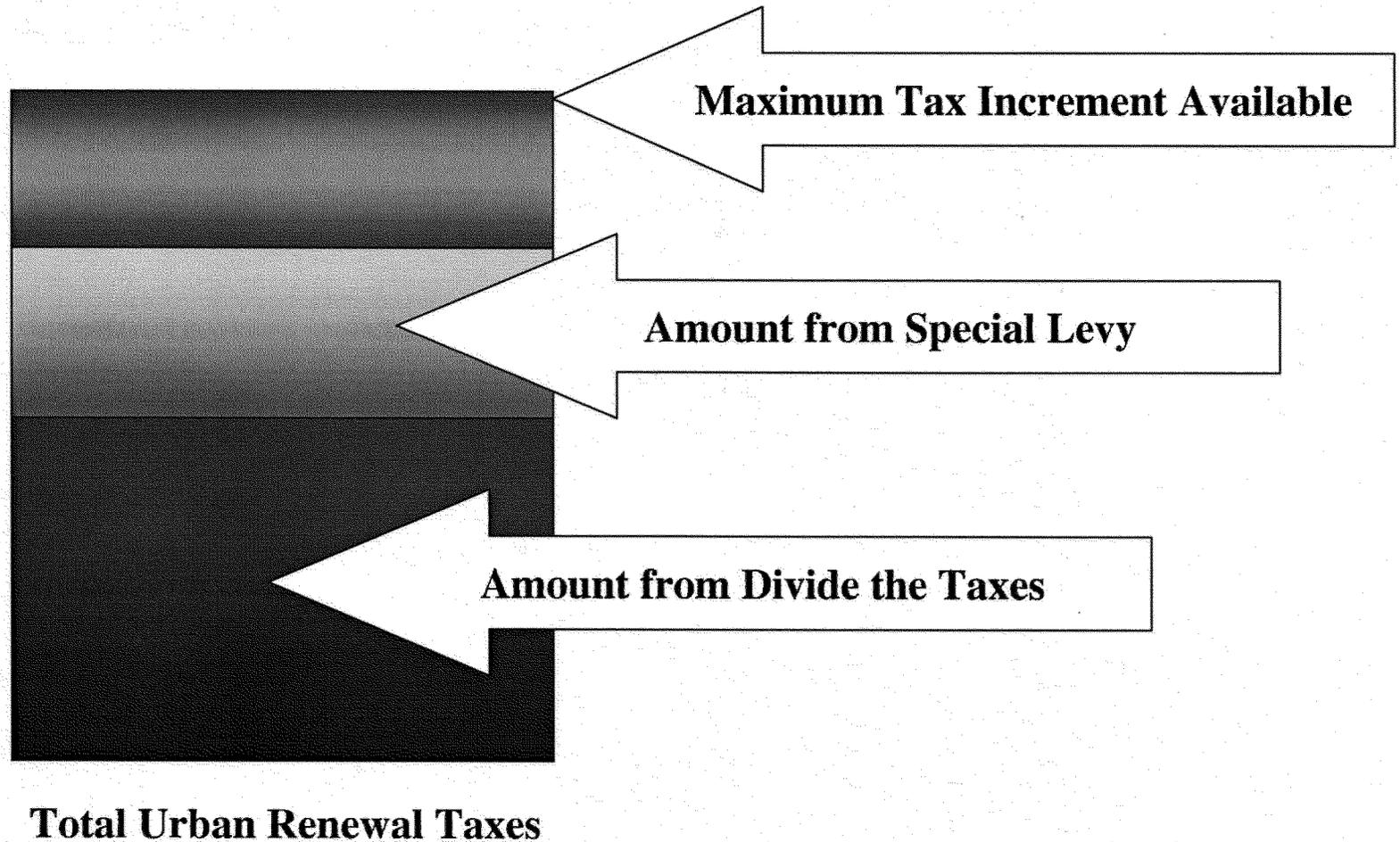
Dividing the Taxes



Graphic 2

Option One

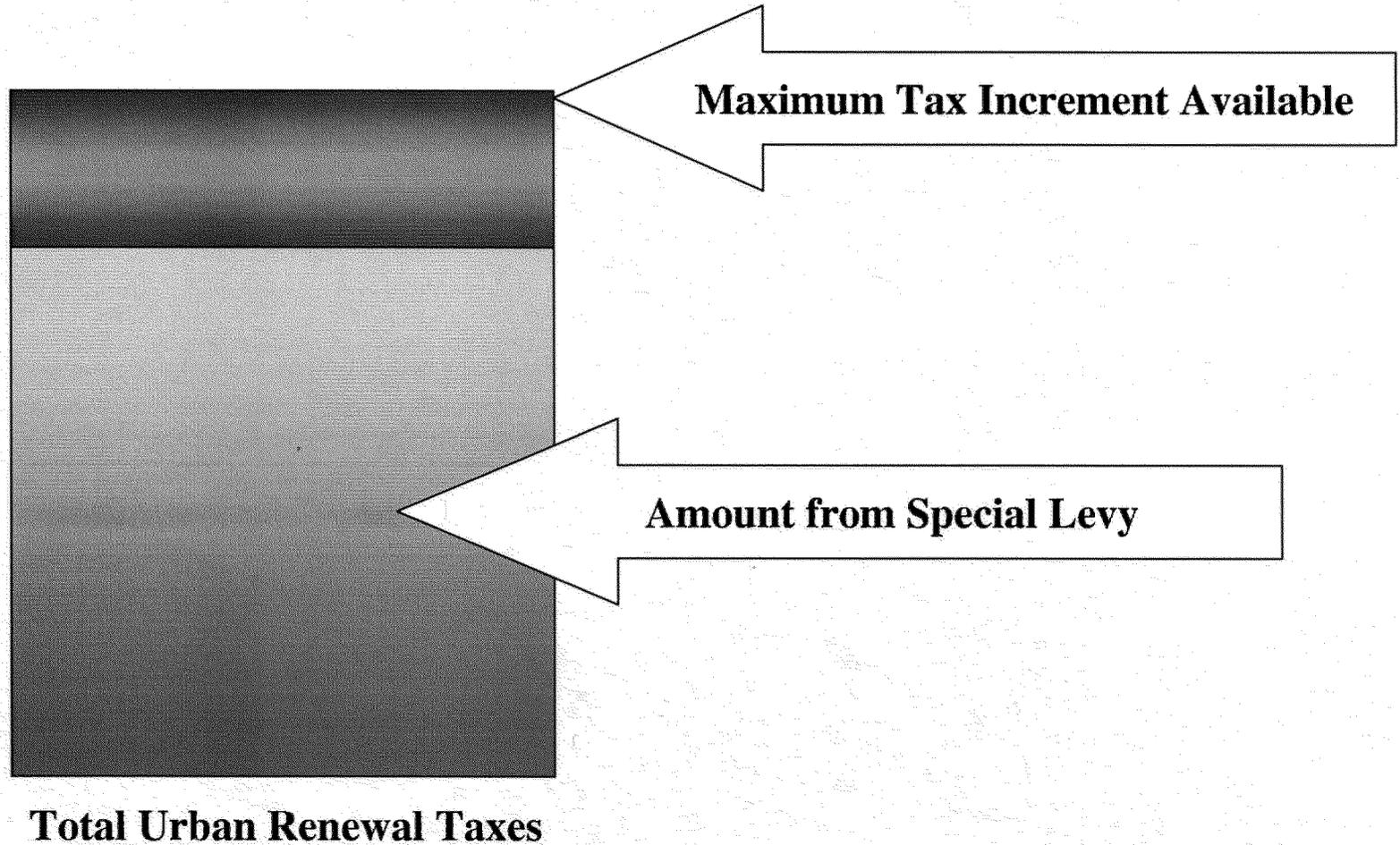
Divide the Taxes Plus Special Levy



Graphic 3

Option Two

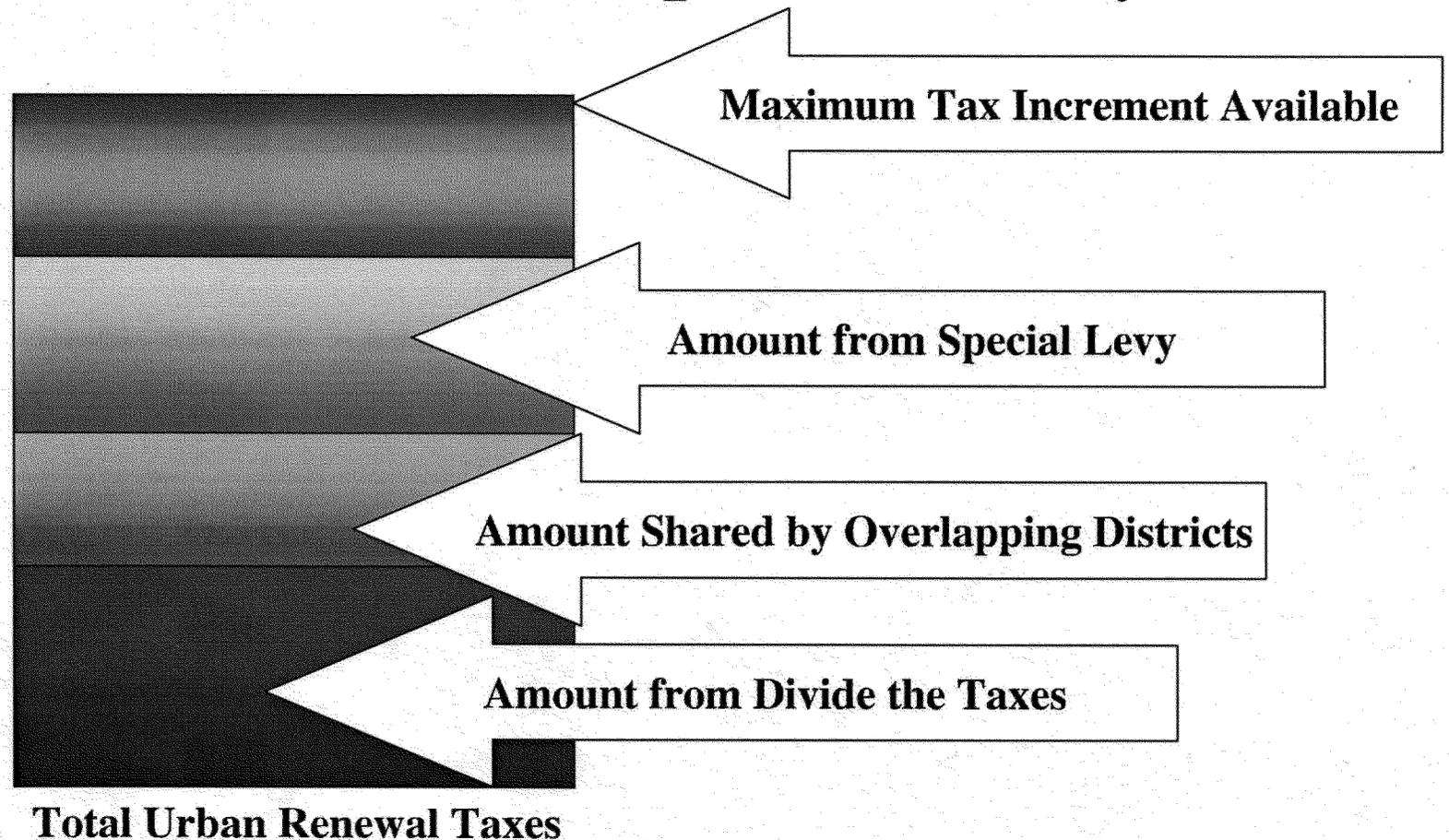
Special Levy Only



Graphic 4

Option Three

*Specified Divide the Taxes
Amount Plus Special Levy*



Overview of the Impact of Portland Property Tax Options 1998-99

1 Assuming No Change in Urban Renewal (Option 1)

Portland Permanent Tax Rate and FPD&R	184,351,425	
Compression	(1,413,161)	
Net Taxes		182,938,264
County Permanent Tax Rate and Library	167,034,529	
Compression	(3,415,518)	
Net Taxes		163,619,011

2 Assuming Scenario A with FPD&R Bonds

Portland Permanent Tax Rate and FPD&R	214,655,948	
Compression	(3,623,060)	
Net Taxes		211,032,888
County Permanent Tax Rate and Library	170,755,705	
Compression	(8,317,383)	
Net Taxes		162,438,322

3 Assuming Scenario A without FPD&R Bonds

Portland Permanent Tax Rate and FPD&R	197,710,781	
Compression	(2,593,185)	
Net Taxes		195,117,596
County Permanent Tax Rate and Library	170,755,705	
Compression	(5,234,650)	
Net Taxes		165,521,055

Summary of Property Tax Impacts
1998-99

Assuming No Change in Urban Renewal (Option 1)

Total AV in Portland	27,337,894,374
Total AV Multnomah County	33,800,341,872
Total Estimated Taxing Capacity in Portland	377,959,600

Capacity	In Portland	Percent	Total County
Capacity Used by Portland	184,351,425	48.8%	184,351,425
Urban Renewal Increment	38,936,960	10.3%	38,936,960
Capacity Used by Multnomah County	135,098,406	35.7%	167,034,529
Capacity Used by Others	4,559,042	1.2%	5,716,049
Unused Capacity	15,013,767	4.0%	

City / County Taxes	In Portland	Rate	Total County	Compression	Net Taxes
Portland Permanent Tax Rate	125,258,674	4.5819	125,258,674	(1,413,161)	123,845,513
Portland FPD&R	59,092,751	2.1616	59,092,751		59,092,751
Subtotal	184,351,425		184,351,425	(1,413,161)	182,938,264
County Permanent Tax Rate	118,840,561	4.3471	146,933,466	(918,555)	146,014,911
County Library Levy	16,257,846	0.5947	20,101,063	(2,496,963)	17,604,100
Subtotal	135,098,406		167,034,529	(3,415,518)	163,619,012

Summary of Property Tax Impacts 1998-99

Assuming Scenario A

<i>Total AV in Portland</i>	<i>28,070,894,347</i>
<i>Total AV Multnomah County</i>	<i>34,553,341,872</i>
<i>Total Estimated Taxing Capacity in Portland</i>	<i>377,959,596</i>

Capacity	In Portland	Percent	Total County
Used by Portland	214,655,948	56.8%	214,655,948
Urban Renewal Increment	23,726,355	6.3%	23,726,355
Used by Multnomah County	138,720,746	36.7%	170,755,705
Used by Others	4,682,225	1.2%	5,716,049
Unused Capacity	(3,825,678)	-1.0%	

City / County Taxes	In Portland	Rate	Total County	Compression	Net Taxes
Portland Permanent Tax Rate	128,618,029	4.5819	128,618,029	(3,623,060)	124,994,969
Portland FPD&R	76,037,919	2.7088	76,037,919		76,037,919
UR Levy	10,000,000	0.00036	10,000,000		10,000,000
Subtotal	214,655,948		214,655,948	(3,623,060)	211,032,888

County Permanent Tax Rate	122,026,985	4.3471	150,206,832	(2,341,398)	147,865,434
County Library Levy	16,693,761	0.5947	20,548,872	(5,975,985)	14,572,887
Subtotal	138,720,746		170,755,705	(8,317,383)	162,438,322

Summary of Property Tax Impacts 1998-99

Assuming Scenario A without FPD&R Bonds

Total AV in Portland	28,070,894,347
Total AV Multnomah County	34,553,341,872
Total Estimated Taxing Capacity in Portland	377,959,596

Capacity	In Portland	Percent	Total County
Used by Portland	197,710,780	52.3%	197,710,780
Urban Renewal Increment	23,726,355	6.3%	23,726,355
Used by Multnomah County	138,720,746	36.7%	170,755,705
Used by Others	4,682,225	1.2%	5,716,049
Unused Capacity	13,119,490	3.5%	

City / County Taxes	In Portland	Rate	Total County	Compression	Net Taxes
Portland Permanent Tax Rate	128,618,029	4.5819	128,618,029	(2,593,185)	126,024,844
Portland FPD&R	59,092,751	2.1051	59,092,751		59,092,751
UR Levy	10,000,000	0.00036	10,000,000		10,000,000
Subtotal	197,710,780		197,710,780	(2,593,185)	195,117,595

County Permanent Tax Rate	122,026,985	4.3471	150,206,832	(1,675,843)	148,530,989
County Library Levy	16,693,761	0.5947	20,548,872	(3,558,807)	16,990,065
Subtotal	138,720,746		170,755,705	(5,234,650)	165,521,055

**BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

RESOLUTION No. 98-56

Supporting City of Portland Proposed Options to Repay Urban Renewal Bonds

The Multnomah County Board of Commissioners Finds:

- a) SB 1215, section 454a, requires all municipalities affected by an urban renewal plan to adopt a resolution in support or opposition to the city recommended option for collecting ad valorem property taxes to pay indebtedness issued to carry out the urban renewal plan.
- b) The Board has met with representatives of the Portland Development Commission (PDC) and the City of Portland to discuss the City of Portland's intent regarding meeting statutory requirements and exercising statutory authority on matters related to the City's five existing urban renewal plans.
- c) The Board has reviewed information presented by the City and PDC regarding the selection of an option for collecting urban renewal taxes, as described in ORS 457.435, and on the maximum amount of indebtedness for each existing urban renewal plan.
- d) The options recommended by PDC and the City of Portland allow Multnomah County to raise property tax revenues on a portion of the increment in the Airport Way, Downtown Waterfront, Oregon Convention Center, and South Park Blocks urban renewal areas.
- e) The option recommended for the Central Eastside urban renewal area is to provide PDC with all taxes derived from the divide-the-taxes methodology.
- f) Implementing the recommended options will permit Multnomah County to receive tax revenues from \$700 million of property value on which the taxes were previously paid only to retire urban renewal bonded indebtedness. Taxing this additional property value could add approximately \$3.7 million of additional property tax revenue to Multnomah County.
- g) However, implementing the recommended options will add about \$10 million of property tax to the tax bills of Portland properties. This additional levy will increase tax compression and decrease the property tax receipts from the County's Library Local Option Levy and permanent tax rate by an estimated \$1.8 million.
- h) The options recommended by PDC and the City of Portland allow the means of preserving levy capacity within the Constitutional limits on local government property taxes.

- i) It is in the interest of Multnomah County to support the City's and PDC's recommended collection option.

The Multnomah County Board of Commissioners Resolves:

That the Board supports the selection of collection options for the City of Portland's five urban renewal plans:

Plan Area	Option	Maximum Amount to be collected by dividing the taxes (for option 3)
Airport Way	3	\$2,540,000
Central Eastside	1	N/A
Downtown Waterfront	3	\$7,710,000
Oregon Convention Center	3	\$5,740,000
South Park Blocks	3	\$5,660,000

ADOPTED this 14th day of May, 1998



BOARD OF COUNTY COMMISSIONERS
MULTNOMAH COUNTY, OREGON

By Beverly Stein
Beverly Stein, Chair

Thomas Sponsler, County Counsel
For Multnomah County, Oregon

By Thomas Sponsler
Thomas Sponsler



MULTNOMAH COUNTY, OREGON

BOARD OF COUNTY COMMISSIONERS

BEVERLY STEIN

DIANE LINN

GARY HANSEN

LISA NAITO

SHARRON KELLEY

BUDGET & QUALITY

PORTLAND BUILDING

1120 S.W. FIFTH - ROOM 1400

P. O. BOX 14700

PORTLAND, OR 97214

PHONE (503)248-3883

TO: Board of County Commissioners

FROM: Dave Warren, Budget Manager *DCW*

DATE: June 2, 1998

SUBJECT: Portland Urban Renewal

Attached is a two page letter from Felicia Trader, Executive Director for the Portland Development Commission (PDC), to me outlining the final steps Portland will take to comply with Measure 50 urban renewal requirements. Portland will adopt the proposed maximum debt limitations for each of the urban renewal districts next week, on June 10.

The limits to be adopted are the same ones discussed by Chris Scherer and Tim Grewe in their presentation to the Board on May 14. The Board passed the statutorily required resolution supporting the options Portland proposes to repay the debt for the districts. The County is not required to take any further action.

I pass this letter on to you for your information. With the letter came the agenda packets PDC prepared for City Council. They are quite sizable, so rather than copy them, I have left them with Deb Bogstad. She assures me she will give you copies of them if you want them.

98 JUN -2 PM 1:54
MULTNOMAH COUNTY
OREGON
BOARD OF
COUNTY COMMISSIONERS

May 29, 1998

Mr. Dave Warren
Multnomah County
1510 Portland Building
1120 SW Fifth
Portland, OR 97204

**RE: AMENDMENTS TO FIVE CITY OF PORTLAND URBAN RENEWAL PLANS
FOR COMPLIANCE WITH MEASURE 50 REQUIREMENTS**

The Portland Development Commission (PDC), the Urban Renewal Agency of the City of Portland is attaching for your review and comment proposed amendments of the City's five existing Urban Renewal Plans. These are Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center and South Park Blocks.

The amendments are required as a result of provisions of Ballot Measure 50, as described below. The amendments establish a "maximum amount of indebtedness" to be issued in order to carry out the Plans. Substantial amendments to the plans are presented to the taxing districts, such as yours, that levy ad valorem property taxes within the urban renewal areas. Any written comments that you submit will be specifically considered by the City Council during its deliberation on the amendments. A public hearing on the amendments is scheduled for June 10 at Portland City Hall, 1200 SW Fifth Avenue, Portland.

BACKGROUND

The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans. However, Measure 50 specifically allows for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue that they would have prior to passage of Measure 50. In return for this "grandfathering" of existing urban renewal plans, the Legislature requires that "existing urban renewal plans" be limited in cost, based on the urban renewal plan as it existed as of December 6, 1996. This limit on cost is referred to as the "maximum indebtedness" figure - a maximum cost of the principal amount of the debt that is necessary to issue to complete projects and programs called for in the plan. Urban renewal agencies are required to amend existing urban renewal plans to include this maximum indebtedness figure. These amendments are substantial amendments and must be adopted using the same process used for adoption of the original plan. This process includes presenting the plan to your agency and considering any written comments provided.

Carl B. Talton
Chairman

Douglas C. Blomgren
Commissioner

Martin Brantley
Commissioner

John D. Eskildsen
Commissioner

Noell Webb
Commissioner

Vera Katz
Mayor

Felicia L. Trader
Executive Director

1900 S.W. Fourth Avenue
Suite 100
Portland, OR 97201-5304

503/823-3200

FAX 503/823-3368
TTY 503/823-3366

internet
www.portlanddev.org



EXPLANATION OF PROPOSED MAXIMUM AMOUNT INDEBTEDNESS

The proposed maximum amount of indebtedness is shown in the table below. These amounts were determined on the basis of the cost and schedule of the projects in the Urban Renewal Plan. The indebtedness figure equals the total cost of the projects, including administration. Please note that your agency was sent a copy of the Plans and all substantial amendments prior to their adoption and the agency has had the opportunity to comment or otherwise provide input.

Urban Renewal Area	Maximum Indebtedness
Airport Way	\$ 72,638,268
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

Enclosed is information regarding the proposed amendments. The information includes:

1. The text of the proposed amendments.
2. Reports on the amendments.
3. An exhibit to the reports that lists each project in each plan, its cost and its schedule, along with the documentation of how each project is authorized and included in the plan.

For more information, please contact Chris Scherer at PDC (823-3284). If you wish your comments to be specifically considered by the City Council, please send your comments in writing to:

Felicia Trader, Executive Director
Portland Development Commission
1900 SW Fourth Avenue
Suite 100
Portland, OR 97201

ORDINANCE No.

Adopt the 3rd Amendment to the South Park Blocks Urban Renewal Plan to Establish a Maximum Amount of Indebtedness.

The City of Portland ordains:

Section 1. The Council finds:

1. The City Council of the City of Portland (the "Council") adopted the South Park Blocks Urban Renewal Plan (the "Plan.") by Ordinance No. 157635, July 24, 1985.
2. The Council wishes to further amend the Plan in accordance with the provisions of Chapter 457 of Oregon Revised Statutes (1997 Edition) to establish a maximum amount of indebtedness (the "Amendment").
3. The Council finds and determines, based upon the information contained in the reports accompanying the Plan, that:
 - (a) A finding of blight was made in the original ordinance adopting the Plan, Ordinance No. 157635, July 24, 1985. This Amendment does not affect any change in the boundaries of the original Plan Area, and Council finds that, since the original Plan has not been completed, the finding of the existence of blight continues to be accurate. Therefore, Council finds that the South Park Blocks Urban Renewal Area is blighted.
 - (b) The original Plan and its subsequent amendments were adopted based upon a finding that the existence of blight in the Area, and that the goals of the Plan were necessary to eliminate said blight, and by doing so, to protect the health, safety, or welfare of the public. Council finds that since the Plan is incomplete and the public health, safety or welfare are still threatened by the existence of blight and its effects on public health, safety, or welfare, that the Plan continues to be necessary to protect such public health, safety, or welfare.
 - (c) The original Plan and its subsequent amendments were adopted after review and recommendation by the Planning Commission, and upon a finding by Council that the Plan conformed to the City of Portland Comprehensive Plan and economic development plan, and that it provided an outline for accomplishing the urban renewal projects that the plan proposes. This Amendment does not alter any of the activities contemplated under the original Plan or its other amendments, and it has also been reviewed by the Planning Commission which recommended adoption. Accordingly, Council finds that the Plan continues to conform to the City of Portland Comprehensive Plan and economic development plan, and provide an outline for accomplishing urban renewal projects proposed in the Plan.

- (d) Nothing in this Amendment changes the activities proposed in the original Plan or its subsequent amendments. Accordingly, Council finds that the Plan continues to make provisions to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
- (e) Adoption of the original Plan and its subsequent amendments was based upon a finding that the acquisition of real property as provided for in the Plan was necessary to achieve the objectives of the Plan. This Amendment does not change any of the properties to be acquired or the criteria for acquisition. Accordingly, Council finds that acquisition of real property as provided in the Plan and its subsequent amendments is necessary to achieve the objectives of the Plan.
- (f) Adoption of the original Plan and its subsequent amendments was based upon a finding that the substance of the Plan, and its adoption and carrying out, are economically sound and feasible. The purpose of this Amendment is to quantify the costs of carrying out the Plan. This Amendment does not affect the scope or potential financial impacts or benefits of activities authorized under the Plan. Council finds that the amount of maximum amount of indebtedness calculated for completion of the Plan is derived from activities which continue to be economically sound and feasible.
- (g) The municipality shall assume and complete any activities prescribed it by the Plan.

Section 2. The Council finds:

1. The Portland Development Commission, the Urban Renewal Agency of the City of Portland ("Commission") has forwarded the Amendment and the accompanying report to the City of Portland Planning Commission for recommendations, and the Planning Commission, on May 12, 1998, recommended adoption of the Amendment.
2. The Commission has consulted and conferred with the governing bodies of the taxing districts that levy taxes within the Area, and no written recommendations have been received from such governing bodies.
3. The Commission has undertaken a review of the records relating to the scope and cost of projects in the Plan and the schedule for their completion as of December 5, 1996. A full description of the review is included in the Report on this Amendment, accepted by the Portland Development Commission on May 20, 1998, which description is hereby incorporated into this Ordinance as additional findings.
4. The description of the review of the scope and costs of projects constitutes a good faith estimate of the scope and costs of projects anticipated as of December 5, 1996.
5. The Commission met with the Board of Commissioners of Multnomah County on May 14, 1998 to review the proposed maximum amount of indebtedness for the Plan.

6. On June 17, 1998 the Council held a public hearing regarding the adoption of the Amendment.
7. The Council has considered the material presented by the Commission, all information presented and all matters discussed at the meetings described above, the recommendations of the Planning Commission and the action of affected municipalities, if any, and finds that based upon a good faith estimate of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation in the Plan and the schedule for their completion as the completion dates were anticipated as of December 5, 1996, the maximum amount of indebtedness that may be issued or incurred under the Plan is \$143,619,000.00.

NOW, THEREFORE, The Council directs:

- a. The 3rd Amendment to the South Park Blocks Urban Renewal Plan having been duly reviewed and considered by Council, attached hereto as Exhibit A, and incorporated herein by this reference, is hereby adopted.
- b. The Portland Development Commission shall file in the Deed of Records of the County of Multnomah a copy of this Ordinance and all exhibits upon adoption by the Council.
- c. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland City Planning Commission certified copies of this Ordinance upon adoption by the Council.
- d. The City Auditor, in accordance with ORS 457, shall publish notice of the adoption of this Ordinance approving the 3rd Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council,

BARBARA CLARK
Auditor of the City of Portland

Mayor Katz
PDC: Christopher Scherer/Felicia Trader
June 17, 1998

**THIRD AMENDMENT TO
SOUTH PARK BLOCKS URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

The South Park Blocks Urban Renewal Plan is amended as follows:

Add the following at the end of Section 700(2), Self-Liquidation of Costs of Project:

The maximum indebtedness, as defined in ORS 457.010(9), that may be issued or incurred under the Plan is \$143,619,000.

**REPORT ON THIRD AMENDMENT TO
SOUTH PARK BLOCKS URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

INTRODUCTION

This is the Urban Renewal Report accompanying the Third Amendment (the "Amendment") of the South Park Blocks Urban Renewal Plan (the "Plan"), establishing a maximum amount of indebtedness, as explained below.

BACKGROUND

The Constitutional amendments resulting from passage of Measure 50 were implemented in the 1997 Oregon Legislature in Senate Bill (SB) 1215. The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans.

However, Measure 50 and SB 1215 specifically allow for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue that they would have prior to new law. The Legislature acknowledged that many private sector and public sector commitments were made based on anticipating the completion of urban renewal plans, and that these commitments should be honored.

In return for this "grandfathering" of existing urban renewal plans, the Legislature required that "existing urban renewal plans" be limited in cost, based on the state of the urban renewal plan in December, 1996. In other words, existing plans, and only existing plans, are entitled to the special grandfathering provisions of Measure 50. The means of establishing this limit to the cost of a plan is amending the plan to include a "maximum amount of indebtedness" that may be issued or incurred under the plan.

"Maximum indebtedness" is defined by statute to mean the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 (this section contains the requirement for a maximum amount of indebtedness) and does not include indebtedness incurred to refund or refinance existing indebtedness.

ORS 457.190 also states:

The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

This report on the Amendment contains many sections that are required under ORS 457.085 but which do not apply to the Amendment. In all cases where a section is not applicable, the reason is that the Amendment to the plan does not change the substance of the Plan but rather quantifies costs of projects already contained in or authorized by the Plan.

(A) A DESCRIPTION OF PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREAS OF THE PLAN AND THE EXPECTED IMPACT, INCLUDING THE FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The Amendment is of a technical nature and this section does not apply.

(B) REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The Amendment is of a technical nature and this section does not apply.

(C) THE RELATIONSHIP BETWEEN EACH PROJECT TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(D) THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

Estimated project costs are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(E) THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Estimated completion dates are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(F) THE ESTIMATED AMOUNT OF MONEY REQUIRED IN EACH URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.460 AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.420 TO 457.460

The Amendment is of a technical nature and this section does not apply.

(G) A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

The Amendment is of a technical nature and this section does not apply.

(H) A FISCAL IMPACT STATEMENT THAT ESTIMATES THE IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(I) A RELOCATION REPORT WHICH SHALL INCLUDE (A) AN ANALYSIS OF EXISTING RESIDENTS OR BUSINESSES REQUIRED TO RELOCATE PERMANENTLY OR TEMPORARILY AS A RESULT OF AGENCY ACTIONS UNDER ORS 457.170; (B) A DESCRIPTION OF THE METHODS TO BE USED FOR THE TEMPORARY OR PERMANENT RELOCATION OF PERSONS LIVING IN, AND BUSINESSES SITUATED IN, THE URBAN RENEWAL AREA IN ACCORDANCE WITH ORS 281.045 TO 281.105; AND (C) AN ENUMERATION, BY COST RANGE, OF THE EXISTING HOUSING UNITS IN THE URBAN RENEWAL AREAS OF THE PLAN TO BE DESTROYED OR ALTERED AND NEW UNITS TO BE ADDED.

The Amendment is of a technical nature and this section does not apply.



CITY OF

PORTLAND, OREGON

Planning Commission

Telephone No. 823-7708 TDD 823-6868 FAX 823-7800
c/o Bureau of Planning, Rm. 1002, 1120 S.W. Fifth Ave. 97204

May 19, 1998

Honorable Vera Katz, and Members of the Portland City Council
Portland City Hall
1221 S.W. 4th Avenue
Portland, Oregon 97204-1966

Dear Mayor Katz and Members of the Council:

The Portland Planning Commission has completed our review of maximum indebtedness limits for each of Portland's existing urban renewal districts. On May 12, 1998, the Planning Commission held a public hearing on the proposed indebtedness limits. Notice of this hearing was provided and those interested were invited to testify. We strongly urge the adoption of these renewal district indebtedness limits by the Portland City Council.

These indebtedness limits are necessitated by provisions of 1997's Measure 50 as implemented in the 1997 Oregon Legislature in Senate Bill 1215 (SB1215). Measure 50 and SB1215 specifically allow for the timely completion of existing urban renewal plans. Many private sector and public sector commitments have been made anticipating the completion of existing urban renewal plans. These commitments should be honored. The legislature required that 'existing urban renewal plans' be limited in cost. These cost limits are to be based on the content of the existing urban renewal plan.

The City of Portland has five active urban renewal plans. These are the *Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center, and South Park Blocks Urban Renewal Plans.*

The maximum indebtedness figure defines the financial scope of 'existing plans'. It is based on good faith estimates of the costs of the programs and projects called for or authorized by the adopted urban renewal plans as of December 6, 1996. It includes a factor for future inflation.

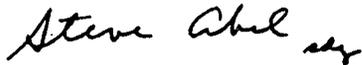
The recommended maximum amount of indebtedness for each existing urban renewal plan is summarized in the following table.

PLAN	MAXIMUM AMOUNT OF INDEBTEDNESS
Airport Way	\$ 72,639,000
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

Recommendation

The Portland Planning Commission recommends the City Council approve the indebtedness limits for the five existing urban renewal districts (listed above) and incorporate these limits into the applicable urban renewal plans.

Sincerely,



Steve Abel, President,
Portland Planning Commission

SA/MSH/msh

cc: David C. Knowles, Planning Director
Michael S. Harrison, AICP, Chief Planner

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 5123

**RESOLUTION APPROVING THE 3RD AMENDMENT TO
THE SOUTH PARK BLOCKS URBAN RENEWAL PLAN**

WHEREAS, the Portland Development Commission is undertaking the South Park Blocks Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on July 24, 1985 by the City Council, by Ordinance No. 157635 (the "Plan"), as subsequently amended; and

WHEREAS ORS 457.190(3)(c)(A) requires that the Plan be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the Plan, determined by good faith estimates of the scope and cost of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan, considering the projects and their anticipated completion dates as anticipated as of December 5, 1996, such maximum indebtedness amount to be specified in dollars and cents; and

WHEREAS the staff has undertaken a review of the Plan and supporting documents, as well as interviews and fact finding with members of the community in order to determine the scope of projects contemplated under the Plan as of December 5, 1996, and has made its best estimates of reasonable costs for completion as the projects were anticipated to be completed; and

WHEREAS the Commission has reviewed these estimates and the information contained in the plan amendment report accompanying this Resolution, and the Commission finds the estimates to be reasonable and to have been made in good faith; now, therefore, be it

RESOLVED that a recommendation be made to City Council to adopt an ordinance declaring that Section 700 1. of the Plan shall be amended, by the addition of a new paragraph: "The maximum indebtedness incurred in completing this Plan shall be \$143,619,000.00".

ADOPTEDBY by the Commission May 20, 1998.

Carl B. Talton

Carl B. Talton, Chairman

Martin Brantley

Martin Brantley, Acting Secretary

EXHIBIT "A"
REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
PLAN
SOUTH PARK BLOCKS FINDINGS

Findings for projects within the South Park Blocks Urban Renewal Plan (the "Plan") are grouped below according to the following categories: Housing, Employment, Older/Historic Buildings, Transportation, Parks, Parking, Neighborhood Development and Environmental. These findings are organized by project category. The projects are first described in scope, schedule and estimated cost (including inflation), then followed by a section which lists how the projects in this category relate to the goals and objectives of the Plan and related documents. A section then follows which specifies the section(s) of the Plan which give specific authorization for the projects within the category. Finally, the conclusion states how each project implements the Plan and is therefore appropriate for including as a component of the maximum amount of indebtedness to be issued under the Plan.

I. HOUSING

A. Project Descriptions and Cost Estimates

1. Preservation

Acquisition of existing multi-family residential properties with expiring HUD subsidies. One project every two years.

The estimated project cost is \$6,496,000 between 1998/99 and 2005/06, based on current costs of \$22,000 per unit and 295 units.

2. Mixed Income/Use

Financing of higher density, mixed income rental units.

The estimated project cost is \$18,079,000 between 1997/98 and 2008/09, based on current costs of \$20,000 per unit and 904 units.

3. Affordable

Financing of low and very low income higher density rental housing units. Low income units are targeted to households with incomes of 30-60% of the median household income; very low income units are targeted to households with incomes below 30% of median.

The estimated project cost is \$36,381,000 between 1997/98 and 2008/09, based on current costs of \$28,000 per unit and 1,303 units.

4. Site Acquisition and Development

This project allows the acquisition of vacant or underdeveloped property and predevelopment assistance for development for housing and mixed residential/commercial uses.

The estimated project cost is \$8,074,000 between 1998/99 and 2008/09, based on acquisition of four 20,000 sq. ft. sites at an average of \$75,000 per sq. ft. and project management @ \$250,000 per site.

EXHIBIT "A"
REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
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5. Neighborhood Commercial Service

Secondary loan funds for development of ground floor commercial uses in mixed use (residential/commercial) projects to serve tenants and residents of the surrounding neighborhood. This program will promote more commercial services than the market would otherwise produce.

The estimated project cost is \$8,406,000 between 1998/99 and 2008/09, based on two projects per year with average size of 15,000 sq. ft. commercial space per project. Loan will be coupled with housing financing with an average loan per project of \$250,000.

6. Ownership

Assist households up to 120% of median income to purchase homes through down payment.

The estimated project cost is \$4,204,000 between 1998/99 and 2008/09, based on \$30,000 per unit for 140 units.

B. Relationship to Goals and Objectives

1. South Park Blocks Urban Renewal Plan

These projects conform to the following Goals and Objectives of the South Park Blocks Urban Renewal Plan:

Goal 1. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

B. Specific Goals (Referenced in Plan, from City's Comprehensive Plan.)

1. **Downtown Portland - Reinforce the downtown's position as the principal commercial, service, cultural, and high density housing center in the city and the region. (Comprehensive Plan 2.10)**

2. **Living Closer to Work - Locate greater residential densities near major employment centers. (Comprehensive Plan 2.15)**

5. **Urban Diversity - Promote a range of living environments and employment opportunities for city residents in order to attract and retain a stable and diversified population. (Comprehensive Plan 2.2)**

Goal 2. Housing Goal

A. General Goal. Give a high priority to increasing the number of residential accommodations in the downtown area for a mix of age and income groups, taking into account differing life styles; to provide a "quality" environment in which people can live recognizing that residents of downtown and adjacent areas are essential to the growth, stability and general health of a metropolitan city. (Downtown Plan).

1. **Provide a wide range of housing types to meet the various needs and demands of diverse populations.**

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- a. Create new housing for small middle-income households. The City recognizes the desirability of an economically and socially balanced Downtown which is now predominantly low-income. It also recognizes the significant and growing demand for smaller units which are especially suitable downtown. (Downtown Housing Policy) Develop 1,600 units to meet the City's goal of 2,500 new housing units.
 - b. maintain the existing number of low and moderate income housing units. (Downtown Housing Policy).
 - Incorporate low and moderate income housing equal to 15% of the units of all new projects.
 - Assess impact of new development on other existing housing in Area in order to prevent or mitigate potential displacement.
 - Support preservation and development of low- and moderate-income housing by both non-profit and for-profit entities consistent with City policy to meet the City's adopted numeric goals for housing in the downtown.
2. Develop and support services and amenities necessary for a quality neighborhood as well as assisting the maintenance and production of substantial and well designed housing. The City recognizes the importance of housing in the context of a "neighborhood".

Goal 6. Employment and Support Services to Support Housing

A. General Goals. Provide the supportive services which create the sense of a residential neighborhood.

Support activities which provide Area residents new employment opportunities, encouraging downtown living in close proximity to places of work.

2. Central City Plan

The South Park Blocks Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988 and amended April 12, 1995 to include policies related to the University District. The policies which are relevant to these projects include:

Policy 3 - Housing: Maintain the Central City's status as Oregon's principal high density housing area by keeping housing production in pace with new job creation.

3A: Promote the construction of at least 15,000 new housing units in the Central City by the year 2010.

3B: Preserve and encourage rehabilitation of existing housing.

3C: Encourage the development of housing to meet diverse needs by encouraging a range of housing types, prices, and rent levels. Avoid isolating higher, middle, moderate, low and very low income households.

3D: Foster housing development as a key component of a viable urban environment. Encourage a mix of rental and owner-occupied housing that accommodates the variety of households and families attracted to a Central City lifestyle. Include affordable housing in this mix.

3H: Facilitate housing ownership in order to foster a vested interest and "stewardship" in the Central City by residents.

Action Item H4: Use urban renewal and tax increment financing to foster the development and preservation of housing in urban renewal districts....

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REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
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Policy 16 - University District:

16D: Create at least 1,000 new units of housing within the District. Housing created should provide for those who enjoy living in the District environment as well as those with formal ties to PSU.

3. The Report to the South Park Blocks Urban Renewal Plan, adopted July, 1985 and updated January, 1990.

Relevant sections are:

Section VI. C. Redevelopment Financing Fund

The City of Portland has had significant goals to encourage downtown housing since the adoption of the 1979 downtown Housing Policy. ...

The South Parks Blocks Urban Renewal Plan provides for the provision of financial assistance to property owners within the Area for the redevelopment of underutilized property through new construction, and the rehabilitation and conservation of existing structures of historic value or where such rehabilitation is economically feasible and will extend the useful life of the housing structure. Acquisition financing is also an eligible redevelopment activity where appropriate to achieve housing goals. ...

The Plan specifies the creation of 1600 new middle-income housing units. To date, approximately 350 units have been completed, leaving a balance of 1250 units to be built during the remainder of the Plan. The anticipated costs of creating the remaining 1250 new middle-income units is \$33 million. To date, approximately \$5 million has been spent.

The Plan also directs that existing low- and moderate-income housing be preserved. Housing will be preserved both through rehabilitation by private owners and acquisition and rehabilitation by non-profit agencies. It is anticipated that \$20 million will be used for preservation activities throughout the Area.

In addition to the housing preservation goal, the Plan also enables creation of low- and moderate-income housing, in keeping with the Downtown Housing Policy (1979) goal of achieving and maintaining an inventory of 5183 units throughout the downtown. Currently, an additional 592 units of low- and moderate-income housing must be created in the Downtown to achieve the 5183 goal. Within the Area, approximately 350 new units will be developed at an expected cost of \$7 million, assuming that development opportunities exist elsewhere within the downtown to create additional new units in order to achieve the overall 5183 goal.

4. Central City 2000 Strategy

Relevant sections are:

Housing.

Foster middle-income housing projects in the Central City. Program \$4 million per year, on average, of tax increment funds for mixed- or middle-income housing projects in the Central City.

Amend the City Ordinance relating to rental housing to allow tax abatement for owner-occupied housing.

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PLAN

University District.

The University District is envisioned as a place where housing, education and cultural and commercial activities come together to form a unique and vital neighborhood. This concept is expected to make the District a place where people will want to live because of its intellectual and cultural life. The following actions should be undertaken:

- Implement University District Housing Initiative
 - Construct 1500 new housing units.
 - Half would be market rate and half would be affordable housing.

5. Prosperous Portland, January, 1994.

Relevant sections are:

Physical Development and Infrastructure - Central City [includes South Park Blocks area]

Strategy C: The City will maintain a strong public advocacy role and capability for forming public/private partnerships to ensure balanced housing development throughout the Central City. The City will work to establish effective public policy incentives and funding support for housing development of varying types and serving middle, moderate and low-income levels in the Central City. For example, prototypes for market rate infill and transit supportive housing are needed.

Strategy J: The City will establish effective policy and financial incentives to stimulate housing development to meet the needs of a full range of households, with a goal of addressing a high growth scenario of 2600 moderate and middle-income residential units in three years, and a need for 10,000 low and moderate income units over the next ten years.

C. Authorization for Projects

These projects are authorized by the following sections of the South Park Blocks Urban Renewal Plan:

Section 600 - Project Activities

1. Redevelopment Through New Construction.
 - A. Intent: It is the intent of this Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
 - B. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.
 - C. Redevelopment Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish loan programs and provide below-market interest rate and market rate loans and provide such other forms of financial assistance to property owners and those desiring to acquire property, as it may deem appropriate in order to achieve the objectives of this Plan.
2. Redevelopment Through Rehabilitation
 - A. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historical structures which can be economically rehabilitated.
 - B. Method: Rehabilitation and conservation may be achieved in three ways:

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REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
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- 1) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - 2) By enforcement of existing City codes and ordinances;
 - 3) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
- C. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish loan programs and provide below-market interest rate and market rate loans to owners of buildings, or those intending to acquire buildings, which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Preservation

This project preserves existing affordable housing in the District which is at risk through expiring HUD subsidies. The project supports Goal 2.1.b. of the Plan which calls for the maintenance of the existing number of low and moderate housing units in the Area. Because these units are already in use as low income housing, preserving them is the most efficient method of maintaining the current number of low income units, rather than letting them go to higher income units and recreating low income housing elsewhere. This project also allows people to remain in apartments which may have been their homes for many years, rather than having to relocate. Since many low income residents downtown are elderly, this project is especially helpful. One project to convert the expiring subsidies will be done every two years. The project is consistent with the Plan.

2. Mixed Income/Use

Goal 2, the Housing Goal, gives high priority to increasing the amount of housing downtown for a range of income groups, and specifies the creation of 1600 units of middle-income households. This goal also calls for support services necessary for creation of a neighborhood. This project both creates housing units and commercial support services.

The project is also supportive of Goal 6 of the Plan, Employment and Support Services, which calls for providing the supportive services which create the sense of a residential neighborhood. The Prosperous Portland document states that the City will work to establish funding support for housing development of varying types and serving middle, moderate and low-income levels in the Central City. This Mixed Income/Use project helps to achieve this goal of varying types of housing downtown.

3. Affordable Housing

The Plan's Housing Goal (Goal 2) gives a high priority to increasing the number of residences downtown to accommodate a mix of income and age groups. Policy 3 of the Central City Plan states that fostering the growth of housing will help reinforce the Central City as a lively urban area, especially during evenings.

This project is consistent with Goal 2 by helping achieve the number of low and moderate income housing units called for in the Downtown Housing Policy. As the Report to the Plan makes clear, additional low income housing units area needed to meet the housing targets. This project also supports the Prosperous Portland strategy for the City to maintain a strong role to ensure balanced housing development in the Central City and for the City to establish funding support for housing development of varying types and income levels downtown. The document also states a need for 10,000 low and moderate income units over the next ten years.

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REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
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4. Site Acquisition/ Predevelopment Planning

This project provides for acquisition of housing sites for sale to redevelopers in furtherance of Goal 2, the Housing Goal, as well as provides the necessary predevelopment planning for the sites. The projects can include housing only or mixed use residential/commercial. This project supports Goal 2 by increasing the stock of higher density housing downtown. By acquiring vacant or underutilized properties for redevelopment, the project also helps upgrade the area pursuant to Goal 1, Urban Development, to reinforce downtown as the principal high density housing center in the city and the region.

The Plan's Goal 1 also calls for locating higher density housing near the employment center of downtown, and promoting a range of living environments to attract and retain a stable and diversified population downtown. This project will help achieve this goal. This project also supports the Prosperous Portland strategy for the City to maintain a strong role to ensure balanced housing development in the Central City and for the City to establish funding support for housing development of varying types and income levels downtown.

5. Neighborhood Commercial Service

This project provides rental subsidies needed to create and retain commercial mixed uses which provide neighborhood services. Nearby commercial services are essential to maintaining a stable and diverse neighborhood since residents desire such services. It is a particularly important aspect to maintaining middle and higher income households downtown, which is critical to a vital downtown. Section A2 of the Housing Goal calls for development of support services and amenities necessary for a quality neighborhood. As this Goal states, the City recognizes the importance of housing in the context of a "neighborhood". This project is also consistent with Goal 6 to provide support services which create a sense of neighborhood.

6. Home Ownership

This project assists households of middle-income (up to 120% of median income) to purchase homes in the District. This supports the Housing Goal (Goal 2) which calls for additional middle-income housing downtown. As the Plan states, the City recognizes the desirability of an economically and socially balanced downtown which is now predominantly low income.

By assisting with down payments, this project assists in creating the stable neighborhoods which result from pride of ownership. Goal 1, Section 1.B.5 promotes a range of living environments in order to attract and retain a stable and diversified population. Home ownership helps accomplish this goal. In recognition of the importance of home ownership, the Central City 2000 Strategy calls for the City to reexamine the ordinance relating to residential tax abatement, to allow this benefit for owner-occupied housing in addition to rental housing.

Prosperous Portland states that the City will establish effective financial incentives to stimulate housing development to meet the needs of a full range of households. Meeting a full range of needs includes meeting the needs of homeowners as well as renters.

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REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
PLAN

II. OLDER BUILDINGS

A. Project Descriptions and Cost Estimates

1. Storefront Loans

Expand successful loan program to West End Retail area to revitalize area and commercial and neighborhood services. Ten loans per year.

The estimated project cost is \$887,000 between 1998/99 and 2004/05.

2. Seismic/Rehabilitation

This projects provides funds to rehabilitate older buildings for commercial, including funds to meet new code requirements, such as seismic or ADA requirements.

The estimated project cost is \$4,447,000 between 1999/00 and 2008/09.

3. Simon Benson House

Provide a share of the funding for the acquisition , relocation and rehabilitation of the Simon Benson House, a significant Portland landmark.

The estimated project cost is \$358,000 in 1998/99.

B. Relationship to Goals and Objectives

1. South Park Blocks Urban Renewal Plan

These projects conform to the following Goals and Objectives of the South Park Blocks Urban Renewal Plan:

Goal 1. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

B. Specific Goals.

1. Downtown Portland - Reinforce the downtown's position as the principal commercial, service, cultural, and high density housing center in the city and the region. (Comp Plan 2.10)

5. Urban Diversity - Promote a range of living environments and employment opportunities for city residents in order to attract and retain a stable and diversified population. (Comp Plan 2.2)

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Goal 5. Historic Preservation

- A. General Goal. Identify, preserve, protect and dramatize historical structures and locations within downtown. (Downtown Plan).

Promote the conservation of designated City landmarks.

2. Central City Plan, August, 1988.

Relevant sections are:

Policy 1: Economic Development

1F: Support the retention and expansion of existing businesses while attracting and encouraging new businesses in the Central City.

3. Prosperous Portland, January, 1994:

Relevant sections are:

Business Development

Policy 6. Encourage Small Business Development. The City of Portland recognizes the importance of small businesses to the Portland economy and will emphasize efforts that support and nurture their growth.

Strategy 6A: The City and its partners will pursue loan opportunities at attractive rates for small businesses throughout the City. City loans will seek an equal private match when possible. The City's loan programs will focus particularly on businesses within target industries and businesses in targeted redevelopment areas.

Physical Development and Infrastructure

Policy 14. Encourage Urban Development and Redevelopment. The City of Portland will tailor its programs and regulations to meet the needs of and encourage investment in the development and redevelopment of urban land and buildings for employment and housing strategies.

Central City Strategy I: The City will support and assist in the preservation and rehabilitation of historic buildings in the Central City area through appropriate regulations and code enforcement, financial incentives, and technical assistance.

4. Central City 2000 Strategy:

Business Climate - Renovation of Older Buildings: Ensure a Supply of Renovated Low-Cost Commercial Space. The City should establish a program to encourage the renovation of older commercial buildings to

- (1) Mitigate the financial impact of increasing code requirements on an aging building stock and
- (2) ensure an adequate supply of moderate-cost office space in the Central City to help retain and attract jobs.

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REPORT ON THIRD AMENDMENT TO SOUTH PARK BLOCKS URBAN RENEWAL
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C. Authorization for Projects

These projects are authorized by the following sections of the South Park Blocks Urban Renewal Plan:

Section 600 - Project Activities

2. Redevelopment Through Rehabilitation

- A. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historical structures which can be economically rehabilitated.
- B. Method: Rehabilitation and conservation may be achieved in three ways:
 - 1) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - 2) By enforcement of existing City codes and ordinances;
 - 3) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
- C. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish loan programs and provide below-market interest rate and market rate loans to owners of buildings, or those intending to acquire buildings, which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Storefront Loans

This project is consistent with Plan Goal #1 to encourage expanded opportunity for jobs while retaining the character of neighborhoods and business centers. These loans help revitalize neighborhoods by investing in the existing stock of buildings which are more affordable for small businesses. The program is targeted at the West End Retail area, which is near high density housing. Numerous opportunities exist in older buildings for rehabilitated storefronts which can enhance the aesthetics and vitality of the area.

The Central City Plan Goal 1, Economic Development, supports the retention and expansion of existing businesses while attracting and encouraging new businesses. Prosperous Portland encourages small business development and emphasizes efforts which will support and nurture their growth. It states that the City will pursue loan opportunities at attractive rates for small businesses throughout the City. This loan program accomplishes this assistance to small businesses in the City.

2. Seismic/Rehabilitation

As with the Storefront Loan program above, this project helps revitalize neighborhoods by upgrading existing buildings and create affordable locations for small businesses. Safety is enhanced by upgrading buildings to new seismic codes. The project is consistent with Goal 1, Urban Development which calls for expanding job opportunities while retaining the character of established neighborhood and business centers. This program helps preserve existing buildings which may be prohibitively expensive to rehabilitate due to newer code requirements, thereby retaining the character of the business districts.

The project is also consistent with the Central City 2000 Strategy to renovate older buildings. The document encourages a supply of renovated low-cost commercial space in the Central City as a way to retain and attract jobs. It goes on to state that the City should establish a program to mitigate the financial impact of increasing code requirements on an aging building stock, which is accomplished by this project.

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3. Simon Benson House

The Simon Benson House is an important landmark historic building in the City. This project is a share of the funding to acquire, relocate and rehabilitate the building which was the home of a Portland pioneer. This project meets Goal #5, Historic Preservation, by helping to preserve a significant City historic landmark building within the Urban Renewal Area.

The project is also consistent with the Prosperous Portland Central City Strategy for the City to support and assist in the preservation and rehabilitation of historic buildings in the Central City through appropriate financial incentives and technical assistance.

III. TRANSPORTATION AND INFRASTRUCTURE

A. Project Descriptions and Cost Estimates

1. University District - Plaza

Assist PSU with capital funding for a portion of the Urban Center Plaza.

The estimated project cost is \$2,961,000 between 1998/99 and 1999/00.

2. University District - Coordination

Coordination with and technical assistance to PSU to carry out University District Plan.

The estimated project cost is \$392,000 between 2000/01 and 2008/09.

3. University District - 5th/6th Avenue Pedestrian Improvements

Streetscape improvements between SW Jefferson and Jackson Streets to enhance pedestrian movement and safety and to make a physical connection with the Transit Mall. Twenty block faces at \$200,000 per face.

The estimated project cost is \$5,411,000 between 2002/03 and 2003/04.

4. University District - 4th Avenue Pedestrian Improvements

Streetscape improvements between SW Lincoln and Market Streets for a more attractive pedestrian environment along the eastern edge of University District. Ten block faces at \$100,000 per face.

The estimated project cost is \$1,504,000 between 2004/05 and 2005/06.

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5. Commercial Park Blocks Pedestrian Improvements

Streetscape improvements to enhance pedestrian traffic and create a physical connection between South and North Park Blocks (Burnside to Salmon).

The estimated project cost is \$3,360,000.

6. Streetscape (West End) Pedestrian Improvements

Sidewalk improvements between 10th - 13th/Alder-Taylor streets to upgrade west end retail/residential area.

The estimated project cost is \$6,300,000 between 1998/99 and 2002/03.

7. Streetscape (South End) Pedestrian Improvements

Sidewalk improvements between 10th - 13th/ Market- Main streets to improve cultural district and South Park Blocks residential neighborhoods.

The estimated project cost is \$6,833,000 between 2000/01 and 2004/05.

8. Cultural Center Parking Garage

Construct a 300 space garage to serve cultural institutions and residential neighborhood visitors; develop with 100 unit housing project above.

The estimated project cost is \$9,245,000 between 1998/99 and 2000/01.

9. Cultural Center Main Street Art Feature

Completion of Main Street art feature on existing pad within street right of way which is already prepared for an art feature.

The estimated project cost is \$623,000 in 1999/00.

10. Cultural Center South Park Blocks Performance Area

Completion of performance stage within northernmost South Park Blocks.

The estimated project cost is \$662,000 in 2001/02.

11. Oregon Historical Society Area Streetscape

Additional pedestrian and streetscape improvements related to future redevelopment of OHS into a major mixed use facility.

The estimated project cost is \$653,000 in 2001/02.

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B. Relationship to Goals and Objectives

1. South Park Blocks Urban Renewal Plan

These projects conform to the following Goals and Objectives of the South Park Blocks Urban Renewal Plan:

Goal 3. Public Improvements to Support Housing, Cultural, Campus, Retail and Park Areas.

A. General Goals. Provide improvements as necessary to strengthen the downtown's role as the region's entertainment, cultural and retail center. (Downtown Plan Central City Plan)

Stimulate private conservation, rehabilitation and development within the Area through the implementation of a program of Public Improvements.

1. Establish the South Park Blocks as an art and cultural center in the City and region.
2. Establish a physical and visual link between the South Park Blocks and the North Park Blocks, as well as the cultural center, light rail, and retail core.
4. Implement a program of public improvements to enhance pedestrian safety and amenities in the vicinity of the Performing Arts Center and elsewhere within the Area as needed.

Goal 4. Parking and Circulation

A. General Goal. Maintain a public parking policy to manage a system of parking which will best serve all downtown activities.

2. Enhance accessibility and availability of parking for visitors of Area cultural institutions.
3. Provide adequate parking to support new housing developments.

2. Report on the First Amendment to the South Park Blocks Urban Renewal Plan, adopted January, 1990.

Revenant sections are:

Chapter V.

Project: Street Lighting, Trees, Sidewalks, Other Pedestrian Amenities. Deficiency Addressed: Provide a more attractive and safer pedestrian environment for downtown workers and residents. Improve circulation.

Project: Parking. Deficiency Addressed: Undersupply of parking for cultural center area.

Chapter VI.

A. Pedestrian Safety and Amenities. A significant program of public improvements oriented toward improved pedestrian safety, comfort and circulation was identified in the AX Zone Development Notebook as an essential element in the Area's rehabilitation and redevelopment. The Central City Plan, adopted in 1988, also calls for additional public improvements in the entire Area.

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3. Central City Plan, August, 1988.

Relevant sections are:

Policy 1 - Economic Development

Action Proposal ED3: Provide an adequate and affordable supply of Downtown short-term parking.

Policy 4 - Transportation.

4D: Recognize that parking is an important element in the transportation system which supports growth and ensure that each district has adequate parking

4F: Create a safe and secure pedestrian and bicycle access and bicycle parking within the Central City.

Action Proposal T10: Create a safe, clear and pleasant system of walkways and bikeways.

Policy 9 - Culture and Entertainment. Provide and promote facilities, programs and public events and festivals that reinforce the Central City's role as a cultural and entertainment center for the metropolitan and northwest region.

9B: Increase the number, diversity and clustering of public and private art and entertainment facilities.

9E: Extend the South Park Blocks Cultural District south into the University District South Park Block area.

Action Proposal C2: Provide additional parking for the Park Blocks Cultural District.

Action Proposal C3: Commission a major art work to be placed on the island on SW Main Street in the South Park Blocks.

Policy 10 - Education.

10D: Encourage a partnership between educational and cultural institutions and business to improve opportunities for learning and expanding Portland's economic base.

Policy 12 - Urban Design. Enhance the Central City as a livable, walkable area which focuses on the river and captures the glitter and excitement of city living.

12A: Create a rich and enjoyable environment for pedestrians throughout the Central City.

16H: Improve pedestrian connections between the District and Goose Hollow and Lair Hill neighborhoods.

Policy 16 - University District: Foster the development of a distinct sub-district which has its character defined by its focus on Portland State University (PSU). Shape the University District into a vital multi-cultural and international crossroads with an environment which stimulates lifelong learning, collaboration between business and government and a rich cultural experience.

16B: Build a linked system of north to south and east to west open spaces which help to focus and organize the District. Locate the north to south open space system along the South Park Blocks and the east to west system along Montgomery Street.

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16H: Improve pedestrian connections between the District and Goose Hollow and Lair Hill neighborhoods.

4. Prosperous Portland, January, 1994

Relevant sections are:

Physical Development and Infrastructure

Policy 13 - Target Infrastructure Development. The City of Portland will invest in infrastructure that fosters physical development to increase the City's economic and tax base in targeted geographic areas [includes Central City].

Strategy 13G: The City will take advantage of and pursue special opportunities for infrastructure and physical development that arise from land and building availability; outside funding availability; private business interests (Oregon Arena), etc., if they meet the City's economic development goal.

Central City Sub-districts: Downtown/Old Town, Action Item 1: The City will encourage and support development of parking structures that contribute to the health of existing B and C office buildings, the cultural district and the retail core of downtown.

5. Central City 2000 Strategy

Relevant sections are:

University District - Urban Center and University Plaza: The University Plaza will be the gateway to the University District. The plaza will serve as the front-door to the ground-floor retail in the urban center. It will also be a major transit hub linking the South Transit Mall Extension, the Central City Streetcar and, in the future, the South-North Light Rail line.

C. Authorization for Projects

These projects are authorized by the following sections of the South Park Blocks Urban Renewal Plan:

Section 600 - Project Activities

5. Public Improvements

A. Intent. Public facilities and utilities may be improved or constructed within public rights-of-way, easements, or on public property. These may include storm and sanitary sewer improvements, street lighting installation, landscaping, street improvements, pedestrian malls, parking facilities, parks, open space development and public restrooms.

B. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:

- 1) New curbs and gutters, including curb extensions into on-street parking areas;

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- 2) Storm water, sanitary sewer and other public or private utilities;
- 3) New sidewalks or other pedestrian improvements and streets;
- 4) Trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
- 5) Tables, benches and other street furniture including kiosks, phone booths, drinking fountains, decorative fountains, street lights and traffic control devices;
- 6) Special graphics and signage for directional, informational purposes;
- 7) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
- 8) On and off-street parking facilities.

D. Conclusions

1. Plaza

This project to create a plaza at the new Urban Center will help link the PSU area into the rest of the District and particularly to transit. It will create attractive pedestrian amenities, in support of Goal 3.A.4. of the Plan to create public improvements which enhance pedestrian amenities in the District. It will also serve as a catalyst for redevelopment in the southern end of the Area. The project is consistent with the Central City Plan Policy 10 to encourage a partnership between educational institutions and business by creating a stronger tie between the University and the adjacent business areas.

The Central City 2000 Strategy states that the University Plaza will be the gateway to the University District. The plaza will serve as the front-door to the ground-floor retail in the urban center. It will also be a major transit hub linking the South Transit Mall Extension, the Central City Streetcar and, in the future, the South-North Light Rail line. Prosperous Portland encourages the City to take advantage of opportunities for infrastructure development which arise from outside funding or private business interests. This is consistent with the Urban Plaza which is funded by a variety of sources.

2. Coordination

This project provides planning funds necessary to ensure that adequate coordination occurs between the City and PSU in order that the best interests of the residents and businesses in the area are met in carrying out the University District Plan projects in the South Park Blocks Urban Renewal Plan. The projects supported by this planning effort are consistent with the Plan, consequently the coordination is consistent with the Plan.

3. 5th/6th Avenue Pedestrian Improvements

Pedestrian improvements are specifically envisioned by the Plan, particularly Goal 3.A.4. calling for enhanced pedestrian safety and amenities in the District. The Central City Plan calls for enhancing the Central City as a livable, walkable area and creating a rich and enjoyable environment for pedestrians throughout the Central City. The Transportation Policy of the Central City Plan calls for developing a system of safe and pleasant walkways in the Central City.

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The project will enhance pedestrian safety with lighting improvements. It will also make a physical connection to the transit mall, encouraging transit use.

4. 4th Avenue Pedestrian Improvements

Pedestrian improvements are specifically envisioned by the Plan, particularly Goal 3.A.4. calling for enhanced pedestrian safety and amenities in the District. The Central City Plan calls for enhancing the Central City as a livable, walkable area and creating a rich and enjoyable environment for pedestrians throughout the Central City. The Transportation Policy of the Central City Plan calls for developing a system of safe and pleasant walkways in the Central City.

The project will enhance pedestrian safety with lighting improvements and will upgrade the eastern edge of the PSU campus and it's appearance from the 4th Avenue direction. This project is consistent with the Plan.

5. Commercial Park Blocks Pedestrian Improvements

Pedestrian improvements are specifically envisioned by the Plan, particularly Goal 3.A.4. calling for enhanced pedestrian safety and amenities in the District. The Central City Plan calls for enhancing the Central City as a livable, walkable area and creating a rich and enjoyable environment for pedestrians throughout the Central City. The Transportation Policy of the Central City Plan calls for developing a system of safe and pleasant walkways in the Central City.

The project will enhance pedestrian safety with lighting improvements. In addition, this project carries out Goal 3.A.2 of the Plan to establish a physical and visual link between the North and South Park Blocks.

6. Streetscape (West End) Pedestrian Improvements

Pedestrian improvements are specifically envisioned by the Plan, particularly Goal 3.A.4. calling for enhanced pedestrian safety and amenities in the District. The Central City Plan calls for enhancing the Central City as a livable, walkable area and creating a rich and enjoyable environment for pedestrians throughout the Central City. The Transportation Policy of the Central City Plan calls for developing a system of safe and pleasant walkways in the Central City.

The project will enhance pedestrian safety with lighting improvements. This project will also serve to enhance the retail area in the west end of the District, thereby increasing its attractiveness to shoppers and strengthening the businesses there.

7. Streetscape (South End) Pedestrian Improvements

Pedestrian improvements are specifically envisioned by the Plan, particularly Goal 3.A.4. calling for enhanced pedestrian safety and amenities in the District. The Central City Plan calls for enhancing the Central City as a livable, walkable area and creating a rich and enjoyable environment for pedestrians throughout the Central City. The Transportation Policy of the Central City Plan calls for developing a system of safe and pleasant walkways in the Central City.

The project will enhance pedestrian safety with lighting improvements. This project is also consistent with Goal 3.A.1. to establish the South Park Blocks as a cultural center. Upgraded pedestrian facilities enhance the attractiveness of the area as a cultural center.

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8. Parking Garage

This project not only supports Goal 4.A.2. to enhance the availability and accessibility of parking for visitors of cultural institutions, it provides additional housing for the area, consistent with the Housing Goal of the Plan.

The project is consistent with Policy 1, Economic Development, of the Central City Plan calling for an adequate and affordable supply of downtown short-term parking. The Central City Plan, in the Transportation section recognizes that parking is an important element and encourages that each district have adequate parking. Under the Central City Plan's Policy 9, Culture and Entertainment, additional parking for the Park Blocks Cultural District is called out. This project fulfills that goal.

9. Main Street Art Feature

This project to install a major art feature on an existing pad on Main Street within the South Park Blocks supports Plan Goal 3 to provide the improvements necessary to strengthen the downtown's role as the region's cultural center. Specifically, Goal

(3.A.1.) is to establish the South Park Blocks as an art and cultural center for the City and the region. Placement of this art feature on the South Park Blocks assists in carrying out this goal to enhance the cultural aspects of the area.

In addition, this project directly supports the Central City Plan Action Proposal C3 of Policy 9 to commission a major art work for the island on SW Main in the Park Blocks. This project is consistent with the Plan.

10. South Park Blocks Performance Area

As with the above project, this performance area supports Plan Goal 3 to provide the improvements necessary to strengthen the downtown's role as the region's cultural center. Goal (3.A.1.), to establish the South Park Blocks as an art and cultural center for the City and the region, is implemented by construction of this public performance area in a location proximal to the major existing indoor performing arts facilities of the City.

This project also directly supports the Central City Plan Policy 9B to increase the number, diversity and clustering of public and private art and entertainment facilities. This performing area meets all of these criteria - it increases the number of facilities, it increases diversity by creating an outdoor performing space and it is clustered near other performing spaces. This project is consistent with the Plan.

11. Oregon Historical Society Area Streetscape

This streetscape project includes aspects to increase the pedestrian amenities of the area and also to enhance the cultural district of the Central City. Pedestrian improvements are specifically envisioned by the Plan, particularly Goal 3.A.4. calling for enhanced pedestrian safety and amenities in the District. The Central City Plan calls for enhancing the Central City as a livable, walkable area and creating a rich and enjoyable environment for pedestrians throughout the Central City. The Transportation Policy of the Central City Plan calls for developing a system of safe and pleasant walkways in the Central City. The project will enhance pedestrian safety with lighting improvements.

In addition, this project supports Plan Goal (3.A.1.) to establish the South Park Blocks as a cultural center in the City and region. It also supports the Prosperous Portland policy to target infrastructure development to take advantage of opportunities which arise from other funding activity or private business interests. This project will improve the streetscape, consistent with the Plan, by leveraging funds from another source. The project is consistent with the Plan.

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IV. REDEVELOPMENT

A. Project Descriptions and Cost Estimates

1. Science Park

Coordinate a joint public/private partnership to create a bio-technology park through redevelopment of multiple block area.

The estimated project cost is \$7,569,000 between 1997/98 and 2000/01.

2. Opportunity Fund

This project allows for the acquisition of vacant or underutilized properties, site and infrastructure improvements, predevelopment assistance and development subsidies for the purpose of retention or location of businesses in the District.

The estimated project cost is \$9,615,000 between 2004/05 and 2008/09.

3. West End Core Area Planning

Staff and consultant services to plan, develop and implement strategy to revitalize West End area. Cost is \$879,000 from FY 1998/99 and 2008/09. The estimated cost of this project is \$879,000 between FY 1997/98 and FY 2008/09.

B. Relationship to Goals and Objectives

1. South Park Blocks Urban Renewal Plan

These projects conform to the following Goals and Objectives of the South Park Blocks Urban Renewal Plan:

Goal 1. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

B. Specific Goals.

1. Downtown Portland - Reinforce the downtown's position as the principal commercial, service, cultural, and high density housing center in the city and the region. (Comp Plan 2.10)

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3. Utilization of Vacant Land - Provide for full utilization of existing vacant land except in those areas designated as open space. (Comp Plan 2.18)

5. Urban Diversity - Promote a range of living environments and employment opportunities for city residents in order to attract and retain a stable and diversified population. (Comp Plan 2.2)

Goal 6. Employment and Support Services to Support Housing
Support activities which provide Area residents new employment opportunities, encouraging downtown living in close proximity to places of work.

2. Central City Plan, August, 1988.

Relevant sections area:

Policy 1 - Economic Development. Build upon the Central City as the economic heart of the Columbia Basin, and guide its growth to further the City's prosperity and livability.

1A: Foster the development of at least 75,000 additional jobs in the Central City by the year 2010.

1B: Enhance the Central City's dominance in finance, government, professional services, culture, entertainment, and as a business headquarters location.

1F: Support the retention and expansion of existing businesses while attracting and encouraging new businesses in the Central City.

1G: Build on and market the Central City's livability as a central component of Portland's economic development strategies.

Policy 14 - Downtown. Strengthen the Downtown as the heart of the region, maintain its role as the preeminent business location in the region, expand its role in retailing, housing, and tourism, and reinforce its cultural, educational, entertainment, governmental and ceremonial activities.

14B: Continue to actively foster the growth and attractiveness of the Downtown, enhancing its competitive position over other commercial areas in the region.

Policy 16 - University District: Foster the development of a distinct sub-district which has its character defined by its focus on Portland State University (PSU). Shape the University District into a vital multi-cultural and international crossroads with an environment which stimulates lifelong learning, collaboration between business and government and a rich cultural experience.

16G: Encourage the development of businesses which serve the District and benefit from proximity to PSU.

3. Prosperous Portland, January, 1994

Relevant sections are:

Policy 4 - Sustain Aggressive Business and Workforce Development Activities.

The City will maintain an aggressive business development program that includes retention and expansion, recruitment and workforce development and placement activities.

Strategy 4C: The City will ensure that a strong economic base is maintained by focusing proactive business and workforce development on companies within specific clusters of target industries

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Action Item 1: An initial list of target industries on which the City will focus proactive business development activities are:
- Health Technology/Biotechnology

Policy 7 - Capture International Opportunities. The City of Portland will take a leadership role in developing Portland's opportunities in the international economy

Strategy 7D: The City's proactive international business development strategy should focus on the City's target industries.

Policy 14 - Encourage Urban Development and Redevelopment. The City of Portland will tailor its programs and regulations to meet the needs of and encourage investment in the development and redevelopment of urban land and buildings for employment and housing opportunities.

Strategy 14B: The City will support continuation of highest density office and retail development in Downtown and the Lloyd District to maintain this as the major employment and economic center of the region.

Physical Development and Infrastructure - Central City Sub-Districts: University District

Strategy B: Significant economic benefits could accrue to the City by providing for space, facility, research and other needs of incubator business growth within the University District. The University District would encompass the joint partnership between the University and developed businesses, and services to emerging businesses.

4. Central City 2000 Strategy:

Relevant sections are:

Section III - Business Climate. The Central City business climate affects the retention and expansion of existing businesses and the attraction of new businesses. Compared to suburban locations, for many businesses the Central City business climate is characterized by: higher business taxes, higher construction costs due to the high price of land and construction at higher densities and higher combined cost of office space and parking. To mitigate these impediments to job retention, growth and attraction, the Central City 2000 Task Force recommends:

Establishing an Opportunity Fund to leverage private investments in business development and expansion. The Fund would finance land assembly and related site improvements which foster the development of commercial space required for job growth and attraction. It could also underwrite low-interest or deferred-payment loans or job training grants to new or expanding businesses.

Section IV - Target Industries. The Region 2040 Plan envisions 71,300 net new jobs. The attraction of new businesses is also required. But resources are limited and the City must focus its attraction efforts on "target industries" ... Based on these criteria, ... the City focus its Central City job attraction efforts on the following target industries: ... Bio-Tech/Health Services....

- Recruit a research organization associated with a major pharmaceutical/biotechnology firm.
- Undertake pre-development activities for a Central City Bio-Tech Center

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C. Authorization for Projects

These projects are authorized by the following sections of the South Park Blocks Urban Renewal Plan:

Section 600 - Project Activities

1. Redevelopment Through New Construction.
 - A. Intent: It is the intent of this Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
 - B. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.
 - C. Redevelopment Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish loan programs and provide below-market interest rate and market rate loans and provide such other forms of financial assistance to property owners and those desiring to acquire property, as it may deem appropriate in order to achieve the objectives of this Plan.
2. Redevelopment Through Rehabilitation
 - A. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historical structures which can be economically rehabilitated.
 - B. Method: Rehabilitation and conservation may be achieved in three ways:
 - 1) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - 2) By enforcement of existing City codes and ordinances;
 - 3) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
 - C. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish loan programs and provide below-market interest rate and market rate loans to owners of buildings, or those intending to acquire buildings, which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Science Park

This project is designed to carry out Goal 1 of the Plan to maintain Portland's role as the major regional employment center, by assisting with the location of a key target industry. Goal 1.B.5 encourages a range of employment opportunities to attract and retain a stable population downtown. The Central City Plan Policy 1 is to build upon the Central City as the economic heart of the region, supporting the retention and expansion of existing businesses while encouraging new businesses in the Central City.

The Science Park's location downtown will help meet the Region 2040 goal, outlined in the Central City 2000 Strategy, to create 71,300 new jobs downtown. The Strategy states that because resources are limited, attraction efforts must focus on target industries, including a Bio-Tech/Health Services center, which is equivalent to a Science Park. It goes on to encourage the City to recruit such an organization and undertake pre-development activities for such.

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Prosperous Portland also discusses the target industry approach, indicating that the list of target industries which will ensure a strong economic base, and upon which the City's efforts should be maintained, includes Health Technology/Biotechnology. This is also equivalent to the proposed Science Park.

2. Opportunity Fund

This key redevelopment strategy to acquire vacant or underutilized sites for redevelopment for job creation is designed to add employment opportunities downtown, supporting Goal 1 of the Plan to reinforce the downtown's position as the principal commercial center in the region, by fully utilizing vacant land, and by providing a range of employment opportunities. The project is consistent with Goal 6, Employment and Support Services to Support Housing, by providing employment opportunities for area residents, encouraging downtown living in close proximity to work.

This Opportunity Fund is consistent with the Central City Plan Policy 1, Economic Development. This policy fosters the development of at least 50,000 additional jobs in the Central City by the year 2010 and encourages the attraction of new businesses and retention of existing businesses.

Prosperous Portland calls for the City to tailor programs to encourage investment and redevelopment of urban land and buildings for employment opportunities. The Central City 2000 Strategy discusses the higher cost of development downtown compared to many suburban locations. To mitigate these impediments, the Strategy calls for establishing an Opportunity Fund to finance land assembly and related site improvements which would foster the development of commercial space required for job growth and attraction. The Fund could also underwrite low-interest or deferred-payment loans or job training grants to new or expanding businesses. The project meets this Central City 2000 description of the Opportunity Fund.

3. West End Core Area

By providing planning and implementation services for the west end core area, this project directly addresses the first and primary goal of the Plan, to maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

ORDINANCE No.

Adopt the 4th Amendment to the Central Eastside Urban Renewal Plan to Establish a Maximum Amount of Indebtedness.

The City of Portland ordains:

Section 1. The Council finds:

1. The City Council of the City of Portland (the "Council") adopted the Central Eastside Urban Renewal Plan (the "Plan.") by Ordinance No. 158940, dated August 27, 1986.
2. The Council wishes to further amend the Plan in accordance with the provisions of Chapter 457 of Oregon Revised Statutes (1997 Edition) to establish a maximum amount of indebtedness (the "Amendment").
3. The Council finds and determines, based upon the information contained in the reports accompanying the Plan, that:
 - (a) A finding of blight was made in the original ordinance adopting the Plan, Ordinance No. 158940, dated August 27, 1986. This Amendment does not affect any change in the boundaries of the original Plan Area, and Council finds that, since the original Plan has not been completed, the finding of the existence of blight continues to be accurate. Therefore, Council finds that the Central Eastside Urban Renewal Area is blighted.
 - (b) The original Plan and its subsequent amendments were adopted based upon a finding that the existence of blight in the Area, and that the goals of the Plan were necessary to eliminate said blight, and by doing so, to protect the health, safety, or welfare of the public. Council finds that since the Plan is incomplete and the public health, safety or welfare are still threatened by the existence of blight and its effects on public health, safety, or welfare, that the Plan continues to be necessary to protect such public health, safety, or welfare.
 - (c) The original Plan and its subsequent amendments were adopted after review and recommendation by the Planning Commission, and upon a finding by Council that the Plan conformed to the City of Portland Comprehensive Plan and economic development plan, and that it provided an outline for accomplishing the urban renewal projects that the plan proposes. This Amendment does not alter any of the activities contemplated under the original Plan or its other amendments, and it has also been reviewed by the Planning Commission which recommended adoption. Accordingly, Council finds that the Plan continues to conform to the City of Portland Comprehensive Plan and economic development plan, and provide an outline for accomplishing urban renewal projects proposed in the Plan.

- (d) Nothing in this Amendment changes the activities proposed in the original Plan or its subsequent amendments. Accordingly, Council finds that the Plan continues to make provisions to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
- (e) Adoption of the original Plan and its subsequent amendments was based upon a finding that the acquisition of real property as provided for in the Plan was necessary to achieve the objectives of the Plan. This Amendment does not change any of the properties to be acquired or the criteria for acquisition. Accordingly, Council finds that acquisition of real property as provided in the Plan and its subsequent amendments is necessary to achieve the objectives of the Plan.
- (f) Adoption of the original Plan and its subsequent amendments was based upon a finding that the substance of the Plan, and its adoption and carrying out, are economically sound and feasible. The purpose of this Amendment is to quantify the costs of carrying out the Plan. This Amendment does not affect the scope or potential financial impacts or benefits of activities authorized under the Plan. Council finds that the amount of maximum amount of indebtedness calculated for completion of the Plan is derived from activities which continue to be economically sound and feasible.
- (g) The municipality shall assume and complete any activities prescribed it by the Plan.

Section 2. The Council finds:

1. The Portland Development Commission, the Urban Renewal Agency of the City of Portland ("Commission") has forwarded the Amendment and the accompanying report to the City of Portland Planning Commission for recommendations, and the Planning Commission, on May 12, 1998, recommended adoption of the Amendment.
2. The Commission has consulted and conferred with the governing bodies of the taxing districts that levy taxes within the Area, and no written recommendations have been received from such governing bodies.
3. The Commission has undertaken a review of the records relating to the scope and cost of projects in the Plan and the schedule for their completion as of December 5, 1996. A full description of the review is included in the Report on this Amendment, accepted by the Portland Development Commission on May 20, 1998, which description is hereby incorporated into this Ordinance as additional findings.
4. The description of the review of the scope and costs of projects constitutes a good faith estimate of the scope and costs of projects anticipated as of December 5, 1996.
5. The Commission met with the Board of Commissioners of Multnomah County on May 14, 1998 to review the proposed maximum amount of indebtedness for the Plan.

6. On June 17, 1998 the Council held a public hearing regarding the adoption of the Amendment.
7. The Council has considered the material presented by the Commission, all information presented and all matters discussed at the meetings described above, the recommendations of the Planning Commission and the action of affected municipalities, if any, and finds that based upon a good faith estimate of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation in the Plan and the schedule for their completion as the completion dates were anticipated as of December 5, 1996, the maximum amount of indebtedness that may be issued or incurred under the Plan is \$66,274,000.00

NOW, THEREFORE, The Council Directs:

- a. The 4th Amendment to the Central Eastside Urban Renewal Plan having been duly reviewed and considered by Council, attached hereto as Exhibit A, and incorporated herein by this reference, is hereby adopted.
- b. The Portland Development Commission shall file in the Deed of Records of the County of Multnomah a copy of this Ordinance and all exhibits upon adoption by the Council.
- c. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland City Planning Commission certified copies of this Ordinance upon adoption by the Council.
- d. The City Auditor, in accordance with ORS 457, shall publish notice of the adoption of this Ordinance approving the 4th Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council,

BARBARA CLARK
Auditor of the City of Portland

Mayor Katz
PDC: Christopher Scherer/Felicia Trader
June 17, 1998

**FOURTH AMENDMENT TO
CENTRAL EASTSIDE URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

The Central Eastside Urban Renewal Plan is amended as follows:

Add the following at the end of Section 702, Self-Liquidation of Costs of Project (Tax Increment):

The maximum indebtedness, as defined in ORS 457.010(9), that may be issued or incurred under the Plan is \$66,274,000.

REPORT ON FOURTH AMENDMENT TO CENTRAL EASTSIDE URBAN RENEWAL PLAN TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS

INTRODUCTION

This is the Urban Renewal Report accompanying the Fourth Amendment (the "Amendment") of the Central Eastside Urban Renewal Plan (the "Plan"), establishing a maximum amount of indebtedness, as explained below.

BACKGROUND

The Constitutional amendments resulting from passage of Measure 50 were implemented in the 1997 Oregon Legislature in Senate Bill (SB) 1215. The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans.

However, Measure 50 and SB 1215 specifically allow for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue that they would have prior to new law. The Legislature acknowledged that many private sector and public sector commitments were made based on anticipating the completion of urban renewal plans, and that these commitments should be honored.

In return for this "grandfathering" of existing urban renewal plans, the Legislature required that "existing urban renewal plans" be limited in cost, based on the state of the urban renewal plan in December, 1996. In other words, existing plans, and only existing plans, are entitled to the special grandfathering provisions of Measure 50. The means of establishing this limit to the cost of a plan is amending the plan to include a "maximum amount of indebtedness" that may be issued or incurred under the plan.

"Maximum indebtedness" is defined by statute to mean the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 (this section contains the requirement for a maximum amount of indebtedness) and does not include indebtedness incurred to refund or refinance existing indebtedness.

ORS 457.190 also states:

The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

This report on the Amendment contains many sections that are required under ORS 457.085 but which do not apply to the Amendment. In all cases where a section is not applicable, the reason is that the Amendment to the plan does not change the substance of the Plan but rather quantifies costs of projects already contained in or authorized by the Plan.

(A) A DESCRIPTION OF PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREAS OF THE PLAN AND THE EXPECTED IMPACT, INCLUDING THE FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The Amendment is of a technical nature and this section does not apply.

(B) REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The Amendment is of a technical nature and this section does not apply.

(C) THE RELATIONSHIP BETWEEN EACH PROJECT TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(D) THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

Estimated project costs are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(E) THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Estimated completion dates are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(F) THE ESTIMATED AMOUNT OF MONEY REQUIRED IN EACH URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.460 AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.420 TO 457.460

The Amendment is of a technical nature and this section does not apply.

(G) A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

The Amendment is of a technical nature and this section does not apply.

(H) A FISCAL IMPACT STATEMENT THAT ESTIMATES THE IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(I) A RELOCATION REPORT WHICH SHALL INCLUDE (A) AN ANALYSIS OF EXISTING RESIDENTS OR BUSINESSES REQUIRED TO RELOCATE PERMANENTLY OR TEMPORARILY AS A RESULT OF AGENCY ACTIONS UNDER ORS 457.170; (B) A DESCRIPTION OF THE METHODS TO BE USED FOR THE TEMPORARY OR PERMANENT RELOCATION OF PERSONS LIVING IN, AND BUSINESSES SITUATED IN, THE URBAN RENEWAL AREA IN ACCORDANCE WITH ORS 281.045 TO 281.105; AND (C) AN ENUMERATION, BY COST RANGE, OF THE EXISTING HOUSING UNITS IN THE URBAN RENEWAL AREAS OF THE PLAN TO BE DESTROYED OR ALTERED AND NEW UNITS TO BE ADDED.

The Amendment is of a technical nature and this section does not apply.



CITY OF

PORTLAND, OREGON

Planning Commission

Telephone No. 823-7708 TDD 823-6868 FAX 823-7800
c/o Bureau of Planning, Rm. 1002, 1120 S.W. Fifth Ave. 97204

May 19, 1998

Honorable Vera Katz, and Members of the Portland City Council
Portland City Hall
1221 S.W. 4th Avenue
Portland, Oregon 97204-1966

Dear Mayor Katz and Members of the Council:

The Portland Planning Commission has completed our review of maximum indebtedness limits for each of Portland's existing urban renewal districts. On May 12, 1998, the Planning Commission held a public hearing on the proposed indebtedness limits. Notice of this hearing was provided and those interested were invited to testify. We strongly urge the adoption of these renewal district indebtedness limits by the Portland City Council.

These indebtedness limits are necessitated by provisions of 1997's Measure 50 as implemented in the 1997 Oregon Legislature in Senate Bill 1215 (SB1215). Measure 50 and SB1215 specifically allow for the timely completion of existing urban renewal plans. Many private sector and public sector commitments have been made anticipating the completion of existing urban renewal plans. These commitments should be honored. The legislature required that 'existing urban renewal plans' be limited in cost. These cost limits are to be based on the content of the existing urban renewal plan.

The City of Portland has five active urban renewal plans. These are the *Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center, and South Park Blocks Urban Renewal Plans.*

The maximum indebtedness figure defines the financial scope of 'existing plans'. It is based on good faith estimates of the costs of the programs and projects called for or authorized by the adopted urban renewal plans as of December 6, 1996. It includes a factor for future inflation.

The recommended maximum amount of indebtedness for each existing urban renewal plan is summarized in the following table.

PLAN	MAXIMUM AMOUNT OF INDEBTEDNESS
Airport Way	\$ 72,639,000
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

Recommendation

The Portland Planning Commission recommends the City Council approve the indebtedness limits for the five existing urban renewal districts (listed above) and incorporate these limits into the applicable urban renewal plans.

Sincerely,



Steve Abel, President,
Portland Planning Commission

SA/MSH/msh

cc: David C. Knowles, Planning Director
Michael S. Harrison, AICP, Chief Planner

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 5120

**RESOLUTION APPROVING THE 4TH AMENDMENT TO
THE CENTRAL EASTSIDE URBAN RENEWAL PLAN**

WHEREAS, the Portland Development Commission is undertaking the Central Eastside Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on August 27, 1986 by the City Council, by Ordinance No. 158940 (the "Plan"), as subsequently amended; and

WHEREAS ORS 457.190(3)(c)(A) requires that the Plan be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the Plan, determined by good faith estimates of the scope and cost of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan, considering the projects and their anticipated completion dates as anticipated as of December 5, 1996, such maximum indebtedness amount to be specified in dollars and cents; and

WHEREAS the staff has undertaken a review of the Plan and supporting documents, as well as interviews and fact finding with members of the community in order to determine the scope of projects contemplated under the Plan as of December 5, 1996, and has made its best estimates of reasonable costs for completion as the projects were anticipated to be completed; and

WHEREAS the Commission has reviewed these estimates and the information contained in the plan amendment report accompanying this Resolution, and the Commission finds the estimates to be reasonable and to have been made in good faith; now, therefore, be it

RESOLVED that a recommendation be made to City Council to adopt an ordinance declaring that Section 701 of the Plan shall be amended, by the addition of a new paragraph: "The maximum indebtedness incurred in completing this Plan shall be \$66,274,000.00".

ADOPTEDBY by the Commission May 20, 1998.

Carl B. Talton

Carl B. Talton, Chairman

Martin Brantley

Martin Brantley, Acting Secretary

EXHIBIT "A"
REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

CENTRAL EASTSIDE FINDINGS

Findings for projects within the Central Eastside Urban Renewal Plan (the "Plan") are grouped below according to the following categories: transportation and infrastructure, land acquisition and redevelopment, park development, housing and building rehabilitation. These findings are organized by project category. The projects are first described in scope, schedule and estimated cost (including inflation), then followed by a section which lists how the projects in this category relate to the goals and objectives of the Plan and related documents. A section then follows which specifies the section(s) of the Plan which give specific authorization for the projects within the category. Finally, the conclusion states how each project implements the Plan and is therefore appropriate for including as a component of the maximum amount of indebtedness to be issued under the Plan.

I. TRANSPORTATION AND INFRASTRUCTURE

A. Project Descriptions and Cost Estimates

1. MLK/Grand Improvements

This project consists of improvements to the streetscape of Grand Avenue, MLK Blvd. and E. Burnside. Improvements include new and replacement street trees, cast iron ornamental lighting on MLK and curb extensions on Grand Avenue.

The estimated project cost is \$3,335,390 between 1997/98 and 2006/07.

2. Water Avenue LID

This project pays the Development Commission portion of street improvements to Water Avenue *from its current terminus by OMSI to SE Caruthers/SE Grand Avenue.*

The estimated project cost is \$1,000,000 between 1997/98 and 2006/07.

3. CES Transportation and Infrastructure

This project will provide area-wide street improvements as outlined in the CES Transportation Plan.

The estimated project cost is \$7,982,689 between 2000/01 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

These projects conform to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal III. Central Eastside Revitalization Program

EXHIBIT "A"
REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

B7. Improve the transportation system and parking resources to meet the CEID's business needs and redevelopment objectives while respecting the traffic concerns of adjacent neighborhoods.

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 4 - Transportation.

4C. Support transportation facility improvements that improve the flow of traffic to, within and through the Central City.

Policy 20 - Central Eastside

20E. Develop Union [MLK] and Grand Avenues as the principal north-south connection and commercial spine in the district for transit and pedestrians.

Action Proposal CE1: Buffer the residential neighborhoods east of 12th Avenue from auto and truck traffic.

Action Proposal CE5: Improve district pedestrian ways on Clay, Ankeny, Morrison, Main, Stephens, Caruthers, Division, Grand, 12th and 3rd.

Action Proposal CE8: Construct Central Eastside District gateways at locations shown on the district map.

Action Proposal CE9: Construct boulevards on 12th, Grand, Powell and Burnside Streets.

Action Proposal CE10: Construct vehicle and pedestrian improvements at the intersection of SE 12th/Sandy/Burnside and SE 11th/12th/Clinton.

3. Prosperous Portland, January, 1994

Relevant sections include:

Policy 13 - Target Infrastructure Development.

The City of Portland will invest in infrastructure that fosters physical development to increase the City's economic and tax base in targeted geographic areas [Central City listed as a target geographic area].

Central City Sub-districts: Central Eastside

Strategy B: The City will continue to assemble large sites or provide infrastructure for the expansion of area businesses.

Action Item 1, Strategy 1: The City will construct the extension of SE Water Avenue to the Southern Triangle Area with participation of Oregon Museum of Science and Industry, Portland Community College and Portland General Corp. [still correct?]

4. Central City 2000 Strategy:

Relevant sections include:

Central Eastside District

Extend SE Water Avenue from OMSI to SW Caruthers/SW Grand Avenue. Provides access to development area south of KPTV.

Construct pedestrian and lighting improvements on MLK Boulevard and Grand Avenue.

Includes design and construction of pedestrian area lighting, tree planting and sidewalk improvements on 20 major pedestrian streets in the Central Eastside.

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Construct pedestrian connections between Central Eastside and the Eastbank Esplanade.
Construct pedestrian and bike improvements to SE Main and SE Clay.
Install traffic signals on SE Main at the intersections of MLK and Grand.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES,

A. Public Improvements

Section 601 - Project and Improvement Activities

1. Intent. Public facilities and utilities may be planned, designed or constructed within the Renewal Area. These improvements may include storm and sanitary sewer improvements, street lighting installation, landscaping, street improvements, parking facilities, parks, open space development and public restrooms or other improvements deemed appropriate for the achievement of the Plan goals and objectives.
2. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:
 - a) New curbs and gutters, including curb extensions;
 - b) Construction and reconstruction of streets;
 - c) Storm water, sanitary sewer and other public or private utilities
 - d) New sidewalks or other pedestrian improvements and streets;
 - e) Trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
 - f) Street lights and traffic control devices, tables, benches and other street furniture, drinking fountains;
 - g) Special graphics and signage for directional, informational purposes;
 - h) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
 - i) On and off-street parking facilities.

D. Conclusions

1. MLK/Grand Improvements

This streetscape project including street trees, ornamental lights and curb extensions will result in MLK, Grand and E. Burnside being more attractive for area businesses, pedestrians and traffic on these main boulevards. Besides supporting Goal III. of the Central Eastside Urban Renewal Plan to improve transportation resources in the area, this project is consistent with the Central City Plan policy for the Central Eastside to carry out improvements to make MLK and Grand Avenues the principal north/south corridor for transit and pedestrians in the area.

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The Central City 2000 Strategy specifies pedestrian and lighting improvements on MLK and Grand as a project which would enhance this corridor which is vital for job creation and business attraction. The project would continue the streetscape plan of the Convention Center area, helping tie together the eastside. Improvements on Grand Avenue would be designed to enhance the historic status of the area.

2. Water Avenue LID

This project is the Development Commission portion of the Local Improvement District for Water Avenue improvements. This important street provides a connection from the freeway to a north/south corridor in the district. It serves the OMSI area, developable land adjacent to OMSI and industrial land south of Caruthers. It will also constitute an important connection to the Eastbank Esplanade and the public attractors which will be present there.]

This project supports Goal III of the Plan to improve transportation resources in the area. In addition, the Water Avenue project is specified in both the Prosperous Portland document and the Central City 2000 Strategy. Besides opening up developable land, it provides important circulation and access in the area.

3. CES Transportation and Infrastructure

This project carries out varied infrastructure improvements throughout the district in furtherance of the goals and objectives of the Plan, particularly Goal III, B7 to improve the transportation system to meet the needs of businesses within the District. As stated in the Central City 2000 Strategy, much of the Central Eastside District is designated as an industrial sanctuary with major traffic and access problems. Since attraction of business is a key goal of the Plan (Goal III), improving transportation for access and circulation is critical to growth of the area.

The Central City Plan, which calls for preserving the Central Eastside as an industrial sanctuary with improved access, contains five Action Proposals specifically related to improvements for traffic and pedestrians within the area. The Central Eastside is an area targeted by the Prosperous Portland document for infrastructure improvements which can foster physical development which will increase the tax base in the area. Improved circulation and access for businesses will enhance the area for business development, consistent with this document and the Plan.

II. LAND ACQUISITION AND REDEVELOPMENT

A. Project Descriptions and Cost Estimates

1. Central Eastside Land Redevelopment

This project continues the program to purchase key parcels which are not feasible for rehabilitation and convey the sites for redevelopment. One block per year will be purchased and conveyed for redevelopment.

The estimated project cost is \$9,168,716 between 1997/98 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

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Goal I. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

Goal II. Business Retention and New Business Development

A. General Goal. Improve the level, distribution and stability of jobs and income for resident industry, business and people in accordance with the Economic Development Policy adopted by the City Council.

B. Specific Goals. 1. Public/Private Partnership: Foster a development partnership between the public and private sectors that is responsive to the economic needs of Portland's business and residents.

Goal III. Central Eastside Revitalization Program

A. General Goal. Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

B5. Maintain and bolster the function of the CEID as a business incubator for new industrial and commercial business.

2. Report for the Second Amendment to the Central Eastside Urban Renewal Plan

The Report for the Second Amendment to the Central Eastside Urban Renewal Plan, adopted May 9, 1990 contains the following language relevant to the project:

1. Property Acquisition for Redevelopment: Business retention and new business development opportunities are constrained in the Central Eastside because of the lack of large, clear sites for business expansion and redevelopment.

Large work areas on a single level are key to efficient industrial production and distribution practices. ...

3. City of Portland Comprehensive Plan

The Oregon Central Eastside Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan, effective on January 1, 1981. The Comprehensive Plan policies which are relevant to this project include:

Goal 2. Urban Development: Maintain Portland's role as the major regional employment, population and cultural center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

Policy 5.1 Business Retention and Recruitment: Develop policies and programs which provide opportunities for local businesses to operate and grow in Portland. Continue efforts to attract new business and investment to the region.

Policy 5.2 Economic Environment: Continue efforts to enhance Portland's economic environment by ensuring that sufficient land and infrastructure exists or can be provided and that public actions support and promote private development activity.

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REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

4. Economic Development Policy

The Portland City Council adopted an Economic Development Policy as part of the Comprehensive Plan in June, 1988. The following policies are relevant to this project:

Direct technical, financial or investment assistance for economic development to industrial and commercial districts within, or in close proximity to, neighborhoods where the percentage of unemployed and economically disadvantaged workers exceeds City-wide levels.

Encourage equal opportunities for employment, career advancement, and business development for those segments of the population which have historically not participated fully in the Portland economy.

5. Prosperous Portland, January, 1994

Relevant sections include:

Policy 4 - Sustain aggressive business and workforce development activities. The City will sustain an aggressive business development program that includes retention and expansion, recruitment and workforce development and placement activities.

4G: The City will develop incentives to support the location and retention of companies in targeted development areas

Policy 5 - Promote Community-driven economic development. The City of Portland supports community economic development which promotes the achievement of community-defined and driven goals, and includes physical revitalization, job creation, business and property ownership, provision of retail and neighborhood services and housing development.

5A: The City will assume the role of facilitator and broker, will provide technical and financial support, and will promote partnerships designed to achieve community goals.

Policy 14 - Encourage urban development and redevelopment.

The City of Portland will tailor its programs and regulations to meet the needs of and encourage investment in the development and redevelopment of urban land and buildings for employment and housing opportunities.

Central City Sub-districts: Central Eastside

Strategy B: The City will continue to assemble large sites or provide infrastructure for the expansion of area businesses.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 601 - Project and Improvement Activities

B. Redevelopment Through New Construction.

1. Intent: It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.

EXHIBIT "A"
REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

3. **Redevelopment Financing.** The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance and provide such other forms of financial assistance to property owners as it may deem appropriate in order to achieve the objectives of this Plan.

C. Redevelopment Through Rehabilitation

1. **Intent:** It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historic structures which can be economically rehabilitated.
2. **Method:** Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. **Rehabilitation Financing.** The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance to owners of buildings which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Central Eastside Land Redevelopment

This project targets one block per year which is blighted and not suitable for rehabilitation, and provides for acquisition for redevelopment in a manner which will produce jobs and enhance the industrial sanctuary of the Central Eastside. The project supports the Plans Goals for Urban Development (providing a range of employment opportunities), Business Retention and New Business Development (improving the level, distribution and stability of jobs and income, and fostering a partnership between public and private sectors), and Central Eastside Revitalization Program (maintaining and enhancing the area as a near-in job center with vital firms and attractive climate for business).

This strategy to acquire key redevelopment sites is also supported by the Prosperous Portland document which calls for City assembly of large sites in the Central Eastside for expansion of area businesses.

Acquisition of sites for resale for redevelopment is authorized by the plan and will allow meeting Plan goals and objectives for job creation and economic development in the Area. It will also result in upgrading of deteriorating buildings, thus reducing blight in the District. The project is consistent with the Plan.

III. PARK DEVELOPMENT

A. Project Descriptions and Cost Estimates

1. Eastbank Riverfront Park

The Eastbank Riverfront Park extends along the Willamette River for the entire length of the District. Major elements of the park include an esplanade, piers, plazas, public attractors, natural areas, observation terraces and a marina. Construction of the park will occur in phases, beginning at the south end near the Ross Island Bridge. The park includes pedestrian and automobile connections to the Central Eastside, as well as parking and circulation elements.

The estimated project cost is \$32,888,268 between 1997/98 and 2004/05.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal IV. Riverfront Access

Willamette River Greenway Plan and Esplanade Development: Implement the Willamette River Greenway Plan which preserves a strong working river while promoting recreation, commercial and residential waterfront development along the Willamette - South of the Broadway Bridge (Comprehensive Plan Policy 2.7) Increase accessibility to the river and enhance Greenway areas as a public resource and improve the environmental quality of life for adjacent and nearby neighborhoods. (CERP Objective 6).

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 2 - The Willamette Riverfront: Enhance the Willamette River as the focal point for views, public activities, and development which knits the city together.

2A: Recapture the east bank of the Willamette Riverfront between the Marquam and Steel Bridges by expanding and enhancing the space available for non-vehicular uses.

2B: Locate a wide range of affordable and attractive public activities and attractors along the riverbank and create frequent pedestrian access to the water's edge.

2F: Encourage development of facilities that provide access to and from the water's surface throughout the Central City.

Policy 8 - Parks and Open Spaces: Build a park and open space system of linked facilities that tie the Central City districts together and to the surrounding community.

8A: Create greenbelts that tie existing open spaces together using street trees, plazas, bicycle and pedestrian ways, recreational trails and new parks.

8B: Meet the open space and recreation needs of each of the Central City districts.

8D: Ensure that a balance of passive and active parks and open space is provided.

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Willamette Riverfront Map and Parks and Open Space Map in Central City Plan (p.53) show the trail connection and park and open space facilities on the east bank of the Willamette River.

Policy 20 - Central Eastside: Preserve the Central Eastside as an industrial sanctuary while improving freeway access and expanding the area devoted to the Eastbank Esplanade.

Action Proposal CE4 of Policy 20: Complete the Eastbank Esplanade improvements including pedestrian and bicycle connections at all bridges.

3. Report of the Central Eastside Urban Renewal Plan

The Report of the Central Eastside Urban Renewal Plan, adopted July, 1986 contains the following language relevant to the project:

Chapter VI. C. Esplanade Open Space Improvements.

A program of improvement and development of access to the east shore of the Willamette River and preservation and improvement of open space will be undertaken as an integral part of the Central Eastside Program....

4. Central City 2000 Strategy

Relevant sections include:

Central Eastside Industrial District: Design and construct enhanced Eastbank Esplanade project.

A \$10.4 million enhancement to existing \$3.5 million initial phase allowing for a full-length esplanade between the Steel Bridge and OMSI.

Includes connection between the Esplanade and the Rose/Lloyd District, man-made island near OMSI and trail enhancements.

5. Prosperous Portland, January 1994

Relevant sections include:

Central City Sub-districts: Central Eastside:

Strategy D, Action Item 1: The City will proceed with Eastbank Riverfront Park planning, design and implementation.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES,

A. Public Improvements

Section 601 - Project and Improvement Activities

1. Intent. Public facilities and utilities may be planned, designed or constructed within the Renewal Area. These improvements may include storm and sanitary sewer improvements, street lighting installation, landscaping, street improvements, parking facilities, parks, open space development and public restrooms or other improvements deemed appropriate for the achievement of the Plan goals and objectives.

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2. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:

- a) New curbs and gutters, including curb extensions;
- b) Construction and reconstruction of streets;
- c) Storm water, sanitary sewer and other public or private utilities
- d) New sidewalks or other pedestrian improvements and streets;
- e) Trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
- f) Street lights and traffic control devices, tables, benches and other street furniture, drinking fountains;
- g) Special graphics and signage for directional, informational purposes;
- h) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
- i) On and off-street parking facilities.

D. Conclusions

1. Eastbank Riverfront Park

The Eastbank Riverfront Park is specifically called out in all of the planning documents relating to the Central Eastside Plan. Goal #4 of the Plan provides for implementation of the esplanade along the Willamette, increasing accessibility to the River and enhancing the area as a public resource. The project is discussed in the Report, the Central City 2000 Strategy and Prosperous Portland.

Provisions for the project are best spelled out in the policies of the Central City Plan. This Plan calls for enhancing the Willamette River as the focal point for views, public activities and development which knits the city together. The planned improvements to the Park have been designed to accomplish these goals and will result in a strong connection between both sides of the River. The Central City Plan also makes note of the goal to include a wide range of affordable and attractive public attractors within the Park and frequent pedestrian access, both aspects which have been designed into the Park.

The Eastbank Riverfront Park is clearly supportive of goals and objectives of the Plan and supporting documents and is authorized by the Plan. The project is consistent with the Plan.

IV. HOUSING

A. Project Descriptions and Cost Estimates

1. Central Eastside Affordable Housing

This project is to increase the number of housing units by 300-600 for families with incomes at 60% of the median family income. The project will include land acquisition and redevelopment of sites.

The estimated project cost is \$6,442,000 between 1997/98 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal I. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

Goal III. Central Eastside Revitalization Program

A. General Goal. Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 3 - Housing: Maintain the Central City's status as Oregon's principal high density housing area by keeping housing production in pace with new job creation.

3C: Encourage the development of housing in a wide range of types and prices and rent levels.

3D: Foster the growth of housing to help reinforce the Central City as a lively urban area, especially during evenings.

Action Item H4: Use urban renewal and tax increment financing to foster the development and preservation of housing in urban renewal districts....

Policy 6 - Public Safety

6A: Foster the development of a vital "24 hour" city which encourages the presence of people and decreases the likelihood of crime.

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Policy 20 - Central Eastside

20C: Allow mixed use developments, which include housing, in areas already committed to non-industrial development.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 601 - Project and Improvement Activities

B. Redevelopment Through New Construction.

1. Intent: It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.
3. Redevelopment Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance and provide such other forms of financial assistance to property owners as it may deem appropriate in order to achieve the objectives of this Plan.

C. Redevelopment Through Rehabilitation

1. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historic structures which can be economically rehabilitated.
2. Method: Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance to owners of buildings which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Central Eastside Affordable Housing

This project creates a small amount of affordable housing in the Central Eastside District at levels targeted to persons earning approximately 60% of the regional median. Such housing is supportive of the Plan's Goal #3 to create compatible residential areas near the diverse industrial base of the Central Eastside. The Central City Plan's Central Eastside Policy #20 encourages mixed use developments, including housing, in areas already committed to non-industrial development.

The Central City Plan also encourages development of housing in a wide range of types and rent levels, which will be accomplished with this project to create affordable housing in an area (close-in eastside) which has experienced large increases in housing costs in recent years.

In addition to creating affordable housing near a large employment base, inclusion of housing in this area can help make the area lively, especially during the evenings. A "24 hour" city which encourages the presence of people reduced the likelihood of crime, according the Central City Plan. The acquisition for redevelopment is authorized by the Plan and consistent with it's goals and objectives.

V. BUILDING REHABILITATION

A. Project Descriptions and Cost Estimate

1. Storefront Program

This project is to give grants to property and business owners to rehabilitate storefronts. Approximately seven to eleven grants per year will be awarded, with an average grant of \$10,000.

The estimated project cost is \$1,452,000 between 1997/98 and 2006/07.

2. Building Rehabilitation

This project is to give grants to property owners for the purpose of conserving and reusing existing buildings and promoting the preservation of historic buildings which can be economically rehabilitated. The grants, which may include seismic and ADA improvements as well, are made on a two for one match and may not exceed \$25,000 per grant.

The estimated project cost is \$4,005,000 between 1998/99 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal I. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

Goal II. Business Retention and New Business Development

A. General Goal. Improve the level, distribution and stability of jobs and income for resident industry, business and people in accordance with the Economic Development Policy adopted by the City Council.

Goal III. Central Eastside Revitalization Program

A. General Goal. Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

B4. Create an attractive environment featuring high quality design standards for new and existing business in a manner which is complimentary to the overall business climate while recognizing the CEID is both the "front door" to nearby residential neighborhoods and highly visible to Portland's Central Business District.

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 20 - Central Eastside

20D: Preserve buildings which are of historic and/or architectural significance.

3. Central City 2000 Strategy

Relevant sections include:

Central Eastside District:

Implement MLK/Grand Facade Improvement Program. Provide grants to property owners for upgrades to storefronts.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 601 - Project and Improvement Activities

EXHIBIT "A"
REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

C. Redevelopment Through Rehabilitation

1. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historic structures which can be economically rehabilitated.
2. Method: Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance to owners of buildings which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Storefront Program

This project to give small grants to property and business owners results in a more attractive business district and contributes to successful, healthy small businesses. The project supports Plan Goal #3 regarding Central Eastside Revitalization. Using a small grant as leverage is a cost effective method of enhancing the appearance of the business district, which in turn leads to a more stable area.

As noted in the Plan Goals, it is particularly important to improve the appearance of the Central Eastside business district since it serves as a "front door" to both nearby residential neighborhoods and is highly visible to Portland's Central Business District. The Central City 2000 Strategy calls for a facade improvement program on MLK and Grand Avenues.

2. Building Rehabilitation

This project of small grants assists in conserving existing buildings in the area and helping preserve historic buildings. As well as upgrading existing buildings to make them more functional for area businesses, the grants may be used for conformance to seismic and ADA requirements. These requirements are often difficult and expensive to meet in older buildings, and may make reuse of older and historic buildings very expensive. This grant program helps encourage revitalization of older buildings by making it more affordable.

The project supports Goal #3 of the Plan for Central Eastside Revitalization by encouraging the vitality of existing firms and helping provide an attractive climate for new businesses. The project will also partially support the Central City Plan goal to preserve buildings which are of historic or architectural significance.

Buildings may also be made safer by conforming to seismic requirements, and can use funds for ADA requirements which are required upon redevelopment. The project results in healthier small businesses in the area, is authorized by the Plan and is consistent with Plan policies, particularly Goal III, the Central Eastside Revitalization Program.

ORDINANCE No.

Adopt the 4th Amendment to the Central Eastside Urban Renewal Plan to Establish a Maximum Amount of Indebtedness.

The City of Portland ordains:

Section 1. The Council finds:

1. The City Council of the City of Portland (the "Council") adopted the Central Eastside Urban Renewal Plan (the "Plan.") by Ordinance No. 158940, dated August 27, 1986.
2. The Council wishes to further amend the Plan in accordance with the provisions of Chapter 457 of Oregon Revised Statutes (1997 Edition) to establish a maximum amount of indebtedness (the "Amendment").
3. The Council finds and determines, based upon the information contained in the reports accompanying the Plan, that:
 - (a) A finding of blight was made in the original ordinance adopting the Plan, Ordinance No. 158940, dated August 27, 1986. This Amendment does not affect any change in the boundaries of the original Plan Area, and Council finds that, since the original Plan has not been completed, the finding of the existence of blight continues to be accurate. Therefore, Council finds that the Central Eastside Urban Renewal Area is blighted.
 - (b) The original Plan and its subsequent amendments were adopted based upon a finding that the existence of blight in the Area, and that the goals of the Plan were necessary to eliminate said blight, and by doing so, to protect the health, safety, or welfare of the public. Council finds that since the Plan is incomplete and the public health, safety or welfare are still threatened by the existence of blight and its effects on public health, safety, or welfare, that the Plan continues to be necessary to protect such public health, safety, or welfare.
 - (c) The original Plan and its subsequent amendments were adopted after review and recommendation by the Planning Commission, and upon a finding by Council that the Plan conformed to the City of Portland Comprehensive Plan and economic development plan, and that it provided an outline for accomplishing the urban renewal projects that the plan proposes. This Amendment does not alter any of the activities contemplated under the original Plan or its other amendments, and it has also been reviewed by the Planning Commission which recommended adoption. Accordingly, Council finds that the Plan continues to conform to the City of Portland Comprehensive Plan and economic development plan, and provide an outline for accomplishing urban renewal projects proposed in the Plan.

- (d) Nothing in this Amendment changes the activities proposed in the original Plan or its subsequent amendments. Accordingly, Council finds that the Plan continues to make provisions to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
- (e) Adoption of the original Plan and its subsequent amendments was based upon a finding that the acquisition of real property as provided for in the Plan was necessary to achieve the objectives of the Plan. This Amendment does not change any of the properties to be acquired or the criteria for acquisition. Accordingly, Council finds that acquisition of real property as provided in the Plan and its subsequent amendments is necessary to achieve the objectives of the Plan.
- (f) Adoption of the original Plan and its subsequent amendments was based upon a finding that the substance of the Plan, and its adoption and carrying out, are economically sound and feasible. The purpose of this Amendment is to quantify the costs of carrying out the Plan. This Amendment does not affect the scope or potential financial impacts or benefits of activities authorized under the Plan. Council finds that the amount of maximum amount of indebtedness calculated for completion of the Plan is derived from activities which continue to be economically sound and feasible.
- (g) The municipality shall assume and complete any activities prescribed it by the Plan.

Section 2. The Council finds:

1. The Portland Development Commission, the Urban Renewal Agency of the City of Portland ("Commission") has forwarded the Amendment and the accompanying report to the City of Portland Planning Commission for recommendations, and the Planning Commission, on May 12, 1998, recommended adoption of the Amendment.
2. The Commission has consulted and conferred with the governing bodies of the taxing districts that levy taxes within the Area, and no written recommendations have been received from such governing bodies.
3. The Commission has undertaken a review of the records relating to the scope and cost of projects in the Plan and the schedule for their completion as of December 5, 1996. A full description of the review is included in the Report on this Amendment, accepted by the Portland Development Commission on May 20, 1998, which description is hereby incorporated into this Ordinance as additional findings.
4. The description of the review of the scope and costs of projects constitutes a good faith estimate of the scope and costs of projects anticipated as of December 5, 1996.
5. The Commission met with the Board of Commissioners of Multnomah County on May 14, 1998 to review the proposed maximum amount of indebtedness for the Plan.

6. On June 17, 1998 the Council held a public hearing regarding the adoption of the Amendment.
7. The Council has considered the material presented by the Commission, all information presented and all matters discussed at the meetings described above, the recommendations of the Planning Commission and the action of affected municipalities, if any, and finds that based upon a good faith estimate of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation in the Plan and the schedule for their completion as the completion dates were anticipated as of December 5, 1996, the maximum amount of indebtedness that may be issued or incurred under the Plan is \$66,274,000.00

NOW, THEREFORE, The Council Directs:

- a. The 4th Amendment to the Central Eastside Urban Renewal Plan having been duly reviewed and considered by Council, attached hereto as Exhibit A, and incorporated herein by this reference, is hereby adopted.
- b. The Portland Development Commission shall file in the Deed of Records of the County of Multnomah a copy of this Ordinance and all exhibits upon adoption by the Council.
- c. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland City Planning Commission certified copies of this Ordinance upon adoption by the Council.
- d. The City Auditor, in accordance with ORS 457, shall publish notice of the adoption of this Ordinance approving the 4th Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council,

BARBARA CLARK
Auditor of the City of Portland

Mayor Katz
PDC: Christopher Scherer/Felicia Trader
June 17, 1998

**FOURTH AMENDMENT TO
CENTRAL EASTSIDE URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

The Central Eastside Urban Renewal Plan is amended as follows:

Add the following at the end of Section 702, Self-Liquidation of Costs of Project (Tax Increment):

The maximum indebtedness, as defined in ORS 457.010(9), that may be issued or incurred under the Plan is \$66,274,000.

**REPORT ON FOURTH AMENDMENT TO
CENTRAL EASTSIDE URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

INTRODUCTION

This is the Urban Renewal Report accompanying the Fourth Amendment (the "Amendment") of the Central Eastside Urban Renewal Plan (the "Plan"), establishing a maximum amount of indebtedness, as explained below.

BACKGROUND

The Constitutional amendments resulting from passage of Measure 50 were implemented in the 1997 Oregon Legislature in Senate Bill (SB) 1215. The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans.

However, Measure 50 and SB 1215 specifically allow for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue that they would have prior to new law. The Legislature acknowledged that many private sector and public sector commitments were made based on anticipating the completion of urban renewal plans, and that these commitments should be honored.

In return for this "grandfathering" of existing urban renewal plans, the Legislature required that "existing urban renewal plans" be limited in cost, based on the state of the urban renewal plan in December, 1996. In other words, existing plans, and only existing plans, are entitled to the special grandfathering provisions of Measure 50. The means of establishing this limit to the cost of a plan is amending the plan to include a "maximum amount of indebtedness" that may be issued or incurred under the plan.

"Maximum indebtedness" is defined by statute to mean the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 (this section contains the requirement for a maximum amount of indebtedness) and does not include indebtedness incurred to refund or refinance existing indebtedness.

ORS 457.190 also states:

The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

This report on the Amendment contains many sections that are required under ORS 457.085 but which do not apply to the Amendment. In all cases where a section is not applicable, the reason is that the Amendment to the plan does not change the substance of the Plan but rather quantifies costs of projects already contained in or authorized by the Plan.

(A) A DESCRIPTION OF PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREAS OF THE PLAN AND THE EXPECTED IMPACT, INCLUDING THE FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The Amendment is of a technical nature and this section does not apply.

(B) REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The Amendment is of a technical nature and this section does not apply.

(C) THE RELATIONSHIP BETWEEN EACH PROJECT TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(D) THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

Estimated project costs are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(E) THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Estimated completion dates are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(F) THE ESTIMATED AMOUNT OF MONEY REQUIRED IN EACH URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.460 AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.420 TO 457.460

The Amendment is of a technical nature and this section does not apply.

(G) A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

The Amendment is of a technical nature and this section does not apply.

(H) A FISCAL IMPACT STATEMENT THAT ESTIMATES THE IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(I) A RELOCATION REPORT WHICH SHALL INCLUDE (A) AN ANALYSIS OF EXISTING RESIDENTS OR BUSINESSES REQUIRED TO RELOCATE PERMANENTLY OR TEMPORARILY AS A RESULT OF AGENCY ACTIONS UNDER ORS 457.170; (B) A DESCRIPTION OF THE METHODS TO BE USED FOR THE TEMPORARY OR PERMANENT RELOCATION OF PERSONS LIVING IN, AND BUSINESSES SITUATED IN, THE URBAN RENEWAL AREA IN ACCORDANCE WITH ORS 281.045 TO 281.105; AND (C) AN ENUMERATION, BY COST RANGE, OF THE EXISTING HOUSING UNITS IN THE URBAN RENEWAL AREAS OF THE PLAN TO BE DESTROYED OR ALTERED AND NEW UNITS TO BE ADDED.

The Amendment is of a technical nature and this section does not apply.



CITY OF

PORTLAND, OREGON

Planning Commission

Telephone No. 823-7708 TDD 823-6868 FAX 823-7800
c/o Bureau of Planning, Rm. 1002, 1120 S.W. Fifth Ave. 97204

May 19, 1998

Honorable Vera Katz, and Members of the Portland City Council
Portland City Hall
1221 S.W. 4th Avenue
Portland, Oregon 97204-1966

Dear Mayor Katz and Members of the Council:

The Portland Planning Commission has completed our review of maximum indebtedness limits for each of Portland's existing urban renewal districts. On May 12, 1998, the Planning Commission held a public hearing on the proposed indebtedness limits. Notice of this hearing was provided and those interested were invited to testify. We strongly urge the adoption of these renewal district indebtedness limits by the Portland City Council.

These indebtedness limits are necessitated by provisions of 1997's Measure 50 as implemented in the 1997 Oregon Legislature in Senate Bill 1215 (SB1215). Measure 50 and SB1215 specifically allow for the timely completion of existing urban renewal plans. Many private sector and public sector commitments have been made anticipating the completion of existing urban renewal plans. These commitments should be honored. The legislature required that 'existing urban renewal plans' be limited in cost. These cost limits are to be based on the content of the existing urban renewal plan.

The City of Portland has five active urban renewal plans. These are the *Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center, and South Park Blocks Urban Renewal Plans.*

The maximum indebtedness figure defines the financial scope of 'existing plans'. It is based on good faith estimates of the costs of the programs and projects called for or authorized by the adopted urban renewal plans as of December 6, 1996. It includes a factor for future inflation.

The recommended maximum amount of indebtedness for each existing urban renewal plan is summarized in the following table.

PLAN	MAXIMUM AMOUNT OF INDEBTEDNESS
Airport Way	\$ 72,639,000
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

Recommendation

The Portland Planning Commission recommends the City Council approve the indebtedness limits for the five existing urban renewal districts (listed above) and incorporate these limits into the applicable urban renewal plans.

Sincerely,



Steve Abel, President,
Portland Planning Commission

SA/MSH/msh

cc: David C. Knowles, Planning Director
Michael S. Harrison, AICP, Chief Planner

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 5120

**RESOLUTION APPROVING THE 4TH AMENDMENT TO
THE CENTRAL EASTSIDE URBAN RENEWAL PLAN**

WHEREAS, the Portland Development Commission is undertaking the Central Eastside Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on August 27, 1986 by the City Council, by Ordinance No. 158940 (the "Plan"), as subsequently amended; and

WHEREAS ORS 457.190(3)(c)(A) requires that the Plan be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the Plan, determined by good faith estimates of the scope and cost of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan, considering the projects and their anticipated completion dates as anticipated as of December 5, 1996, such maximum indebtedness amount to be specified in dollars and cents; and

WHEREAS the staff has undertaken a review of the Plan and supporting documents, as well as interviews and fact finding with members of the community in order to determine the scope of projects contemplated under the Plan as of December 5, 1996, and has made its best estimates of reasonable costs for completion as the projects were anticipated to be completed; and

WHEREAS the Commission has reviewed these estimates and the information contained in the plan amendment report accompanying this Resolution, and the Commission finds the estimates to be reasonable and to have been made in good faith; now, therefore, be it

RESOLVED that a recommendation be made to City Council to adopt an ordinance declaring that Section 701 of the Plan shall be amended, by the addition of a new paragraph: "The maximum indebtedness incurred in completing this Plan shall be \$66,274,000.00".

ADOPTEDBY by the Commission May 20, 1998.

Carl B. Talton

Carl B. Talton, Chairman

Martin Brantley

Martin Brantley, Acting Secretary

EXHIBIT "A"
REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

CENTRAL EASTSIDE FINDINGS

Findings for projects within the Central Eastside Urban Renewal Plan (the "Plan") are grouped below according to the following categories: transportation and infrastructure, land acquisition and redevelopment, park development, housing and building rehabilitation. These findings are organized by project category. The projects are first described in scope, schedule and estimated cost (including inflation), then followed by a section which lists how the projects in this category relate to the goals and objectives of the Plan and related documents. A section then follows which specifies the section(s) of the Plan which give specific authorization for the projects within the category. Finally, the conclusion states how each project implements the Plan and is therefore appropriate for including as a component of the maximum amount of indebtedness to be issued under the Plan.

I. TRANSPORTATION AND INFRASTRUCTURE

A. Project Descriptions and Cost Estimates

1. MLK/Grand Improvements

This project consists of improvements to the streetscape of Grand Avenue, MLK Blvd. and E. Burnside. Improvements include new and replacement street trees, cast iron ornamental lighting on MLK and curb extensions on Grand Avenue.

The estimated project cost is \$3,335,390 between 1997/98 and 2006/07.

2. Water Avenue LID

This project pays the Development Commission portion of street improvements to Water Avenue *from its current terminus by OMSI to SE Caruthers/SE Grand Avenue.*

The estimated project cost is \$1,000,000 between 1997/98 and 2006/07.

3. CES Transportation and Infrastructure

This project will provide area-wide street improvements as outlined in the CES Transportation Plan.

The estimated project cost is \$7,982,689 between 2000/01 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

These projects conform to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal III. Central Eastside Revitalization Program

EXHIBIT "A"
REPORT ON FOURTH AMENDMENT CENTRAL EASTSIDE URBAN RENEWAL PLAN

B7. Improve the transportation system and parking resources to meet the CEID's business needs and redevelopment objectives while respecting the traffic concerns of adjacent neighborhoods.

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 4 - Transportation.

4C. Support transportation facility improvements that improve the flow of traffic to, within and through the Central City.

Policy 20 - Central Eastside

20E. Develop Union [MLK] and Grand Avenues as the principal north-south connection and commercial spine in the district for transit and pedestrians.

Action Proposal CE1: Buffer the residential neighborhoods east of 12th Avenue from auto and truck traffic.

Action Proposal CE5: Improve district pedestrian ways on Clay, Ankeny, Morrison, Main, Stephens, Caruthers, Division, Grand, 12th and 3rd.

Action Proposal CE8: Construct Central Eastside District gateways at locations shown on the district map.

Action Proposal CE9: Construct boulevards on 12th, Grand, Powell and Burnside Streets.

Action Proposal CE10: Construct vehicle and pedestrian improvements at the intersection of SE 12th/Sandy/Burnside and SE 11th/12th/Clinton.

3. Prosperous Portland, January, 1994

Relevant sections include:

Policy 13 - Target Infrastructure Development.

The City of Portland will invest in infrastructure that fosters physical development to increase the City's economic and tax base in targeted geographic areas [Central City listed as a target geographic area].

Central City Sub-districts: Central Eastside

Strategy B: The City will continue to assemble large sites or provide infrastructure for the expansion of area businesses.

Action Item 1, Strategy 1: The City will construct the extension of SE Water Avenue to the Southern Triangle Area with participation of Oregon Museum of Science and Industry, Portland Community College and Portland General Corp. [still correct?]

4. Central City 2000 Strategy:

Relevant sections include:

Central Eastside District

Extend SE Water Avenue from OMSI to SW Caruthers/SW Grand Avenue. Provides access to development area south of KPTV.

Construct pedestrian and lighting improvements on MLK Boulevard and Grand Avenue.

Includes design and construction of pedestrian area lighting, tree planting and sidewalk improvements on 20 major pedestrian streets in the Central Eastside.

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Construct pedestrian connections between Central Eastside and the Eastbank Esplanade.
Construct pedestrian and bike improvements to SE Main and SE Clay.
Install traffic signals on SE Main at the intersections of MLK and Grand.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES,

A. Public Improvements

Section 601 - Project and Improvement Activities

1. Intent. Public facilities and utilities may be planned, designed or constructed within the Renewal Area. These improvements may include storm and sanitary sewer improvements, street lighting installation, landscaping, street improvements, parking facilities, parks, open space development and public restrooms or other improvements deemed appropriate for the achievement of the Plan goals and objectives.
2. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:
 - a) New curbs and gutters, including curb extensions;
 - b) Construction and reconstruction of streets;
 - c) Storm water, sanitary sewer and other public or private utilities
 - d) New sidewalks or other pedestrian improvements and streets;
 - e) Trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
 - f) Street lights and traffic control devices, tables, benches and other street furniture, drinking fountains;
 - g) Special graphics and signage for directional, informational purposes;
 - h) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
 - i) On and off-street parking facilities.

D. Conclusions

1. MLK/Grand Improvements

This streetscape project including street trees, ornamental lights and curb extensions will result in MLK, Grand and E. Burnside being more attractive for area businesses, pedestrians and traffic on these main boulevards. Besides supporting Goal III. of the Central Eastside Urban Renewal Plan to improve transportation resources in the area, this project is consistent with the Central City Plan policy for the Central Eastside to carry out improvements to make MLK and Grand Avenues the principal north/south corridor for transit and pedestrians in the area.

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The Central City 2000 Strategy specifies pedestrian and lighting improvements on MLK and Grand as a project which would enhance this corridor which is vital for job creation and business attraction. The project would continue the streetscape plan of the Convention Center area, helping tie together the eastside. Improvements on Grand Avenue would be designed to enhance the historic status of the area.

2. Water Avenue LID

This project is the Development Commission portion of the Local Improvement District for Water Avenue improvements. This important street provides a connection from the freeway to a north/south corridor in the district. It serves the OMSI area, developable land adjacent to OMSI and industrial land south of Caruthers. It will also constitute an important connection to the Eastbank Esplanade and the public attractors which will be present there.]

This project supports Goal III of the Plan to improve transportation resources in the area. In addition, the Water Avenue project is specified in both the Prosperous Portland document and the Central City 2000 Strategy. Besides opening up developable land, it provides important circulation and access in the area.

3. CES Transportation and Infrastructure

This project carries out varied infrastructure improvements throughout the district in furtherance of the goals and objectives of the Plan, particularly Goal III, B7 to improve the transportation system to meet the needs of businesses within the District. As stated in the Central City 2000 Strategy, much of the Central Eastside District is designated as an industrial sanctuary with major traffic and access problems. Since attraction of business is a key goal of the Plan (Goal III), improving transportation for access and circulation is critical to growth of the area.

The Central City Plan, which calls for preserving the Central Eastside as an industrial sanctuary with improved access, contains five Action Proposals specifically related to improvements for traffic and pedestrians within the area. The Central Eastside is an area targeted by the Prosperous Portland document for infrastructure improvements which can foster physical development which will increase the tax base in the area. Improved circulation and access for businesses will enhance the area for business development, consistent with this document and the Plan.

II. LAND ACQUISITION AND REDEVELOPMENT

A. Project Descriptions and Cost Estimates

1. Central Eastside Land Redevelopment

This project continues the program to purchase key parcels which are not feasible for rehabilitation and convey the sites for redevelopment. One block per year will be purchased and conveyed for redevelopment.

The estimated project cost is \$9,168,716 between 1997/98 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

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Goal I. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

Goal II. Business Retention and New Business Development

A. General Goal. Improve the level, distribution and stability of jobs and income for resident industry, business and people in accordance with the Economic Development Policy adopted by the City Council.

B. Specific Goals. 1. Public/Private Partnership: Foster a development partnership between the public and private sectors that is responsive to the economic needs of Portland's business and residents.

Goal III. Central Eastside Revitalization Program

A. General Goal. Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

B5. Maintain and bolster the function of the CEID as a business incubator for new industrial and commercial business.

2. Report for the Second Amendment to the Central Eastside Urban Renewal Plan

The Report for the Second Amendment to the Central Eastside Urban Renewal Plan, adopted May 9, 1990 contains the following language relevant to the project:

1. Property Acquisition for Redevelopment: Business retention and new business development opportunities are constrained in the Central Eastside because of the lack of large, clear sites for business expansion and redevelopment.

Large work areas on a single level are key to efficient industrial production and distribution practices. ...

3. City of Portland Comprehensive Plan

The Oregon Central Eastside Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan, effective on January 1, 1981. The Comprehensive Plan policies which are relevant to this project include:

Goal 2. Urban Development: Maintain Portland's role as the major regional employment, population and cultural center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

Policy 5.1 Business Retention and Recruitment: Develop policies and programs which provide opportunities for local businesses to operate and grow in Portland. Continue efforts to attract new business and investment to the region.

Policy 5.2 Economic Environment: Continue efforts to enhance Portland's economic environment by ensuring that sufficient land and infrastructure exists or can be provided and that public actions support and promote private development activity.

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4. Economic Development Policy

The Portland City Council adopted an Economic Development Policy as part of the Comprehensive Plan in June, 1988. The following policies are relevant to this project:

Direct technical, financial or investment assistance for economic development to industrial and commercial districts within, or in close proximity to, neighborhoods where the percentage of unemployed and economically disadvantaged workers exceeds City-wide levels.

Encourage equal opportunities for employment, career advancement, and business development for those segments of the population which have historically not participated fully in the Portland economy.

5. Prosperous Portland, January, 1994

Relevant sections include:

Policy 4 - Sustain aggressive business and workforce development activities. The City will sustain an aggressive business development program that includes retention and expansion, recruitment and workforce development and placement activities.

4G: The City will develop incentives to support the location and retention of companies in targeted development areas

Policy 5 - Promote Community-driven economic development. The City of Portland supports community economic development which promotes the achievement of community-defined and driven goals, and includes physical revitalization, job creation, business and property ownership, provision of retail and neighborhood services and housing development.

5A: The City will assume the role of facilitator and broker, will provide technical and financial support, and will promote partnerships designed to achieve community goals.

Policy 14 - Encourage urban development and redevelopment.

The City of Portland will tailor its programs and regulations to meet the needs of and encourage investment in the development and redevelopment of urban land and buildings for employment and housing opportunities.

Central City Sub-districts: Central Eastside

Strategy B: The City will continue to assemble large sites or provide infrastructure for the expansion of area businesses.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 601 - Project and Improvement Activities

B. Redevelopment Through New Construction.

1. Intent: It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.

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3. **Redevelopment Financing.** The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance and provide such other forms of financial assistance to property owners as it may deem appropriate in order to achieve the objectives of this Plan.

C. Redevelopment Through Rehabilitation

1. **Intent:** It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historic structures which can be economically rehabilitated.
2. **Method:** Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. **Rehabilitation Financing.** The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance to owners of buildings which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Central Eastside Land Redevelopment

This project targets one block per year which is blighted and not suitable for rehabilitation, and provides for acquisition for redevelopment in a manner which will produce jobs and enhance the industrial sanctuary of the Central Eastside. The project supports the Plans Goals for Urban Development (providing a range of employment opportunities), Business Retention and New Business Development (improving the level, distribution and stability of jobs and income, and fostering a partnership between public and private sectors), and Central Eastside Revitalization Program (maintaining and enhancing the area as a near-in job center with vital firms and attractive climate for business).

This strategy to acquire key redevelopment sites is also supported by the Prosperous Portland document which calls for City assembly of large sites in the Central Eastside for expansion of area businesses.

Acquisition of sites for resale for redevelopment is authorized by the plan and will allow meeting Plan goals and objectives for job creation and economic development in the Area. It will also result in upgrading of deteriorating buildings, thus reducing blight in the District. The project is consistent with the Plan.

III. PARK DEVELOPMENT

A. Project Descriptions and Cost Estimates

1. Eastbank Riverfront Park

The Eastbank Riverfront Park extends along the Willamette River for the entire length of the District. Major elements of the park include an esplanade, piers, plazas, public attractors, natural areas, observation terraces and a marina. Construction of the park will occur in phases, beginning at the south end near the Ross Island Bridge. The park includes pedestrian and automobile connections to the Central Eastside, as well as parking and circulation elements.

The estimated project cost is \$32,888,268 between 1997/98 and 2004/05.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal IV. Riverfront Access

Willamette River Greenway Plan and Esplanade Development: Implement the Willamette River Greenway Plan which preserves a strong working river while promoting recreation, commercial and residential waterfront development along the Willamette - South of the Broadway Bridge (Comprehensive Plan Policy 2.7) Increase accessibility to the river and enhance Greenway areas as a public resource and improve the environmental quality of life for adjacent and nearby neighborhoods. (CERP Objective 6).

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 2 - The Willamette Riverfront: Enhance the Willamette River as the focal point for views, public activities, and development which knits the city together.

2A: Recapture the east bank of the Willamette Riverfront between the Marquam and Steel Bridges by expanding and enhancing the space available for non-vehicular uses.

2B: Locate a wide range of affordable and attractive public activities and attractors along the riverbank and create frequent pedestrian access to the water's edge.

2F: Encourage development of facilities that provide access to and from the water's surface throughout the Central City.

Policy 8 - Parks and Open Spaces: Build a park and open space system of linked facilities that tie the Central City districts together and to the surrounding community.

8A: Create greenbelts that tie existing open spaces together using street trees, plazas, bicycle and pedestrian ways, recreational trails and new parks.

8B: Meet the open space and recreation needs of each of the Central City districts.

8D: Ensure that a balance of passive and active parks and open space is provided.

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Willamette Riverfront Map and Parks and Open Space Map in Central City Plan (p.53) show the trail connection and park and open space facilities on the east bank of the Willamette River.

Policy 20 - Central Eastside: Preserve the Central Eastside as an industrial sanctuary while improving freeway access and expanding the area devoted to the Eastbank Esplanade.

Action Proposal CE4 of Policy 20: Complete the Eastbank Esplanade improvements including pedestrian and bicycle connections at all bridges.

3. Report of the Central Eastside Urban Renewal Plan

The Report of the Central Eastside Urban Renewal Plan, adopted July, 1986 contains the following language relevant to the project:

Chapter VI. C. Esplanade Open Space Improvements.

A program of improvement and development of access to the east shore of the Willamette River and preservation and improvement of open space will be undertaken as an integral part of the Central Eastside Program....

4. Central City 2000 Strategy

Relevant sections include:

Central Eastside Industrial District: Design and construct enhanced Eastbank Esplanade project.

A \$10.4 million enhancement to existing \$3.5 million initial phase allowing for a full-length esplanade between the Steel Bridge and OMSI.

Includes connection between the Esplanade and the Rose/Lloyd District, man-made island near OMSI and trail enhancements.

5. Prosperous Portland, January 1994

Relevant sections include:

Central City Sub-districts: Central Eastside:

Strategy D, Action Item 1: The City will proceed with Eastbank Riverfront Park planning, design and implementation.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES,

A. Public Improvements

Section 601 - Project and Improvement Activities

1. Intent. Public facilities and utilities may be planned, designed or constructed within the Renewal Area. These improvements may include storm and sanitary sewer improvements, street lighting installation, landscaping, street improvements, parking facilities, parks, open space development and public restrooms or other improvements deemed appropriate for the achievement of the Plan goals and objectives.

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2. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:

- a) New curbs and gutters, including curb extensions;
- b) Construction and reconstruction of streets;
- c) Storm water, sanitary sewer and other public or private utilities
- d) New sidewalks or other pedestrian improvements and streets;
- e) Trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
- f) Street lights and traffic control devices, tables, benches and other street furniture, drinking fountains;
- g) Special graphics and signage for directional, informational purposes;
- h) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
- i) On and off-street parking facilities.

D. Conclusions

1. Eastbank Riverfront Park

The Eastbank Riverfront Park is specifically called out in all of the planning documents relating to the Central Eastside Plan. Goal #4 of the Plan provides for implementation of the esplanade along the Willamette, increasing accessibility to the River and enhancing the area as a public resource. The project is discussed in the Report, the Central City 2000 Strategy and Prosperous Portland.

Provisions for the project are best spelled out in the policies of the Central City Plan. This Plan calls for enhancing the Willamette River as the focal point for views, public activities and development which knits the city together. The planned improvements to the Park have been designed to accomplish these goals and will result in a strong connection between both sides of the River. The Central City Plan also makes note of the goal to include a wide range of affordable and attractive public attractors within the Park and frequent pedestrian access, both aspects which have been designed into the Park.

The Eastbank Riverfront Park is clearly supportive of goals and objectives of the Plan and supporting documents and is authorized by the Plan. The project is consistent with the Plan.

IV. HOUSING

A. Project Descriptions and Cost Estimates

1. Central Eastside Affordable Housing

This project is to increase the number of housing units by 300-600 for families with incomes at 60% of the median family income. The project will include land acquisition and redevelopment of sites.

The estimated project cost is \$6,442,000 between 1997/98 and 2006/07.

B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal I. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

Goal III. Central Eastside Revitalization Program

A. General Goal. Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 3 - Housing: Maintain the Central City's status as Oregon's principal high density housing area by keeping housing production in pace with new job creation.

3C: Encourage the development of housing in a wide range of types and prices and rent levels.

3D: Foster the growth of housing to help reinforce the Central City as a lively urban area, especially during evenings.

Action Item H4: Use urban renewal and tax increment financing to foster the development and preservation of housing in urban renewal districts....

Policy 6 - Public Safety

6A: Foster the development of a vital "24 hour" city which encourages the presence of people and decreases the likelihood of crime.

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Policy 20 - Central Eastside

20C: Allow mixed use developments, which include housing, in areas already committed to non-industrial development.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 601 - Project and Improvement Activities

B. Redevelopment Through New Construction.

1. Intent: It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.
3. Redevelopment Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance and provide such other forms of financial assistance to property owners as it may deem appropriate in order to achieve the objectives of this Plan.

C. Redevelopment Through Rehabilitation

1. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historic structures which can be economically rehabilitated.
2. Method: Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance to owners of buildings which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Central Eastside Affordable Housing

This project creates a small amount of affordable housing in the Central Eastside District at levels targeted to persons earning approximately 60% of the regional median. Such housing is supportive of the Plan's Goal #3 to create compatible residential areas near the diverse industrial base of the Central Eastside. The Central City Plan's Central Eastside Policy #20 encourages mixed use developments, including housing, in areas already committed to non-industrial development.

The Central City Plan also encourages development of housing in a wide range of types and rent levels, which will be accomplished with this project to create affordable housing in an area (close-in eastside) which has experienced large increases in housing costs in recent years.

In addition to creating affordable housing near a large employment base, inclusion of housing in this area can help make the area lively, especially during the evenings. A "24 hour" city which encourages the presence of people reduced the likelihood of crime, according the Central City Plan. The acquisition for redevelopment is authorized by the Plan and consistent with it's goals and objectives.

V. BUILDING REHABILITATION

A. Project Descriptions and Cost Estimate

1. Storefront Program

This project is to give grants to property and business owners to rehabilitate storefronts. Approximately seven to eleven grants per year will be awarded, with an average grant of \$10,000.

The estimated project cost is \$1,452,000 between 1997/98 and 2006/07.

2. Building Rehabilitation

This project is to give grants to property owners for the purpose of conserving and reusing existing buildings and promoting the preservation of historic buildings which can be economically rehabilitated. The grants, which may include seismic and ADA improvements as well, are made on a two for one match and may not exceed \$25,000 per grant.

The estimated project cost is \$4,005,000 between 1998/99 and 2006/07.

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B. Relationship to Goals and Objectives

1. Central Eastside Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Central Eastside Urban Renewal Plan:

Goal I. Urban Development

A. General Goal. Maintain Portland's role as the major regional employment, population, cultural center through public policies that encourage expanded opportunity for housing and jobs while retaining the character of established residential, neighborhood and business centers.

Goal II. Business Retention and New Business Development

A. General Goal. Improve the level, distribution and stability of jobs and income for resident industry, business and people in accordance with the Economic Development Policy adopted by the City Council.

Goal III. Central Eastside Revitalization Program

A. General Goal. Maintain and enhance the Central Eastside District as a near-in job center featuring a diverse industrial base with compatible, supportive and appropriately located commercial and residential activities. Encourage the vitality of existing firms, provide an attractive climate of opportunity for complimentary ventures, and offer a positive environment for adjacent neighborhoods.

B4. Create an attractive environment featuring high quality design standards for new and existing business in a manner which is complimentary to the overall business climate while recognizing the CEID is both the "front door" to nearby residential neighborhoods and highly visible to Portland's Central Business District.

2. Central City Plan

The Central Eastside Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 20 - Central Eastside

20D: Preserve buildings which are of historic and/or architectural significance.

3. Central City 2000 Strategy

Relevant sections include:

Central Eastside District:

Implement MLK/Grand Facade Improvement Program. Provide grants to property owners for upgrades to storefronts.

C. Authorization for Projects

These projects are authorized by the following sections of the Central Eastside Urban Renewal Plan:

Section 601 - Project and Improvement Activities

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C. Redevelopment Through Rehabilitation

1. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings and to promote the preservation of historic structures which can be economically rehabilitated.
2. Method: Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market interest rate and market rate loans or other assistance to owners of buildings which are in need of rehabilitation and which are economically capable of same.

D. Conclusions

1. Storefront Program

This project to give small grants to property and business owners results in a more attractive business district and contributes to successful, healthy small businesses. The project supports Plan Goal #3 regarding Central Eastside Revitalization. Using a small grant as leverage is a cost effective method of enhancing the appearance of the business district, which in turn leads to a more stable area.

As noted in the Plan Goals, it is particularly important to improve the appearance of the Central Eastside business district since it serves as a "front door" to both nearby residential neighborhoods and is highly visible to Portland's Central Business District. The Central City 2000 Strategy calls for a facade improvement program on MLK and Grand Avenues.

2. Building Rehabilitation

This project of small grants assists in conserving existing buildings in the area and helping preserve historic buildings. As well as upgrading existing buildings to make them more functional for area businesses, the grants may be used for conformance to seismic and ADA requirements. These requirements are often difficult and expensive to meet in older buildings, and may make reuse of older and historic buildings very expensive. This grant program helps encourage revitalization of older buildings by making it more affordable.

The project supports Goal #3 of the Plan for Central Eastside Revitalization by encouraging the vitality of existing firms and helping provide an attractive climate for new businesses. The project will also partially support the Central City Plan goal to preserve buildings which are of historic or architectural significance.

Buildings may also be made safer by conforming to seismic requirements, and can use funds for ADA requirements which are required upon redevelopment. The project results in healthier small businesses in the area, is authorized by the Plan and is consistent with Plan policies, particularly Goal III, the Central Eastside Revitalization Program.

ORDINANCE No.

Adopt the 5th Amendment to the Airport Way Urban Renewal Plan to Establish a Maximum Amount of Indebtedness.

The City of Portland ordains:

Section 1. The Council finds:

1. The City Council of the City of Portland (the "Council") adopted the Airport Way Urban Renewal Plan (the "Plan.") by Ordinance No. 158500, dated May 15, 1986.
2. The Council wishes to further amend the Plan in accordance with the provisions of Chapter 457 of Oregon Revised Statutes (1997 Edition) to establish a maximum amount of indebtedness (the "Amendment").
3. The Council finds and determines, based upon the information contained in the reports accompanying the Plan, that:
 - (a) A finding of blight was made in the original ordinance adopting the Plan, Ordinance No. 158500, dated May 15, 1986. This Amendment does not affect any change in the boundaries of the original Plan Area, and Council finds that, since the original Plan has not been completed, the finding of the existence of blight continues to be accurate. Therefore, Council finds that the Airport Way Urban Renewal Area is blighted.
 - (b) The original Plan and its subsequent amendments were adopted based upon a finding that the existence of blight in the Area, and that the goals of the Plan were necessary to eliminate said blight, and by doing so, to protect the health, safety, or welfare of the public. Council finds that since the Plan is incomplete and the public health, safety or welfare are still threatened by the existence of blight and its effects on public health, safety, or welfare, that the Plan continues to be necessary to protect such public health, safety, or welfare.
 - (c) The original Plan and its subsequent amendments were adopted after review and recommendation by the Planning Commission, and upon a finding by Council that the Plan conformed to the City of Portland Comprehensive Plan and economic development plan, and that it provided an outline for accomplishing the urban renewal projects that the plan proposes. This Amendment does not alter any of the activities contemplated under the original Plan or its other amendments, and it has also been reviewed by the Planning Commission which recommended adoption. Accordingly, Council finds that the Plan continues to conform to the City of Portland Comprehensive Plan and economic development plan, and provide an outline for accomplishing urban renewal projects proposed in the Plan.

- (d) Nothing in this Amendment changes the activities proposed in the original Plan or its subsequent amendments. Accordingly, Council finds that the Plan continues to make provisions to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
- (e) Adoption of the original Plan and its subsequent amendments was based upon a finding that the acquisition of real property as provided for in the Plan was necessary to achieve the objectives of the Plan. This Amendment does not change any of the properties to be acquired or the criteria for acquisition. Accordingly, Council finds that acquisition of real property as provided in the Plan and its subsequent amendments is necessary to achieve the objectives of the Plan.
- (f) Adoption of the original Plan and its subsequent amendments was based upon a finding that the substance of the Plan, and its adoption and carrying out, are economically sound and feasible. The purpose of this Amendment is to quantify the costs of carrying out the Plan. This Amendment does not affect the scope or potential financial impacts or benefits of activities authorized under the Plan. Council finds that the amount of maximum amount of indebtedness calculated for completion of the Plan is derived from activities which continue to be economically sound and feasible.
- (g) The municipality shall assume and complete any activities prescribed it by the Plan.

Section 2. The Council finds:

1. The Portland Development Commission, the Urban Renewal Agency of the City of Portland ("Commission") has forwarded the Amendment and the accompanying report to the City of Portland Planning Commission for recommendations, and the Planning Commission, on May 12, 1998, recommended adoption of the Amendment.
2. The Commission has consulted and conferred with the governing bodies of the taxing districts that levy taxes within the Area, and no written recommendations have been received from such governing bodies.
3. The Commission has undertaken a review of the records relating to the scope and cost of projects in the Plan and the schedule for their completion as of December 5, 1996. A full description of the review is included in the Report on this Amendment, accepted by the Portland Development Commission on May 20, 1998, which description is hereby incorporated into this Ordinance as additional findings.
4. The description of the review of the scope and costs of projects constitutes a good faith estimate of the scope and costs of projects anticipated as of December 5, 1996.

5. The Commission met with the Board of Commissioners of Multnomah County on May 14, 1998 to review the proposed maximum amount of indebtedness for the Plan.
6. On June 17, 1998 the Council held a public hearing regarding the adoption of the Amendment.
7. The Council has considered the material presented by the Commission, all information presented and all matters discussed at the meetings described above, the recommendations of the Planning Commission and the action of affected municipalities, if any, and finds that based upon a good faith estimate of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation in the Plan and the schedule for their completion as the completion dates were anticipated as of December 5, 1996, the maximum amount of indebtedness that may be issued or incurred under the Plan is \$72,639,000.00.

NOW, THEREFORE, The Council directs:

- a. The 5th Amendment to the Airport Way Urban Renewal Plan having been duly reviewed and considered by Council, attached hereto as Exhibit A, and incorporated herein by this reference, is hereby adopted.
- b. The Portland Development Commission shall file in the Deed of Records of the County of Multnomah a copy of this Ordinance and all exhibits upon adoption by the Council.
- c. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland City Planning Commission certified copies of this Ordinance upon adoption by the Council.
- d. The City Auditor, in accordance with ORS 457, shall publish notice of the adoption of this Ordinance approving the 5th Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council,

BARBARA CLARK
Auditor of the City of Portland

Mayor Katz
PDC: Christopher Scherer/Felicia Trader
June 17, 1998

**FIFTH AMENDMENT TO
AIRPORT WAY URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

The Airport Way Urban Renewal Plan is amended as follows:

Add the following at the end of Section 702, Self-Liquidation of Costs of Project (Tax Increment):

The maximum indebtedness, as defined in ORS 457.010(9), that may be issued or incurred under the Plan is \$72,638,268.

REPORT ON FIFTH AMENDMENT TO AIRPORT WAY URBAN RENEWAL PLAN TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS

INTRODUCTION

This is the Urban Renewal Report accompanying the Fifth Amendment (the "Amendment") of the Airport Way Urban Renewal Plan (the "Plan"), establishing a maximum amount of indebtedness, as explained below.

BACKGROUND

The Constitutional amendments resulting from passage of Measure 50 were implemented in the 1997 Oregon Legislature in Senate Bill (SB) 1215. The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans.

However, Measure 50 and SB 1215 specifically allow for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue that they would have prior to new law. The Legislature acknowledged that many private sector and public sector commitments were made based on anticipating the completion of urban renewal plans, and that these commitments should be honored.

In return for this "grandfathering" of existing urban renewal plans, the Legislature required that "existing urban renewal plans" be limited in cost, based on the state of the urban renewal plan in December, 1996. In other words, existing plans, and only existing plans, are entitled to the special grandfathering provisions of Measure 50. The means of establishing this limit to the cost of a plan is amending the plan to include a "maximum amount of indebtedness" that may be issued or incurred under the plan.

"Maximum indebtedness" is defined by statute to mean the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 (this section contains the requirement for a maximum amount of indebtedness) and does not include indebtedness incurred to refund or refinance existing indebtedness.

ORS 457.190 also states:

The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

This report on the Amendment contains many sections that are required under ORS 457.085 but which do not apply to the Amendment. In all cases where a section is not applicable, the reason is that the Amendment to the plan does not change the substance of the Plan but rather quantifies costs of projects already contained in or authorized by the Plan.

(A) A DESCRIPTION OF PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREAS OF THE PLAN AND THE EXPECTED IMPACT, INCLUDING THE FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The Amendment is of a technical nature and this section does not apply.

(B) REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The Amendment is of a technical nature and this section does not apply.

(C) THE RELATIONSHIP BETWEEN EACH PROJECT TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(D) THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

Estimated project costs are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(E) THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Estimated completion dates are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(F) THE ESTIMATED AMOUNT OF MONEY REQUIRED IN EACH URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.460 AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.420 TO 457.460

The Amendment is of a technical nature and this section does not apply.

(G) A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

The Amendment is of a technical nature and this section does not apply.

(H) A FISCAL IMPACT STATEMENT THAT ESTIMATES THE IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(I) A RELOCATION REPORT WHICH SHALL INCLUDE (A) AN ANALYSIS OF EXISTING RESIDENTS OR BUSINESSES REQUIRED TO RELOCATE PERMANENTLY OR TEMPORARILY AS A RESULT OF AGENCY ACTIONS UNDER ORS 457.170; (B) A DESCRIPTION OF THE METHODS TO BE USED FOR THE TEMPORARY OR PERMANENT RELOCATION OF PERSONS LIVING IN, AND BUSINESSES SITUATED IN, THE URBAN RENEWAL AREA IN ACCORDANCE WITH ORS 281.045 TO 281.105; AND (C) AN ENUMERATION, BY COST RANGE, OF THE EXISTING HOUSING UNITS IN THE URBAN RENEWAL AREAS OF THE PLAN TO BE DESTROYED OR ALTERED AND NEW UNITS TO BE ADDED.

The Amendment is of a technical nature and this section does not apply.



CITY OF

PORTLAND, OREGON

Planning Commission

Telephone No. 823-7708 TDD 823-6868 FAX 823-7800
c/o Bureau of Planning, Rm. 1002, 1120 S.W. Fifth Ave. 97204

May 19, 1998

Honorable Vera Katz, and Members of the Portland City Council
Portland City Hall
1221 S.W. 4th Avenue
Portland, Oregon 97204-1966

Dear Mayor Katz and Members of the Council:

The Portland Planning Commission has completed our review of maximum indebtedness limits for each of Portland's existing urban renewal districts. On May 12, 1998, the Planning Commission held a public hearing on the proposed indebtedness limits. Notice of this hearing was provided and those interested were invited to testify. We strongly urge the adoption of these renewal district indebtedness limits by the Portland City Council.

These indebtedness limits are necessitated by provisions of 1997's Measure 50 as implemented in the 1997 Oregon Legislature in Senate Bill 1215 (SB1215). Measure 50 and SB1215 specifically allow for the timely completion of existing urban renewal plans. Many private sector and public sector commitments have been made anticipating the completion of existing urban renewal plans. These commitments should be honored. The legislature required that 'existing urban renewal plans' be limited in cost. These cost limits are to be based on the content of the existing urban renewal plan.

The City of Portland has five active urban renewal plans. These are the *Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center, and South Park Blocks Urban Renewal Plans.*

The maximum indebtedness figure defines the financial scope of 'existing plans'. It is based on good faith estimates of the costs of the programs and projects called for or authorized by the adopted urban renewal plans as of December 6, 1996. It includes a factor for future inflation.

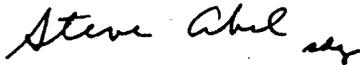
The recommended maximum amount of indebtedness for each existing urban renewal plan is summarized in the following table.

PLAN	MAXIMUM AMOUNT OF INDEBTEDNESS
Airport Way	\$ 72,639,000
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

Recommendation

The Portland Planning Commission recommends the City Council approve the indebtedness limits for the five existing urban renewal districts (listed above) and incorporate these limits into the applicable urban renewal plans.

Sincerely,



Steve Abel, President,
Portland Planning Commission

SA/MSH/msh

cc: David C. Knowles, Planning Director
Michael S. Harrison, AICP, Chief Planner

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 5119

RESOLUTION APPROVING THE 5TH AMENDMENT TO
THE AIRPORT WAY URBAN RENEWAL PLAN

WHEREAS, the Portland Development Commission is undertaking the Airport Way Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on May 15, 1986 by the City Council, by Ordinance No. 158500 (the "Plan"), as subsequently amended; and

WHEREAS ORS 457.190(3)(c)(A) requires that the Plan be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the Plan, determined by good faith estimates of the scope and cost of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan, considering the projects and their anticipated completion dates as anticipated as of December 5, 1996, such maximum indebtedness amount to be specified in dollars and cents; and

WHEREAS the staff has undertaken a review of the Plan and supporting documents, as well as interviews and fact finding with members of the community in order to determine the scope of projects contemplated under the Plan as of December 5, 1996, and has made its best estimates of reasonable costs for completion as the projects were anticipated to be completed; and

WHEREAS the Commission has reviewed these estimates and the information contained in the plan amendment report accompanying this Resolution, and the Commission finds the estimates to be reasonable and to have been made in good faith; now, therefore, be it

RESOLVED that a recommendation be made to City Council to adopt an ordinance declaring that Section 701 of the Plan shall be amended, by the addition of a new paragraph: "The maximum indebtedness incurred in completing this Plan shall be \$72,639,000.00".

ADOPTEDBY by the Commission May 20, 1998.

Carl B. Talton
Carl B. Talton, Chairman

Martin Brantley
Martin Brantley, Acting Secretary

AIRPORT WAY FINDINGS

Findings for projects within the Airport Way Urban Renewal Plan (the "Plan") are grouped below according to the following categories: land acquisition and redevelopment, transportation and infrastructure, and building rehabilitation. These findings are organized by project category. The projects are first described in scope, schedule and estimated cost (including inflation), then followed by a section which lists how the projects in this category relate to the goals and objectives of the Plan and related documents. A section then follows which specifies the section(s) of the Plan which give specific authorization for the projects within the category. Finally, the conclusion states how each project implements the Plan and is therefore appropriate for including as a component of the maximum amount of indebtedness to be issued under the Plan.

I. LAND ACQUISITION AND REDEVELOPMENT

A. Project Description and Cost Estimate

1. Land Acquisition and Redevelopment

Acquire strategically located development parcels of significant size (generally more than 10 acres). Undertake pre-development planning and basic site work to make them marketable (planning, soils analysis, cultural resource analysis, extraordinary infrastructure improvements, land division planning, environmental testing, etc.). Properties will be marketed and sold to high employment, high wage employers. Sale would be subject to terms of a Disposition and Development Agreement between purchaser and the Portland Development Commission (PDC).

The estimated project cost is \$21,986,636 between 1997/98 and 2002/03.

2. Airport Way Development Fund (Immediate Opportunity)

The purpose of this project is to create an immediate opportunity fund to support job creation and retention in Airport Way. The fund will be used for real estate and infrastructure activities on sites not owned by PDC which will result in retention of existing businesses or the location of new businesses within the District.

The estimated project cost is \$5,479,399 between 1997/98 and 2001/02.

B. Relationship to Goals and Objectives

1. Airport Way Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Airport Way Urban Renewal Plan:

Goal 1. Job Creation - Maximize the potential for economic development and job creation in the Airport Way Urban Renewal Area.

1.1 Encourage businesses and industries to locate in the Area or to expand existing facilities consistent with the Airport Way Development Plan."

Goal 8.4: Promote use, by the private sector, of appropriately located and zoned open lands - located on Airport property and owned by the Port of Portland - for development of job producing, tax paying, compatible industries and businesses.

EXHIBIT "A"
REPORT ON FIFTH AMENDMENT - AIRPORT WAY URBAN RENEWAL PLAN

Goal 9.2: Coordinate the financing and funding resources provided by the Development Commission for activities and projects which have Regional and Urban Renewal Area wide benefit with those activities and projects which benefit localized and individual sources such as those generated by local improvement districts, general obligation bonds, grants and resources available to the Bureaus, Agencies and Special Districts responsible for providing specific infrastructural and other functional facilities.

2. City of Portland Comprehensive Plan

The Airport Way Urban Renewal Plan was prepared in conformity with the economic development policies of the City of Portland and its Comprehensive Plan. The policies which are relevant to this project include:

Policy 2.14 Industrial Sanctuaries: Provide industrial sanctuaries. Encourage the growth of industrial activities in the City by preserving industrial land primarily for manufacturing purposes.

Goal 5. Economic Development: Increase the quantity and quality of job opportunities through the creation of an environment which promotes and supports business and industry and attracts new investment.

Policy 5.2 Economic Environment: Continue efforts to enhance Portland's economic environment by ensuring that sufficient land and infrastructure exists or can be provided and that public actions support and promote private development activity.

Policy 5.8 Public/Private Partnership: Foster a development partnership between the public and private sectors that is responsive to the economic needs of Portland's business residents.

Policy 5.17 Locational Opportunities for Industrial Firms: Provide ample and varied opportunities for the location of industrial activities in Portland.

Policy 5.18 Diversity and Identity in Industrial Areas: Promote a variety of efficient, safe and attractive industrial sanctuary and mixed employment areas in Portland.

3. Airport Way Economic Development Policy

The Airport Way Economic Development Policy was adopted by the Portland City Council as part of the Portland Comprehensive Plan on June 29, 1988 by Ordinance No. 16100. The policies which are relevant to this project are:

Policy 5.20 Columbia South Shore: Encourage the development of the Columbia South Shore as an industrial employment center which attracts a diversity of employment opportunities while protecting significant environmental resources and maintaining the capacity of the area infrastructure to accommodate future development.

Objective 5.20A: Designate the bulk of the South Shore area for industrial development opportunities, particularly large sites (over 30 acres).

Objective 5.20B: Allow a mix of business park and industrial development near the Airport Way and I-205 interchange, along Airport Way, and at entrances to the South Shore Industrial District.

C. Authorization for Project

This project is authorized by the following sections of the Airport Way Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES, Section 601 - Project and Improvement Activities:

- B. 1. Intent. Redevelopment Through New Construction. It is the intent of the Plan to stimulate new job producing private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.

D. Conclusions

1. Land Acquisition and Redevelopment

Job creation in the Airport Way area is a fundamental aspect of the Urban Renewal Plan. This is reflected in the first goal of the Plan: Job Creation. By targeting high wage, high employment companies this project closely conforms to Goal 5 of the Portland Comprehensive Plan to increase the quality and quantity of job opportunities. The Plan allows for Development Commission acquisition of property for resale to the private sector for redevelopment.

This project will help ensure that certain parcels within the urban renewal area will be utilized for high wage, high employment jobs. The project also will result in the creation of parcels of significant size (generally greater than 10 acres). Parcels of this size are essential for the location of companies looking to expand or relocate within the project area, but the larger parcels are often broken up or fragmented, thereby reducing their attractiveness to companies with high employment.

Controlling a certain number of parcels and releasing them for sale with conditions of high employment and high wages will allow the job creation envisioned by the Plan.

2. Airport Way Development Fund (Immediate Opportunity)

As with the above project, this project will result in job creation in the Airport Way area, which is a fundamental aspect of the Urban Renewal Plan and the first goal of the Plan. The Plan allows for Development Commission assistance to redevelopers for development on private property to retain or locate employment in the District. This immediate opportunity fund will allow the Development Commission to fund certain aspects of a development which will result in expansion, retention or location of employers within the area, which may not otherwise be able to occur.

Because use of funds will be tied to the employers commitment to provide jobs in the area, it is an effective method of meeting the Plan goal.

The project is also clearly supported by the Portland Comprehensive Plan Goal #5.2 to enhance the economic environment by public actions which promote private development activity. Development Commission activities will result in job creation and retention with the area. This is consistent with Plan policies and clearly envisioned by the goal and authorization in the Plan.

II. TRANSPORTATION PROJECTS

A. Project Descriptions and Cost Estimates

1. Airport Way Light Rail

This project consists of a share of the total costs, estimated to be \$230 million, of developing a Light Rail Transit Line (LRT) between the Gateway Transit Center and Portland International Airport. The LRT would include a station to serve the Portland International Center (PIC). The PDC share of the cost is based on the proportional benefit to the Urban Renewal Area as measured by the share of ridership projected for the PIC Station.

The estimated cost of the project is \$21,000,000 between 1998-2005.

2. Improvement of NE 148th and NE 158th Avenues

This project will replace existing culverts at NE 148th and NE 158th and the Columbia Slough with bridges in order to increase the drainage capacity of the Columbia Slough and increase the traffic capacity of two north/south streets by widening them from two lanes to four lanes. NE 148th and NE 158th Avenues connect Marine Drive with Sandy Boulevard.

The estimated cost of the project is \$1,700,000 between 1998-2005

3. NE 82nd/Columbia-Killingsworth

This project will improve the above grade interchange of these streets. The estimated PDC share of the cost of the project is \$5,000,000 between 1998-2005.

4. NE 122nd/Marine Drive Intersection

This project will signalize and improve this intersection. The estimated PDC share of the project cost is \$400,000 between 1998-2005.

5. NE 128th/Sandy - Marine Dr.

This project will reconstruct NE 128th between Sandy and Marine Drive. The estimated cost of the project is \$1,000,000 between 1998-2005.

6. NE Holman Avenue

Construction of new road to serve Holman redevelopment area. The estimated cost of the project is \$3,480,000 between 1998-2005.

7. Secondary Roads within Holman Redevelopment Area

Development of secondary streets in Holman Redevelopment Area. The estimated cost of the project is \$3,250,000 between 1998-2005.

8. Connections to Portland International Center

This project consists of developing street connections to PIC, including a bridge over a drainage canal located under I-205 and improvements to Airport Way. The estimated cost of the project is \$7,000,000 between 1998-2005.

9. Alderwood Extension, Portland International Center

This project consists of extending Alderwood Street to provide improved access to the Portland International Center. The estimated cost of the project is \$1,494,163 between 1998-2005.

10. Slough Trail Improvements

This project consists of improvements to the trail along the Columbia Slough. The estimated cost is \$848,070 between FY 1998/99 and 2001/02.

B. Relationship to Goals and Objectives

1. Airport Way Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Airport Way Urban Renewal Plan:

Goal 2.1: Provide arterial access to property to stimulate and permit private industrial and related business development.

Goal 2.2: Provide linkage between the Renewal Area and the I-205 and I-84 freeways, NE Sandy Blvd., NE 82nd Avenue, Marine Drive and the Portland International Airport.

Goal 2.3: Provide for the potential linkage between the Banfield Light Rail Transportation Route, the Renewal Area and the Portland international Airport

Goal 3.1: Maintain an adequate flow and storage of stormwater throughout the Columbia Corridor and that portion lying within the Renewal Area.

Goal 3.1c: Develop a Master Plan for long-term stormwater flow requirements and necessary capital improvements.

Goal 8 – Airport: Protect and enhance the aviation and development interests of the Portland International Airport.

Goal 8.4: Promote use, by the private sector, of appropriately located and zoned open lands – located on Airport property and owned by the Port of Portland – for the development of job producing, tax paying, compatible industries and businesses.

Goal 9.1: Assist with funding, where appropriate, of the costs of planning, design, property acquisition and construction of:

- a. Arterial streets, light rail transit and other transportation systems.
- b. Storm drainage systems
- c. Sanitary sewer trunk lines...
- d. Water deliver mains...
- e. Protection and mitigation measures for wetlands, habitat and other areas of significant environmental concern
- f. Recreation sites and facilities including trails...

2. City of Portland Comprehensive Plan

The Airport Way Urban Renewal Plan was prepared in conformity with the economic development policies of the City of Portland and its Comprehensive Plan. The policies which are relevant to this project include:

Policy 6.2 Regional and City Traffic Patterns: Create and maintain regional and City traffic patterns that protect the livability of Portland's established residential neighborhoods while improving access and mobility within commercial and industrial areas.

Goal 11A Public Facilities: Provide a timely, orderly and efficient arrangement of public facilities and services that support existing and planned land use patterns and densities.

3. Airport Way Economic Development Policy

The Airport Way Economic Development Policy was adopted by the Portland City Council as part of the Portland Comprehensive Plan on June 29, 1988 by Ordinance No. 16100. The policies which are relevant to this project are:

Policy 5.20C: Protect and enhance the scenic and environmental qualities of Marine Drive, the area's sloughs, areas providing significant wildlife habitat, and archaeological resources.

I.

Objective 5.20F: Protect the transportation capacity of the area's highways and roads through both review of individual projects and identification and construction of new facilities which increase the system's capacity.

4. Report on the South Shore Urban Renewal Plan

The Report on the South Shore Urban Renewal Plan (the previous title of the Airport Way Urban Renewal Plan), adopted April 15, 1986, makes reference to the public improvements planned in this project. Specifically:

Chapter II - A Description of the Physical, Social, and Economic Conditions in the Urban Renewal Area.

A. Physical Conditions

5d. Arterial Access. I-205 with interchanges at Sandy Boulevard and Airport Way, currently provides north-south linkage with the Columbia South Shore Area. Other vehicular access within the Renewal Area, most of which need extensive improvements to accommodate industrial-type traffic, including 148th Avenue and 158th Avenue.

D. Summary Findings

3. The Area's infrastructure - particularly its storm sewer and sanitary sewer systems - are significantly inadequate and in major portions of the Area are nonexistent.

8. In improving the public infrastructure, the Area will be more attractive to private sector investment, which in turn will improve the property tax base, increase the number of jobs, and will significantly assist in protecting the public's investments that have been and will be made in the Area.

C. Authorization for Project

This project is authorized by the following sections of the Airport Way Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES, Section 601 - Project and Improvement Activities:

A. Public Improvements

1. Intent. Public facilities, utilities and transportation systems may be planned, designed and constructed within and adjacent to the Renewal Area to eliminate blight and the causes of blight; to stimulate development of industries and other compatible businesses by the private sector; to create long-term employment opportunities, and to increase the City's taxable assessed value.
2. Expected Activities and Improvements. The Development Commission, with funds available to it may participate in the planning, design, and construction of public facilities, utility systems, an integrated transportation system.....

b. Public Improvements including:

- 1) Storm drainage
- 2) Installations and measures to protect the Renewal Area'sdrainage courses
- 3) Arterial Streets and other transportation systems including their linkages with the I-205 and I-84 freeways, Sandy Boulevard, NE 82nd Avenue, Marine Drive and the Portland International Airport.

D. Conclusion

By helping to fund a critical LRT connection between the Banfield LRT, the PIC and the Portland International Airport, and improving important street connections in the District, this project meets the Plan goals for transportation improvements. In view of the increased traffic and decreased capacity of I-84 and I-205, development of LRT is the most feasible means of providing increased access to the PIC and the Airport. The PDC share of this project has been carefully determined based on the specific benefits to the Urban Renewal Area.

The Plan, in Goal 2.3, envisions a connection between Banfield LRT, the renewal area and the airport. Goal 8 regarding the airport, recognizes the critical importance of the airport to the economic development of the region and supports the enhancement of the airport. The LRT expansion to the airport will enhance the ability of the public and employees of the area to reach their destinations, avoiding congestion and preserving capacity in area roadways.

The street improvement projects in the Plan meet Goal 2, Transportation, to provide arterial access to property to stimulate development and the provide linkages within the renewal area.

In addition, the projects in this section, by accomplishing increased capacity in the Columbia Slough drainage way, meet the Plan's Goal 3 regarding stormwater/ drainage. Because of the physical layout of the land in proximity to the Columbia River and the levee system, storm drainage improvements are critical to developing the full economic potential of the area.

The transportation projects listed above are consistent with the goals and objectives of the Airport Way Urban Renewal Plan.

In improving the public infrastructure, the Area will be more attractive to private sector investment, which in turn will improve the property tax base, increase the number of jobs, and will significantly assist in protecting the public's investments that have been and will be made in the Area.

ORDINANCE No.

Adopt the 7th Amendment to the Oregon Convention Center Urban Renewal Plan to Establish a Maximum Amount of Indebtedness.

The City of Portland ordains:

1. The City Council of the City of Portland (the "Council") adopted the Oregon Convention Center Urban Renewal Plan (the "Plan.") by Ordinance No. 161925, dated May 18, 1989.
2. The Council wishes to further amend the Plan in accordance with the provisions of Chapter 457 of Oregon Revised Statutes (1997 Edition) to establish a maximum amount of indebtedness (the "Amendment").
3. The Council finds and determines, based upon the information contained in the reports accompanying the Plan, that:
 - (a) A finding of blight was made in the original ordinance adopting the Plan, Ordinance No. 161925, dated May 18, 1989. This Amendment does not affect any change in the boundaries of the original Plan Area, and Council finds that, since the original Plan has not been completed, the finding of the existence of blight continues to be accurate. Therefore, Council finds that the Oregon Convention Center Urban Renewal Area is blighted.
 - (b) The original Plan and its subsequent amendments were adopted based upon a finding that the existence of blight in the Area, and that the goals of the Plan were necessary to eliminate said blight, and by doing so, to protect the health, safety, or welfare of the public. Council finds that since the Plan is incomplete and the public health, safety or welfare are still threatened by the existence of blight and its effects on public health, safety, or welfare, that the Plan continues to be necessary to protect such public health, safety, or welfare.
 - (c) The original Plan and its subsequent amendments were adopted after review and recommendation by the Planning Commission, and upon a finding by Council that the Plan conformed to the City of Portland Comprehensive Plan and economic development plan, and that it provided an outline for accomplishing the urban renewal projects that the plan proposes. This Amendment does not alter any of the activities contemplated under the original Plan or its other amendments, and it has also been reviewed by the Planning Commission which recommended adoption. Accordingly, Council finds that the Plan continues to conform to the City of Portland Comprehensive Plan and economic development plan, and provide an outline for accomplishing urban renewal projects proposed in the Plan.

- (d) Nothing in this Amendment changes the activities proposed in the original Plan or its subsequent amendments. Accordingly, Council finds that the Plan continues to make provisions to house displaced persons within their financial means in accordance with ORS 281.045 to 281.105 and, except in the relocation of elderly or disabled individuals, without displacing on priority lists persons already waiting for existing federally subsidized housing.
- (e) Adoption of the original Plan and its subsequent amendments was based upon a finding that the acquisition of real property as provided for in the Plan was necessary to achieve the objectives of the Plan. This Amendment does not change any of the properties to be acquired or the criteria for acquisition. Accordingly, Council finds that acquisition of real property as provided in the Plan and its subsequent amendments is necessary to achieve the objectives of the Plan.
- (f) Adoption of the original Plan and its subsequent amendments was based upon a finding that the substance of the Plan, and its adoption and carrying out, are economically sound and feasible. The purpose of this Amendment is to quantify the costs of carrying out the Plan. This Amendment does not affect the scope or potential financial impacts or benefits of activities authorized under the Plan. Council finds that the amount of maximum amount of indebtedness calculated for completion of the Plan is derived from activities which continue to be economically sound and feasible.
- (g) The municipality shall assume and complete any activities prescribed it by the Plan.

Section 2. The Council finds:

1. The Portland Development Commission, the Urban Renewal Agency of the City of Portland ("Commission") has forwarded the Amendment and the accompanying report to the City of Portland Planning Commission for recommendations, and the Planning Commission, on May 12, 1998, recommended adoption of the Amendment.
2. The Commission has consulted and conferred with the governing bodies of the taxing districts that levy taxes within the Area, and no written recommendations have been received from such governing bodies.
3. The Commission has undertaken a review of the records relating to the scope and cost of projects in the Plan and the schedule for their completion as of December 5, 1996. A full description of the review is included in the Report on this Amendment, accepted by the Portland Development Commission on May 20, 1998, which description is hereby incorporated into this Ordinance as additional findings.
4. The description of the review of the scope and costs of projects constitutes a good faith estimate of the scope and costs of projects anticipated as of December 5, 1996.
5. The Commission met with the Board of Commissioners of Multnomah County on May 14, 1998 to review the proposed maximum amount of indebtedness for the Plan.

6. On June 17, 1998 the Council held a public hearing regarding the adoption of the Amendment.
7. The Council has considered the material presented by the Commission, all information presented and all matters discussed at the meetings described above, the recommendations of the Planning Commission and the action of affected municipalities, if any, and finds that based upon a good faith estimate of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation in the Plan and the schedule for their completion as the completion dates were anticipated as of December 5, 1996, the maximum amount of indebtedness that may be issued or incurred under the Plan is \$167,511,000.00.

NOW, THEREFORE, The Council directs:

- a. The 7th Amendment to the Oregon Convention Center Urban Renewal Plan having been duly reviewed and considered by Council, attached hereto as Exhibit A, and incorporated herein by this reference, is hereby adopted.
- b. The Portland Development Commission shall file in the Deed of Records of the County of Multnomah a copy of this Ordinance and all exhibits upon adoption by the Council.
- c. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland City Planning Commission certified copies of this Ordinance upon adoption by the Council.
- d. The City Auditor, in accordance with ORS 457, shall publish notice of the adoption of this Ordinance approving the 7th Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council,

BARBARA CLARK
Auditor of the City of Portland

Mayor Katz
PDC: Christopher Scherer/Felicia Trader
June 17, 1998

**SEVENTH AMENDMENT TO
OREGON CONVENTION CENTER URBAN RENEWAL PLAN
TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS**

The Oregon Convention Center Urban Renewal Plan is amended as follows:

Add the following at the end of Section 801, Self-Liquidation of Costs of Project (Tax Increment):

- E. The maximum indebtedness, as defined in ORS 457.010(9), that may be issued or incurred under the Plan is \$167,511,000.

REPORT ON SEVENTH AMENDMENT TO OREGON CONVENTION CENTER URBAN RENEWAL PLAN TO ESTABLISH A MAXIMUM AMOUNT OF INDEBTEDNESS

INTRODUCTION

This is the Urban Renewal Report accompanying the Seventh Amendment (the "Amendment") of the Oregon Convention Center Urban Renewal Plan (the "Plan"), establishing a maximum amount of indebtedness, as explained below.

BACKGROUND

The Constitutional amendments resulting from passage of Measure 50 were implemented in the 1997 Oregon Legislature in Senate Bill (SB) 1215. The effect of the new tax rates and assessed values called for in Measure 50 could have drastically reduced urban renewal revenues and stopped or delayed the completion of urban renewal plans.

However, Measure 50 and SB 1215 specifically allow for the timely completion of urban renewal plans that were in existence prior to new law. These existing urban renewal plans are allowed to generate almost the same amount of revenue that they would have prior to new law. The Legislature acknowledged that many private sector and public sector commitments were made based on anticipating the completion of urban renewal plans, and that these commitments should be honored.

In return for this "grandfathering" of existing urban renewal plans, the Legislature required that "existing urban renewal plans" be limited in cost, based on the state of the urban renewal plan in December, 1996. In other words, existing plans, and only existing plans, are entitled to the special grandfathering provisions of Measure 50. The means of establishing this limit to the cost of a plan is amending the plan to include a "maximum amount of indebtedness" that may be issued or incurred under the plan.

"Maximum indebtedness" is defined by statute to mean the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 (this section contains the requirement for a maximum amount of indebtedness) and does not include indebtedness incurred to refund or refinance existing indebtedness.

ORS 457.190 also states:

The maximum amount of indebtedness that may be issued or incurred under the plan, as determined for purposes of meeting the requirements of this paragraph, shall be based upon good faith estimates of the scope and costs of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan and the schedule for their completion as completion dates were anticipated as of December 5, 1996. The maximum amount of indebtedness shall be specified in dollars and cents.

This report on the Amendment contains many sections that are required under ORS 457.085 but which do not apply to the Amendment. In all cases where a section is not applicable, the reason is that the Amendment to the plan does not change the substance of the Plan but rather quantifies costs of projects already contained in or authorized by the Plan.

(A) A DESCRIPTION OF PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN THE URBAN RENEWAL AREAS OF THE PLAN AND THE EXPECTED IMPACT, INCLUDING THE FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION

The Amendment is of a technical nature and this section does not apply.

(B) REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The Amendment is of a technical nature and this section does not apply.

(C) THE RELATIONSHIP BETWEEN EACH PROJECT TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(D) THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

Estimated project costs are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(E) THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

Estimated completion dates are provided in Exhibit A, "Findings", attached hereto and incorporated herein by reference.

(F) THE ESTIMATED AMOUNT OF MONEY REQUIRED IN EACH URBAN RENEWAL AREA UNDER ORS 457.420 TO 457.460 AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED OR OTHERWISE PROVIDED FOR UNDER ORS 457.420 TO 457.460

The Amendment is of a technical nature and this section does not apply.

(G) A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

The Amendment is of a technical nature and this section does not apply.

(H) A FISCAL IMPACT STATEMENT THAT ESTIMATES THE IMPACT OF THE TAX INCREMENT FINANCING, BOTH UNTIL AND AFTER THE INDEBTEDNESS IS REPAYED, UPON ALL ENTITIES LEVYING TAXES UPON PROPERTY IN THE URBAN RENEWAL AREA

The Amendment is of a technical nature and this section does not apply.

(I) A RELOCATION REPORT WHICH SHALL INCLUDE (A) AN ANALYSIS OF EXISTING RESIDENTS OR BUSINESSES REQUIRED TO RELOCATE PERMANENTLY OR TEMPORARILY AS A RESULT OF AGENCY ACTIONS UNDER ORS 457.170; (B) A DESCRIPTION OF THE METHODS TO BE USED FOR THE TEMPORARY OR PERMANENT RELOCATION OF PERSONS LIVING IN, AND BUSINESSES SITUATED IN, THE URBAN RENEWAL AREA IN ACCORDANCE WITH ORS 281.045 TO 281.105; AND (C) AN ENUMERATION, BY COST RANGE, OF THE EXISTING HOUSING UNITS IN THE URBAN RENEWAL AREAS OF THE PLAN TO BE DESTROYED OR ALTERED AND NEW UNITS TO BE ADDED.

The Amendment is of a technical nature and this section does not apply.



CITY OF

PORTLAND, OREGON

Planning Commission

Telephone No. 823-7708 TDD 823-6868 FAX 823-7800
c/o Bureau of Planning, Rm. 1002, 1120 S.W. Fifth Ave. 97204

May 19, 1998

Honorable Vera Katz, and Members of the Portland City Council
Portland City Hall
1221 S.W. 4th Avenue
Portland, Oregon 97204-1966

Dear Mayor Katz and Members of the Council:

The Portland Planning Commission has completed our review of maximum indebtedness limits for each of Portland's existing urban renewal districts. On May 12, 1998, the Planning Commission held a public hearing on the proposed indebtedness limits. Notice of this hearing was provided and those interested were invited to testify. We strongly urge the adoption of these renewal district indebtedness limits by the Portland City Council.

These indebtedness limits are necessitated by provisions of 1997's Measure 50 as implemented in the 1997 Oregon Legislature in Senate Bill 1215 (SB1215). Measure 50 and SB1215 specifically allow for the timely completion of existing urban renewal plans. Many private sector and public sector commitments have been made anticipating the completion of existing urban renewal plans. These commitments should be honored. The legislature required that 'existing urban renewal plans' be limited in cost. These cost limits are to be based on the content of the existing urban renewal plan.

The City of Portland has five active urban renewal plans. These are the *Airport Way, Central Eastside, Downtown Waterfront, Oregon Convention Center, and South Park Blocks Urban Renewal Plans.*

The maximum indebtedness figure defines the financial scope of 'existing plans'. It is based on good faith estimates of the costs of the programs and projects called for or authorized by the adopted urban renewal plans as of December 6, 1996. It includes a factor for future inflation.

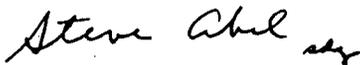
The recommended maximum amount of indebtedness for each existing urban renewal plan is summarized in the following table.

PLAN	MAXIMUM AMOUNT OF INDEBTEDNESS
Airport Way	\$ 72,639,000
Central Eastside	\$ 66,274,000
Downtown Waterfront	\$165,000,000
Oregon Convention Center	\$167,511,000
South Park Blocks	\$143,619,000

Recommendation

The Portland Planning Commission recommends the City Council approve the indebtedness limits for the five existing urban renewal districts (listed above) and incorporate these limits into the applicable urban renewal plans.

Sincerely,



Steve Abel, President,
Portland Planning Commission

SA/MSH/msh

cc: David C. Knowles, Planning Director
Michael S. Harrison, AICP, Chief Planner

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 5122

**RESOLUTION APPROVING THE 7TH AMENDMENT TO
THE OREGON CONVENTION CENTER URBAN RENEWAL
PLAN**

WHEREAS, the Portland Development Commission is undertaking the Oregon Convention Center Urban Renewal Project, herein after referred to as the "Project", pursuant to an urban renewal plan adopted on May 18, 1989 by the City Council, by Ordinance No. 161925 (the "Plan"), as subsequently amended; and

WHEREAS ORS 457.190(3)(c)(A) requires that the Plan be changed by substantial amendment no later than July 1, 1998, to include a maximum amount of indebtedness that may be issued or incurred under the Plan, determined by good faith estimates of the scope and cost of projects, including but not limited to increases in costs due to reasonably anticipated inflation, in the existing urban renewal plan, considering the projects and their anticipated completion dates as anticipated as of December 5, 1996, such maximum indebtedness amount to be specified in dollars and cents; and

WHEREAS the staff has undertaken a review of the Plan and supporting documents, as well as interviews and fact finding with members of the community in order to determine the scope of projects contemplated under the Plan as of December 5, 1996, and has made its best estimates of reasonable costs for completion as the projects were anticipated to be completed; and

WHEREAS the Commission has reviewed these estimates and the information contained in the plan amendment report accompanying this Resolution, and the Commission finds the estimates to be reasonable and to have been made in good faith; now, therefore, be it

RESOLVED that a recommendation be made to City Council to adopt an ordinance declaring that Section 800 of the Plan shall be amended, by the addition of a new paragraph: "The maximum indebtedness incurred in completing this Plan shall be \$167,511,000.00".

ADOPTEDBY by the Commission May 20, 1998.

Carl B. Talton

Carl B. Talton, Chairman

Martin Brantley

Martin Brantley, Acting Secretary

OREGON CONVENTION CENTER FINDINGS

Findings for projects within the Oregon Convention Center Urban Renewal Plan (the "Plan") are grouped below according to the following categories: Housing, Infrastructure, Land Acquisition And Redevelopment, Park Development, Business Assistance, And Special Projects. These findings are organized by project category. The projects are first described in scope, schedule and estimated cost (including inflation), then followed by a section which lists how the projects in this category relate to the goals and objectives of the Plan and related documents. A section then follows which specifies the section(s) of the Plan which give specific authorization for the projects within the category. Finally, the conclusion states how each project implements the Plan and is therefore appropriate for including as a component of the maximum amount of indebtedness to be issued under the Plan.

I. HOUSING

A. Project Descriptions and Cost Estimates

1. Lloyd District Affordable Housing

Financing subsidies to housing projects that include affordable units. Projects will typically include private lender participation.

The estimated project cost is \$12,851,000 between 1997/98 and 2012/13. Based on creation of 5 projects of 170 units each, with 20% of the units in each project being affordable, @ \$30,000 per affordable unit.

2. Lloyd District Predevelopment Assistance

This project is to perform planning activities such as tax abatement analysis which facilitate housing in the District.

The estimated project cost is \$379,000 between 1998/99 and 2008/09.

3. MLK District Affordable Housing

This project will provide a \$15,000 subsidy per unit for 75 units of affordable housing in the MLK area. A minor expansion of the District will allow for two new project sites as well as three existing project sites. Projects will also include sidewalk reconstruction.

The estimated project cost is \$10,502,000 between 1997/98 and 2012/13.

B. Relationship to Goals and Objectives

1. Oregon Convention Center Urban Renewal Plan

These projects conform to the following Goals and Objectives of the Oregon Convention Center Urban Renewal Plan:

Goal 4.5. Support residential, mixed use and free-standing projects with the creation of quality amenities and environment.

Goal 6.2. Foster residential and mixed-use development that serves a range of age and income groups within residential or mixed use zones in the Oregon Convention Center Urban Renewal Area as mutually supportive of retail opportunities and the maintenance of neighborhood values.

2. City of Portland Comprehensive Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan. The Comprehensive Plan policies which are relevant to these projects include:

Policy 2.9 Residential Neighborhoods: Allow for a range of housing types to accommodate increased population growth while improving and protecting the city's residential neighborhoods.

Goal 4 Housing: Provide for a diversity in the type, density and location of housing within the City consistent with the adopted City Housing Policy in order to provide an adequate supply of safe, sanitary housing at price and rent levels appropriate to the varied financial capabilities of City residents.

Policy 4.3 New Housing Production: Assist the private sector in maintaining an adequate supply of single and multi-family units. This shall be accomplished by relying primarily on the home building industry and private sector solutions supported by the elimination of unnecessary government regulations.

Policy 5.10 Central City: Assist in promoting retail, lodging, office, residential, and cultural opportunities and facilities in the Central City.

3. Central City Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 3 - Housing: A) Promote the construction of at least 5000 new housing units in the Central City by the year 2010. B) Preserve and encourage rehabilitation of existing housing. C) Encourage the development of housing in a wide range of types and prices and rent levels.

Action Proposal H4 of Policy 4: Use urban renewal and tax increment financing programs to foster the development and preservation of housing in urban renewal districts (particularly SRO housing).

Action Proposal LC14 of Policy 19: Promote the creation of housing incentive programs, by public agencies, in areas of Required Housing.

4. Oregon Convention Center Area Policies and Procedures Guide

The Portland City Council adopted the Oregon Convention Center Area Policies and Procedures Guide on December 28, 1988. The policies which are relevant to these projects include:

Economic Development, 2: Foster higher density office and residential development in the Oregon Convention Center area as mutually supportive of the job growth policy, hotel market and retail opportunity.

5. Central City 2000 Strategy

Central City 2000 Strategy is to foster middle-income housing in the Central City; to minimize the funding competition between middle-income housing in the Central City and low-income, the City should levy, on average, \$4 million per year of tax increment funds for affordable mixed- or middle-income housing in the Central City

C. Authorization for Housing Projects

These projects are authorized by the following sections of the Oregon Convention Center Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES, Section 601 - Project and Improvement Activities:

- B. 1. Intent. Redevelopment Through New Construction.** It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
- 2. Method: Redevelopment through new construction may be achieved in two ways:**
- a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.

D. Conclusions

1. Lloyd District Affordable Housing

Affordable housing in the Lloyd District is supportive of Plan Goal 6.2 to foster residential development that serves a range of income groups in the area as mutually supportive of retail opportunities and the maintenance of neighborhood values. The project also supports Goal 4 of the Comprehensive Plan and Policy 3 of the Central City Plan to provide housing for a range of income groups.

The Oregon Convention Center Area Policies and Procedures Guide also speaks to the issue of housing in the area. The document supports fostering high density residential development in the area as mutually supportive of the job growth policy, hotel market and retail opportunity. The area is well served by transit which adds to its suitability for high density housing.

Affordable housing within the Oregon Convention Center Urban Renewal Area is consistent with goals and objectives of the plan and other supporting documents, particularly Goal 4 of the Comprehensive Plan and Policy 3 of the Central City Plan to provide housing for a range of income groups. Public sector assistance is not needed for market rate housing, but creation of affordable units require a subsidy.

2. Lloyd District Predevelopment Assistance

This project provides the essential technical assistance to ensure that Project 1, Affordable Housing, can occur. Planning activities are authorized by the Plan. Such planning will help to find tools, such as tax abatement, which can increase the feasibility of affordable housing in the area. Housing prices in the Lloyd area have increased in recent years, making the creation of affordable housing more difficult by the private sector alone. This project analyzes the factors at play and proposes solutions which can create more affordable housing.

3. MLK District Affordable Housing

This project is consistent with the goals and objectives of the Plan in the same manner as the Lloyd Affordable Housing project above. In addition, housing in the MLK district was specified as a designated use in the Report on the 4th Amendment to the Oregon Convention Center Plan as follows: To the extent that housing can support commercial development, it should be encouraged in areas zoned for commercial and mixed use and is designated as an activity of this Fourth Amendment.... By creating housing in close proximity to commercial areas, this project is consistent with the Report language.

The project also includes sidewalk improvements adjacent to the housing, an infrastructure project supported by the Plan and which improves the aesthetics and stability of the area.

II. INFRASTRUCTURE PROJECTS

A. Project Descriptions and Cost Estimates

1. Arena Debt Service

This item is the existing debt service for bonds issued to fund infrastructure improvements related to the Rose Garden arena.

The estimated project cost is \$545,000 in 1997/98.

2. Broadway/Weidler Corridor

This project includes debt service for the Phase One Local Improvement District and additional transportation improvements to the Broadway/Weidler corridor.

The estimated project cost is \$9,325,000 between 1997/98 and 2008/09.

3. Lloyd Area Wide Improvements

This project includes gateways, traffic signals, streetscape work and utility improvements throughout the Lloyd District.

REPORT ON SEVENTH AMENDMENT TO OREGON CONVENTION CENTER URBAN RENEWAL PLAN

The estimated project cost is \$11,781 between 2003/04 and 2007/08.

4. Oregon Convention Center Area Improvements

This project funds property acquisition, cultural amenities (plazas, visitor facilities) east of the Oregon Convention Center and street/utility improvements throughout the Lloyd District and connections to the Rose Quarter.

The estimated project cost is \$16,563,000 between 1998/99 and 2001/02, and also between 2009/10 and 2012/13.

5. Lloyd Lighting Program

This project installs twin ornamental lights where cobra head lights exist at key development areas throughout the Lloyd District except Broadway/Weidler. Lights to be installed on 40 blocks.

The estimated project cost is \$4,581,000 between 2001/02 and 2006/07

6. First Avenue Frontage Road

This project builds a frontage road connecting First Avenue exit ramp from I-84 to Weidler Street to facilitate area development. It completes the "Ring Road" improvements surrounding the Oregon Convention Center.

The estimated project cost is \$4,371,000 between 200/01 and 2002/03.

7. Sullivan Gulch Trail

This project constructs a trail adjacent to Lloyd Boulevard to provide a connection for the Sullivan's Gulch neighborhood to the Willamette River.

The estimated project cost is \$1,321,000 between 2003/04 and 2004/05.

8. Lloyd Area Wide Planning

This project is to provide staff and consultant services for ongoing Lloyd District development and transportation planning to facilitate area growth. Intensive planning for the Central City streetcar also occurs beginning in 2003/04.

The estimated project cost is \$1,421,000 between 1998/99 and 2009/10.

9. Retail Parking Structure

This project is to construct a 500 car parking garage in the Lloyd District to support retail activities.

The estimated project cost is \$5,206,000 between 2003/04 and 2007/08.

10. MLK/Alberta Street Improvements

This project carries out construction of streetscape improvements per the MLK Plan, including median removal, street trees, paving, etc. Sixteen block faces will be reconstructed on MLK Blvd. and eight block faces on Alberta Street.

The estimated project cost is \$20,431,000 between 1997/98 and 2012/13.

B. Relationship to Goals and Objectives

1. Oregon Convention Center Urban Renewal Plan

The following goals and objectives of the Plan are applicable to transportation and infrastructure projects in the Lloyd and MLK Districts of the Urban Renewal Area:

Goal 3 - Create opportunities within the area for businesses to expand and service the convention trade.

3.3 Ensure that adequate infrastructure is in place to support the levels of development proposed.

Goal 4 - Integrate the OCC area with the west side of the Central City and the Lloyd Center, reinforcing the expansion of the central city and the economic expansion of the east side.

4.1 Upgrade the transportation and pedestrian linkages within the Central City and between facilities in the Area, such as the Oregon Convention Center and Memorial Coliseum.

4.3 *Support the development of design guidelines and public works improvements to establish a distinct visual identity and relationship with the central city area and adjacent neighborhoods within the urban renewal area.*

Goal 5 - Upgrade the setting and environment of the area to reflect the best of Portland to visitors; encouraging extended convention stays, return visits and business recruitment to Oregon.

5.1 Initiate efforts to significantly upgrade the area around the Steel Bridgehead as a gateway to the Oregon Convention Center, and to install pedestrian connections to and overlook improvements at the Willamette River.

5.2 Upgrade streetscape in all principal corridors and create identity with gateway improvements.

5.4 Upgrade the level of public safety in the area with adequate lighting and capital expenditures or improvements that will improve police presence in the area.

2. Central City Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 4 - Transportation

4C: Support transportation facility improvements that improve the flow of traffic to, within and through the Central City.

4D: Recognize that parking is an important element in the transportation system which supports growth and ensure that each district has adequate parking while improving air quality and traffic flow.

Action Proposal T12: Develop a system of short-term parking facilities in the Central City.

Policy 12 - Urban Design. Enhance the Central City as a livable, walkable area which focuses on the river and captures the glitter and excitement of city living.

REPORT ON SEVENTH AMENDMENT TO OREGON CONVENTION CENTER URBAN RENEWAL PLAN

- 4A: Create a rich and enjoyable environment for pedestrians throughout the Central City.
 Action Proposal UD4: Create a boulevard system connecting all districts of the Central City.

Policy 19 - Lloyd Center - Coliseum. Reinforce the Lloyd Center as the eastern anchor of Central City retailing

- 19B: Improve the environment for pedestrians throughout the district and create a regional civic facilities campus which brings together the Oregon Convention Center and Coliseum.
 Action Proposal LC1: Create a connection from the Oregon Convention Center to the riverbank.
 Action Proposal LC2: Provide pedestrian improvements on Union [MLK], Grand, Holladay, Multnomah, Broadway, 7th, 9th and 16th streets.
 Action Proposal LC3: Improve connections for pedestrians in the area between the Oregon Convention Center and the Coliseum.
 Action Proposal LC4: Establish a trail in Sullivan's Gulch linking the Sullivan's Gulch neighborhood to the riverbank.
 Action Proposal LC5: Create boulevards on Union [MLK], Grand, Lloyd, Weidler, Broadway and 16th Streets.
 Action Proposal LC6: Build Lloyd Center/Coliseum District gateways in locations shown on the district map.
 Action Proposal LC10: Improve Broadway east of 7th as a neighborhood shopping street.

3. Prosperous Portland, May 1994

Relevant sections include:

Policy 15 - Promote a transportation system that encourages economic growth.

15C: The City will pursue the implementation of road and parking improvements that reinforce existing at-risk employment and residential districts and promote the development of new employment and residential districts.

Central City Sub-Districts: Lloyd District

Action Item 1: The City will participate in development management in the Coliseum Lloyd District to leverage expected investment in Blazer Arena, as well as the existing Oregon Convention Center, Light Rail Corridor and Lloyd Center revitalization.

Action Item 3: The City will facilitate redevelopment of the east end of Lloyd Center by merging roadways (15th and 16th) and creating development sites.

C. Authorization for Projects

The Transportation/Infrastructure projects are authorized by the following sections of the Oregon Convention Center Urban Renewal Plan:

A. Public Improvements

Section 601 - Project and Improvement Activities

1. Intent. Public facilities and utilities may be improved or constructed within public right-of-ways, easements, or on public property for the purpose of eliminating or preventing blight, retaining business and jobs, and stimulating new private investment. Public improvements may include storm and sanitary sewer improvements, water line improvements, street lighting, landscaping, street improvements, parking facilities, parks, open space development and public restrooms or other improvements deemed appropriate for the achievement of the plan goals and objectives.

REPORT ON SEVENTH AMENDMENT TO OREGON CONVENTION CENTER URBAN RENEWAL PLAN

2. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:

- a) New curbs and gutters, including curb extensions, where applicable;
- b) Construction and reconstruction of streets;
- c) Storm water, sanitary sewer, water and other public or private utilities, including the creation of districts, where feasible, to place overhead utilities underground;
- d) New sidewalks or other pedestrian improvements where existing elements are substandard, non-existent or in conjunction with new development;
- e) Open space, parks, plazas, recreation and cultural amenities, trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
- f) Street lights and traffic control devices, tables, benches and other street furniture, drinking fountains, light rail catenary wire lighting;
- g) Special graphics and signage for directional, informational or decorative purposes;
- h) Transit improvements including stations;
- i) River related improvements including an esplanade, dock, breakwater and public access;
- j) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
- k) On and off-street parking facilities.

D. Conclusions

Broad authority exists in the Plan to carry out infrastructure improvements to eliminate or prevent blight or to stimulate private investment. The Infrastructure projects listed here carry out the goals and objectives of the Plan.

1. Arena Debt Service.

This expenditure is for debt service on debt issued to finance infrastructure projects related to the Rose Garden. This project is most closely supportive of Goal 5 of the Plan to upgrade the setting and environment of the area to encourage convention stays. This Goal also encourages the development of entertainment, recreation, cultural and open space amenities; improvements which occurred around the Rose Quarter in response to the infrastructure improvements of this project.

Goal 4 of the Plan calls for upgrading the transportation and pedestrian linkages between facilities in the area. Such transportation upgrading occurred with this project adjacent to the Rose Garden and Memorial Coliseum.

2. Broadway/Weidler Corridor

This project is most directly supportive of Goal 5.2 of the Plan to enhance the streetscapes and gateways in the District. Broadway and Weidler are major arterial corridors and significant retail streets. Goal 4 of the Plan calls

REPORT ON SEVENTH AMENDMENT TO OREGON CONVENTION CENTER URBAN RENEWAL PLAN

for upgrading transportation and pedestrian linkages in the area, which will be accomplished with this project on the major arterials of Broadway and Weidler.

The Central City Plan calls for creating the Lloyd Center area as the eastern anchor of retailing in the Central City, specifically improving Broadway east of 7th as a neighborhood shopping street. The Central City Plan also calls for creating boulevards on Broadway and Weidler and improving pedestrian facilities.

3. Lloyd Area-wide Improvements

This project includes a diverse set of elements which all serve to enhance the existing infrastructure in the area to prevent blight and stimulate private investment. The elements of this project are all specifically provided for in the goals and objectives of the Plan, such as Goal 3.3 to ensure that adequate infrastructure is in place and Goal 5.2 to enhance streetscapes.

Improvements to the Lloyd area are also specified by Policy 19 of the Central City Plan. Action Proposals call for improved pedestrian facilities, creation of boulevards on major streets, creation of gateways into the District. The infrastructure projects which will occur throughout the Lloyd area with this project are consistent with these action proposals and the Plan.

4. Oregon Convention Center Area Improvements

This project includes a number of different elements, all relating to transportation and pedestrian amenities near the Oregon Convention Center. Plan Goal 4.1 specifies transportation and pedestrian linkages between facilities in the area such as the Oregon Convention Center and the Coliseum. Goal 3.3 is to ensure that adequate infrastructure is in place to support the levels of development proposed. This project responds to those goals by enhancing the infrastructure in the area to support growth of the Convention trade.

The Central City Plan, Policy 19B encourages improving pedestrian amenities around the Oregon Convention Center to create a regional civic facilities campus. The creation of cultural amenities such as plazas or visitor facilities accomplishes this goal by making the Convention Center area more attractive to convention visitors and others in the area.

5. Lloyd Lighting Program

This project to install ornamental cast iron lighting at key development areas within the District supports Goal 5.2 of the Plan to provide enhanced streetscapes on principal corridors. The project also serves a public safety function, as recognized in Goal 5.4 which calls for upgrading public safety in the area with adequate lighting. Section 503 of the Report also calls for enhanced area lighting.

In addition, this project supports Goal 4.3 to develop public works improvements which establish a relationship with the central city area. The cast iron ornamental lights are widely used downtown on the west side of the river. This improvement helps tie together the entire central city area.

6. First Avenue Frontage Road

The current First Avenue realignment is confusing and a barrier for vehicles and pedestrians. A realigned frontage road will provide improved access to the area west of the Oregon Convention Center and provide a better connection to the river. The project will complete a looped transportation system around the Convention Center, which will be less confusing and provide much better circulation in the area.

REPORT ON SEVENTH AMENDMENT TO OREGON CONVENTION CENTER URBAN RENEWAL PLAN

This project is consistent with the Plan, particularly Goal 4.1 to upgrade transportation and pedestrian linkages in the area. Goal 5.1 calls for upgrading the area around the Steel Bridge, providing pedestrian connections and overlooks of the River. This will be enhanced by the completion of the First Avenue Frontage Road.

7. Sullivan Gulch Trail

Goal 5.1 calls for establishing pedestrian connections to the river. Goal 4.1 specifies improved pedestrian linkages within the Central City. This project serves to connect a neighborhood with facilities in the area, as well as to the Willamette River. This route, skirting the north side of the Banfield Freeway, is the most direct connection between the Lloyd neighborhood and the Willamette River and the future Eastbank Riverfront Park and the pedestrian amenities which will be present there.

Within the Central City Plan, Action Proposal LC4 or Policy 19 states: Establish a trail in Sullivan's Gulch linking the Sullivan's Gulch neighborhood to the riverbank. This trail is also called for in the Report under Section 502. This project is consistent with the Plan.

8. Lloyd Area-wide Planning

Planning is a necessary activity in order to carry out the projects within the District. This project includes planning for development activities in the area and for transportation improvements - activities which are consistent with the Plan. The transportation planning will include the Central City Streetcar, an important transit connection which will tie the central city together. In addition, Section 508 of the Report for the Plan indicates that planning for projects is a designated activity. This project is consistent with the Plan.

9. Retail Parking Structure

The construction of a parking structure to support retail activities in the Lloyd area supports Goal 3 of the Plan to create opportunities for area businesses to expand. Parking is a critical component of successful businesses, particularly small businesses. Goal 3.3 states that adequate infrastructure must be in place to support the levels of development proposed. Without adequate parking, less retail development can occur.

Construction of parking facilities is supportive of the Central City Plan Transportation Policy 4D to recognize that parking is an important element in the transportation system which supports growth while improving air quality and traffic flow. Action Proposal T12 under this policy calls for a system of short-term parking facilities in the Central City.

10. MLK/Alberta Street Improvements

MLK and Alberta are major transportation routes in the District. Improvement of the streets is most closely supportive of Plan policy 5.2 to upgrade the streetscape in principal corridors. Goal 6 of the Plan is to ensure that urban renewal activities work to stabilize adjacent neighborhoods; mitigating adverse impacts and striving to strengthen neighborhood values. This project which will remove the median barriers in MLK will help turn the street back from a state highway transporting vehicles through the area into a neighborhood amenity with parking in front of businesses. This will help strengthen the businesses and, consequently, the adjacent neighborhoods.

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Pedestrian streetscape improvements will occur on both streets, making the area more attractive for businesses and residents. Policy 12 of the Central City Plan encourages a rich and enjoyable pedestrian environment to create a livable, walkable area which enhances the Central City.

The Lloyd Center-Coliseum Goal of the Central City Plan calls for pedestrian improvements and creation of a boulevard on MLK. The Albina Plan also calls for improvements to MLK and Alberta. This project is consistent with the Plan.

III. LAND ACQUISITION AND DEVELOPMENT PROJECTS

A. Project Descriptions and Cost Estimates

1. Lloyd Area Land Acquisition and Development

This project involves purchase of key sites for resale for commercial or mixed use development.

The estimated project cost is \$10,848,000 from 1997/98 to 2000/01 and from 2004/05 to 2009/10.

2. MLK/Alberta Commercial Site Development

This continues the current program to facilitate new commercial development on MLK Blvd. and Alberta Street through purchase of property and financial assistance.

The estimated project cost is \$ 12,005,000 between 1997/98 and 2009/10.

B. Relationship to Goals and Objectives

1. Oregon Convention Center Urban Renewal Plan

This project conforms to the following Goals and Objectives of the Oregon Convention Center Urban Renewal Plan:

- Goal 1. Maximize the regional job potential of the Oregon Convention Center
 - 1.2 Encourage other support industries and businesses to locate in the Area or to upgrade existing facilities.
- Goal 3. Create opportunities within the area for businesses to expand and service the convention trade.
 - 3.1 Encourage lodging, entertainment, restaurant and retail development in the corridor between the Oregon Convention Center and Lloyd Center.
 - 3.2 Foster the opportunity for office development in the area as mutually supportive of the job growth goal, hotel market and retail opportunity.
- Goal 6. Ensure that urban renewal activities work to stabilize adjacent neighborhoods; mitigating adverse impacts and striving to strengthen neighborhood values.

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- 6.2 Foster residential and mixed-use development that serves a range of age and income groups within residential or mixed use zones in the Oregon Convention Center Urban Renewal Area as mutually supportive of retail opportunities and the maintenance of neighborhood values.
- 6.3 Study commercial/industrial nodes along the Martin Luther King Jr. Blvd. Corridor with a goal of identifying potential locations for development of businesses which could provide service to businesses within the Oregon Convention Center Urban Renewal Area

2. City of Portland Comprehensive Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan, effective on January 1, 1981. The Comprehensive Plan policies which are relevant to these projects include:

Goal 2. Urban Development: Maintain Portland's role as the major regional employment, population and cultural center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

Policy 2.10 Commercial Centers: Expand the role of major established commercial centers with retail, office, service and labor-intensive industrial activities which are compatible with the surrounding area

Policy 5.1 Business Retention and Recruitment: Develop policies and programs which provide opportunities for local businesses to operate and grow in Portland. Continue efforts to attract new business and investment to the region.

Policy 5.2 Economic Environment: Continue efforts to enhance Portland's economic environment by ensuring that sufficient land and infrastructure exists or can be provided and that public actions support and promote private development activity.

3. Economic Development Policy

The Portland City Council adopted an Economic Development Policy as part of the Comprehensive Plan in June, 1988. The following policies are relevant to these projects:

Direct technical, financial or investment assistance for economic development to industrial and commercial districts within, or in close proximity to, neighborhoods where the percentage of unemployed and economically disadvantaged workers exceeds City-wide levels.

Encourage equal opportunities for employment, career advancement, and business development for those segments of the population which have historically not participated fully in the Portland economy.

4. Central City Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the Central City Plan of the City of Portland, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 1: Economic Development.

1E: Capture the opportunities for new jobs and investment created by the new Oregon Convention Center.

5. Oregon Convention Center Area Policies and Procedures Guide

The Oregon Convention Center Area Policies and Procedures Guide was adopted by the Portland City Council on December 28, 1988. The policies which are relevant to these projects include:

Economic Development

1. The Oregon Convention Center shall be the focus of new industry in the area, and public actions shall be undertaken to support maximizing its utilization and regional job potential.
2. Secondary job production in the vicinity of the Oregon Convention Center and Lloyd Center is recognized as a major economic growth opportunity, and shall be facilitated.

6. Albina Community Plan

The approved Albina Community Plan is a significant amendment to the City's Comprehensive Plan. The relevant objectives of the Albina Plan are:

Focus on key commercial nodes, particularly those along NE Martin Luther King Jr. Blvd.
Create local jobs by attracting new business and investments.

7. Prosperous Portland, January, 1994

Relevant sections are:

Policy 4 - Sustain aggressive business and workforce development activities. The City will sustain an aggressive business development program that includes retention and expansion, recruitment and workforce development and placement activities.

4G: The City will develop incentives to support the location and retention of companies in targeted development areas

Policy 5 - Promote Community-driven economic development. The City of Portland supports community economic development which promotes the achievement of community-defined and driven goals, and includes physical revitalization, job creation, business and property ownership, provision of retail and neighborhood services and housing development.

5A: The City will assume the role of facilitator and broker, will provide technical and financial support, and will promote partnerships designed to achieve community goals.

C. Authorization for Project

This project is authorized by the following sections of the Oregon Convention Center Urban Renewal Plan:

Section 600 - URBAN RENEWAL ACTIVITIES, Section 601 - Project and Improvement Activities:

- B. 1. Intent: Redevelopment Through New Construction. It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.

D. Conclusions

1. Lloyd Area Land Acquisition and Development

Acquisition of key sites for resale for commercial or mixed-use development is supportive of Goal 1 of the Plan to maximize the regional job potential of the Oregon Convention Center by encouraging other businesses and industries to locate in the area. It also supports Goal 3 to create opportunities within the area for businesses to expand.

Policy 1 of the Central City Plan, Economic Development, calls for capturing the opportunity for new jobs and investment created by the Oregon Convention Center. By acquiring key commercial sites, this project allows maximization of the job creating potential of the Convention Center.

The Oregon Convention Center Policies and Procedures Guide states that public actions should be undertaken to maximize the utilization and regional job potential of the Convention Center. It goes on to state that secondary job production in the vicinity of the Convention Center and Lloyd Center is a major economic growth opportunity and shall be facilitated. This project will result in job creation and maximizing the potential of the Convention Center and the Lloyd Center.

2. MLK/Alberta Commercial Site Development

This continuation of a successful program to purchase property for redevelopment and provide financial assistance in the MLK/Alberta corridor is consistent with Plan Goal 3 to create opportunities for area businesses to expand. It also supports Goal 2 to target jobs and businesses created through urban renewal financed activities to North and Northeast Portland residents first. Goal 2.3 calls for directing investment assistance for the jobs program to commercial districts closest to economically disadvantaged neighborhoods, which is the case with the MLK/Alberta corridor.

The project is supportive of the Albina Plan which calls for focusing on key commercial nodes, especially MLK, and for creating local jobs by attracting new business and investments.

Prosperous Portland states that the City will develop incentives to support the location and retention of companies in targeted areas. This project will help carry out that goal. In addition, the document supports community driven economic development, including job creation, stating that the City will act as a facilitator and broker and will provide technical and financial assistance designed to achieve those goals.

Acquisition of sites for resale for commercial or mixed-use development is authorized by the plan and will allow meeting Plan goals and objectives for job creation in the Area. This project is consistent with the Plan.

IV. PARK DEVELOPMENT PROJECTS

A. Project Descriptions and Cost Estimates

1. Eastbank Park

The Eastbank Park is a major improvement of the east bank of the Willamette River. It includes pedestrian walkways, connections to the Steel Bridge, floating walkways, landscaping, lighting and other amenities.

The estimated project cost is \$9,810,000 between 1997/98 and 2001/02.

2. Eastbank Park Extension

The Eastbank Park Extension connects the park with the Rose Quarter.

The estimated project cost is \$7,288,000 between 1999/00 and 2000/01, and also between 2005/06 and 2008/09.

B. Relationship to Goals and Objectives

1. Oregon Convention Center Urban Renewal Plan

These projects conform to the following Goals and Objectives of the Oregon Convention Center Urban Renewal Plan:

Goal 4. Integrate the OCC area with the west side of the Central City and the Lloyd Center, reinforcing the expansion of the central city and the economic expansion of the east side.

4.1 Upgrade the pedestrian linkages within the Central City and between facilities in the area ...

Goal 5. Upgrade the setting and environment of the area to reflect the best of Portland to visitors; encouraging extended convention stays, return visits and business recruitment to Oregon.

5.1 Initiate efforts to significantly upgrade the area around the Steel Bridgehead as a gateway to the Oregon Convention Center, and to install pedestrian connections to and overlook improvements at the Willamette River.

5.3 Encourage the development of open space amenities.

2. City of Portland Comprehensive Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan. The Comprehensive Plan policy which is relevant to these projects include:

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Policy 2.7 Willamette River Greenway Plan: Implement the Willamette River Greenway Plan which preserves a strong working river while promoting recreation, commercial and residential waterfront development along the Willamette River south of the Broadway Bridge.

3. Central City Plan, adopted March 24, 1988

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the City of Portland Central City Plan, adopted March 24, 1988. The policies which are relevant to these projects include:

Policy 2 - The Willamette Riverfront: Enhance the Willamette River as the focal point for views, public activities, and development which knits the city together.

2A: Recapture the east bank of the Willamette Riverfront between the Marquam and Steel Bridges by expanding and enhancing the space available for non-vehicular uses.

2B: Locate a wide range of affordable and attractive public activities and attractors along the riverbank and create frequent pedestrian access to the water's edge.

2F: Encourage development of facilities that provide access to and from the water's surface throughout the Central City.

Policy 8 - Parks and Open Spaces: Build a park and open space system of linked facilities that tie the Central City districts together and to the surrounding community.

8A: Create greenbelts that tie existing open spaces together using street trees, plazas, bicycle and pedestrian ways, recreational trails and new parks.

8B: Meet the open space and recreation needs of each of the Central City districts.

8D: Ensure that a balance of passive and active parks and open space is provided.

Willamette Riverfront Map and Parks and Open Space Map in Central City Plan (p.53) show the trail connection and park and open space facilities on the east bank of the Willamette River.

Action Proposal LC 1 of Policy 19: Create a connection from the Convention Center to the riverbank.

4. Urban Renewal Report

The Urban Renewal Report adopted for the Oregon Convention Center Urban Renewal Area on May 18, 1989 contains the following provisions related to these projects:

Section 504 - Open Space and Cultural/Recreational Improvements.

River Overlook and Access: The most notable natural asset in the Urban Renewal District is its river frontage. Although the first phase of an overlook at the Willamette is funded in the Transportation Capital Improvement Program in the amount of \$200,000 - future phases and connections to the river, an esplanade, and marina are estimated to cost approximately \$2 million. Private redevelopment opportunities may be present with this project.

Steel Bridgehead Area: As a major entrance to the Area from the west side of the Central City, significant upgrade to pedestrian and street facilities as well as open space amenities are necessary....

5. Central City 2000 Strategy

Relevant sections include:

District Infrastructure:

Design and construct enhanced Eastbank esplanade project.

A \$10.4 million enhancement to existing \$3.5 million initial phase allowing for a full-length esplanade between the Steel Bridge and OMSI.

Includes connection between the esplanade and the Rose/Lloyd District, manmade island near OMSI and trail enhancements.

C. Authorization for Projects

These projects are authorized by the following sections of the Oregon Convention Center Urban Renewal Plan:

Section 601 - Project and Improvement Activities

A. Public Improvements

1. Intent. Public facilities and utilities may be improved or constructed within public right-of-ways, easements, or on public property for the purpose of eliminating or preventing blight, retaining business and jobs, and stimulating new private investment. Public improvements may include storm and sanitary sewer improvements, water line improvements, street lighting, landscaping, street improvements, parking facilities, parks, open space development and public restrooms or other improvements deemed appropriate for the achievement of the plan goals and objectives.

2. Anticipated Improvements. Public improvements may include the construction, reconstruction, repair or replacement of sidewalks, streets, pedestrian amenities and public infrastructure including, but not limited to:

- d) New sidewalks or other pedestrian improvements where existing elements are substandard, non-existent or in conjunction with new development;
- e) Open space, parks, plazas, recreation and cultural amenities, trees, shrubs, flowering plants, ground covers, and other plant materials including irrigation systems, soil preparation and/or containers to support same;
- f) Street lights and traffic control devices, tables, benches and other street furniture, drinking fountains, light rail catenary wire lighting;
- g) Special graphics and signage for directional, informational or decorative purposes;
- i) River related improvements including an esplanade, dock, breakwater and public access;
- j) Sidewalk awnings, canopies and other weather-sheltering structures for the protection of pedestrians;
- k) On and off-street parking facilities.

D. Conclusions

1. Eastbank Park

Creation of the Eastbank Riverfront Park within the Convention Center Urban Renewal District is particularly consistent with Goal 5 of the Plan to upgrade the setting and environment of the area to reflect the best of Portland to visitors. Goal 5.1 goes on to call for initiation of efforts to significantly upgrade the area around the Steel Bridge as a gateway to the area, and to install pedestrian connections to and overlook improvements at the Willamette River. These improvements are part of the plan for the Eastbank Park.

Improvements to the east bank of the Willamette River are consistent with goals 4 and 5, and related objectives of the Plan and it is specifically authorized by the Plan. This project provides a pedestrian connection within the District and ties to the west side of the Central City.

Central City 2000 Strategy calls for a full esplanade between the Steel Bridge and OMSI, a portion of which is within the OCCURA District. Section 504 of the Report to the Plan clarifies the project to improve the Steel Bridgehead area.

The Central City Plan Policy 2 calls for enhancing the Willamette River as the focal point for views, public activities and development which knits the City together. It specifies recapturing the eastbank of the River from the Steel Bridge south to the Marquam Bridge, and locating a wide range of public activities and attractors along the riverbank. Pedestrian access to and from the river is also seen as essential. This project carries out these goals within the Plan area.

2. Eastbank Extension

Extension of the Eastbank Riverfront Park into the Rose Quarter, as with the Park improvements itself, is particularly consistent with Goal 5 of the Plan to upgrade the setting and environment of the area to reflect the best of Portland to visitors. Goal 5.1 goes on to call for initiation of efforts to significantly upgrade the area around the Steel Bridge as a gateway to the area, and to install pedestrian connections to and from the area. This park extension provides excellent pedestrian connections from the Rose Quarter to the Eastbank Riverfront Park and to the Steel Bridge area which connects with downtown. This also supports Goal 4 to integrate the OCC area with the west side of the Central City.

This project is supportive of the Central City Plan Policy 19 which calls for creation of a connection from the Convention Center to the riverbank. This extension of the Eastbank Riverfront Park creates such a connection.

V. SMALL BUSINESS ASSISTANCE PROJECTS

A. Project Descriptions and Cost Estimates

1. MLK Predevelopment Assistance

This project continues the existing program of providing professional assistance (architects, engineers, etc.) to business owners and potential developers on MLK Blvd. and Alberta Street.

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The estimated project cost is \$3,496,000 between 1997/98 and 2011/12.

2. MLK Storefront Grants

This project continues the current program to provide grants to property owners for facade improvements.

The estimated project cost is \$5,649,934 between 1997/98 and 2012/13.

3. MLK Equity Loan Fund

This project provides long term loans for new, small businesses on MLK Blvd. and Alberta Street, targeted at Minority and Women Owned Business Enterprises. Repayment of loans creates a revolving loan fund.

The estimated project cost is \$4,834,582 between 1998/99 and 2009/10.

4. MLK Mixed Use Development

This project supports the EDI (HUD) Section 108 program by supporting the commercial component of mixed use projects through permanent financing.

The estimated project cost is \$2,936,306 between 1997/98 and 2012/13.

5. MLK Technical Assistance

This project provides specific technical assistance to Minority and Women Owned Business Enterprises (MBE and WBE), including construction contracts.

The estimated project cost is \$1,598,063 between 1998/99 and 2008/09.

B. Relationship to Goals and Objectives

1. Oregon Convention Center Urban Renewal Plan

These projects conform to the following Goals and Objectives of the Oregon Convention Center Urban Renewal Plan:

Goal 1. Maximize the regional job potential of the Oregon Convention Center.

1.2 Encourage other support industries and businesses to locate in the Area or to upgrade existing facilities.

Goal 2. Target jobs and businesses created through urban renewal financed activities to first benefit North and Northeast Portland residents and then all Portland residents.

2.1 Support job development programs that assist in the recruitment, training, and placement of North/Northeast and Portland residents.

2.2 Adopt criteria or goals for job development program participation based on direct tax increment public development assistance.

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2.3 Direct investment assistance for the jobs development program to commercial and industrial districts within the area closest to economically disadvantaged neighborhoods.

Goal 3. Create opportunities within the area for businesses to expand and service the convention trade.

Goal 6. Ensure that urban renewal activities work to stabilize adjacent neighborhoods; mitigating adverse impacts and striving to strengthen neighborhood values.

6.2 Foster residential and mixed-use development that serves a range of age and income groups within residential or mixed use zones in the Oregon Convention Center Urban Renewal Area as mutually supportive of retail opportunities and the maintenance of neighborhood values.

6.3 Study commercial/industrial nodes along the Martin Luther King Jr. Blvd. Corridor with a goal of identifying potential locations for development of businesses which could provide service to businesses within the Oregon Convention Center Urban Renewal Area

2. City of Portland Comprehensive Plan

The Oregon Convention Center Urban Renewal Plan was prepared in conformity with the City of Portland Comprehensive Plan, effective on January 1, 1981. The Comprehensive Plan policies which are relevant to these projects include:

Goal 2. Urban Development: Maintain Portland's role as the major regional employment, population and cultural center through public policies that encourage expanded opportunity for housing and jobs, while retaining the character of established residential neighborhoods and business centers.

Policy 2.10 Commercial Centers: Expand the role of major established commercial centers with retail, office, service and labor-intensive industrial activities which are compatible with the surrounding area

Policy 3.1 Physical Conditions: Provide and coordinate programs to prevent the deterioration of existing structures and public facilities.

Policy 5.1 Business Retention and Recruitment: Develop policies and programs which provide opportunities for local businesses to operate and grow in Portland ...

Policy 5.11 Equalization of Economic Opportunity: Encourage equal opportunities for employment, career advancement, and business development for those segments of the population which have historically not participated fully in the Portland economy.

3. Albina Community Plan

The approved Albina Community Plan is a significant amendment to the City's Comprehensive Plan. The objectives of the Albina Plan relevant to these projects are:

Support existing businesses.

Focus on key commercial nodes, particularly those along NE Martin Luther King Jr. Blvd.

Create local jobs by attracting new business and investments.

4. Urban Renewal Report on 4th Amendment

Relevant sections are:

Section 500: Commercial revitalization on Martin Luther King Jr. Boulevard is a high priority of the Albina Community Plan and the Development Commission.

5. Prosperous Portland, January, 1994

Relevant sections are:

Policy 3. Improve the business climate for minority-owned businesses. The City of Portland establishes a commitment to improving the business climate for minority-owned businesses operating within the city.

Policy 6. Encourage small business development. The City of Portland recognizes the importance of small businesses to the Portland economy and will emphasize efforts that support and nurture their retention and growth.

6A: The City and its partners will pursue loan opportunities at attractive terms and rates for small businesses throughout the City. City loans will seek an equal private match when possible. The City's loan programs will focus particularly on businesses within target industries and businesses located in target redevelopment areas.

6B: The City, working with its private and public partners, will ensure that adequate technical assistance resources to assist small businesses with skill development are available.

6C: The City, working with public and private partners, will ensure that resources are available to meet small business information needs.

C. Authorization for Projects

These projects are authorized by the following sections of the Oregon Convention Center Urban Renewal Plan:

Section 601 - Project and Improvement Activities

B. Redevelopment Through New Construction.

1. Intent: It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission.
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.
3. Redevelopment Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market rate interest and market rate interest loans and provide such other forms of financial assistance to property owners as it may deem appropriate in order to achieve the objectives of this Plan.

C. Redevelopment Through Rehabilitation

1. Intent: It is the intent of the Plan to encourage conservation and rehabilitation of existing buildings where feasible and practical, and to promote the preservation of historic structures which can be economically rehabilitated.

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2. Method: Rehabilitation and conservation may be achieved in three ways:
 - a) By owner and/or tenant activity, with or without financial assistance by the Development Commission;
 - b) By enforcement of existing City codes and ordinances;
 - c) By acquisition of property by the Development Commission for rehabilitation by the Development Commission or resale for rehabilitation by others.
3. Rehabilitation Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market rate interest and market rate interest loans or other assistance to:
 - a) The owners of buildings which are in need of rehabilitation and which are economically capable of same, or;
 - b) To persons desiring to acquire or lease property from the Development Commission.

D. Conclusions

1. MLK Predevelopment Assistance

The professional assistance provided through this project directly supports Plan Goal #2 to target jobs and businesses to benefit Northeast Portland residents, and more specifically to 2.3 to direct investment assistance to economically disadvantaged neighborhoods such as the MLK area.

In addition, the project supports Policy 6 of Prosperous Portland to encourage small business development. This policy states that the City of Portland recognizes the importance of small business and will emphasize efforts to nurture their retention and growth. Policy 6B goes on to say that the City will ensure that adequate technical assistance resources to assist small businesses with skill development are available. This project provides such technical assistance to small businesses. This project is consistent with the Plan.

2. MLK Storefront Grant Program

This project is not only directly supportive of Goals 1.2 and 2.3 to upgrade existing facilities and provide direct assistance to economically disadvantaged areas, it also supports Goal 6 to stabilize neighborhoods by revitalizing the commercial storefronts.

The project also supports Comprehensive Plan policies 3.1 and 5.1 to provide programs to prevent the deterioration of existing structures and the develop programs which provide opportunities for local businesses to operate and grow in Portland. The upgrading of storefront facades encourages additional private investment in the area and provides safe, attractive areas for neighborhood residents which add to the stability of the area. This project is consistent with the Plan.

3. MLK Equity Loan Fund

This project supports Goal 2.3 to direct investment assistance to economically disadvantaged neighborhoods. It is also supportive of the Portland Comprehensive Plan policy 5.11 to encourage business development for segments of the population which have historically not participated fully in the local economy. MBE's and WBE's meet this description. This project is consistent with the Plan.

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Prosperous Portland Policy 6 encourages small business development and states that the City will pursue loan opportunities at attractive terms and rates for small businesses throughout the City. The programs will focus particularly on businesses within target redevelopment areas, such as the MLK area.

4. MLK Mixed Use Development

This project to provide permanent financing for the commercial component of mixed use projects helps ensure that such projects can occur in the MLK area. These developments support Plan Goal 6 to ensure that urban renewal activities work to stabilize adjacent neighborhoods and strengthen neighborhood values. Mixed use projects provide jobs, and also provide neighborhood services convenient to area residents. Goal 6.2 of the Plan is to foster mixed use development within the Urban Renewal Area as mutually supportive of retail opportunities and the maintenance of neighborhood values. This project accomplishes this goal.

This project also supports the Albina Community Plan to focus on key commercial nodes along MLK and to create local jobs by attracting new business and investments. Section 500 of the Report on the Fourth Amendment to the Plan states that commercial revitalization on Martin Luther King Jr. Boulevard is a high priority of the Albina Community Plan and the Development Commission.

5. MLK Technical Assistance

This project is similar to the equity loan fund supporting MBE's and WBE's. This project provides the essential technical assistance needed for these historically disadvantaged segments of the population to create successful businesses.

By assisting minority and women owned businesses, the project supports Goal 2.3 of the Plan to direct investment assistance to economically disadvantaged neighborhoods. It is also supportive of the Portland Comprehensive Plan policy 5.11 to encourage business development for segments of the population which have historically not participated fully in the local economy. MBE's and WBE's meet this description.

The project also supports Comprehensive Plan Policy 5.1, Business Retention and Recruitment, to develop policies and programs which provide opportunities for local businesses to operate and grow in Portland ...

VI. SPECIAL PROJECTS

A. Project Descriptions and Cost Estimates

1. Headquarters Hotel

This project provides funding to purchase a site at Martin Luther King Jr. Blvd. and Hassalo Street for resale for a headquarters hotel. Also provides subsidy needed to attract a 400-700 room hotel.

The estimated cost for this project is \$7,961,409 between 1997/98 and 2001/02.

2. Repayment of WF Loan

This project repays debt to the Downtown Waterfront Urban Renewal Plan used for costs of developing the Plan and for funding initial land acquisition activities under the Plan.

The cost is \$1,807,000 and repayment will be completed in FY 97/98.

B. Relationship to Goals and Objectives

1. Oregon Convention Center Urban Renewal Plan

These special projects conform to the following Goals and Objectives of the Oregon Convention Center Urban Renewal Plan:

Goal 1 Maximize the regional job potential of the Oregon Convention Center.

1.1 Recruit at least one headquarters hotel in the immediate vicinity of the OCC to capitalize on the Oregon Convention Center's capacity.

Goal 3 Create opportunities within the area for businesses to expand and service the convention trade.

3.1 Encourage lodging, entertainment, restaurant and retail development in the corridor between the Oregon Convention Center and the Lloyd Center.

2. Oregon Convention Center Area Policies and Procedures Guide

The City Council adopted the Oregon Convention Center Area Policies and Procedures Guide on December 28, 1988. The relevant policies are:

1. The Oregon Convention Center shall be the focus of new industry in the area, and public actions shall be undertaken to support maximizing its utilization and regional job potential. Efforts shall be undertaken to secure at least one headquarters hotel in the immediate vicinity of the Oregon Convention Center.

3. Urban Renewal Report for the Oregon Convention Center Plan

The Urban Renewal Report for the Oregon Convention Center Plan, adopted May 18, 1989, Section 501, states:

Headquarters Hotel: As one of the highest priority projects authorized by the Urban Renewal Plan, this 600-800 room highly specialized facility to be located near the Oregon Convention Center is estimated to cost \$80 million, principally from private investment. Approximately \$20 million of tax increment funded public investment will be necessary to bring this project, a generator of considerable economic impact, to fruition.

C. Authorization for Project

This project is authorized by the following sections of the Oregon Convention Center Urban Renewal Plan:

Section 601 - Project and Improvement Activities

B. Redevelopment Through New Construction.

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1. Intent: It is the intent of the Plan to stimulate new private investment on vacant or under-utilized property to achieve the objectives of this Plan.
2. Method: Redevelopment through new construction may be achieved in two ways:
 - a) By property owners, with or without financial assistance by the Development Commission:
 - b) By acquisition of property by the Development Commission for resale to others for redevelopment.
3. Redevelopment Financing. The Development Commission, with funds available to it, is authorized to promulgate rules and guidelines, establish financial assistance programs and provide below-market rate interest and market rate interest loans and provide such other forms of financial assistance to property owners as it may deem appropriate in order to achieve the objectives of this Plan.

D. Conclusion

1. Headquarters Hotel

This project fulfills one of the highest priority projects authorized by the Urban Renewal Plan, according to the Report to the Plan. It supports Goal 1.1 of the Plan to recruit at least one headquarters hotel in the immediate vicinity of the Convention Center to capitalize on the convention center's capacity.

The Oregon Convention Center Policies and Procedures Guide also states that efforts should be made to secure at least one headquarters hotel for this immediate vicinity. The project is particularly important in light of the fact that in the years since the construction of the Convention Center, the private sector has been unable, without a subsidy, to make this headquarters hotel a reality, despite serious effort in that regard. Full utilization of the Convention Center, in support of the Plan, cannot be reached without such a headquarters hotel.

Goal 3 of the Plan to create opportunities for businesses to expand and service the convention trade would be enhanced by the existence of a headquarters hotel.

2. WF Loan Repayment

This project repays debt to the Downtown Waterfront Urban Renewal Plan used for costs of developing the Plan and for funding initial land acquisition activities under the Plan. The land acquisition was for part of the Headquarters Hotel site, discussed above. Repayment of debt incurred for preparation of the Plan is an eligible expenditure under the Plan.

PORTLAND DEVELOPMENT COMMISSION

MEMORANDUM

DATE: June 4, 1998

TO: Multnomah County Board of Commissioners

FROM: Felicia Trader *Felicia Trader*

SUBJECT: Information on Housing and Tax Increment

During our meeting with you regarding the amendment to the maximum indebtedness allowable under each of the City's existing urban renewal plans, you requested information regarding the expenditure of tax increment funds on affordable housing. As Chris Scherer indicated, we have recently gone through a process to determine the appropriate allocation of urban renewal funds to housing in each fiscal year. A copy of the report from the Tax Increment Finance Housing Advisory Committee on this subject is included. We will also revisit this issue during our five-year business planning process that will take place over the summer. We understand that the Board is interested in being consulted during that process on the subject of affordable housing.

You also indicated an interest in special needs housing for elderly, homeless, disabled and individuals with drug and alcohol programs. We have attached a list showing the projects and units for special needs housing that we closed, committed, or reserved funds for in FY 1996-97 and FY 1997-98.

Please contact us if you need any other information.

1900 S.W. Fourth Avenue
Suite 100
Portland, OR 97201-5304

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98 JUN - 9 AM 10:14
MULTNOMAH COUNTY
OREGON
COUNTY COMMISSIONERS

Housing Development Finance Department

Special Needs Projects: Closed, Committed, Reserved from Fiscal Year 1996-97 to Present

Fiscal Year	Project Name	Total Units	Unit Type
1996-97			
	Women & Children's Recovery Cntr	56	Alcohol & Drug
	Jean's Place	44	Homeless Women/Children
	Hazelwood Apartments	119	Elderly
	Network 75th Adult Foster Care	5	Psy. Review Board Clients
	Sister House	6	Teen Moms
	Jubilee-Redwoods	8	Alcohol & Drug (Family)
	Andrea Place	15	Chronically Mentally III
	Allen Fremont Plaza	64	Elderly
	REACH - 21st & Powell	20	Chronically Mentally III
Total Units Fiscal Year 1996-97		337	
1997-98			
	60th & Glisan - Phase I	228	Elderly
	Clark Center	90	Homeless Men
	Jubilee Redwoods II	8	Alcohol and Drug
	West Women's Shelter	30	Shelter
	MacDonald Center	54	Elderly
	Rosewood Apts.	39	Aids
	Patton House	64	Elderly
Total Units Fiscal Year 1997-98		513	
Total Units for Two Year Period		<u>850</u>	

PORTLAND DEVELOPMENT COMMISSION

TAX INCREMENT FINANCE (TIF)
HOUSING ADVISORY COMMITTEE

REPORT AND RECOMMENDATIONS
FOR ALLOCATING HOUSING
TAX INCREMENT FUNDS FOR

- CENTRAL EASTSIDE URBAN RENEWAL DISTRICT
- OREGON CONVENTION CENTER URBAN RENEWAL DISTRICT
- SOUTH PARK BLOCKS URBAN RENEWAL DISTRICT
- DOWNTOWN/WATERFRONT URBAN RENEWAL DISTRICT

SUBMITTED TO
PORTLAND DEVELOPMENT COMMISSION
MARCH 18, 1998

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**PORTLAND DEVELOPMENT COMMISSION
TAX INCREMENT FINANCE (TIF)
HOUSING ADVISORY COMMITTEE**

Committee Members:

Baruti Artharee	Committee Chair Director of Housing	Portland Development Commission
Carl Talton	Commission Chair	Portland Development Commission
Doug Blomgren	PDC Commissioner	Portland Development Commission
Sam Galbreath	Co-chair	Housing and Community Development Commission (HCDC)
Steve Rudman	Director	Bureau of Housing and Community Development (BHCD)

Portland Development Commission Policy Consultant:

Margaret Bax

Portland Development Commission Staff:

Robin Boyce	Housing Development Finance
Cheryl Twete	Development Department
Chris Scherer	Finance Director

Urban Renewal Area Team Leaders:

Michael McElwee	Oregon Convention Center URD
Cheryl Twete	South Park Blocks URD
Les Prentice	Downtown Waterfront URD
Bob Alexander	Central Eastside URD

EXECUTIVE SUMMARY

BACKGROUND

In the fall of 1997 members of Portland City Council raised a number of questions regarding housing in the central city and how tax increment financing could be better utilized to meet City adopted housing goals. Baruti Artharee, Director of Housing for the Portland Development Commission (PDC), agreed to convene an ad hoc committee to help answer some of these questions.

The Tax Increment Finance Housing Advisory Committee (TIFHAC) was formed in early January 1998. Members included two members of the Portland Development Commission, the Co-Chair of the Housing and Community Development Commission (HCDC), the Director of the Bureau of Housing and Community Development, and Mr. Artharee as Chair.

CHARGE

The charge of the Tax Increment Finance Housing Advisory Committee was to recommend funding guidelines for the expenditures of tax increment funds (TIF) dedicated to housing for fiscal years 1997-2000. Recommendations were to include unit production goals, mix of housing types, and income allocation guidelines. To accomplish this the Committee agreed to review existing city housing policies and goals, urban renewal district plan housing goals, available housing inventory data, and to solicit public comments regarding TIF housing priorities. City Council did not request comprehensive long-term funding recommendations regarding all expenditures in the urban renewal districts. The goals and priorities were established when the individual districts were formed. The Committee did not have the authority to amend these adopted goals.

Of the five existing urban renewal districts (URD), four have identified housing as a urban renewal goal. These four areas are located in the Central City Plan Area and include the **Central Eastside URD, Oregon Convention Center URD, South Park Blocks URD, and Downtown Waterfront URD.**

City Council requested that the Committee complete their work and forward their recommendations to the Council in February 1998, prior to Council completing work on the City's budget for FY 1998-99.

PROCESS

A list of community stakeholders was developed and information packets were mailed to over 40 individuals and organizations. Packets included the Committee member roster, the Committee charge and process, and the Committee's meeting schedule which included tentative agendas. At each meeting public comments were taken. Written comments were encouraged and accepted throughout the process. A series of seven meetings were held between January 7, 1998, and March 12, 1998. All meetings were open to the public and were well attended.

The Committee received briefings on Metro Region 2040, city housing policies, housing inventory data for the central city, PDC's Five Year Business Plan Update process, and the City Housing Policy Update. The Committee also received detailed information on each of the four urban renewal districts including the housing goals, objectives, accomplishments, and housing related budget information.

The Committee's task was difficult, especially given such a short time frame. Understanding the current status of housing in the districts, and evaluating progress towards meeting adopted housing goals was hindered by incomplete data. Another major challenge was understanding the myriad of housing policies and plans adopted over the last 28 years, many of which are conflicting. A third barrier the Committee encountered was PDC's complex budgeting process which is designed to respond to significant variances in funds available each year, to accommodate multi-year project planning and funding, and includes over 40 different funding sources and their accompanying restrictions.

In addition to recognizing the established housing policies and urban renewal plans, the Committee agreed to the following guiding principles to help direct the focus of Committee discussion.

GUIDING PRINCIPLES

Portland's Central City functions as the region's employment, housing and entertainment center. Each of the four urban renewal districts within the Central City was established with a focus reflecting the unique market demands and opportunities of that district. The following guiding principles frame broad goals and objectives for housing which the Committee believes apply throughout the Central City. These principles should be used to inform PDC's Five Year Business Plan and the Citywide Housing Policy Update and the Committee specifically requests that these principals be forwarded to those processes.

The recommendations made for the use of TIF housing resources in each of the urban renewal districts are consistent with these principles.

1. Provide for a diversity in the type, density, and location of housing within the city in order to provide an adequate supply of safe and sanitary housing at price and rent levels appropriate to the varied financial capabilities of city residents. (Goal 4 Housing, Portland Comprehensive Plan)
2. Recognize that the URD goals have not been changed by this process. Implementation of URD goals should be carried out consistent with existing City policies such as the Downtown Housing Policy and the Central City Plan.
3. Recognize that non-housing TIF resources and non-cash public resources (tax abatement and private activity bond financing) help create an environment attractive to middle and higher income housing development allowing larger portions of TIF housing resources to be available for lower-income housing development.
4. Support and encourage development and preservation of housing affordable to people who currently live, are employed, or expected to be employed in the Central City.

5. Preserve and encourage the rehabilitation and/or replacement of existing very low- income housing.
6. Housing acquired or rehabilitated for long-term low-income occupancy shall have the same priority as housing developed to meet Region 2040 growth management housing production goals.
7. Support and encourage strategies which promote mixed-income projects and neighborhoods, and which meet City and URD goals.
8. Support and encourage mixed-use projects which meet City and URD goals.
9. When TIF funds are used to acquire land and/or develop moderate or middle-income housing, the resulting projects should typically include some low-income units. The Committee recommends that a maximum household income be established for the use of direct TIF housing resources. PDC should support and participate in broader community discussions to determine the appropriate income level.
10. Target locally controlled federal housing funds outside of urban renewal districts and use TIF resources within the URD.

RECOMMENDATION GOALS

Although challenging, the process was enlightening and overall, a valuable experience. The Committee is pleased to forward the recommendations included in this report to the Portland Development Commission and to Portland City Council. The recommendations address four areas:

1. Funding priorities for each district for FY 1998-99, and FY 1999-2000.
2. Other strategies (in addition to loan funding) to be pursued to meet Urban Renewal District Plan and City housing goals.
3. Total production targets to meet Region 2040 growth management goals. Targets are for sub-areas of the Central City and are expressed as "net gain" of housing units.
4. Issues and barriers the Committee experienced in this process.

This report is separated into three sections. Section I: Summary of Recommendations. Section II: General Discussion covers the Committee's discussions on the various categories previously mentioned and includes general policy recommendations. Section III: Urban Renewal Districts includes a summary of urban renewal district goals, Committee discussions and recommendations for the four urban renewal districts.

SECTION 1: SUMMARY OF COMMITTEE RECOMMENDATIONS

GENERAL DISCUSSION RECOMMENDATIONS:

CITY HOUSING GOALS

The Committee very much appreciates the value of the Housing Policy Update and encourages Portland Development Commission, City Council, City staff and citizens to actively participate in this project. Tax Increment Financing is one of the most flexible resources and as such it is a very valuable tool for meeting City housing goals. The Committee recommends that decisions regarding TIF expenditures be integrated with City housing policy decisions and be consistent with overall City housing priorities.

METRO REGION 2040/GROWTH MANAGEMENT

The Committee offers the following suggestions for housing unit production targets in the Central City sub-areas. Targets are for net increase in the number of housing units and include all housing development, including units developed without the use of TIF or other public resources.

These are offered as a starting point, recognizing that broader community discussions are needed. The Committee recommends that production targets be established for each urban renewal district through the Five Year Business Plan process.

AREA	NET UNIT INCREASE by 2015	NET UNIT INCREASE Over 3 Years
Eastside Target Range	2,000 - 2,500	400 - 500
OCC URD	1,500 - 2,000	300 - 350
CES URD	400 - 600	80 - 120
Westside Target Range	5,300 - 6,800	1,060 - 1,360
North Macadam	2,500 - 3,000	500 - 600
River District	5,500	1,100
Balance of Westside*	<u>2,800 - 3,800</u>	<u>560 - 760</u>
Total	10,000 - 13,000	2,020 - 2,620

* Includes all of South Park Blocks URD, Downtown/Waterfront URD south of Burnside, part of Goose Hollow, and non-URD downtown.

BUDGET REVIEW

The Committee strongly recommends that the Portland Development Commission board review the TIF budgeting and reporting process, with a focus on increasing public outreach and involvement. Members of the Committee are very interested in actively participating in this review and in PDC's Five Year Business Plan Updates.

CENTRAL CITY HOUSING INVENTORY DATA

The Committee recommends that the City Housing Policy Update address this critical need for a consistent, reliable city wide housing data base. For purposes of urban renewal district planning and budgeting, information is needed at the neighborhood and/or district level, recognizing uniform geographic boundaries. Data on total number of housing units, homeowner/rental mix, rent levels, number of units lost (due to conversion to other uses or redevelopment), number of new units developed, and income/wage information are all essential to measuring success or failure of housing programs.

The Portland Planning Bureau, the Bureau of Housing and Community Development, the Bureau of Buildings, and the Portland Development Commission should all participate in designing and maintaining a data base that is consistent with federal census data. Using consistent terms, definitions, and methodologies is essential. City Council should identify a lead agency to coordinate this effort.

URBAN RENEWAL DISTRICT RECOMMENDATIONS:

CENTRAL EASTSIDE URD - FY'S 1998 - 2000

1. TIF funds should be used to support preservation of existing housing for all income levels. This is, and continues to be, a long-term objective.
2. TIF resources should be used to support new housing development in mixed-use projects serving the current market in the district.

**OREGON CONVENTION CENTER URD
LLOYD DISTRICT - FY's 1998 - 2000**

1. TIF resources should be used to support mixed-income housing projects and may support market rate units if they are in project which supports other City and URD goals (e.g. housing for people employed in district or who can use public transit to jobs).
2. Prioritize TIF resources to support development of housing at or below 80% MFI.
3. TIF resources should be used to acquire land for higher density and mixed income projects including market rate housing.

Other Recommended Strategies

1. Actively market TIF, property tax abatements and bonds to encourage and support mixed income and market rate high density housing.
2. PDC should provide leadership in coordinating efforts by City Council, City bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements.

**OREGON CONVENTION CENTER URD
MLK NORTH OF BROADWAY - FY's 1998 - 2000**

1. Along Alberta Street Corridor TIF resources should be used to support mixed-use projects at 0-60% MFI.
2. Along MLK Corridor, TIF resources should be targeted for households at and above 60% MFI in mixed-use projects which support commercial development in the area.
3. TIF resources could be used to replace housing lost to redevelopment.
4. TIF resources should be used for land acquisition for mixed-use projects.

Other Strategies:

1. Consider selective expansion of district boundaries for additional mixed-income housing.
2. PDC should provide leadership in coordinating efforts by City Council, City bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these and other underdeveloped sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements.

SOUTH PARK BLOCKS URD - FY's 1998 - 2000

- 1. Target 50% of housing tax increment funds for preservation, replacement and development of 0-60% MFI units.**
- 2. Target 50% of TIF housing resources to units over 61% MFI with special consideration given to projects containing some units at 61-80% MFI.**
- 3. Preserve current affordability distribution of units through replacement and/or rehabilitation.**
- 4. TIF resources should be used to encourage and support mixed-income, mixed-use projects.**
- 5. TIF resources should be used for land acquisition for projects consistent with above recommendations (\$750,000 in budget for FY 1998-99).**
- 6. Complete Hamilton II replacement housing (up to \$6M in TIF housing budget for FY 1998-99).**

Other Recommended Strategies

- 1. PDC should provide leadership in coordinating efforts by City Council, City bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these and other underdeveloped sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements.**
- 2. Develop strategies to replace low income units lost when rental units are converted to condominiums or other uses.**
- 3. Complete market study to analyze demand for rental housing including larger units (2+ bedrooms).**
- 4. Develop strategies to inform developers of funding priorities and availability of funds, and other housing development opportunities.**
- 5. Consider using Request For Proposals (RFP) if necessary to meet production targets.**

DOWNTOWN WATERFRONT - FY's 1998 - 2000

- 1. Target 50% TIF housing resources for preservation, replacement and development of 0-60% MFI housing.**
- 2. Allocate funds identified for 333 Oak project to 0-40% MFI. Committee recommends that the \$2M identified for this project remain targeted to 0-40% MFI regardless of the outcome of the 333 Oak project.**
- 3. Target 50% of TIF housing resources to units over 61% MFI with special consideration given to projects with some units at 61-80% MFI.**
- 4. Preserve current affordability distribution of units through replacement and/or rehabilitation.**
- 5. Encourage mixed-use, mixed-income housing at all levels.**

Other Recommended Strategies

- 1. PDC should provide leadership in coordinating efforts by City Council, city bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these and other underdeveloped sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements**
- 2. Develop strategies to replace low income units lost when rental units are converted to condominiums or other uses.**
- 3. Complete market study to analyze demand for rental housing including larger units (2+ bedrooms).**
- 4. Develop strategies to inform developers of funding priorities and availability of funds, and other housing development opportunities.**

SECTION 2: GENERAL DISCUSSION

I. OVERVIEW OF CITY HOUSING GOALS

Cathey Briggs, Program Manager for the City Housing Policy Update, gave an overview presentation of the various housing policies and plans adopted for the Metro Region, the City of Portland, the Central City, and neighborhoods located in the Central City.

Ms. Briggs gave the Committee a matrix of the many housing related policies and plans, noting that many are in conflict with each other and with other adopted city policies. A memo outlining the relationships and hierarchy of the various policies and plans was distributed (exhibit 1). Ms. Briggs said that all plans are not legally binding and that although neighborhood plans are extremely valuable for identifying community priorities and opportunities, it is not possible to implement every element of every plan due to funding limitations and, in some situations, to conflicts with broader city goals and objectives. Citizens who participate in neighborhood plan development are not always aware of this and are frustrated when policy and budgeting decisions are not consistent with their expectations and their understanding of the process.

City Housing Policy Update: Cathey Briggs gave a brief overview of the City Housing Policy Update. This project is a 15 month long planning and coordination effort designed to sort through the various housing plans and policies which have been adopted over the last 28 years. As mentioned above, these policies are often incompatible and cause confusion among policy makers and the public. The goal of the City Housing Policy Update is to foster public discussion and education regarding housing policies and to develop a comprehensive City Housing Policy to guide future policy decisions and clarify priorities.

Ms. Briggs invited the Committee, Portland Development Commission staff, and members of the public to actively participate in the City Housing Policy Update over the next several months.

Recommendation: The Committee very much appreciates the value of the Housing Policy Update and encourages Portland Development Commission, City Council, City staff and citizens to actively participate in this project. Tax Increment Financing is one of the most flexible resources and as such it is a very valuable tool for meeting City housing goals. The Committee recommends that decisions regarding TIF expenditures be integrated with City housing policy decisions and be consistent with overall City housing priorities.

City and Community Plans: The Committee reviewed the City and Community Plans listed below. The housing goals and objectives of the major plans are highlighted here. Later in this report, under the individual Urban Renewal District Sections, the housing goals and objectives for each URD are detailed.

1. Downtown Housing Policy and Program (produced by Portland Development Commission and adopted by Portland City Council in October 1979).

- **Maintain Low Income Housing** "...the city is committed to assuring that the 5,182 low income units which existed in April 1978 be maintained in the Downtown." (Low-income was defined at the time as below 80% MFI.).
- **Create Middle Income Housing** "...provide 2,500 new housing units primarily for middle income by 1985." (Middle income was defined at the time as 80-150% MFI).
- **Encourage New High Income Housing.**
- **Support Related Activities which Reinforce Downtown's Residential Neighborhoods.**

2. Central City Plan (adopted 1988, and updated in 1995)

A. Policy 3 - Housing Goals and Objectives:

- **Promote the construction of at least 5,000 net new housing units** in the Central City by year 2010. This goal was amended in 1995 to **15,000** new housing units.
- **Preserve and encourage the rehabilitation of existing housing.**
- **Foster housing development as a key component of a viable urban environment.** Encourage the development of housing in a wide range of types and prices and rent levels. Include affordable housing in mix.

B. **Policy 4** - Use urban renewal and tax increment financing for the development and preservation of housing within urban renewal districts.

3. Neighborhood and District Plans in the Central City Area.

Urban Renewal District Plans for each of the districts, Central City 2000, Downtown Community Association Residential Plan, University District Plan, River District Development Plan, River District Housing Implementation Plan, Old Town/Chinatown Vision Plan, Albina Community Plan, Eliot Neighborhood Plan, Eliot Neighborhood Housing Preservation and Development Policy, King Neighborhood Plan, Piedmont Plan, Woodlawn Neighborhood Plan, Kerns Neighborhood Action Plan, Buckman Neighborhood Plan, Hosford-Abernathy Neighborhood Action Plan, and Central Eastside Industrial Council Plan.

II. METRO REGION 2040/GROWTH MANAGEMENT:

The Committee received a briefing on PDC's role in Metro Region 2040 implementation. The briefing, Committee discussion, and recommendations are summarized below.

The Portland Development Commission is the City's lead implementing agency for coordinating the Region 2040 Growth Concept goals in the areas of housing, jobs, and revitalization. The housing goal of the Regional Functional Plan requires that the City:

- 1. Provide a diverse range of housing types with specific goals for low- and moderate-income and market rate housing to ensure that sufficient and affordable housing is available to households of all income levels that live or have a member working in the city; and**
- 2. Provide housing densities and costs supportive of adopted public policy for the development of the regional transportation system and a balance of jobs and housing.**

The Committee discussed the level of annual housing production required to meet the City's goal of adding 15,000 net new units in the Central City Plan Area by the year 2015. Members of the Committee agreed that decisions regarding how many units each neighborhood and/or each district should accommodate, and where that development should occur, are discussions for a broader public forum. However, the Committee does encourage the Portland Development Commission to consider growth management targets in the context of urban renewal district planning and budgeting.

The Committee suggests identifying numerical production targets in terms of a range to help assess current and future budget needs and to assist the agency in setting realistic annual production goals. Production targets should reflect total gain or net increase in number of units and include development of not only publicly assisted units, but also units developed by private developers without public resources. PDC staff estimate that of the 15,000 new units to be added in the Central City, 2,300 units have been completed or are currently under construction during the 1995-98 period.

Recommendation: The Committee offers the following suggestions for housing unit production targets in the Central City sub-areas. Targets are for net increase in the number of housing units and include all housing development, including units developed without the use of TIF or other public resources.

These are offered as a starting point, recognizing that broader community discussions are needed. The Committee recommends that production targets be established for each urban renewal district through the Five Year Business Plan process.

AREA	NET UNIT INCREASE by 2015	NET UNIT INCREASE Over 3 Years
Eastside Target Range	2,000 - 2,500	400 - 500
OCC URD	1,500 - 2,000	300 - 350
CES URD	400 - 600	80 - 120
Westside Target Range	5,300 - 6,800	1,060 - 1,360
North Macadam	2,500 - 3,000	500 - 600
River District	5,500	1,100
Balance of Westside*	<u>2,800 - 3,800</u>	<u>560 - 760</u>
Total	10,000 - 13,000	2,020 - 2,620

* Includes all of South Park Blocks URD, Downtown/Waterfront URD south of Burnside, part of Goose Hollow, and non-URD downtown.

The Committee emphasizes that these estimates demonstrate the level of net increase in housing units needed to meet Region 2040 housing goals. Units lost due to redevelopment, demolition, or conversion to other uses would have to be replaced in addition to the figures above.

III. BUDGET REVIEW

The Committee received summary information on PDC's housing budgets for FY 1998-99 for each of the urban renewal districts which included lists of projects for which funds have been obligated.

Budget projections for FY 1999-2000 are not available due to issues related to implementation of Measure 50. By July of 1998 City Council will establish a maximum indebtedness for each URD and select an option for collecting tax increment levies. Until this is done, reliable budget estimates for future years will not be available.

Budget information for each URD is provided below.

	FY 97-98 New Tax Increment Funds	FY 97-98 Budgeted Beginning Fund Balance	FY 98-99 New Tax Increment Funds	FY 98-99 Budgeted Beginning Fund Balance	FY 99-2000 New Tax Increment Funds	Total Available Funds
Waterfront Urban Renewal District	2,223,493	6,882,500 (a)	2,500,000 (b)		3,012,000	14,617,993
South Park Blocks Urban Renewal District	4,146,000 (c)		0	9,215,004 (d)	2,848,000	16,209,004
Convention Center Urban Renewal District	450,000		1,092,000		832,000	2,374,000
Central Eastside Urban Renewal District	0	20,000	500,000	50,000	276,000	846,000
	6,819,493	6,902,500	4,092,000	9,265,004	6,968,000	34,046,997

Notes:

Please note the above numbers only include funds available for housing financial assistance and capital outlays. No administrative dollars included.

FY 1997-98 and FY 1998-99 Budgeted Beginning Fund Balance amounts include tax increment revenues prior to FY 1997-98. Figures represent unduplicated total amounts available.

FY 1999-2000 amounts are based on the project cost projections included in the maximum indebtedness analysis and a number of other assumptions including:

- * A tax increment levy of \$40 million will be available in FY 1999-2000
- * PDC will issue ten year bonds in each urban renewal area over the next two years
- * The amount allocated to housing would be allocated pro rata according to the percentage of funded projects in each area

The FY 1999-2000 assumptions have been formulated on the basis of a number of assumptions regarding revenue availability, debt management and taxing capacity. It is likely that the actual outcomes in several of these areas will differ from the assumptions and that the difference could be material. PDC will also undertake a five-year planning process during the summer of 1998 and the results of the process may dictate a different allocation.

(a) \$2,200,000 of this has carried forward to FY 1998-99 for MacDonald Center and 333 Oak Street.

(b) \$2,200,000 plus \$2,500,000 (new dollars for FY 1998-99) funds equal \$4,700,000 included in FY 1998-99 budget.

(c) \$4,146,000 equals the following projects: \$1,736,000 Represents undetermined projects, not spent. This amount is not budgeted as carry forward for FY 1998-99 budget.
\$860,000 Includes \$750,000 carry forward for the New Ritz.
\$1,550,000 Represents PSU housing project.
\$4,146,000 Total

(d) \$750,000 carry forward project from FY 1997-98 (New Ritz) plus \$9,215,004 = \$9,965,000.

\$9,902,000 equals the following projects: \$750,000 New Ritz
\$6,000,000 Hamilton II
\$3,152,000 Represents undetermined projects
\$9,902,000 Total FY 1998-99 Budgeted Amount

Portland Development Commission staff briefly reviewed the PDC Five Year Business Plan Update process which the agency uses to establish annual budgets and to determine funding priorities in the each of the urban renewal districts. This process, lead by the Target Area Team leaders, began in 1993. It focuses on the PDC target areas and involves community and business representatives in each of the areas. Some Committee members raised concerns regarding the process, specifically the level of public involvement and outreach for housing stakeholders.

Portland Development Commission's Executive Director, Felicia Trader, stated that the Commission's goal is to broaden public outreach and involvement in the Five Year Business Plan Update for FY 1999-2000, scheduled to begin in late spring 1998. She invited Committee members to assist the Commission in these efforts.

In the process of reviewing urban renewal district budgets for FY 1998-99, Committee members raised questions regarding the percentage of funds budgeted for housing. A particular concern was the amount of funds budgeted each year (for housing and other projects) that is not spent and is therefore rolled over to subsequent years. It was suggested that the Portland Development Commission consider moving funds to projects or programs such as housing, which would utilize funds in the current year. The other projects could be funded in future years, when they were ready to proceed. The Committee discussed the fact that many of the larger projects, especially those in the City's capital planning program, are very expensive requiring funds to be set aside over a number of years in order to provide the necessary financing. The Committee recognized that planning and pre-development work can take several years to complete, although this is not always the case.

The Committee agreed that the issues raised regarding Portland Development Commission budgeting process are very important, however, they are outside of the charge to this committee. To adequately address them would require more time and a more comprehensive community process, including stakeholders for all of the Portland Development Commission program areas.

Recommendation: The Committee strongly recommends that the Portland Development Commission board review the TIF budgeting and reporting process, with a focus on increasing public outreach and involvement. Members of the Committee are very interested in actively participating in this review and in PDC's Five Year Business Plan Updates.

IV. CENTRAL CITY HOUSING INVENTORY DATA

The Committee reviewed data available on the income levels of current residents and on the mix of rental and home ownership units in the Central City and in each URD. The 1996 Central City Housing Inventory (CCHI) was the primary source for data presented to the Committee. It was determined, early in the Committee's process, that the CCHI data was not complete enough to address all of the questions raised by the Committee. Utility allowances were not uniformly reported or calculated in the income level calculations. In an attempt to address these

discrepancies staff has completed additional analysis of information available on units not covered in the inventory and recalculated the units by income for each district taking utility information into account. The most recently updated information is provided as Exhibit #3 to this report.

The Committee discussed at length the complexities of inventorying all housing types and rent levels in the Central City. The Committee strongly recommends that a system for obtaining this information be created through the combined efforts of the various City bureaus stated in the recommendation below.

Recommendation: The Committee recommends that the City Housing Policy Update address this critical need for a consistent, reliable city wide housing data base. For purposes of urban renewal district planning and budgeting, information is needed at the neighborhood and/or district level, recognizing uniform geographic boundaries. Data on total number of housing units, homeowner/rental mix, rent levels, number of units lost (due to conversion to other uses or redevelopment), number of new units developed, and income/wage information are all essential to measuring success or failure of housing programs.

The Portland Planning Bureau, the Bureau of Housing and Community Development, the Bureau of Buildings, and the Portland Development Commission should all participate in designing and maintaining a data base that is consistent with federal census data. Using consistent terms, definitions, and methodologies is essential. City Council should identify a lead agency to coordinate this effort.

SECTION 3: URBAN RENEWAL DISTRICT RECOMMENDATIONS

The Tax Increment Finance Housing Advisory Committee offers the following recommendations for expenditure of housing resources in the following urban renewal districts. These recommendations apply to the allocation of tax increment finance housing resources for FY's 1998-99 and 1999-2000.

Because complete data are not available to determine the current mix of housing types or rental/home ownership, the Committee does not offer specific recommendations regarding housing types.

In offering these recommendations the Committee would like to emphasize that although the Central City functions as a regional housing, employment, and entertainment center, each urban renewal district within the Central City was established with a unique focus reflecting the specific characteristics, market demands, and opportunities of that district.

The Committee accepts the goals and objectives established for each district and was given a list of projects for which funds have been obligated for FY 1997-98 and 1998-99. Members of the Committee are very interested in participating in future discussions which determine the total amount of TIF resources allocated to housing in each district, and the allocations to the various housing program areas and the income categories.

CENTRAL EASTSIDE URBAN RENEWAL DISTRICT

The Central Eastside Urban Renewal District was adopted in August, 1986 and is scheduled to expire in July, 2006. The Urban Renewal Eligibility Analysis identified 1,392 dwelling units in the district in 1986. A large number of these housing units were in Class "C" buildings. (Class "C" - Buildings which appear to be deteriorated beyond their ability to be economically rehabilitated based on exterior view not detailed interior structural evaluation.)

The District is zoned mostly Industrial Sanctuary "IG", with significant Central Employment "CE" zoning along the major arterial. Nine full or partial blocks are zoned for residential housing. The Eastbank Riverfront Park is a major initiative in the District requiring significant financial commitment each year.

General Urban Renewal District Plan Goal: There are four primary goals of the Central Eastside Urban Renewal District:

1. Urban Development
2. Business Retention and New Business Development
3. Central Eastside Revitalization
4. Riverfront Access

Urban Renewal District Plan Housing Goals:

1. Promote a range of employment opportunities and living environments for Portland residents in order to attract and retain a stable and diversified population.
2. Preserve and enhance the unique characteristics of the Central Eastside Industrial District as a near-in employment center with a diverse industrial base complimented by concentrations of commercial and residential uses in appropriately designated areas.
3. Enhance business and development opportunities for existing firms, recognizing the importance of providing industrial sanctuaries for certain industrial activities while affording opportunities for commercial housing development within appropriately designated sub-areas.

Summary of Committee Discussion:

The Tax Increment Finance Housing Advisory Committee recognizes that the primary role of the Central Eastside Urban Renewal District is to provide a near-in employment center and industrial sanctuary.

There are few sites zoned for housing development, most being along the Grand/MLK Corridor and along the eastern boundary (11th and 12th) of the District. In addition, there are seventy to eighty partial or full blocks zoned Exd inside the District. Exd allows housing, commercial, industrial, manufacturing, and industrial uses. These potential sites are generally suited for mixed-use developments with ground floor commercial and housing above.

The Central Eastside Industrial Council notified the Committee that they have formed a committee to identify potential redevelopment sites, including sites appropriate for upper story housing. Due to the recent siting of the Men's Shelter and the proposed siting of a new facility for 90 units of permanent housing for households with incomes at and below 30% median family income (MFI) in the area, the Central Eastside Industrial Council requested that new rental housing be targeted to households at 60% MFI and above.

Community members did indicate that they recognized the need to preserve existing housing and support the use of public funds for that purpose.

The three sites identified as "finalists" for the 90 units of permanent housing are located outside the Urban Renewal District. Therefore tax increment funds are not being considered as a funding source for that project. Although not a tax increment funded project, completion of this project is a top housing priority for the City.

According to a recent study by the Housing Development Center, using rental data from the 1997 MacGregor Millette Report, market rents in southeast Portland are about equal to those identified as affordable to households at 60% MFI. This raises the issue of marketability of higher income units.

RECOMMENDATIONS FOR CENTRAL EASTSIDE URD - FY's 1998 - 2000

- 1. TIF funds should be used to support preservation of existing housing for all income levels. This is, and continues to be, a long-term objective.**
- 2. TIF resources should be used to support new housing development in mixed-use projects serving the current market in the district.**

OREGON CONVENTION CENTER URBAN RENEWAL DISTRICT

The Oregon Convention Center Urban Renewal District was adopted in May, 1989 and is scheduled to expire in June, 2012/13. Through the Urban Renewal Eligibility Analysis, 1,337 units were identified in May, 1989. Although there are limited sites which are zoned exclusively for housing, the predominate land use is CXd, the highest density commercial zone which allows commercial, housing, or mixed-use. CXd and Rxd allow about 100-220 units per acre. The MLK Extension excluded all sites zoned residential, however mixed-use is allowed in areas zoned for commercial or employment.

When the District was formed the Oregon Convention Center was under construction and the Lloyd District contained a significant number of blighted and under-utilized properties. The Plan was intended to leverage the public investment in the Convention Center and facilitate area redevelopment. In 1993, the Oregon Convention Center URD was expanded north to include much of the Martin Luther King Jr. Blvd. commercial corridor. This expansion was guided by the goals and objectives of the Albina Community Plan and its associated neighborhood plans.

General Oregon Convention Center Urban Renewal District Plan Goal:

Improve the condition of the Convention Center Area, eliminate blight and blighting influences, expand and improve public facilities and stimulate private investment and economic growth (applies to both Lloyd District and MLK Extension).

The Oregon Convention Center URD includes the Lloyd District, an emerging adjunct to the downtown commercial core, and Martin Luther King, Jr. Blvd., a commercial corridor vital to the revitalization of inner northeast Portland. Although these two areas are explicitly linked through the urban renewal plan, they are addressed separately due to the different existing land use patterns, market potential, public policy objectives, and community expectations. Although MLK Jr. Blvd. lies in both the original URD (up to Russell Street) and in the Extension the Committee addressed all MLK north of Broadway in the context of MLK extension.

A. Lloyd District Urban Renewal District Housing Goals:

1. Ensure that activities work to stabilize neighborhoods, mitigate adverse impacts and strengthen neighborhood values.
2. Encourage complementary and diverse land use activities in the Oregon Convention Center Area.
3. Support residential, mixed-use and free-standing projects with the creation of quality amenities and environments.

Summary of Committee Discussion on Lloyd District

Discussion centered on the opportunities the area presents for meeting the Central City housing production goals due to current zoning and the high level of access to light rail and other transit

systems. Another focus was on the need to provide housing for the people who work in the area. Specifically, the Committee discussed strategies to support and encourage development of higher density, mixed-income, and transit oriented housing. The Committee discussed strategies to encourage market driven housing development without the use of direct financial assistance from federal (CDBG and HOME) and city funds. Further research is needed on current market rents and lease up rates to determine what income levels need to be subsidized. TIF funds could be used to support mixed-income development if (1) those funds are used to ensure that some number of lower-income units will be constructed and, particularly, when (2) those lower-income units would make private activity bonds (subject to 20/50 40/60 tests) available.

RECOMMENDATIONS FOR LLOYD DISTRICT - FY's 1998 - 2000

- 1. TIF resources should be used to support mixed-income housing projects and may support market rate units if they are in project which supports other City and URD goals (e.g. housing for people employed in district or who can use public transit to jobs).**
- 2. Prioritize TIF resources to support development of housing at or below 80% MFI.**
- 3. TIF resources should be used to acquire land for higher density and mixed income projects including market rate housing.**

Other Recommended Strategies

- 1. Actively market TIF, property tax abatements and bonds to encourage and support mixed income and market rate high density housing.**
- 2. PDC should provide leadership in coordinating efforts by City Council, City bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements.**

B. MLK Jr. Blvd. North of Broadway Urban Renewal District Housing Goals:

- 1. Promote ownership by residents of the Albina Community.**
- 2. Encourage complementary and diverse land use activities in the Oregon Convention Center area.**
- 3. Support residential, mixed-use and free-standing projects with the creation of quality amenities and environments.**
- 4. Encourage housing in areas zoned for housing or mixed-use.**

Summary of Committee Discussion on MLK North of Broadway:

Although the primary intent of the MLK Extension was to support commercial revitalization of the corridor, a significant amount of housing development has occurred over the last few years. The Committee believes that Portland Development Commission should focus on commercial

and employment needs along MLK for FY's 1998-2000 and that housing development should support commercial and employment initiatives.

Some of the areas adjacent to the URD have a high percentage of very low-income housing. In recent years Portland Development Commission has participated in funding a number of high density, low and moderate income housing in the URD and adjacent to it. The Committee suggests that PDC review market absorption for these new units especially the very low-income units, and analyze the neighborhood impact before directing more resources to 0-30% MFI housing in this area. Mixed-use projects which support neighborhood revitalization along Alberta would be appropriate projects to fund with tax increment finance resources. TIF is also recommended for use for replacement of housing lost to redevelopment and for land acquisition for future projects.

RECOMMENDATIONS FOR MLK NORTH OF BROADWAY - FY's 1998 - 2000

- 1. Along Alberta Street Corridor TIF resources should be used to support mixed-use projects at 0-60% MFI.**
- 2. Along MLK Corridor, TIF resources should be targeted for households at and above 60% MFI in mixed-use projects which support commercial development in the area.**
- 3. TIF resources could be used to replace housing lost to redevelopment.**
- 4. TIF resources should be used for land acquisition for mixed-use projects.**

Other Strategies:

- 1. Consider selective expansion of district boundaries for additional mixed-income housing.**
- 2. PDC should provide leadership in coordinating efforts by City Council, City bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these and other underdeveloped sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements.**

SOUTH PARK BLOCKS URBAN RENEWAL DISTRICT

The South Park Blocks Urban Renewal District was adopted in July, 1985 and is scheduled to expire in July, 2008. Unit count in 1985 when the district was formed was 2,817. Predominate land use zones (commercial and residential) allow housing as an outright use. The zoning heights and floor area ratios (FAR's) enable the highest density development in the region. Availability of land and market demand are major factors affecting housing development in the SPB URD.

Housing development and rehabilitation have been priorities throughout the life of the South Park Blocks URD. The Downtown Housing Preservation Program (DHPP) was designed specifically to meet the goal of maintaining the existing number of low and moderate income units. Over 1,169 units were preserved and/or replaced through DHPP. That program is no longer active but the roles and responsibilities are incorporated into the Housing Development Finance Program.

General Urban Renewal District Plan Goal: Improve the condition and appearance of the Area, eliminate blight and blighting influences, increase and improve housing, expand public facilities, and upgrade the South Park Blocks.

Urban Renewal District Plan Housing Goals:

General Housing Goal: Give a high priority to increasing the number of residential accommodations in the downtown area for a mix of age and income groups, taking into account differing life styles; provide a quality environment in which people can live, recognizing that residents of downtown and adjacent areas are essential to the growth, stability, and general health of a metropolitan city.

1. Provide a wide range of housing types to meet the various needs and demands of diverse populations.
 - Create new housing for small middle-income (defined in the URD Plan as affordable to residents with incomes between 80% -150% MFI) households. City recognizes the significant and growing demand for smaller units which are especially suited downtown. Develop 1,600 (new middle income) units to meet the City's goals of 2,500 new housing units.
 - Maintain existing number of low and moderate income housing units (0-80% MFI) Incorporate low and moderate income housing equal to 15% of the units of all new projects.
 - Assess impact of new development on existing housing in Area to prevent or mitigate potential displacement.

- Support preservation and development of low and moderate income housing by both non-profit and for-profit entities consistent with the City's adopted numerical goals for housing in downtown.
2. Develop and support services and amenities necessary for a quality neighborhood as well as assisting the maintenance and production of substantial and well designed housing. The City recognizes the importance of housing in the context of a "neighborhood".

Summary of Committee Discussion:

The Committee discussed the role of South Park Blocks URD in the context of the entire Central City. Housing is a major component of the District, providing opportunities for people of all income levels to live in the downtown area. According to Central City Housing Inventory data, there are over 3,600 open market housing units (does not include student housing, shelters, assisted living facilities, group homes, or single family residences) located in the district. Using the standard formula to calculate affordability (no more than 30% of gross monthly income expended for housing), the South Park Blocks housing stock was distributed in 1996 as follows:

<u>Units</u>	<u>Affordable to</u>
70%	Less than 60% MFI
10%	Between 61-80% MFI
20%	More than 81% MFI

A very high housing priority in the South Park Blocks URD for FY's 1998-2000 is the completion of the Hamilton II project, 104 units of replacement housing for people with incomes at 40% MFI. Current plans are to develop two mixed-income projects each having approximately 100 units with 52 of them affordable to households at 40% MFI. The balance of units in the first project will be targeted to 60% MFI households. The income level for the balance of units in the second project will be determined after completion of Central City Market study, commissioned by PDC and scheduled to begin in March 1998. Because the Hamilton II project is targeted to 40% MFI households, the Committee did not feel it necessary to specify additional funding targets for 0-30% MFI housing for FY's 1998-2000. The Committee does believe that future allocation targets for 0-30% MFI will be necessary to maintain housing opportunities for this vulnerable population.

One of the major barriers to housing development in South Park Blocks URD is the availability of land. Between 16 and 38 full blocks of land are needed to develop the number (2,800-3,800) of housing units identified to meet 2040 goals in downtown (area inside the I-405 loop south of Burnside and part of Goose Hollow which is in the Central City Plan area). The estimate of 38 blocks assumes housing development at the lowest allowable density (86 units/acre) and the 16 full blocks assumes the highest density currently being developed (200 units/acre).

Currently there are over 15 surface parking lots of one-quarter block or larger within the South Park Blocks URD. City zoning and parking codes have the effect of "grandfathering" surface parking for existing lots within a primarily residential zone. This raises the value of the lots and consequently land acquisition costs. The Committee recommends that the City explore options

which would allow housing over parking on these lots or other strategies to offset land costs for housing development.

Other strategies the Committee discussed to address the land availability barrier included the use of broker searches and the Request for Proposal (RFP) process to facilitate land acquisition.

The Committee received public input encouraging use of public funds for development of larger units (2+ bedrooms) and for home ownership units. Committee members supported the concept of encouraging homeownership opportunities but did not suggest targeting loan funds. Committee members stated that other TIF supported projects, such as the PSU Urban Plaza, transportation improvements, and other public amenities will serve as catalysts for privately funded housing development which will respond to market demand for larger units and homeownership units.

The Committee recognized the adopted plans and policies for the areas which call for a balanced neighborhood, with housing options for people of all income ranges. Therefore the Committee recommends that half of the TIF housing resources be targeted to households at 0-60% MFI and half be targeted to households at 61%+ MFI. Recognizing that there are few housing options in the 61-80% MFI category, and that many of the people who work in the Central City are in this income group, the Committee recommends special consideration be given to projects that include housing at this level.

RECOMMENDATIONS FOR SOUTH PARK BLOCKS URD - FY's 1998 - 2000

- 1. Target 50% of housing tax increment funds for preservation, replacement and development of 0-60% MFI units.**
- 2. Target 50% of TIF housing resources to units over 61% MFI with special consideration given to projects containing some units at 61-80% MFI.**
- 3. Preserve current affordability distribution of units through replacement and/or rehabilitation.**
- 4. TIF resources should be used to encourage and support mixed-income, mixed-use projects.**
- 5. TIF resources should be used for land acquisition for projects consistent with above recommendations (\$750,000 in budget for FY 1998-99).**
- 6. Complete Hamilton II replacement housing (up to \$6M in TIF housing budget for FY 1998-99).**

Other Recommended Strategies

- 1. PDC should provide leadership in coordinating efforts by City Council, City bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these and other underdeveloped sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements.**
- 2. Develop strategies to replace low income units lost when rental units are converted to condominiums or other uses.**
- 3. Complete market study to analyze demand for rental housing including larger units (2+ bedrooms).**
- 4. Develop strategies to inform developers of funding priorities and availability of funds, and other housing development opportunities.**
- 5. Consider using Request For Proposals (RFP) if necessary to meet production targets.**

DOWNTOWN/WATERFRONT URBAN RENEWAL DISTRICT

The Downtown/Waterfront URD was adopted in April, 1974 and is scheduled to expire in April, 2004. Unit count in 1974 when district was formed was 2,310. The predominant land use zones allow commercial, mixed-use, and housing development. The zoning heights and floor area ratios (FAR's) enable the highest density development in the region.

Over the last few years the DWF URD has been addressed as sub-areas. The area north of Burnside (Old Town/Chinatown) is usually addressed within the context of River District planning; the retail and office core is the area of focus for economic development activities; and the South Waterfront area priorities include are completion of Riverplace development and Waterfront Park.

General Urban Renewal District Plan Goal: Encourage continued investment within Portland's Central City while enhancing its attractiveness for work, recreation, and living. Through the implementation of the Central City Plan, coordinate development, provide aid and protection to Portland's citizens, and enhance the Central City's special natural, cultural, and aesthetic features.

Urban Renewal District Plan Housing Goal:

Maintain existing low-income housing and promote additional new housing serving mixed income groups.

Summary of Committee Discussion:

The primary objectives for the DWF URD are to support development of the high density retail/office core by providing transit and pedestrian facilities, open space, and short term parking. Conservation and rehabilitation of existing structures as well as providing public improvements to stimulate private investment have been emphasized throughout the life of the district.

A large amount of the Central City's low income housing stock is located in the area Old Town/Chinatown area north of Burnside. Shelters, a number of social service agencies, and transit facilities are also located here. The City and PDC have worked with residents, businesses and service providers in the area to maintain a balanced, vital inner city environment.

As indicated in the Central City Housing Inventory, and using the standard formula to calculate affordability (no more than 30% of gross monthly income expended for housing), the Downtown Waterfront URD housing stock was distributed in 1996 as follows:

<u>Units</u>	<u>Affordable to</u>
65%	Less than 60% MFI
04%	Between 61-80% MFI
30%	More than 81% MFI

The Committee also recognized that outside the URD boundary in adjacent neighborhoods, such as the Pearl District, there is currently a significant amount of growth in higher income and ownership units.

In reviewing the housing projects identified in this URD for FY 1997-99, the Committee noted that no housing is currently being developed at the 61-80% MFI level. Committee discussed loss of existing units and affordability due to expiring Section 8 (federal) subsidies, rehabilitation costs associated with seismic upgrades and American Disability Act (ADA) requirements, as well as losses due to conversion of units to condominiums and other uses.

Committee agreed to support the recommendations of the River District Development Agreement approved by City Council. That agreement established target ranges, by income level, for new housing developed in the entire River District including any new units developed in the Old Town/Chinatown area. The targets are expressed as ranges and are intended to reflect the population distribution of the City as a whole.

<u>Income level</u>	<u>Target Range</u>
Extremely Low and Low (0-30% and 31-50% MFI)	15%-25%
Moderate (51-80% MFI)	20-30%
Middle and Upper (81-150% MFI and 151% and above)	50-65%

The Committee also supported the goals of the Downtown Housing policy of maintaining 5,183 units of low income housing in the downtown area. Because Old Town/Chinatown contain many of the low (31-60% MFI) and extremely low income (0-30% MFI) units, preservation and/or replacement of low income housing is a priority.

Many of the issues and market conditions that were discussed in the context of the South Park Blocks URD also apply to the Downtown Waterfront URD, therefore the Committee offers some of the same recommendations for both Urban Renewal Districts.

RECOMMENDATIONS FOR DOWNTOWN WATERFRONT - FY's 1998 - 2000

- 1. Target 50% TIF housing resources for preservation, replacement and development of 0-60% MFI housing.**
- 2. Allocate funds identified for 333 Oak project to 0-40% MFI. Committee recommends that the \$2M identified for this project remain targeted to 0-40% MFI regardless of the outcome of the 333 Oak project.**
- 3. Target 50% of TIF housing resources to units over 61% MFI with special consideration given to projects with some units at 61-80% MFI.**
- 4. Preserve current affordability distribution of units through replacement and/or rehabilitation.**
- 5. Encourage mixed-use, mixed-income housing at all levels.**

Other Recommended Strategies

- 1. PDC should provide leadership in coordinating efforts by City Council, city bureaus, and owners of surface parking lots in the Central City, to develop strategies to better utilize these and other underdeveloped sites for housing and/or mixed use developments. Focus on interventions and incentives such as amending zoning code and parking requirements**
- 2. Develop strategies to replace low income units lost when rental units are converted to condominiums or other uses.**
- 3. Complete market study to analyze demand for rental housing including larger units (2+ bedrooms).**
- 4. Develop strategies to inform developers of funding priorities and availability of funds, and other housing development opportunities.**

EXHIBIT LIST

Briggs Hierarchy of Plans	1a
Briggs Land Use Planning Structure.....	1b
Urban Renewal Area Map.....	2
Central City Inventory Housing Data.....	3



CITY OF
PORTLAND, OREGON
BUREAU OF PLANNING

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January 28, 1998

TO: Baruti Arthareo and Margaret Bax, PDC
FROM: Cathey Briggs *[Signature]*
RE: Hierarchy of Plans

After attending a few of your tax increment allocation meetings I understand much better the confusion about which of the multitude of city policies has priority. For the kind of resource allocation work you're doing, existing plans don't offer clear priorities to help you make choices. I asked Planning Bureau staff who have worked on neighborhood plans to clarify for me the hierarchy of city-wide, community, and neighborhood plans, and to explain to me how neighborhood groups believe the plans will be used.

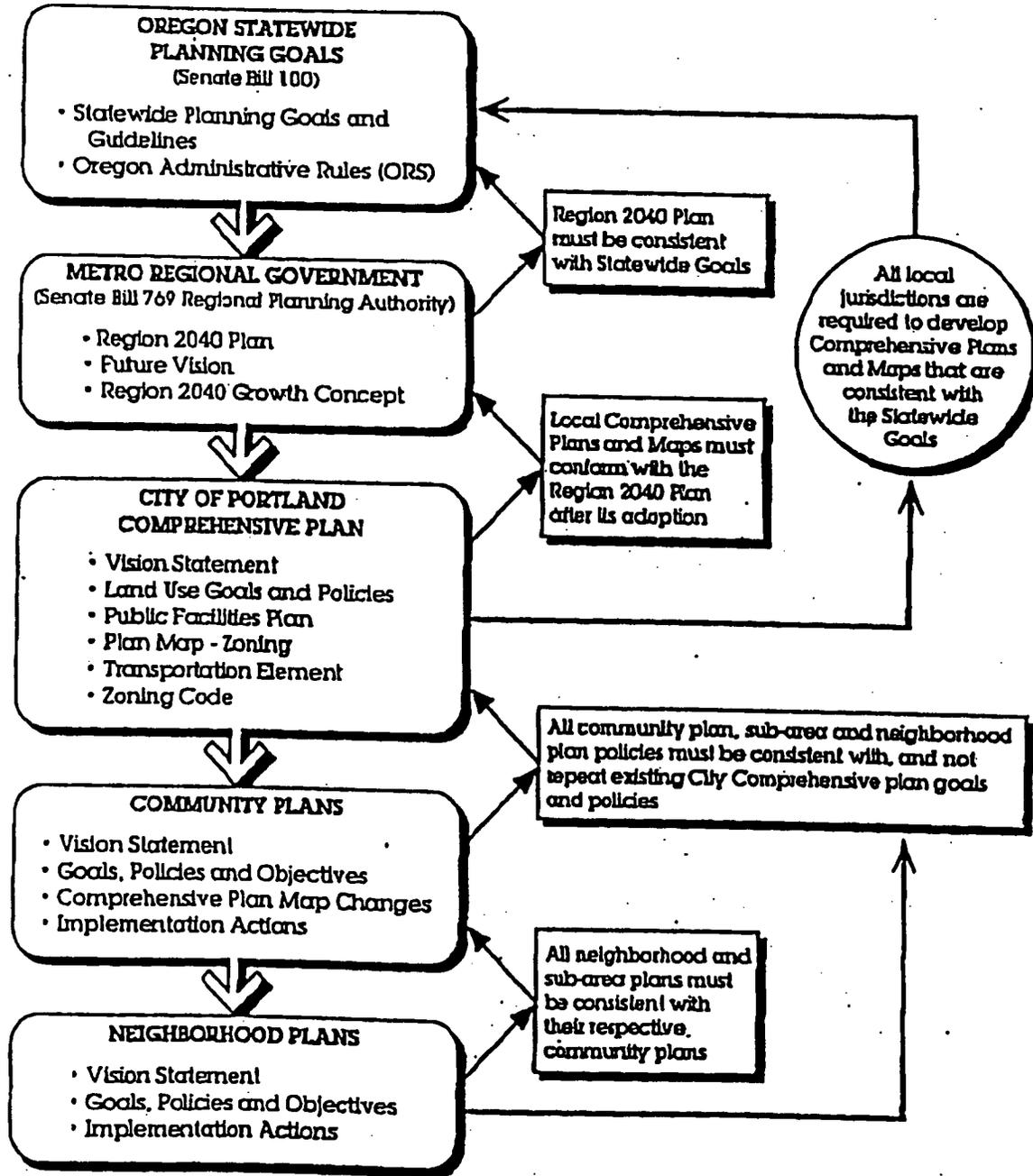
Basically, the hierarchy can be described as a "telescoping" effect. The City-wide Comprehensive Plan is the ruling document of all time, followed by Community Plans, and finally Neighborhood Plans or Plan Districts. If there are conflicts in policy - you move from the specific small plan to the next larger plan for clarification, until, if you need to, you look to the Comprehensive Plan policies, which are supposed to rule. This hierarchy and relationship of plans is usually stated in an introductory section in neighborhood plans.

Some neighborhood plans were done with the explicit instruction not to duplicate existing city policy, but to only add new policy. This was an important clarification for me because I have been struggling with the potential conflict between the Downtown Community Association's Residential Plan that calls for "the development of Downtown dwelling units for larger households and households with children," but does not speak to the issue of preservation of existing low-income housing, a long-standing policy of the Downtown Plan and the Central City Plan. The planner who worked on the Downtown Community Plan told me that the neighborhood was not allowed to include policies that duplicated existing policies. As a result, the neighborhood plan is not a stand alone document in terms of its expression of neighborhood values or goals. It must be read in conjunction with the higher level plans.

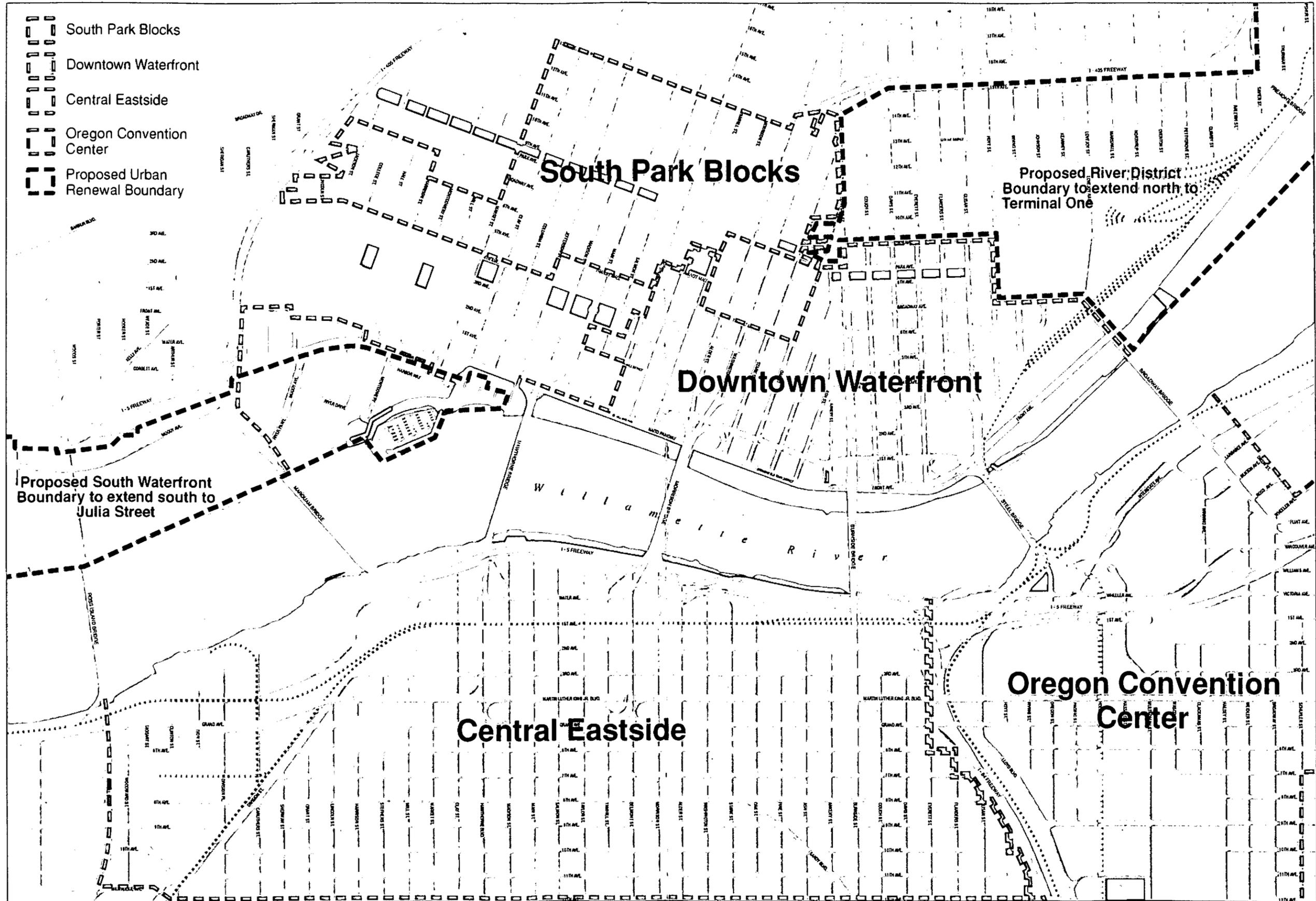
To further complicate this issue of layers of policy, there is the issue of visions or policies that are adopted by neighborhood or business groups, but which are not adopted by the City. Should we give those policies equal weight with City-adopted policies? When the City adopts a policy there is some assurance that people with different perspectives can participate in the process, at least by attending a public hearing. There is no assurance that other groups have gone through an open process that invited different perspectives. In fact some kinds of associations are specifically single-interest organizations. It is appropriate for the City to be aware of a neighborhood or organizations goals and visions, and even to take it into consideration, but it should not carry the same weight as adopted city policy that was subject to extensive public review and comment. Two examples of these kinds of policies were listed as applicable policy documents: the Eliot Neighborhood Housing Preservation & Development Policy, and the CEIC vision statement.

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Chart 2: Land Use Planning Structure



URBAN RENEWAL BOUNDARIES



CENTRAL CITY HOUSING INVENTORY DATA

As part of the initial background briefings to the Committee, staff presented information on the current Central City housing supply, including information on the individual urban renewal districts, Westside non urban renewal areas, and the entire Central City area (see Exhibit 2). Data was provided on all types of housing, with primary emphasis on the affordability levels of open market rental housing and ownership housing.

The primary source of the information was the 1996 Central City Housing Inventory (CCHI) conducted by PDC, supplemented with current production information and other secondary sources of information (1992 Central City Housing Inventory and NWPP Housing Inventory). Because the original CCHI information was collected for general housing analysis purposes, the data did not provide as much detail on rental affordability as the Committee desired. At the request of the Committee, staff conducted additional analysis 1) to increase the number of units for which detailed rental rate information was available (approximately) and 2) to adjust rents of all units to account for the impact of utility allowances on unit affordability.

Total Central City Housing

The Committee members were provided a copy of the 1996 CCHI. This geographic area did not align completely with the Committee's study area in that it included portions of NW Portland and excluded a portion of the housing along the MLK extension within the Oregon Convention Center Urban Renewal District. However, it was beneficial to first review overall housing indicators in this similar area.

A total of 19,252 housing units were identified in the 1996 CCHI. A breakdown of the unit types is as follows:

<u>Unit Type</u>	<u>Units by Type</u>	<u>Percent</u>
Traditional Apts.	10,801	56%
Condominiums	1,262	7%
SRO	2,442	13%
Transient (Shelter Beds)	385	2%
Student Housing	1,205	6%
Group Living	80	.004%
Senior Assisted Living	754	4%
Other	<u>2,325</u>	<u>12%</u>
TOTAL	19,254	100%

Detailed information was provided for 11,520 rental units (apartments, SROs, student housing, group living and senior assisted living), or 65% of the total rental housing inventory. The following table describes the affordability levels of units for which detailed rental rates were reported in the CCHI. (Note: this table does not adjust for utility allowances.)

<u>Affordability Level of Reported Rental Units</u>	<u>% of Reported Units</u>
0-30% MFI	22.3%
31-60% MFI	55.0%
61-80% MFI	16.4%
81%+ MFI	<u>6.3%</u>
TOTAL	100.0%

Central City Urban Renewal District - Open Market Housing

Staff provided the Committee with detailed information on housing inventories in the following urban renewal districts (URD's) and areas:

- Downtown Waterfront URD
- South Park Blocks URD
- Oregon Convention Center URD
- Central Eastside URD
- Other Westside Non-URD Area

The Other Westside Non-URD area included: portions of Goose Hollow and all areas within the downtown freeway loop that are not included in of the South Park Blocks and Downtown Waterfront Districts. *Please note that this is a different geographic area than the entire 1996 CCHI, as described in the previous section.*

The rental housing summarized in the following tables includes **open market rental housing**, described as traditional apartments and SROs. It does not include shelter beds, assisted living, dedicated student housing and senior and group living units. These other types of housing serve special needs populations or are have restricted access and therefore are not "open market" units.

The staff made substantial efforts to transmit accurate and detailed information to the Committee so that the affordability information provided a solid base for the Committee's recommendations. The Committee however, remained somewhat frustrated by the lack of complete data and the limited time to review and understand the information that was available. The Committee recommended that a single, consistent and reliable housing inventory be conducted City-wide to provide future policy efforts

with a high quality information base. The data for income level of units has been recalculated to adjust for utility allowances.

1. EASTSIDE CENTRAL CITY

- A. Central Eastside URD:** As shown in Table 1, the Central Eastside URD currently has a total of 837 rental housing units and no owner occupied units. By 1998, the housing inventory will increase slightly to a total of 879 rental units.

The affordability levels of the rental housing is also indicated in Table 1. In 1998, approximately:

20%	of the units will be affordable to 0-31% MFI households
77%	will be affordable to 31-60% MFI households
3%	will be affordable to 61-80% MFI households
<u>0%</u>	will serve 81%+ households.
100%	

This has the highest percentage of low income housing of all the Central City URDs (97%).

When the URD was created in 1986, the feasibility study identified 1,392 total dwelling units in the area. PDC's 1996 inventory identified 837 total units, and does not include detailed information on the remaining 555 units identified in the URD feasibility study. The 1996 survey involved multiple contacts of property owners or managers to obtain detailed project information, but in many cases, no response was received. Staff believes that these 555 units not included in the 1996 inventory are primarily single family and small complexes along the eastern edge of the URD.

- B. Oregon Convention Center URD:** As shown in Table 2, the Oregon Convention Center URD currently has a total of 835 rental housing units. By 1998, the housing inventory will increase by a total of 291 units to 1,059 total rental units and 67 total owner occupied units. The condominium project and a market rate rental housing project are proceeding as privately financed development projects.

The affordability levels of the rental housing is also indicated in Table 2. In 1998, approximately:

1%	of the units will be affordable to 0-31% MFI households
38%	will be affordable to 31-60% MFI households
5%	will be affordable to 61-80% MFI households
<u>56%</u>	will serve 81%+ households
100%	

When the URD was created in 1989, the feasibility study identified 1,337 total dwelling units in the area. PDC's 1996 inventory identified 835 total units, and does not include detailed information on the remaining 502 units identified in the URD feasibility study. The 1996 survey involved multiple contacts of property owners or managers to obtain detailed project information, but in many cases, no response was received. The housing inventory in this area is dramatically different than the other Central City districts in that it is the only area in which market rate housing is the largest rental category (56%). The 0-30% MFI category is nominal (15 units).

Combined, the market rate rentals and ownership units total 58% of the total open market housing (rentals and condos).

2. WESTSIDE CENTRAL CITY

- A. Downtown Waterfront URD:** As shown in Table 3, the Downtown Waterfront URD currently has a total of 2,415 rental housing units and 175 owner occupied units. By 1998, the housing inventory will increase dramatically by a total of 1,045 units to 3,337 total rental units and 278 total owner occupied units. The primary factors for this increase are the continued strong local economy driving demand for market rate housing, continued demand for affordable housing, favorable interest rates and the resurgence of secondary financing from PDC to encourage new development.

The affordability levels of the rental housing is also indicated in Table 3 . In 1998, approximately:

27%	of the units will be affordable to 0-31% MFI households
39%	will be affordable to 31-60% MFI households
04%	will be affordable to 61-80% MFI households
<u>30%</u>	will serve 81%+ households
100%	

A majority of the 0-30% units are north of Burnside. Very low and low income units total 66% of the Downtown Waterfront URD inventory. This district has the highest percentage of market rate housing in the Westside Central City URDs (30%).

Combined, the market rate rentals and ownership units total 36% of the total open market housing (rentals and condos).

Essentially all of the owner occupied units are market rate, with the exception of 20 units planned for Union Station. Most of the condo units are located at RiverPlace. Most of the new condominium units in the Pearl District are outside the Downtown Waterfront URD.

B. South Park Blocks URD: As shown in Table 4, the South Park Blocks URD currently has a total of 3,385 rental housing units and 193 owner occupied units. By 1998, the housing inventory will increase nominally by 60 units to 3,445 total rental units with no change in owner occupied units. Over the last decade, the primary factors for the lack of new housing development and investment has been the lack of public financing resources to leverage feasible projects, even though the downtown housing market remains very strong.

The affordability levels of the rental housing is also indicated in Table 4 . In 1998, approximately:

17%	of the units will be affordable to 0-31% MFI households
54%	will be affordable to 31-60% MFI households
10%	will be affordable to 61-80% MFI households
<u>19%</u>	will serve 81%+ households
100%	

Very low and low income units total 71% of the South Park Blocks URD inventory, but unlike the Downtown Waterfront URD, the vast majority of these units are in the 31-60% MFI category. The Downtown Waterfront URD has more units at the very low and upper end than the South Park Blocks District.

Combined, the market rate rentals and ownership units total 24% of the total open market housing (rentals and condos).

All of the 193 ownership units are market rate, located in two separate buildings. No new condominium construction has occurred in more than a decade.

There are several student housing buildings in the South Park Blocks URD, which serve students and provide additional lower cost housing resources.

C. Non-URD Westside Areas: As shown in Table 5, the area within the Downtown I-405 Freeway loop that is not part of an urban renewal district currently has a total of 3,077 rental housing units and 455 owner occupied units. By 1998, the housing inventory will increase by 269 units, up to 3,801 total units, including 3,235 rental units and 566 owner occupied units.

The primary factors for this increase are the continued strong local economy driving demand for market rate ownership housing, continued demand for affordable housing, favorable interest rates and the resurgence of secondary financing from PDC to encourage new development.

The affordability levels of the rental housing is also indicated in Table 5. In 1998, approximately:

6%	of the units will be affordable to 0-31% MFI households
50%	will be affordable to 31-60% MFI households
19%	will be affordable to 61-80% MFI households
<u>25%</u>	will serve 81%+ households
100%	

Combined, the market rate rentals and ownership units total 36% of the total open market housing (rentals and condos).

All of the 566 ownership units are market rate, located in primarily in the Pearl District and the South Auditorium area. The Pearl District has been the source of the most active condominium development activity since RiverPlace condos were completed in 1985.

D. Total Westside Central City Open Market Housing: The total open market rental and ownership housing for the Westside is indicated in Table 6. By combining the three sub-districts described above, the Westside housing market totals 10,017 rental units and 1,057 condominium units.

Rental housing has long been the main housing option for households choosing a downtown location. Approximately 10 percent of the total open market housing is ownership, with 90 percent serving renter households.

The affordability levels of the rental housing is also indicated in Table 6. In 1998, approximately:

17%	of the units will be affordable to 0-31% MFI households
47%	will be affordable to 31-60% MFI households
11%	will be affordable to 61-80% MFI households
<u>25%</u>	will serve 81%+ households.
100%	

Combined, the market rate rentals and ownership units total 32% of the total open market housing (rentals and condos).

3. TOTAL CENTRAL CITY

And finally, Table 7 indicates the total Central City (Westside and Eastside) housing inventory.

In 1996, there were 10,549 rental units and 823 owner occupied units. By the end of 1998, the rental supply will increase by 1,406 to 11,955 and owner occupied units will increase by 234 units for a total of 1,057 units, for a total of 1,640 new units (rental and owner occupied).

The affordability levels of the rental housing is also indicated in Table 7 . In 1998, approximately:

16%	of the units will be affordable to 0-31% MFI households
49%	will be affordable to 31-60% MFI households
9%	will be affordable to 61-80% MFI households
<u>26%</u>	will serve 81%+ rate households
100%	

Overall, the additional 1,406 rental units will not change the affordability distribution during this two year period.

Revised Central City Housing Inventory

tab 1

CENTRAL EASTSIDE URD - RENTAL MIX

1996 RENTALS 837			1998 Rentals 879		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	177	21.1%	0-30%	177	20.1%
31-60%	635	75.9%	31-60%	677	77.0%
61-80%	25	3.0%	61-80%	25	2.8%
81+%	0	0.0%	81+%	0	0.0%
TOTAL	837	100.0%	TOTAL	879	100.0%

CENTRAL EASTSIDE URD - OWNER OCCUPIED MIX

1996 Owner Occupied 0			1998 Owner Occupied 0		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	0	0.0%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
market rate	0	0.0%	market rate	0	0.0%
TOTAL	0	0.0%	TOTAL	0	0.0%

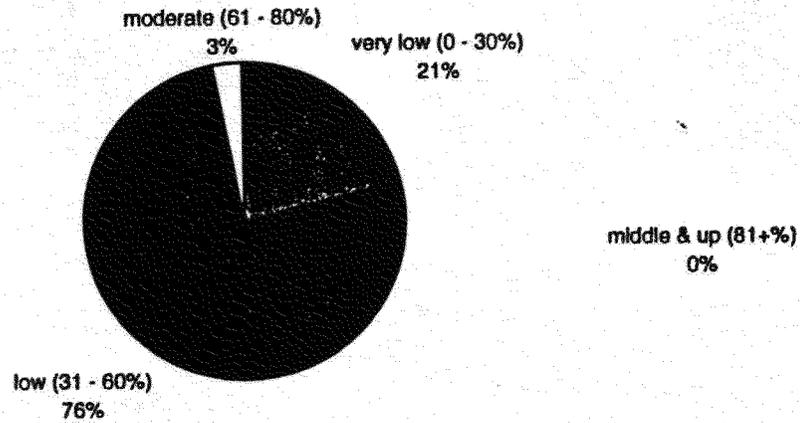
*Please note that income level figures include only those units for which detailed information is available.

***Please note figures do not include Single Family Homes, Group Homes, Assisted Living Facilities, Shelters, or Student Housing.

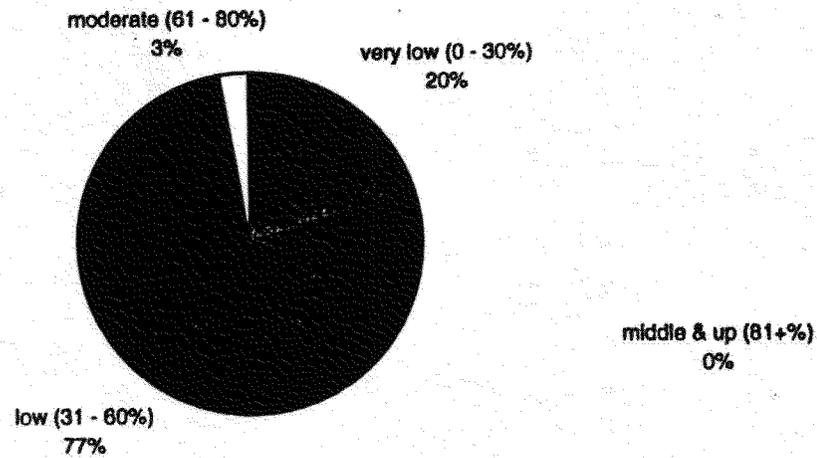
****Affordability figures are adjusted for utility allowances.

TIF Housing Advisory Committee

1996 Central Eastside Rental Inventory Distribution



1998 Central Eastside Rental Inventory Distribution



Note: No owner occupied units were identified in the 1996 CCHI.
PDC has not identified any new owner occupied units in the 1998 inventory.

Revised Central City Housing Inventory

Table 2

CONVENTION CENTER URD - RENTAL MIX

1996 RENTALS 835			1998 Rentals 1,059		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	6	0.7%	0-30%	15	1.4%
31-60%	319	38.2%	31-60%	401	37.9%
61-80%	50	6.0%	61-80%	50	4.7%
81+%	460	55.1%	81+%	593	56.0%
TOTAL	835	100.0%	TOTAL	1,059	100.0%

CONVENTION CENTER URD - OWNER OCCUPIED MIX

1996 Owner Occupied 0			1998 Owner Occupied 67		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	10	14.9%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
market rate	0	100.0%	market rate	57	85.1%
TOTAL	0	100.0%	TOTAL	67	100.0%

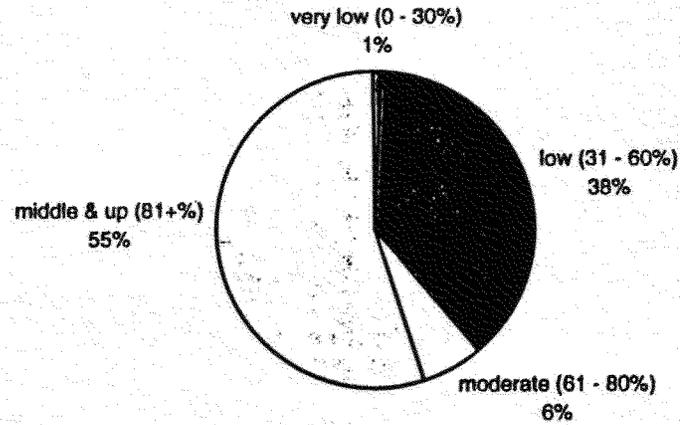
*Please note that income level figures include only those units for which detailed information is available.

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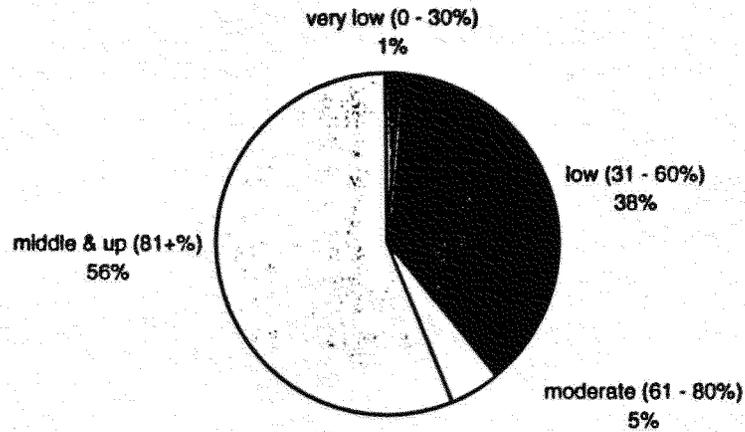
****Affordability figures are adjusted for utility allowances.

TIF Housing Advisory Committee

1996 Convention Center Rental Inventory Distribution



1998 Convention Center Rental Inventory Distribution



Note: Figures Include South Park Blocks URD, Downtown URD, Central City Non-URD.

Figures do not include Owner Occupied Units.

Total Owner Occupied Units: 57 Market Rate
10 \$70,000-91,000

Revised Central City Housing Inventory

10/15/98

DOWNTOWN WATERFRONT URD - RENTAL MIX

1996 RENTALS 2,415			1998 Rentals 3,337		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	845	35.0%	0-30%	899	26.9%
31-60%	689	28.5%	31-60%	1,298	38.9%
61-80%	131	5.4%	61-80%	131	3.9%
81+%	750	31.1%	81+%	1,009	30.2%
TOTAL	2,415	100.0%	TOTAL	3,337	100.0%

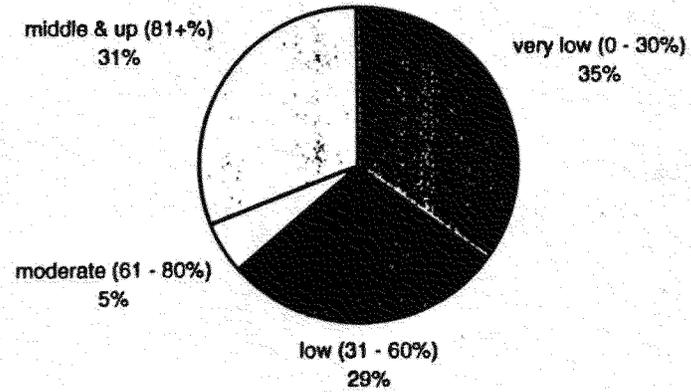
DOWNTOWN WATERFRONT URD - OWNER OCCUPIED MIX

1996 Owner Occupied 175			1998 Owner Occupied 298		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	20	6.7%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
Market Rate	175	100.0%	Market Rate	278	93.3%
TOTAL	175	100.0%	TOTAL	298	100.0%

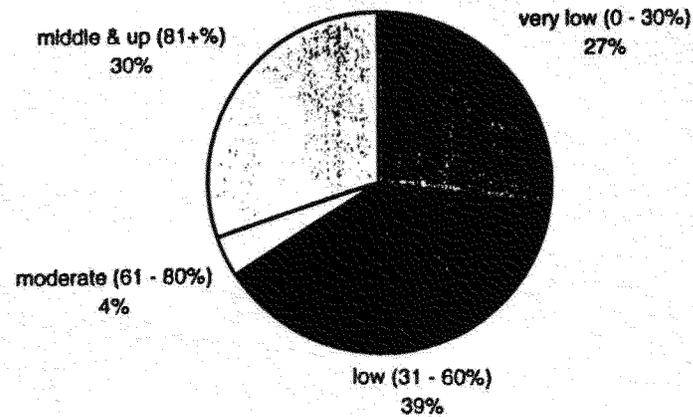
*Please note that income level figures include only those units for which detailed information is available.
 ***Please note figures do not include Single Family Homes, Group Homes, Assisted Living Facilities, Shelters, or Student Housing.
 ****Affordability figures are adjusted for utility allowances.

TIF Housing Advisory Committee

1996 Downtown Waterfront Rental Inventory Distribution



1998 Downtown Waterfront Rental Inventory Distribution



Note: Figures do not include the 175 owner occupied units at market rate in the 1996 inventory or the 20 \$71-90,000 and 103 market units in the projected 1998 figures.
Total Owner Occupied Unit Inventory: 298

Revised Central City Housing Inventory

Table 1

SOUTH PARK BLOCKS URD - RENTAL MIX

1996 RENTALS 3,385			1998 Rentals 3,445		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	585	17.3%	0-30%	585	17.0%
31-60%	1,798	53.1%	31-60%	1,858	53.9%
61-80%	331	9.8%	61-80%	331	9.6%
81+%	671	19.8%	81+%	671	19.5%
TOTAL	3,385	100.0%	TOTAL	3,445	100.0%

SOUTH PARK BLOCKS URD - OWNER OCCUPIED MIX

1996 Owner Occupied 193			1998 Owner Occupied 193		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	0	0.0%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
market rate	193	100.0%	market rate	193	100.0%
TOTAL	193	100.0%	TOTAL	193	100.0%

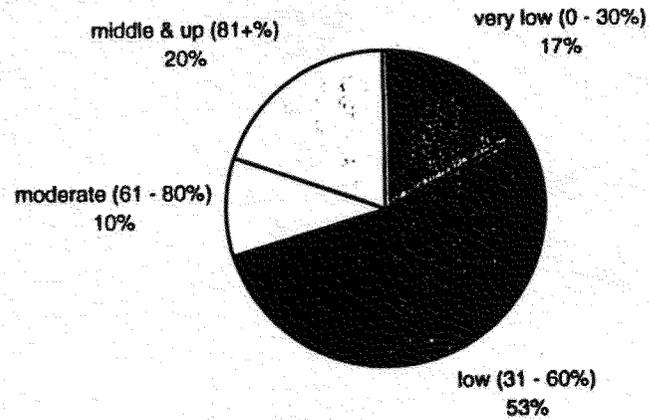
*Please note that income level figures include only those units for which detailed information is available.

***Please note figures do not include Single Family Homes, Group Homes, Assisted Living Facilities, Shelters, or Student Housing.

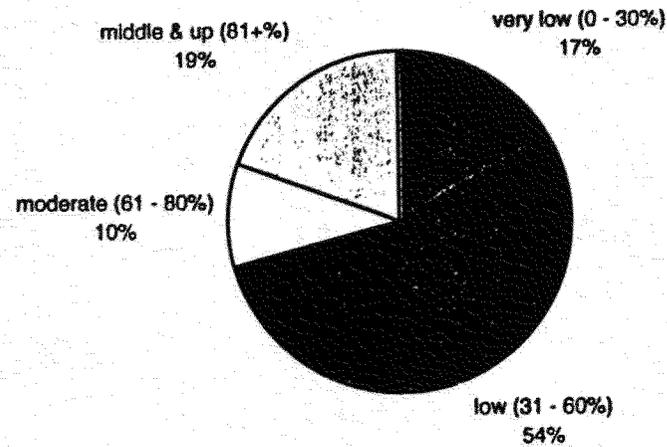
****Affordability figures are adjusted for utility allowances.

TIF Housing Advisory Committee

1996 South Park Blocks Rental Inventory Distribution



1998 South Park Blocks Rental Inventory Distribution



Note: Figures do not include the 193 owner occupied units at market rate in the 1996 inventory.
No new units are known to the PDC at this time.
Total Owner Occupied Inventory: 193 units

Revised Central City Housing Inventory

Table 5

NON URD WEST SIDE CENTRAL CITY - RENTAL MIX**

1996 RENTALS 3,077			1998 Rentals 3,235		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	213	26.6%	0-30%	213	6.6%
31-60%	1,449	180.7%	31-60%	1,607	49.7%
61-80%	613	76.4%	61-80%	613	18.9%
81+%	802	100.0%	81+%	802	24.8%
TOTAL	3,077		TOTAL	3,235	100.0%

NON URD WEST SIDE CENTRAL CITY - RENTAL MIX**

1996 Owner Occupied 455			1998 Owner Occupied 566		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	0	0.0%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
market rate	455	100.0%	market rate	566	100.0%
TOTAL	455	100.0%	TOTAL	566	100.0%

*Please note that income level figures include only those units for which detailed information is available.

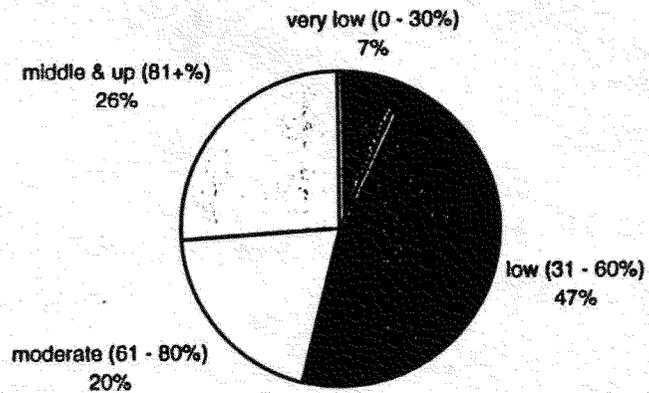
** Includes those portions of Downtown which fall outside of the Downtown Urban Renewal District and a portion of Goosehollow. Please see attached Map

***Please note figures do not include Single Family Homes, Group Homes, Assisted Living Facilities, Shelters, or Student Housing.

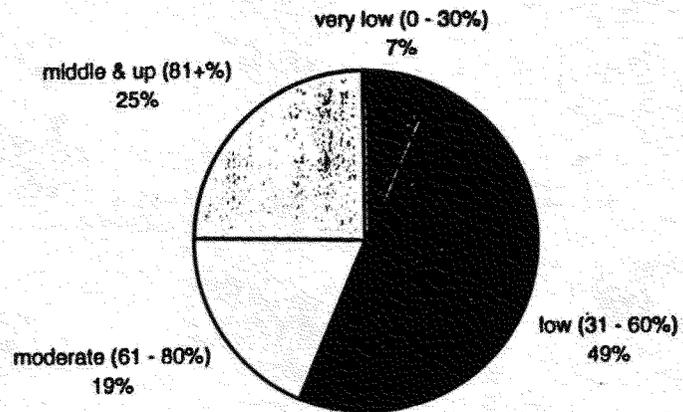
****Affordability figures are adjusted for utility allowances.

TIF Housing Advisory Committee

1996 Non-URD Central City Rental Inventory Distribution



1998 Non-URD Central City Rental Inventory Distribution



Revised Central City Housing Inventory

ak-6

TOTAL WEST SIDE CENTRAL CITY - RENTAL MIX

1996 RENTALS 8,877			1998 Rentals 10,017		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	1,643	18.5%	0-30%	1,697	16.9%
31-60%	3,936	44.3%	31-60%	4,763	47.5%
61-80%	1,075	12.1%	61-80%	1,075	10.7%
81+%	2,223	25.0%	81+%	2,482	24.8%
TOTAL	8,877	100.0%	TOTAL	10,017	100.0%

TOTAL WEST SIDE CENTRAL CITY - OWNER OCCUPIED MIX

1996 Owner Occupied 823			1998 Owner Occupied 1,057		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	20	1.9%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
market rate	823	100.0%	market rate	1,037	98.1%
TOTAL	823	100.0%	TOTAL	1,057	100.0%

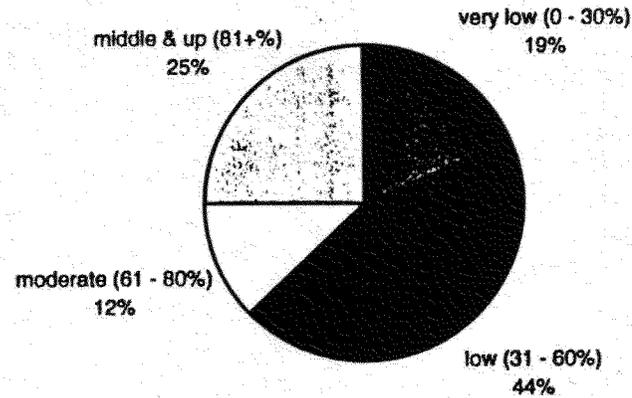
*Please note that income level figures include only those units for which detailed information is available.

***Please note figures do not include Single Family Homes, Group Homes, Assisted Living Facilities, Shelters, or Student Housing.

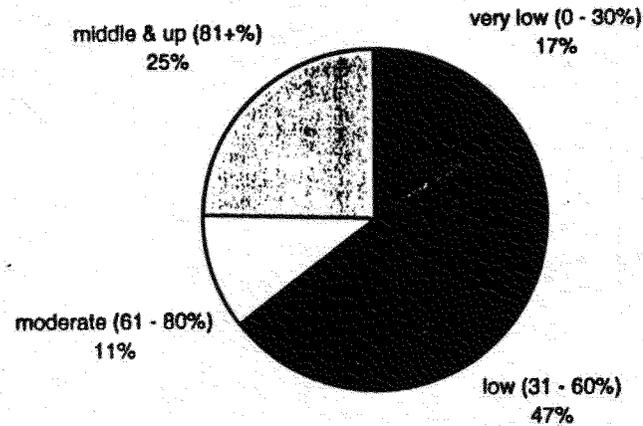
****Affordability figures are adjusted for utility allowances.

TIF Housing Advisory Committee

1996 West Side Central City Rental Inventory Distribution



1998 West Side Central City Rental Inventory Distribution



Note: Figures include South Park Blocks URD, Downtown URD, Central City Non-URD.

Figures do not include Owner Occupied Units.

Total Owner Occupied Units: 1,037 Market Rate
20 \$70,000-91,000

Revised Central City Housing Inventory

tblk

CENTRAL CITY - RENTAL MIX

1996 RENTALS 10,549			1998 Rentals 11,955		
Income Category	Number of Units	% of Units	Income Category	Number of Units	% of Units
0-30%	1,826	17.3%	0-30%	1,889	15.8%
31-60%	4,890	46.4%	31-60%	5,841	48.9%
61-80%	1,150	10.9%	61-80%	1,150	9.6%
81+%	2,683	25.4%	81+%	3,075	25.7%
TOTAL	10,549	100.0%	TOTAL	11,955	100.0%

CENTRAL CITY - OWNER OCCUPIED MIX

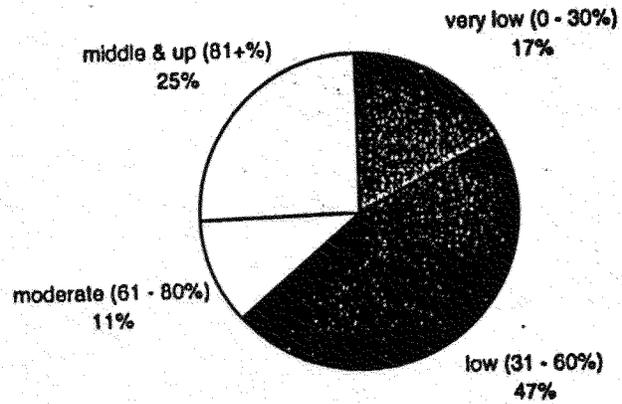
1996 Owner Occupied 823			1998 Owner Occupied 1,067		
Assessed Value	Number of Units	% of Units	Assessed Value	Number of Units	% of Units
<\$70,000	0	0.0%	<\$70,000	0	0.0%
\$71-90,000	0	0.0%	\$71-90,000	30	2.8%
>\$91,000	0	0.0%	>\$91,000	0	0.0%
market rate	823	100.0%	market rate	1,037	97.2%
TOTAL	823	100.0%	TOTAL	1,067	100.0%

*Please note that income level figures include only those units for which detailed information is available.

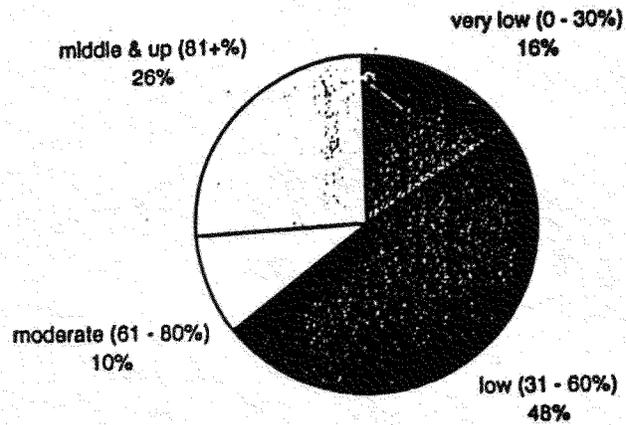
***Please note figures do not include Single Family Homes, Group Homes, Assisted Living Facilities, Shelters, or Student Housing.

****Affordability figures are adjusted for utility allowances.

1996 Central City Rental Inventory Distribution



1998 Central City Rental Inventory Distribution



Note: Figures include South Park Blocks URD, Downtown URD, Central City Non-URD.
Figures do not include Owner Occupied Units.
Total Owner Occupied Units: 1,037 Market Rate
30 \$70,000-91,000

MEETING DATE: MAY 14 1998

AGENDA NO: R-3

(Above Space for Board Clerk's Use Only) 9:40 AM

AGENDA PLACEMENT FORM

SUBJECT: IGA between the Department of Juvenile and Adult Community Justice and Multnomah Education Service District

BOARD BRIEFING DATE REQUESTED: _____

REQUESTED BY: _____

AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: 5/14/98

AMOUNT OF TIME REQUESTED: 3 minutes

DEPARTMENT: Juvenile and Adult Community Justice DIVISION: Juvenile Justice

CONTACT: Debbie Persen TELEPHONE #: 248-3202

BLDG/ROOM#: 311

PERSON(S) MAKING PRESENTATION: Joanne Fuller

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Intergovernmental expenditure Agreement #700718 between the Department of Juvenile and Adult Community Justice and Multnomah Educational Service District to provide funding in support of the Multnomah Youth Cooperative program a vocational and alternative educational program.

5/20/98 ORIGINALS TO DEBBIE PERSEN
SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____
OR

DEPARTMENT MANAGER: Joanne Fuller

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk 248-3277

98 MAY 14 PM 1:59
MULTNOMAH COUNTY
OREGON
COUNTY CLERK'S
OFFICE



MULTNOMAH COUNTY OREGON

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE
JUVENILE COMMUNITY JUSTICE
1401 N.E. 68TH
PORTLAND, OREGON 97213
(503) 248-3460
TDD 248-3561

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN • CHAIR OF THE BOARD
DAN SALTZMAN • DISTRICT 1 COMMISSIONER
GARY HANSEN • DISTRICT 2 COMMISSIONER
TANYA COLLIER • DISTRICT 3 COMMISSIONER
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

MEMORANDUM

TO: Board of County Commissioners

FROM: Elyse Clawson, Director
Department of Juvenile and Adult Community Justice

DATE: April 24, 1998

SUBJECT: Approval of an Intergovernmental Agreement between the Department of Juvenile and Adult Community Justice and Multnomah Education Service District

I. **RECOMMENDATION/ACTION REQUESTED:**

The Department of Juvenile and Adult Community Justice recommends the Board's approval of an Intergovernmental Agreement between the Department of Juvenile and Adult Community Justice and Multnomah Education Services District that will provide funding in support of the Multnomah Youth Cooperative (MYC). The contract period runs from August 1, 1997 through to June 30, 1998.

II. **BACKGROUND/ANALYSIS:**

The Multnomah Youth Cooperative is an alternative education/student retention program available to high school age youth (16-21) providing educational/vocational services to students who are experiencing difficulty in a traditional school setting or for out-of-school youth. While enrolled and participating in the program, students can earn academic and elective credit toward graduation, develop job-related skills, build positive esteem, develop a positive work ethic and improve personal wellness. Students spend 3 days a week participating in natural resource conservation and community enhancement work projects and the other 2 days are spent in the classroom concentrating on academic instruction.

The target population of youth served under the terms of this Agreement are post-adjudicated, on probation status, and referred by Juvenile Justice Counseling staff. The average length of stay will be one school year; however, students may remain enrolled until high school graduation.

Discussions with MESD regarding the Department's support of the Multnomah Youth Cooperative occurred last summer. Subsequently, a letter of intent was sent to MESD in July 1997 indicating the Department's intention of contributing \$53,556 toward the support of MYC and that the program would provide services specifically to ten Juvenile Department referred youth. The letter also stated that an intergovernmental agreement between the parties would be negotiated later. Unfortunately, due to various delays in communication between the Department and MESD, the Agreement was initiated later than the actual commencement of services. Therefore, this Agreement is retroactive.

III. FINANCIAL IMPACT:

The Department of Juvenile and Adult Community Justice will contribute \$53,556 to MESD Multnomah Youth Cooperative. The money will be used specifically toward the support of one (FTE) Teacher, Substitute Teachers and program/office expenses. These funds are available in the Fiscal Year 1997-98 departmental budget.

IV. LEGAL ISSUES:

N/A

V. CONTROVERSIAL ISSUES:

N/A

VI. LINK TO CURRENT COUNTY POLICIES:

The support the Department is providing to MESD's Multnomah Youth Cooperative Program links directly to the County's benchmarks of increasing high school completion. This is accomplished by providing an educational option/alternative for those youth that have experienced difficulty and problems in traditional educational programs/settings. This program helps to ensure and promote consistent school attendance and positively guides youth in the direction of successful completion of their high school education as well as learning job-related skills.

VII. CITIZEN PARTICIPATION:

N/A

VIII. OTHER GOVERNMENTAL PARTICIPATION:

N/A

MULTNOMAH COUNTY CONTRACT APPROVAL FORM
(See Administrative Procedure CON-1)

Pre-approved Contract Boilerplate (with County Counsel signature) Attached Not Attached Contract # 700718
Amendment #: _____

<p align="center">CLASS I</p> <input type="checkbox"/> Professional Services not to exceed \$50,000 (and not awarded by RFP or Exemption) <input type="checkbox"/> Revenue not to exceed \$50,000 (and not awarded by RFP or Exemption) <input type="checkbox"/> Intergovernmental Agreement (IGA) not to exceed \$50,000 <input type="checkbox"/> Expenditure <input type="checkbox"/> Revenue <input type="checkbox"/> Architectural & Engineering not to exceed \$10,000 (for tracking purposes only)	<p align="center">CLASS II</p> <input type="checkbox"/> Professional Services that exceed \$50,000 or awarded by RFP or Exemption (regardless of amount) <input type="checkbox"/> PCRB Contract <input type="checkbox"/> Maintenance Agreement <input type="checkbox"/> Licensing Agreement <input type="checkbox"/> Construction <input type="checkbox"/> Grant <input type="checkbox"/> Revenue that exceeds \$50,000 or awarded by RFP or Exemption (regardless of amount)	<p align="center">CLASS III</p> <input checked="" type="checkbox"/> Intergovernmental Agreement (IGA) that exceeds \$50,000 <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Revenue <p align="center">APPROVED MULTNOMAH COUNTY BOARD OF COMMISSIONERS AGENDA # <u>R-3</u> DATE <u>5/14/98</u> <u>DEB BOGSTAD</u> BOARD CLERK</p>
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Department: Juvenile and Adult Community Justice Division: Juvenile Justice Date: April 24, 1998
 Originator: RMS Phone: 248-3460 Bldg/Rm: 311
 Contact: Debbie Persen Phone: 248-3202 Bldg/Rm: 311

Description of Contract: This intergovernmental expenditure agreement will provide support to MESD's Multnomah Youth Cooperative (MYC) program. MYC will provide alternative educational services as well as vocational training to 10 post-adjudicated, probationary youth referred to the program by Juvenile Justice Counseling staff.

RENEWAL PREVIOUS CONTRACT #(S): _____
 RFP/BID: _____ RFP/BID DATE: _____
 EXEMPTION #/DATE: _____ EXEMPTION EXPIRATION DATE: _____ ORS/AR # _____
 CONTRACTOR IS: MBE WBE ESB QRF N/A NONE (Check all boxes that apply)

Contractor <u>Multnomah Education Service District</u> Address <u>PO Box 30109</u> <u>Portland, OR 97249-9039</u> Phone <u>(503) 257-1651</u>	Remittance address _____ (If different) _____ Payment Schedule / Terms <input type="checkbox"/> Lump Sum \$ _____ <input type="checkbox"/> Due on Receipt <input type="checkbox"/> Monthly \$ _____ <input type="checkbox"/> Net 30 <input checked="" type="checkbox"/> Other \$ <u>Quarterly/Cost Reimb</u> <input type="checkbox"/> Other _____ <input type="checkbox"/> Requirements Not to Exceed \$ _____
Employer ID# or SS# <u>93-6000829</u> Effective Date <u>August 1, 1997</u> Termination Date <u>June 30, 1998</u> Original Contract Amount \$ <u>53,556</u> Total Amt of Previous Amendments \$ _____ Amount of Amendment \$ _____ Total Amount of Agreement \$ <u>53,556</u>	Encumber <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

REQUIRED SIGNATURES:

Department Manager Joanne Fink DATE 4/28/98
 Purchasing Manager _____ DATE _____
 (Class II Contracts Only)
 County Counsel [Signature] DATE 5/1/98
 County Chair [Signature] DATE May 14, 1998
 Sheriff _____ DATE _____
 Contract Administration _____ DATE _____
 (Class I, Class II Contracts Only)

LGFS VENDOR CODE						DEPT REFERENCE					
LINE #	FUND	AGENCY	ORG	SUB ORG	ACTIVITY	OBJ/REV	SUB OBJ	REP CAT	LGFS DESCRIPTION	AMOUNT	INC DEC
01	100	022	2741			6060			General Fund	\$53,556	
02											

INTERGOVERNMENTAL AGREEMENT
Contract # 700718

THIS AGREEMENT is made and entered into as of August 1, 1997 by and between MULTNOMAH COUNTY, a home rule political subdivision of the State of Oregon (hereinafter referred to as "COUNTY"), and **Multnomah Education Service District** (hereinafter referred to as "CONTRACTOR"),

WITNESSETH:

WHEREAS, COUNTY's Department of Juvenile and Adult Community Justice requires services which CONTRACTOR is capable of providing, under terms and conditions hereinafter described, and

WHEREAS, CONTRACTOR is able and prepared to provide such services as COUNTY does hereinafter require, under those terms and conditions set forth; now, therefore,

IN CONSIDERATION of those mutual promises and the terms and conditions set forth hereafter, the parties agree as follows:

1. Term

The term of this Agreement shall be from August 1, 1997, to and including June 30, 1998, unless sooner terminated under the provisions hereof.

2. Target Population/Program Duration

A. All youth served under the terms of this Agreement shall be post-adjudicated, on probation status, and referred to the program by Juvenile Justice Counseling staff. The maximum number of youth served during the contract period will not exceed ten.

B. The average length of stay for youth will be one school year, although students may remain enrolled until high school graduation.

3. Service Provisions

A. CONTRACTOR will provide alternative educational services through the **Multnomah Youth Cooperative** for students experiencing difficulty in a traditional school setting or for out-of-school youth. Students will receive academic and elective credit toward high school graduation. They will spend half of each week in the classroom and the other half involved in community enhancement and natural resource conservation projects. CONTRACTOR will provide services that will enable students to gain academic skills, job retention skills, esteem building, positive work ethic and personal wellness.

B. CONTRACTOR shall provide written reports on the youth's progress in the program and any assessment/evaluation documentation that have been developed during the course of the youth's placement and engagement in the program.

C. CONTRACTOR shall notify Juvenile Justice Counseling staff immediately if a youth runs from the program, is involved in the use of alcohol or other drugs, or is known to have been involved in illegal behavior during the time of enrollment in the program.

4. **Compensation**

A. COUNTY agrees to pay CONTRACTOR up to \$53,556 for performance of those services described herein. Payment to CONTRACTOR shall be made on a cost reimbursement basis and expenditures billed to COUNTY on a quarterly basis. These funds will be used solely to pay for the following budgeted items:

• One FTE (full-time equivalent) Teacher	\$38,000
• Substitute Teachers	1,000
• Mileage	250
• Start-up Costs	
⇒ Supplies	1,000
⇒ Tools and Work Gear	2,000
⇒ Instructional Materials	4,000
⇒ Hardware	5,000
⇒ Administrative Indirect Costs	<u>2,306</u>
TOTAL	\$53,556

Invoices reflecting allowable staff, service and/or equipment expenditures as identified herein are to be sent directly to Bill Morris, Counseling Manager, Juvenile Justice Complex, 1401 NE 68th, Portland, Oregon, 97213. COUNTY shall pay CONTRACTOR promptly upon receipt of the itemized billing.

In no event shall the compensation of CONTRACTOR exceed a total of \$53,556. COUNTY shall pay CONTRACTOR promptly upon receipt of CONTRACTOR's itemized billing(s).

B. COUNTY certifies that sufficient funds are available and authorized to finance the costs of this Agreement through the fiscal year ending June 30, 1998. In the event that funds cease to be available to COUNTY in the amounts anticipated during the remainder of the fiscal year, or in the event that sufficient funds are not approved and authorized in the next fiscal year, COUNTY may terminate or reduce contract funding accordingly. COUNTY will notify CONTRACTOR as soon as it receives notification from funding source. Reduction or termination will not affect payment for accountable expenses prior to the effective date of such action.

5. **Confidentiality**

Each party that receives confidential information, either in written or verbal form from the other, shall hold that information in the strict confidence required by law applicable to the providing agency and shall not disclose the information for any purpose

without prior written approval of that agency. Confidential information includes, but is not limited to, student names, family names and all information relative to student and family. The confidential information shall be used for no other purpose than performing the responsibilities of this Agreement. In the event that demand for disclosure of documents is received by subpoena or otherwise, the documents if any shall be returned to the providing agency and the person making the demand shall be immediately notified. In the event that a subpoena for testimony is received, the providing agency shall immediately be notified of the demand and shall provide instructions and defend against the demand.

6. **Indemnification and Liability**

A. Subject to the limitations of the Oregon Torts Claims Act and the Oregon Constitution, COUNTY shall indemnify, defend and hold harmless CONTRACTOR, its directors, officers, employees and agents from all claims, suits, actions or expenses of any nature resulting from or arising out of the acts, errors or omissions of the Department of Juvenile and Adult Community Justice personnel acting pursuant to the terms of this Agreement.

B. Subject to the limitations of the Oregon Torts Claims Act and the Oregon Constitution, CONTRACTOR shall indemnify, defend and hold harmless the Department of Juvenile and Adult Community Justice, their directors, officers, employees and agents from all claims, suits, actions or expenses of any nature resulting from or arising out of the acts, errors or omissions of CONTRACTOR personnel acting pursuant to the terms of this Agreement.

7. **Workers' Compensation**

CONTRACTOR shall maintain Workers' Compensation insurance coverage for all subject workers employed by CONTRACTOR in the performance of the work, whether as a carrier or insured employer as provided in Chapter 656 of Oregon Revised Statutes.

8. **Contractor Identification**

CONTRACTOR shall furnish to COUNTY its employer identification number, as designated by the Internal Revenue Service or CONTRACTOR's Social Security number, as COUNTY deems applicable.

9. **Subcontracts and Assignments**

COUNTY by this Agreement incurs no liability to third persons for payment of any compensation provided herein to CONTRACTOR.

10. **Change of Staffing**

CONTRACTOR shall submit written notification to COUNTY, if applicable, of any change in staffing which directly impacts services delivered under the terms of this contract within 30 days of such a change.

11. **Fiscal Assessments, Monitoring Requirements and Enforcement**

A. CONTRACTOR agrees to maintain fiscal records and other records pertinent to this contract. All fiscal records shall be maintained according to accepted accounting standards, Oregon Administrative Rules, and applicable Federal rules and regulations. CONTRACTOR further agrees to provide access to any books, documents, papers, and records of CONTRACTOR, which are pertinent to this contract and to participate in site assessments. Such access shall be freely allowed to State, Federal and COUNTY personnel and their duly authorized agents.

B. COUNTY is responsible to monitor CONTRACTOR's services under this contract in conformance to State and COUNTY standards and other performance requirements specified in the contract. COUNTY will take all appropriate management and legal action necessary to pursue this responsibility. When reasonably possible, COUNTY will monitor CONTRACTOR's services under this contract in a manner that does not unnecessarily interfere with CONTRACTOR's provision of services.

C. COUNTY is responsible for monitoring CONTRACTOR'S financial contract compliance and fiscal performance under this contract and shall take all appropriate management and legal action to pursue this responsibility. When reasonably possible, County will monitor CONTRACTOR's financial contract compliance and fiscal performance under this contract in a manner that does not unnecessarily interfere with the operation of CONTRACTOR. CONTRACTOR shall abide by such financial procedures as may be specified in writing by COUNTY, under the Single Audit Act of 1984 and funding source contracts. Recovery of funds shall be made in the event of unauthorized expenditures, nonperformance of contract conditions, excess payments, payment withholding, or contract termination. In cases of suspected fraud by applicants, employees, subcontractors, or vendors, CONTRACTOR shall cooperate with all appropriate investigative agencies and shall assist in recovering involved payments.

D. CONTRACTOR shall actively participate in the development and implementation of a data collection tool used in conjunction with the COUNTY'S data collection and management information system.

E. CONTRACTOR shall provide for program and facility reviews upon reasonable advance notice to do so by COUNTY for the purpose of contract monitoring or fiscal assessment performance. These can include meetings with staff and clients; review of services and fiscal records, policies and procedures, staffing patterns, and job descriptions; and meetings with any other staff directly or indirectly involved in the performance of this contract. CONTRACTOR agrees to cooperate with COUNTY in developing a corrective action plan when such plan is necessary to bring CONTRACTOR into compliance with the terms of this contract.

F. If CONTRACTOR materially fails to comply with the terms of this contract and all attempts to resolve the issue at the lowest possible administrative level have

been exhausted, COUNTY may take one or more of the following actions:

- 1) Temporarily withhold cash payments pending correction of the deficiency by CONTRACTOR or pending more severe enforcement action by COUNTY.
- 2) Wholly or partly suspend or terminate the current award for the CONTRACTOR's program.
- 3) Withhold further awards for the program.
- 4) Take other remedies that may be legally available.

12. **Work is Property of COUNTY**

All work products, which result from this Agreement, shall be the exclusive property of COUNTY.

13. **Compliance to Law**

A. CONTRACTOR agrees to comply with all applicable federal, state, county, and city statutes, rules, and funding criteria governing services, facilities, employment opportunities, and operations. This contract shall be governed and construed in accordance with the laws of the State of Oregon.

B. CONTRACTOR agrees to comply with all applicable laws governing its relationship with its employees, including but not limited to laws, rules, regulations, and policies concerning workers' compensation and minimum and prevailing wage requirements.

C. CONTRACTOR further agrees to comply with all applicable licensing and certification requirements.

D. Unless exempted under the rules, regulations, and relevant orders of the Secretary of Labor, 41 CFR, Ch. 60, CONTRACTOR agrees to comply with all provisions of Executive Order No. 11246 as amended by Executive Order No. 11375 of the President of the United States dated September 24, 1965, Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, as implemented by 45 CFR 84.4, and the Americans with Disabilities Act of 1990, Public Law Number 101-336 and all enacting regulations of the EEOC and Department of Justice, which states, "No qualified person shall, on the basis of handicap, be excluded from participation in, be denied benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance." CONTRACTOR will also comply with all applicable rules, regulations, and orders of the Secretary of Labor concerning equal opportunity in employment and the provisions of ORS Chapter 659.

14. **Modification**

This Agreement may be modified or amended by written mutual agreement of the parties. Any modification to this Agreement shall be effective only when signed by COUNTY and CONTRACTOR and approved by the Multnomah County Board of Commissioners.

15. **Integration**

This Agreement including any attachments incorporated herein, contains the entire agreement between the parties and supersedes all prior written or oral discussions or agreements.

16. **Non-violation of Tax Laws**

CONTRACTOR hereby certifies under penalty of perjury that to the best of CONTRACTOR's knowledge, CONTRACTOR is not in violation of any Oregon tax law described in ORS 305.380(4).

17. **Severability**

If any terms or provisions of this contract are held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

18. **Early Termination**

A. This Agreement may be terminated by either party prior to the expiration of the agreed-upon term:

- 1) Upon 30 days written notice to the other, delivered by certified mail or in person or;
- 2) Immediately upon mutual written consent of the parties or at such time as the parties agree.

B. Immediate termination by COUNTY may occur under any of the following conditions:

- 1) Upon notice of denial, revocation, suspension, or nonrenewal of any license or certificate required by law or regulation to be held by CONTRACTOR to provide a service under this contract.
- 2) Upon notice if CONTRACTOR fails to start up services on the date specified in this contract, fails to continue to provide services for the entire contract period, or fails to comply with terms and conditions of contract, including submission of complete and accurate reports.
- 3) Upon notice if COUNTY has evidence that CONTRACTOR has endangered or is endangering the health and safety of clients/residents, staff, or the public.
- 4) If the contract between COUNTY and any funding source for provision of services is terminated in whole or in part by the funding source for any reason.
- 5) Evidence of CONTRACTOR'S financial instability that COUNTY deems sufficient to jeopardize customary levels and/or quality of services.
- 6) Upon evidence of improper or illegal use of funds provided under this contract.
- 7) If CONTRACTOR is suspended, debarred, proposed for disbarment, declared ineligible or voluntarily excluded from participating in agreement or

contracts with any federal agency.

C. Upon termination, unless contract obligations have already been suspended, payment of CONTRACTOR shall be prorated to and include the day of termination and shall be in full satisfaction of all claims by CONTRACTOR against COUNTY under this Agreement.

D. Termination under any provision of this paragraph shall not affect any right, obligation, or liability of CONTRACTOR or COUNTY that accrued prior to such termination.

E. Upon termination, CONTRACTOR agrees to transfer back to COUNTY, the State of Oregon and/or the Federal Government any unexpended and unobligated funds and all unexpended and/or non-expendable personal property purchased under this contract as directed by COUNTY, the State of Oregon or the Federal Government. All property purchased with COUNTY funds is the property of COUNTY.

19. **Lobbying for Funds**

Pursuant to requirements of Section 1352 of Public Law 101-121, the CONTRACTOR certifies, to the best of its knowledge and belief, that:

A. No federal appropriated funds have been paid or will be paid, by or on behalf of the CONTRACTOR, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

B. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the CONTRACTOR agrees to complete and submit Standard Form-LLL "Disclosure Form to Report Lobbying" in accordance with its instructions.

20. **No Religious Content**

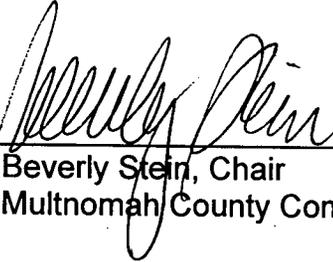
CONTRACTOR acknowledged that there will be no religious content or materials disseminated in any of the services funded under this Contract. The language in this section is not intended to abridge a Client's individual right to exercise freedom of religion and/or speech.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers the date first written above.

MULTNOMAH COUNTY, OREGON

MULTNOMAH COUNTY, OREGON

MULTNOMAH EDUCATION SERVICE DISTRICT

BY: 
Beverly Stein, Chair
Multnomah County Commissioners

BY: _____
Dr. Jerry W. Shiveley
Deputy Superintendent

DATE: May 14, 1998

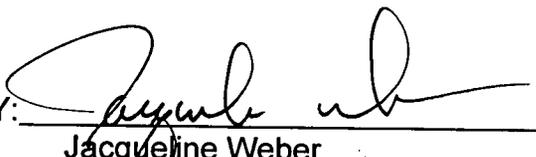
DATE: _____

DEPARTMENT OF JUVENILE AND ADULT COMMUNITY JUSTICE

BY: 
Elyse Clawson, Director

DATE: 4/28/98

REVIEWED:
THOMAS SPONSLER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

BY: 
Jacqueline Weber
Assistant County Counsel

APPROVED MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R-3 DATE 5/14/98
DEB BOGSTAD
BOARD CLERK

MEETING DATE: MAY 14 1998
AGENDA NO: R-4
ESTIMATED START TIME: 9:43 Am

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: RESOLUTION Authorizing Chair to Execute and IGA

BOARD BRIEFING: DATE REQUESTED: _____
REQUESTED BY: _____
AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: Thursday, May 14, 1998
AMOUNT OF TIME NEEDED: 5 minutes

DEPARTMENT: Environmental Services DIVISION: Transp. & Land Use Planning
CONTACT: Karen Schilling TELEPHONE #: 83636
BLDG/ROOM #: 425/Yeon

PERSON(S) MAKING PRESENTATION: Sharon Kelly from Metro

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Approval of Resolution Authorizing Chair of the Board to execute an IGA for establishing the South/North Land Use Final Order Steering Committee.

5/20/98 ORIGINAL CAF & copies of all to KAREN SCHILLING
7/28/98 COPY of EXECUTED IGA ATTACHED TO PACKET

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____
(OR)
DEPARTMENT MANAGER: Paul Nicholas

98 MAY - 3 11 4: 02
MULTIPL COUNTY
OREGON
UNIT CHAIRS

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277



MULTNOMAH COUNTY OREGON

DEPARTMENT OF ENVIRONMENTAL SERVICES
TRANSPORTATION AND LAND USE PLANNING DIVISION
1620 SE 190TH AVENUE
PORTLAND, OREGON 97233
(503) 248-5050

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN • CHAIR OF THE BOARD
DAN SALTZMAN • DISTRICT 1 COMMISSIONER
GARY HANSEN • DISTRICT 2 COMMISSIONER
TANYA COLLIER • DISTRICT 3 COMMISSIONER
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

FROM: Larry Nicholas, P.E., Director DES
K/S Karen Schilling, Transportation Planning Administrator

TODAY'S DATE: April 6, 1998

REQUESTED PLACEMENT DATE: April 30, 1998

RE: Approval of Resolution authorizing the Chair of the Board to execute an IGA establishing the South/North Land Use Final Order Steering Committee.

I. Recommendation/Action Requested:

Approval for Chair of the Board to execute an IGA establishing the South/North Land Use Final Order (LUFO) Steering Committee. The IGA must be signed by Tri-met, Metro, ODOT, Clackamas County and the cities of Portland and Milwaukie to establish the Steering Committee and define the initial functions of the committee.

II. Background/Analysis:

In February 1996, the Oregon Legislature adopted legislation defining the procedures for siting of the South/North light rail line. The act provides for a process of adoption of the LUFO by Metro which includes the following generalized steps:

- 1) Recommendation of the LUFO by the LUFO Steering Committee to Tri-Met;
- 2) Application for the LUFO by Tri-Met to Metro; and
- 3) Metro adoption of the LUFO.

The attached draft IGA has been reviewed by the South/North Project Management Group and the South/North Steering Committee. The Steering Committee recommended approval of the draft IGA at their March 4, 1998 meeting. Tri-Met, ODOT, Clackamas County, and the cities of Portland and Milwaukie must take a similar action to execute the IGA.

III. Financial Impact:

There is no financial impact to our involvement.

IV. Legal Issues:

There are no legal issues.

V. Controversial Issues:

There are no controversial issues.

VI. Link to Current County Policies:

It is the County's policy to support a safe, efficient and convenient public transportation system.

VII. Citizen Participation:

The County has a citizen representative on the Citizen Advisory Committee. Metro has presented the South/North Light Rail project to the public at open houses and other public forums to receive input.

VIII. Other Government Participation:

In addition to Multnomah County, the IGA will be signed by Metro, Tri-Met, ODOT, Clackamas County and the cities of Portland and Milwaukie. Representatives from each of these agencies will participate in the LUFO Steering Committee.

MEETING DATE: _____
AGENDA NO: _____
ESTIMATED START TIME: _____

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: _____

BOARD BRIEFING: DATE REQUESTED: _____

REQUESTED BY: _____

AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: April 30, 1998

AMOUNT OF TIME NEEDED: Consent Agenda

DEPARTMENT: Environmental Services DIVISION: Transp. & Land Use Planning

CONTACT: Karen Schilling TELEPHONE #: 83636

BLDG/ROOM #: 425/Yeon

PERSON(S) MAKING PRESENTATION: _____

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

Approval of Resolution Authorizing Chair of the Board to execute an IGA for establishing the South/North Land Use Final Order Steering Committee.

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____

(OR)

DEPARTMENT MANAGER: *Karen Schilling*

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277

**MULTNOMAH COUNTY OREGON**

DEPARTMENT OF ENVIRONMENTAL SERVICES
TRANSPORTATION AND LAND USE PLANNING DIVISION
1620 SE 190TH AVENUE
PORTLAND, OREGON 97233
(503) 248-5050

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN • CHAIR OF THE BOARD
DAN SALTZMAN • DISTRICT 1 COMMISSIONER
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TANYA COLLIER • DISTRICT 3 COMMISSIONER
SHARRON KELLEY • DISTRICT 4 COMMISSIONER

MEMORANDUM

TO: BOARD OF COUNTY COMMISSIONERS

FROM: Larry Nicholas, P.E., Director DES
Karen Schilling, Transportation Planning Administrator

TODAY'S DATE: April 6, 1998

REQUESTED PLACEMENT DATE: April 30, 1998

RE: Approval of Resolution authorizing the Chair of the Board to execute an IGA establishing the South/North Land Use Final Order Steering Committee.

I. Recommendation/Action Requested:

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II. Background/Analysis:

In February 1996, the Oregon Legislature adopted legislation defining the procedures for siting of the South/North light rail line. The act provides for a process of adoption of the LUFO by Metro which includes the following generalized steps:

- 1) Recommendation of the LUFO by the LUFO Steering Committee to Tri-Met;
- 2) Application for the LUFO by Tri-Met to Metro; and
- 3) Metro adoption of the LUFO.

The attached draft IGA has been reviewed by the South/North Project Management Group and the South/North Steering Committee. The Steering Committee recommended approval of the draft IGA at their March 4, 1998 meeting. Tri-Met, ODOT, Clackamas County, and the cities of Portland and Milwaukie must take a similar action to execute the IGA.

Staff Report
Page 2

III. Financial Impact:

There is no financial impact to our involvement.

IV. Legal Issues:

There are no legal issues.

V. Controversial Issues:

There are no controversial issues.

VI. Link to Current County Policies:

It is the County's policy to support a safe, efficient and convenient public transportation system.

VII. Citizen Participation:

The County has a citizen representative on the Citizen Advisory Committee. Metro has presented the South/North Light Rail project to the public at open houses and other public forums to receive input.

VIII. Other Government Participation:

In addition to Multnomah County, the IGA will be signed by Metro, Tri-Met, ODOT, Clackamas County and the cities of Portland and Milwaukie. Representatives from each of these agencies will participate in the LUFO Steering Committee.

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY OREGON

For the purpose of authorizing the Chair of)
The Board to execute an Intergovernmental) RESOLUTION NO. 98-
Agreement Establishing The South/North)
Land Use Final Order (LUFO) Steering)
Committee)

The Board of County Commissioners finds:

- a. Participating jurisdictions representing areas of the South/North Project have been cooperating to do High Capacity Transit Studies under an organizational and oversight structure originally established in Metro Resolution No. 92-1179 and IRC Resolution No. 89-11-03 and amended in Metro Resolution No. 92-1549 and IRC Resolution No. 1-92-2.
- b. The Oregon Legislature enacted Oregon Laws 1996, Chapter 12 (the act) establishing procedures for siting the South/North Light Rail Project through the use of a regional Land Use Final Order (LUFO) to be adopted by the Metro Council.
- c. Section 1(21) of the act requires the establishment of a LUFO Steering Committee to be comprised at least of representatives of Metro, Tri-Met, ODOT and elected officials of the affected local governments, whose specific membership and manner of function are to be determined by intergovernmental agreement between Metro, Tri-Met, ODOT and the affected local governments.
- d. Section 6(1)(a) of the act requires the LUFO Steering Committee to make recommendations to Tri-Met as to the light rail route, stations, lots and maintenance facilities, and the highway improvements for the Project, including their locations, prior to the time that Tri-Met applies to Metro for approval of a LUFO for the Project.
- e. The existing South/North Steering Committee has reviewed and recommended the attached proposed Intergovernmental Agreement for the LUFO Steering Committee.

The Multnomah County Board of Commissioners resolves:

Authorizes the Chair of the Board to execute an Intergovernmental Agreement, substantively similar to the attached draft on behalf of Board of County Commissioners to establish the LUFO Steering Committee and define the initial manner of function.

Dated this _____ day of _____, 1998.

**BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON**

Beverly Stein, Chair

REVIEWED:

**THOMAS SPONSLER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON**

By _____
John Thomas, Assistant County Counsel

**SOUTH/NORTH LIGHT RAIL TRANSIT PROJECT
STEERING COMMITTEE AGREEMENT**

THIS AGREEMENT is entered into this ___ day of _____, 1998, by Metro, Oregon Department of Transportation (ODOT), Tri-County Metropolitan Transportation District of Oregon (Tri-Met), Clackamas and Multnomah counties, political subdivisions of the State of Oregon, and the cities of Milwaukie and Portland, incorporated municipalities of the State of Oregon.

WHEREAS, the existing South/North Light Rail Transit Project steering committee (hereinafter LPS steering committee) of policymakers from participating jurisdictions representing areas for Phase I and Phase II was established for the federal Locally Preferred Strategy process in the Evaluation Methods Report of May 20, 1996, to assure coordination on the federally required Draft Environmental Impact Study of a South/North Light Rail Project; and

WHEREAS, the Oregon Legislature enacted Oregon Laws 1996, Chapter 12 ("the Act") establishing mandatory state procedures for siting the South North MAX Light Rail Project by the use of a regional "land use final order" (LUFO) to be adopted by the Metro Council; and

WHEREAS, Section 4 of the Act requires the Land Conservation and Development Commission (LCDC) to establish criteria to be used by the Metro Council in making decisions in the land use final order on the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project; and

WHEREAS, the LCDC held a public hearing on May 30, 1996 and adopted the region's proposed South/North Land Use Criteria, attached as Exhibit A, as the Criteria for use by the South/North Project; and

WHEREAS, Section 1(21) of the Act requires the establishment of a Steering Committee (hereinafter LUFO Steering Committee) for Phase I ("the Project") and Phase II ("the Project Extension") of the South North MAX Light Rail Project, to be comprised at least of representatives of Tri-Met, ODOT, and elected officials of the affected local governments and Metro, whose specific membership and manner of function are to be determined by intergovernmental agreement between Metro, Tri-Met, ODOT and the affected local governments for the Project or Project Extension; and

WHEREAS, Section 6(1)(a) of the Act requires the LUFO Steering Committee to make recommendations to Tri-Met as to the light rail route, stations, lots and maintenance facilities, and the highway improvements for the Project, including their locations, prior to the time Tri-Met applies to Metro for approval of a LUFO for the Project; and

WHEREAS, Section 11(1) and (2) of the Act requires a Steering Committee intergovernmental agreement identified in Section 1(21) to contain provisions to determine how any measures or improvements of the Project would be deferred or deleted if deferral or deletion is required as a condition of executing a Full Fund Grant Agreement or due to insufficient funds to fully execute the approved Full Funding Grant Agreement; and

WHEREAS, Section 8(3) of the Act requires that a Steering Committee intergovernmental agreement identified in Section 1(21) contain provisions by which the LUFO Steering Committee may determine whether locally-imposed development approval conditions are unreasonable or unnecessary or would prevent implementation of a land use final order; and

WHEREAS, participating jurisdictions representing areas for both Phase I and Phase II have been cooperating to study High Capacity Transit Studies under an organizational and oversight structure originally established in Metro Resolution No. 90-1179 and IRC Resolution No. 89-11-03, and amended in Metro Resolution No. 92-1549 and IRC Resolution No. 1-92-2; and

WHEREAS, upon completion of the Draft Environmental Impact Statement, a notice is published in the Federal Register to allow a minimum 45-day comment period, which includes a public hearing; and

WHEREAS, upon review of the public comments at the Project Managers Group, Citizen Advisory Committee and Downtown Oversight Committee, a federally required Locally Preferred Strategy will be recommended to the LPS steering committee, JPACT and the Metro Council for adoption of the federally required Locally Preferred Strategy; and

WHEREAS, Phase I of the South/North MAX Light Rail Project was defined in the Phase I South/North Corridor Project Locally Preferred Alternative Report to include light rail route, stations, lots and maintenance facilities for a project from Clackamas Town Center to Vancouver; and

WHEREAS, Project Extensions are being studied from Clackamas Town Center to Oregon City; and

WHEREAS, additional environmental study of Phase I will be done in the federally required Final Environmental Impact Statement (EIS); and

WHEREAS, federal approval of the Phase I Project for funding will be in the federally required Full Funding Grant Agreement, which may add or delete Project components; now, therefore,

METRO, TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI-MET), CLACKAMAS AND MULTNOMAH COUNTIES, CITIES OF MILWAUKIE AND PORTLAND AND OREGON DEPARTMENT OF TRANSPORTATION (ODOT), AGREE AS FOLLOWS:

I. Affected Local Governments

For Phase I (the Project), Multnomah and Clackamas are the counties and Portland and Milwaukie are the cities within which the light rail route, stations, lots and maintenance facilities and any highway improvements will be located. These affected local governments shall be represented on the LUFO Steering Committee which participates in the Land Use Final Order as required by the Act.

II. LUFO Steering Committee Membership

Consistent with the Act, Metro, Tri-Met, ODOT, Multnomah and Clackamas counties and the cities of Portland and Milwaukie shall be voting members of the LUFO Steering Committee for Phase I (the Project). The LUFO Steering Committee shall include other local governments and agencies represented on the LPS steering committee of all Phase I and Phase II participating jurisdictions as non-voting, ex officio members in the consideration of the recommendations to Tri-Met.

III. Phase I Recommendations

A. The LUFO Steering Committee shall forward recommendations to Tri-Met on the light rail route, stations, lots and maintenance facilities, and any highway improvements for the Project, including their locations, to be included in a land use final order. The recommendations shall be submitted to Tri-Met prior to the time Tri-Met applies to the Metro Council for approval of a land use final order for the Project.

B. If the Metro Council refers an application back to Tri-Met consistent with the Act, the LUFO Steering Committee may consider and recommend to Tri-Met any proposed revisions to the Phase I Project.

C. If the Metro Council refers an application back to Tri-Met consistent with the Act, Tri-Met shall request the views of the LUFO Steering Committee as to proposed revisions to its application if, in its judgment, time and circumstances reasonably permit.

IV. Manner of Function

A. Metro shall staff the LUFO Steering Committee through the time of publication of the Final Environmental Impact Statement for the Project. Thereafter, Tri-Met shall staff the LUFO Steering Committee.

EXHIBIT A

ADOPTED SOUTH-NORTH LAND USE CRITERIA

1. Coordinate with and provide an opportunity for Clackamas and Multnomah Counties, the cities of Gladstone, Milwaukie, Oregon City and Portland, the Tri-County Metropolitan Transportation District of Oregon and the Oregon Department of Transportation to submit testimony on the light rail route, light rail stations, park-and-ride lots and vehicle maintenance facilities, and the highway improvements, including their locations.
2. Hold a public hearing to provide an opportunity for the public to submit testimony on the light rail route, light rail stations, park-and-ride lots and vehicle maintenance facilities, and the highway improvements, including their locations.
3. Identify adverse economic, social and traffic impacts on affected residential, commercial and industrial neighborhoods and mixed use centers. Identify measures to reduce those impacts which could be imposed as conditions of approval during the National Environmental Policy Act (NEPA) process or, if reasonable and necessary, by affected local governments during the local permitting process.
 - A. Provide for a light rail route and light rail stations, park-and-ride lots and vehicle maintenance facilities, including their locations, balancing (1) the need for light rail proximity and service to present or planned residential, employment and recreational areas that are capable of enhancing transit ridership; (2) the likely contribution of light rail proximity and service to the development of an efficient and compact urban form; and (3) the need to protect affected neighborhoods from the identified adverse impacts.
 - B. Provide for associated highway improvements, including their locations, balancing (1) the need to improve the highway system with (2) the need to protect affected neighborhoods from the identified adverse impacts.
4. Identify adverse noise impacts and identify measures to reduce noise impacts which could be imposed as conditions of approval during the NEPA process or, if reasonable and necessary, by affected local governments during the permitting process.
5. Identify affected landslide areas, areas of severe erosion potential, areas subject to earthquake damage and lands within the 100-year floodplain. Demonstrate that adverse impacts to persons or property can be reduced or mitigated through design or construction techniques which could be imposed during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.
6. Identify adverse impacts on significant fish and wildlife, scenic and open space, riparian, wetland and park and recreational areas, including the Willamette River Greenway, that are protected in acknowledged local comprehensive plans. Where adverse impacts cannot practically be avoided, encourage the conservation of natural resources by demonstrating that there are measures to reduce or mitigate impacts which could be imposed as conditions of approval during

B. Phase I Recommendations

1. Each voting member of the LUFO Steering Committee shall have one vote on Phase I recommendations to Tri-Met. A Phase I recommendation shall be forwarded to Tri-Met only upon an affirmative vote of a majority of voting members.

2. All members of the LPS steering committee that are not voting members of the LUFO Steering Committee may participate as non-voting, ex officio members in the consideration of the Phase I recommendation to Tri-Met by the LUFO Steering Committee.

V. Separate Phase I Intergovernmental Agreement

Upon adoption of a Phase I land use final order, the parties agree to begin development of a separate Phase I Intergovernmental Agreement to implement Sections 8(3), 11(1) and 11(2) of the Act.

VI. Amendments to Intergovernmental Agreement

The terms of this Agreement may be amended or supplemented by unanimous agreement of all voting members of the LUFO Steering Committee. Any amendments or supplements shall be in writing, shall refer specifically to this Agreement, and shall be executed by the parties.

VII. Phase II Intergovernmental Agreement

The parties shall enter into a separate Intergovernmental Agreement for Phase II (the Project Extension). The Agreement shall be in accordance with Oregon Laws 1996, Chapter 12, and shall include additional affected parties as defined by the Act. The parties agree to exercise good faith efforts to enter into such agreement prior to the completion of a Draft Environmental Impact Statement for the Phase II Project Extension.

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MULTNOMAH COUNTY CONTRACT APPROVAL FORM

(See Administrative Procedure CON-1)

Renewal

County Counsel Contract Boilerplate (with pre-approved signature) Attached Not Attached

Contract #: 301298

Amendment #: _____

CLASS I	CLASS II	CLASS III
<input type="checkbox"/> Professional Services not to exceed \$50,000 <input checked="" type="checkbox"/> Intergovernmental Agreement (IGA) not to exceed \$50,000 <input type="checkbox"/> Architectural & Engineering not to exceed \$10,000 (for tracking purposes only) <input type="checkbox"/> Expenditure <input type="checkbox"/> Revenue	<input type="checkbox"/> Professional Services that exceed \$50,000 (RFP, Exemption) <input type="checkbox"/> PCRB Contract <input type="checkbox"/> Maintenance Agreement <input type="checkbox"/> Licensing Agreement <input type="checkbox"/> Construction <input type="checkbox"/> Grant <input type="checkbox"/> Revenue	<input type="checkbox"/> Intergovernmental Agreement (IGA) that exceed \$50,000 <div style="text-align: center;"> APPROVED MULTNOMAH COUNTY BOARD OF COMMISSIONERS AGENDA # <u>R-4</u> DATE <u>5/14/98</u> _____ DEB BOGSTAD BOARD CLERK <input type="checkbox"/> Expenditure <input type="checkbox"/> Revenue </div>

Department: Environmental Services Division: Transp. & Land Use Planning Date: 5/7/98
 Originator: Karen Schilling Phone: 83636 Bldg/Rm: 425/Trans
 Contact: Cathey Kramer Phone: 248-5050 x22589 Bldg/Rm: 425/Trans

Description of Contract : South/North IGA involving Metro, Tri-Met, Clackamas County, ODOT and the cities of Portland and Milwaukie establishing the Land Use Final Order Steering Committee

RFF/BID: _____ RFP/BID DATE: _____ EXEMPTION NUMBER/DATE: _____
 ORIGINAL CONTRACT NO. _____ (only for original renewals) EXEMPTION EXPIRATION DATE: _____
 ORS/AR # _____ Contractor is: MBE WBE ESB QRF N/A NONE *Check all boxes that apply*

Contractor Name <u>Metro</u> Mailing Address <u>600 NE Grand Ave</u> <u>Portland OR 97232</u> Attn: <u>Sharon Kelly</u> Phone <u>797-1753</u>	Remittance address _____ (If different) _____
Employer ID# or SS# _____ Effective Date <u>Upon Execution</u> Termination Date <u>Upon Completion</u>	Payment Schedule / Terms <input type="checkbox"/> Lump Sum \$ _____ <input type="checkbox"/> Monthly \$ _____ <input checked="" type="checkbox"/> Other \$ _____
Original Contract Amount \$ <u>0</u> Total Amt of Previous Amendments \$ _____ Amount of Amendment \$ _____ Total Amount of Agreement \$ <u>0</u>	<input type="checkbox"/> Due on Receipt <input type="checkbox"/> Net 30 <input type="checkbox"/> Other <input type="checkbox"/> Requirements Not to Exceed \$ _____ Encumber <input type="checkbox"/> Yes <input type="checkbox"/> No

REQUIRED SIGNATURES

Department Manager K. Blant. Nicholas DATE 5/10/98
 Purchasing Manager _____ DATE _____
 (Class II Contracts Only)
 County Counsel Matthew O. Regan DATE 5/13/98
 County Chair [Signature] DATE May 14, 1998
 Sheriff _____ DATE _____
 Contract Administration _____ DATE _____
 (Class I, Class II Contracts only)

VENDOR CODE				VENDOR NAME				TOTAL AMOUNT \$			
LINE #	FUND	AGENCY	ORG	SUB ORG	ACTIVITY	OBJECT/REVENUE	SUB OBJ	RECPT CAT	LGFS DESCRIP	AMOUNT	INC DEC
01	150	030	6104			6110					
02											
03											

DISTRIBUTION: Original - Contract Administration, Initiator, Accounts Payable *If additional space is needed, attach separate page. Write contract # on top of page.*

BEFORE THE BOARD OF COUNTY COMMISSIONERS

FOR MULTNOMAH COUNTY OREGON

For the purpose of authorizing the Chair of)
The Board to execute an Intergovernmental) RESOLUTION
Agreement Establishing The South/North) 98-57
Land Use Final Order (LUFO) Steering)
Committee)

The Board of County Commissioners finds:

- a. Participating jurisdictions representing areas of the South/North Project have been cooperating to do High Capacity Transit Studies under an organizational and oversight structure originally established in Metro Resolution No. 92-1179 and IRC Resolution No. 89-11-03 and amended in Metro Resolution No. 92-1549 and IRC Resolution No. 1-92-2.
- b. The Oregon Legislature enacted Oregon Laws 1996, Chapter 12 (the act) establishing procedures for siting the South/North Light Rail Project through the use of a regional Land Use Final Order (LUFO) to be adopted by the Metro Council.
- c. Section 1(21) of the act requires the establishment of a LUFO Steering Committee to be comprised at least of representatives of Metro, Tri-Met, ODOT and elected officials of the affected local governments, whose specific membership and manner of function are to be determined by intergovernmental agreement between Metro, Tri-Met, ODOT and the affected local governments.
- d. Section 6(1)(a) of the act requires the LUFO Steering Committee to make recommendations to Tri-Met as to the light rail route, stations, lots and maintenance facilities, and the highway improvements for the Project, including their locations, prior to the time that Tri-Met applies to Metro for approval of a LUFO for the Project.
- e. The existing South/North Steering Committee has reviewed and recommended the attached proposed Intergovernmental Agreement for the LUFO Steering Committee.

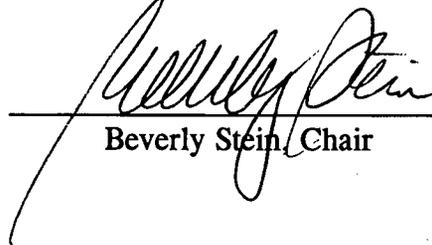
The Multnomah County Board of Commissioners resolves:

Authorizes the Chair of the Board to execute an Intergovernmental Agreement, substantively similar to the attached draft on behalf of Board of County Commissioners to establish the LUFO Steering Committee and define the initial manner of function.

Dated this 14th day of May, 1998.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Beverly Stein, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY, OREGON

By 

John Thomas, Assistant County Counsel

SOUTH/NORTH LIGHT RAIL TRANSIT PROJECT
STEERING COMMITTEE AGREEMENT

THIS AGREEMENT is entered into this ___ day of _____, 1998, by Metro, Oregon Department of Transportation (ODOT), Tri-County Metropolitan Transportation District of Oregon (Tri-Met), Clackamas and Multnomah counties, political subdivisions of the State of Oregon, and the cities of Milwaukie and Portland, incorporated municipalities of the State of Oregon.

WHEREAS, the existing South/North Light Rail Transit Project steering committee (hereinafter LPS steering committee) of policymakers from participating jurisdictions representing areas for Phase I and Phase II was established for the federal Locally Preferred Strategy process in the Evaluation Methods Report of May 20, 1996, to assure coordination on the federally required Draft Environmental Impact Study of a South/North Light Rail Project; and

WHEREAS, the Oregon Legislature enacted Oregon Laws 1996, Chapter 12 ("the Act") establishing mandatory state procedures for siting the South North MAX Light Rail Project by the use of a regional "land use final order" (LUFO) to be adopted by the Metro Council; and

WHEREAS, Section 4 of the Act requires the Land Conservation and Development Commission (LCDC) to establish criteria to be used by the Metro Council in making decisions in the land use final order on the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project; and

WHEREAS, the LCDC held a public hearing on May 30, 1996 and adopted the region's proposed South/North Land Use Criteria, attached as Exhibit A, as the Criteria for use by the South/North Project; and

WHEREAS, Section 1(21) of the Act requires the establishment of a Steering Committee (hereinafter LUFO Steering Committee) for Phase I ("the Project") and Phase II ("the Project Extension") of the South North MAX Light Rail Project, to be comprised at least of representatives of Tri-Met, ODOT, and elected officials of the affected local governments and Metro, whose specific membership and manner of function are to be determined by intergovernmental agreement between Metro, Tri-Met, ODOT and the affected local governments for the Project or Project Extension; and

WHEREAS, Section 6(1)(a) of the Act requires the LUFO Steering Committee to make recommendations to Tri-Met as to the light rail route, stations, lots and maintenance facilities, and the highway improvements for the Project, including their locations, prior to the time Tri-Met applies to Metro for approval of a LUFO for the Project; and

WHEREAS, Section 11(1) and (2) of the Act requires a Steering Committee intergovernmental agreement identified in Section 1(21) to contain provisions to determine how any measures or improvements of the Project would be deferred or deleted if deferral or deletion is required as a condition of executing a Full Fund Grant Agreement or due to insufficient funds to fully execute the approved Full Funding Grant Agreement; and

WHEREAS, Section 8(3) of the Act requires that a Steering Committee intergovernmental agreement identified in Section 1(21) contain provisions by which the LUFO Steering Committee may determine whether locally-imposed development approval conditions are unreasonable or unnecessary or would prevent implementation of a land use final order; and

WHEREAS, participating jurisdictions representing areas for both Phase I and Phase II have been cooperating to study High Capacity Transit Studies under an organizational and oversight structure originally established in Metro Resolution No. 90-1179 and IRC Resolution No. 89-11-03, and amended in Metro Resolution No. 92-1549 and IRC Resolution No. 1-92-2; and

WHEREAS, upon completion of the Draft Environmental Impact Statement, a notice is published in the Federal Register to allow a minimum 45-day comment period, which includes a public hearing; and

WHEREAS, upon review of the public comments at the Project Managers Group, Citizen Advisory Committee and Downtown Oversight Committee, a federally required Locally Preferred Strategy will be recommended to the LPS steering committee, JPACT and the Metro Council for adoption of the federally required Locally Preferred Strategy; and

WHEREAS, Phase I of the South/North MAX Light Rail Project was defined in the Phase I South/North Corridor Project Locally Preferred Alternative Report to include light rail route, stations, lots and maintenance facilities for a project from Clackamas Town Center to Vancouver; and

WHEREAS, Project Extensions are being studied from Clackamas Town Center to Oregon City; and

WHEREAS, additional environmental study of Phase I will be done in the federally required Final Environmental Impact Statement (EIS); and

WHEREAS, federal approval of the Phase I Project for funding will be in the federally required Full Funding Grant Agreement, which may add or delete Project components; now, therefore,

METRO, TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI-MET), CLACKAMAS AND MULTNOMAH COUNTIES, CITIES OF MILWAUKIE AND PORTLAND AND OREGON DEPARTMENT OF TRANSPORTATION (ODOT), AGREE AS FOLLOWS:

I. Affected Local Governments

For Phase I (the Project), Multnomah and Clackamas are the counties and Portland and Milwaukie are the cities in Oregon within which the light rail route, stations, lots and maintenance facilities and any highway improvements will be located. The LUFO Steering Committee for Phase I shall be comprised of one representative each from these affected local governments, and one representative each from Tri-Met, ODOT and Metro. The representatives of Metro, Milwaukie, Portland, Clackamas County and Multnomah County shall each be elected officials of those jurisdictions.

II. LUFO Steering Committee Membership

Consistent with the Act, Metro, Tri-Met, ODOT, Multnomah and Clackamas counties and the cities of Portland and Milwaukie shall be voting members of the LUFO Steering Committee for Phase I (the Project). The LUFO Steering Committee shall include other local governments and agencies represented on the LPS steering committee of all Phase I and Phase II participating jurisdictions as non-voting, ex officio members in the consideration of the recommendations to Tri-Met.

III. Phase I Recommendations

A. The LUFO Steering Committee shall forward recommendations to Tri-Met on the light rail route, stations, lots and maintenance facilities, and any highway improvements for the Project, including their locations, to be included in a land use final order. The recommendations shall be submitted to Tri-Met prior to the time Tri-Met applies to the Metro Council for approval of a land use final order for the Project.

B. If the Metro Council refers an application back to Tri-Met consistent with the Act, the LUFO Steering Committee may consider and recommend to Tri-Met any proposed revisions to the Phase I Project.

C. If the Metro Council refers an application back to Tri-Met consistent with the Act, Tri-Met shall request the views of the LUFO Steering Committee as to proposed revisions to its application if, in its judgment, time and circumstances reasonably permit.

IV. Manner of Function

A. Metro shall staff the LUFO Steering Committee through the time of publication of the Final Environmental Impact Statement for the Project. Thereafter, Tri-Met shall staff the LUFO Steering Committee.

B. Phase I Recommendations

1. Each voting member of the LUFO Steering Committee shall have one vote on Phase I recommendations to Tri-Met. A Phase I recommendation shall be forwarded to Tri-Met only upon an affirmative vote of a majority of voting members.

2. All members of the LPS steering committee that are not voting members of the LUFO Steering Committee may participate as non-voting, ex officio members in the consideration of the Phase I recommendation to Tri-Met by the LUFO Steering Committee.

V. Separate Phase I Intergovernmental Agreement

Upon adoption of a Phase I land use final order, the parties agree to begin development of a separate Phase I Intergovernmental Agreement to implement Sections 8(3), 11(1) and 11(2) of the Act.

VI. Amendments to Intergovernmental Agreement

The terms of this Agreement may be amended or supplemented by unanimous agreement of the parties to this Agreement. Any amendments or supplements shall be in writing, shall refer specifically to this Agreement, and shall be executed by the parties.

VII. Phase II Intergovernmental Agreement

The parties shall enter into a separate Intergovernmental Agreement for Phase II (the Project Extension). The Agreement shall be in accordance with Oregon Laws 1996, Chapter 12, and shall include additional affected parties as defined by the Act. The parties agree to exercise good faith efforts to enter into such agreement prior to the completion of a Draft Environmental Impact Statement for the Phase II Project Extension.

(Signature)

(Signature)

(Name)

(Name)

For Metro

For Tri-County Metropolitan Transportation
District of Oregon (Tri-Met)

(Signature)

(Name)

For Clackamas County

(Signature)

(Name)

For Multnomah County

(Signature)

(Name)

For City of Portland

(Signature)

(Name)

For City of Milwaukie

(Signature)

(Name)

For Oregon Department of Transportation
(ODOT)

REVIEWED:
THOMAS SPONSLER, COUNTY COUNSEL
FOR MULTNOMAH COUNTY
BY *Matthew E. Kern*
ASSISTANT COUNTY COUNSEL
DATE *May 5, 1998*

Attachments:

Exhibit A: Adopted South/North Land Use Criteria

Exhibit B: HB 3478

I:\DOCS#10.TRN\05LRT\02S-N\03S-N.DEC\02STRCMT.IGAW08NSSC.AGT

ADOPTED SOUTH/NORTH LAND USE CRITERIA

1. Coordinate with and provide an opportunity for Clackamas and Multnomah Counties, the cities of Gladstone, Milwaukie, Oregon City and Portland, the Tri-County Metropolitan Transportation District of Oregon and the Oregon Department of Transportation to submit testimony on the light rail route, light rail stations, park-and-ride lots and vehicle maintenance facilities, and the highway improvements, including their locations.
2. Hold a public hearing to provide an opportunity for the public to submit testimony on the light rail route, light rail stations, park-and-ride lots and vehicle maintenance facilities, and the highway improvements, including their locations.
3. Identify adverse economic, social and traffic impacts on affected residential, commercial and industrial neighborhoods and mixed use centers. Identify measures to reduce those impacts which could be imposed as conditions of approval during the National Environmental Policy Act (NEPA) process or, if reasonable and necessary, by affected local governments during the local permitting process.
 - A. Provide for a light rail route and light rail stations, park-and-ride lots and vehicle maintenance facilities, including their locations, balancing (1) the need for light rail proximity and service to present or planned residential, employment and recreational areas that are capable of enhancing transit ridership; (2) the likely contribution of light rail proximity and service to the development of an efficient and compact urban form; and (3) the need to protect affected neighborhoods from the identified adverse impacts.
 - B. Provide for associated highway improvement, including their locations, balancing (1) the need to improve the highway system with (2) the need to protect affected neighborhoods from the identified adverse impacts.
4. Identify adverse noise impacts and identify measures to reduce noise impacts which could be imposed as conditions of approval during the NEPA process or, if reasonable and necessary, by affected local governments during the permitting process.
5. Identify affected landslide areas, areas of severe erosion potential, areas subject to earthquake damage and lands within the 100-year floodplain. Demonstrate that adverse impacts to persons or property can be reduced or mitigated through design or construction techniques which could be imposed during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.
6. Identify adverse impacts on significant fish and wildlife, scenic and open space, riparian, wetland and park and recreational areas, including the Willamette River Greenway, that are protected in acknowledged local comprehensive plans. Where adverse impacts cannot practicably be avoided, encourage the conservation of natural resources by demonstrating that there are measures to reduce or mitigate impacts which could be imposed as conditions of

approval during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.

7. Identify adverse impacts associated with stormwater runoff. Demonstrate that there are measures to provide adequate stormwater drainage retention or removal and protect water quality which could be imposed as conditions of approval during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.

8. Identify adverse impacts on significant historic and cultural resources protected in acknowledged comprehensive plans. Where adverse impacts cannot practicably be avoided, identify local, state or federal review processes that are available to address and to reduce adverse impacts to the affected resources.

9. Consider a light rail route connecting the Clackamas Town Center area with the City of Milwaukie's Downtown. Consider an extension of the light rail route connecting the City of Oregon City and the City of Gladstone with the City of Milwaukie via the Interstate 205 corridor and/or the McLoughlin Boulevard corridor.

10. Consider a light rail route connecting Portland's Central City with the City of Milwaukie's Downtown via inner southeast Portland neighborhoods and, in the City of Milwaukie, the McLoughlin Boulevard corridor, and further connecting the Central City with north and inner northeast Portland neighborhoods via the Interstate 5/Interstate Avenue corridor.

1 9 9 6 O R E G O N L A W S

and

Senate Concurrent Resolution 15

Enacted and Adopted by the
Sixty-eighth Legislative Assembly

at its

Special Session

February 1 and 2, 1996

Published by

OREGON LEGISLATIVE ASSEMBLY

The hearing shall be conducted as a contested case hearing pursuant to the applicable provisions of ORS 183.413 to 183.470.

(8) Judicial review of an order made after a hearing under subsection (7) of this section shall be as provided in ORS 183.480 to 183.497 for judicial review of contested cases.

SECTION 3. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

Approved by the Governor February 26, 1996
 Filed in the office of Secretary of State February 27, 1996
 Effective date February 26, 1996

CHAPTER 12

AN ACT

HB 3478

Relating to procedures for the siting of the South North light rail line; creating new provisions; repealing ORS 197.550, 197.553, 197.556, 197.559, 197.562, 197.565, 197.568, 197.571, 197.574, 197.577, 197.581, 197.584 and 197.590; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. As used in sections 1 to 13 of this Act, unless the context requires otherwise:

- (1) "Administrator" means the State Court Administrator.
- (2) "Affected local governments" means:
 - (a) For the project, the cities and counties within which the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project will be located.
 - (b) For the project extension, the cities and counties within which the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project extension will be located.
- (3) "Board" means the Land Use Board of Appeals.
- (4) "Commission" means the Land Conservation and Development Commission.
- (5) "Council" means the elected legislative body of Metro.
- (6) "Court" means the Oregon Supreme Court.
- (7) "Criteria" means the land use criteria established by the commission, as provided in section 4 of this Act.
- (8) "Development approval" means approval of a proposed development of land based on discretionary standards designed to regulate the physical characteristics of a use permitted outright, including but not limited to site review and design review.
- (9) "Draft Statement" means the Draft Environmental Impact Statement for the project

or project extension prepared pursuant to regulations implementing the National Environmental Policy Act of 1969.

(10) "Final Statement" means the final Environmental Impact Statement for the project or project extension, as may be amended from time to time, or any supplementary assessments or statements, prepared pursuant to regulations implementing the National Environmental Policy Act of 1969.

(11) "Full Funding Grant Agreement" means the contractual agreement entered into between the Federal Government and the local grant recipient establishing the maximum federal financing contribution for construction of the project or project extension and setting forth terms, conditions and limitations for federal financing of the project and project extension.

(12) "Highway improvements" means the highway improvements, if any, to be included in the project or project extension. The highway improvements shall be selected from among the highway improvements, if any, described in a Draft Statement or Final Statement for the project or project extension.

(13) "Land use final order" means a written order or orders of the council deciding:

- (a) The light rail route for the project or project extension, including its location;
- (b) Stations, lots and maintenance facilities for the project or project extension, including their locations; and
- (c) The highway improvements for the project or project extension, including their locations.

(14) "Light rail route" means the light rail alignment to be included in the project or project extension. The light rail route shall be selected from among light rail route alternatives described in a Draft Statement or Final Statement for the project or project extension.

(15) "Locally Preferred Alternative Report" means a decision adopted in accordance with federal requirements determining whether or not to build the South North MAX Light Rail Project and, if to build, recommending the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, to be included in the South North MAX Light Rail Project.

(16) "Locations" means the boundaries within which the light rail route, stations, lots and maintenance facilities, and the highway improvements shall be located, as provided in section 6 of this Act.

(17) "Measures" includes any mitigation measures, design features, or other amenities or improvements associated with the project or project extension.

(18) "Project" means the portion of the South North MAX Light Rail Project within the Portland metropolitan area urban growth boundary, including each segment thereof as set

forth in the Phase I South North Corridor Project Locally Preferred Alternative Report as may be amended from time to time or as may be modified in a Final Statement or the Full Funding Grant Agreement. The project includes the light rail route, stations, lots and maintenance facilities, and any highway improvements to be included in the project.

(19) "Project extension" means the portion of the South North MAX Light Rail Project within the Portland metropolitan area urban growth boundary as set forth in the Phase II South North Corridor Project Locally Preferred Alternative Report as may be amended from time to time or as may be modified in a Final Statement or the Full Funding Grant Agreement. The project extension includes the light rail route, stations, lots, and maintenance facilities, and any highway improvements to be included in the project extension.

(20) "Stations, lots and maintenance facilities" means the light rail stations, light rail park-and-ride lots and light rail vehicle maintenance facilities to be included in the project or project extension, to be selected from among alternatives described in a Draft Statement or Final Statement for the project or project extension.

(21) "Steering Committee" means a committee staffed by Metro through the time of adoption of the initial land use final order for the project or project extension, and thereafter staffed by Tri-Met, comprised at least of representatives of the Department of Transportation, Tri-Met and elected officials of the affected local governments and Metro, whose specific membership and manner of function shall be determined by intergovernmental agreement between Metro, Tri-Met, the Department of Transportation and the affected local governments for the project or project extension.

(22) "Tri-Met" means the Tri-county Metropolitan Transportation District of Oregon.

SECTION 2. (1) The Legislative Assembly finds that a failure to obtain maximum federal funding for the South North MAX Light Rail Project in the upcoming federal transportation authorization act will seriously impair the viability of the transportation system planned for the Portland metropolitan area, the ability of the area to implement a significant portion of its air quality and energy efficiency strategies and the ability of affected local governments to implement significant parts of their comprehensive plans. The Legislative Assembly further finds that to maximize the state's and metropolitan area's ability to obtain the highest available level of federal funding for the South North MAX Light Rail Project and to assure the timely and cost-effective construction of the project, it is necessary:

(a) To establish the process to be used in making decisions in a land use final order on the light rail route, light rail stations, light rail park-and-ride lots, light rail maintenance facilities and any highway improvements to be included in the South North MAX Light Rail Project, including their locations;

(b) To expedite the process for appellate review of a land use final order; and

(c) To establish an exclusive process for appellate review.

(2) Sections 1 to 13 of this Act shall be liberally construed to accomplish the purposes enumerated in subsection (1) of this section.

(3) It is the intent of the Legislative Assembly that residents of neighborhoods within the Tri-County Metropolitan Transportation District of Oregon affected by land use decisions, limited land use decisions or land divisions resulting from the siting, construction or operation of any MAX Light Rail line, either as individuals or through their neighborhood associations, shall have the opportunity to participate in such decisions and divisions.

(4) The Legislative Assembly deems the procedures and requirements provided for in sections 1 to 13 of this Act, under the unique circumstances of the South North MAX Light Rail Project, to be equivalent in spirit and substance to the land use procedures that otherwise would be applicable.

SECTION 3. Notwithstanding any other provision of law, the procedures and requirements provided for in sections 1 to 13 of this Act shall be the only land use procedures and requirements to which the following land use decisions shall be subject:

(1) Decisions on the light rail route for the project and project extension, including its location;

(2) Decisions on the stations, lots and maintenance facilities for the project and project extension, including their locations; and

(3) Decisions on the highway improvements for the project and project extension, including their locations.

SECTION 4. The Land Conservation and Development Commission shall establish criteria to be used by the council in making decisions in a land use final order on the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project and project extension, including their locations. The provisions in ORS chapters 183, 192, 195, 197, 215 and 227 and in any other law or regulation shall not apply to proceedings of the commission under sections 1 to 13 of this Act. The following procedures shall govern the proceedings of the commission in establishing criteria:

(1) The commission shall publish notice of a public hearing on criteria to be established by

the commission in a newspaper of general circulation within the Portland metropolitan area at least 20 days prior to the public hearing. The notice shall:

- (a) Identify the general subject matter of the hearing and the date, time and place of the hearing;
 - (b) State that any criteria to be proposed to the commission must be filed at the Salem office of the Department of Land Conservation and Development at least 10 days prior to commencement of the hearing and will be available for public inspection following filing;
 - (c) State that appeals from an order establishing criteria must be filed within seven days following the date written notice of the order is mailed;
 - (d) State that failure by a person to raise an issue at the hearing in person or in writing, or failure to provide sufficient specificity to afford the commission an opportunity to respond to the issue raised, shall preclude appeal by that person to the court on that issue;
 - (e) State that persons whose names appear on petitions submitted into the public hearing record will not be considered by that action to have provided oral or written testimony at the hearing; and
 - (f) State that written notice of adoption of an order establishing criteria will be provided only to persons who provide oral or written testimony at the hearing and who also provide, in writing, a request for written notice and a mailing address to which notice should be sent.
- (2) The commission also may provide such other notice as it deems appropriate to inform interested persons of the hearing. However, no other form of notice is required.
- (3) A copy of the staff report, if any, shall be available for public inspection at least four days prior to the public hearing.
- (4) The commission shall hold a public hearing on the criteria to be established by the commission. At the commencement of the hearing, a statement shall be made to those in attendance that:
- (a) Identifies the general subject matter of the hearing;
 - (b) States that appeals from an order establishing criteria must be filed within seven days following the date written notice of the order is mailed;
 - (c) States that failure by a person to raise an issue at the hearing in person or in writing, or failure to provide sufficient specificity to afford the commission an opportunity to respond to the issue raised, shall preclude appeal by that person to the court on that issue;
 - (d) States that submittal of proposed criteria at the hearing will not be accepted unless the proposed criteria were filed at the Salem office of the Department of Land Conservation and

Development at least 10 days prior to the commencement of the hearing;

(e) States that persons whose names appear on petitions submitted into the public hearing record will not be considered by that action to have provided oral or written testimony at the hearing; and

(f) States that written notice of adoption of an order establishing criteria will be provided only to persons who provide oral or written testimony at the hearing and who also provide, in writing, a request for written notice and a mailing address to which notice should be sent.

(5) The commission shall allow for the submission of oral and written testimony at the hearing, subject to such hearing procedures as the commission may deem necessary. The commission may exclude irrelevant, immaterial or unduly repetitious testimony. The commission shall not allow the submission of proposed criteria at the hearing unless the proposed criteria were filed at the Salem office of the Department of Land Conservation and Development at least 10 days prior to the commencement of the hearing. Minutes of the hearing shall be taken.

(6) The commission shall close the hearing and adopt an order establishing the criteria within 14 days following commencement of the hearing. In establishing the criteria, the commission shall consider those statewide planning goals and those plan policies that are relevant to decisions regarding the light rail route, stations, lots and maintenance facilities, and the highway improvements, and their locations. The commission's order shall include a brief statement explaining how the criteria established reasonably reflect those statewide land use planning goals and those plan policies that are relevant to decisions regarding the light rail route, stations, lots and maintenance facilities, and the highway improvements, and their locations.

(7) Following establishment of the criteria, the commission as soon as reasonably possible shall:

(a) Notify in writing the council, Tri-Met, the Department of Transportation, the affected local governments and any person who provided oral or written testimony at the hearing and who also provided, in writing, a request for written notice and a mailing address to which notice should be sent of its order and the criteria it has established; and

(b) Make copies of its order and the criteria available for public inspection at the Salem and Portland offices of the Department of Land Conservation and Development.

(8) The commission shall adopt the order described in subsection (6) of this section within 90 days following the effective date of this Act.

SECTION 5. (1) Notwithstanding ORS 183.400, 183.492, 183.484, 197.825 or any other law

or regulation, exclusive jurisdiction to review a Land Conservation and Development Commission order establishing criteria under section 4 of this Act is conferred on the court.

(2) Proceedings for review of the commission's order shall be instituted when any person who is adversely affected files a notice of intent to appeal with the administrator that meets the following requirements:

(a) The notice shall be filed within seven days following written notice of the commission's order.

(b) The notice shall state the nature of the commission's order, in what manner the commission rejected the position raised by the petitioner before the commission and, with supporting affidavit, facts showing how the petitioner is adversely affected. The petitioner shall be considered adversely affected if:

(A) The petitioner provided oral or written testimony at the commission's hearing; and

(B) The petitioner proposed criteria, as provided in section 4 (5) of this Act, that the commission rejected in its order, or the petitioner, in the petitioner's testimony at the hearing, opposed the criteria which the commission selected in its order.

(c) The petitioner shall deliver a copy of the notice of intent to appeal by personal service to the commission at the Salem office of the Department of Land Conservation and Development, at the Salem office of the Department of Transportation, to the Attorney General, to the council at the office of Metro's executive officer, to Tri-Met at the office of Tri-Met's general manager and to the affected local governments.

(3) Within seven days following filing of the notice of intent to appeal, the commission shall personally deliver to the court a certified copy of the record of its criteria proceedings. The record shall include only:

(a) The commission's order establishing the criteria;

(b) Any written report received by the commission from the Department of Land Conservation and Development at the hearing;

(c) Proposed criteria submitted to the commission as provided in section 4 (5) of this Act and written testimony submitted to the commission at the hearing;

(d) Minutes of the public hearing before the commission;

(e) The published notice of public hearing; and

(f) Proof of mailing to persons entitled to notice of the commission's order.

(4) Within 14 days following the filing of the notice of intent to appeal, the petitioner shall file the petitioner's brief. The petitioner shall personally deliver the brief to the administrator, to the Attorney General, to the council at the office of Metro's executive officer, to Tri-Met at the office of Tri-Met's general manager and to

the affected local governments. The brief shall comply with the specifications for opening briefs set forth in the rules of appellate procedure.

(5) Within 28 days following the filing of the notice of intent to appeal, the commission, Metro, Tri-Met, the Department of Transportation and any affected local government, unless Metro, Tri-Met, the Department of Transportation or an affected local government is the petitioner, may file an answering brief that shall comply with the specifications for answering briefs set forth in the rules of appellate procedure.

(6) On review, the court may reverse or remand the commission's order only if it finds that the order:

(a) Violates constitutional provisions;

(b) Exceeds the statutory authority of the commission; or

(c) Was adopted by the commission without substantial compliance with the procedures in section 4 of this Act in a manner that prejudiced the substantial rights of the petitioner. Failure of the commission to notify a person entitled to written notice under section 4 (7)(a) of this Act shall not be a ground for reversal or remand if evidence of mailing to that person is provided. The court shall not substitute its judgment for that of the commission as to any issue of fact or as to any issue within the commission's discretion.

(7) The court shall not stay any action by the council under sections 1 to 13 of this Act pending the court's review under this section.

(8) The court may decide the matter on the briefs or it may hold oral arguments. The court shall decide the matter at its earliest practicable convenience, consistent with sections 1 to 13 of this Act.

SECTION 6. (1) A land use final order shall establish the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project or project extension, including their locations, as provided in this section and in accordance with the procedures identified in section 7 of this Act.

(a) Prior to publication of the public hearing notice described in section 7 (1) of this Act, and following receipt of recommendations from the Department of Transportation and the Steering Committee, Tri-Met shall apply to the council for a land use final order approving the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations. The applied for locations shall be in the form of boundaries within which the light rail route, stations, lots and maintenance facilities, and the highway improvements shall be located. These boundaries shall be sufficient to accommodate adjustments to the specific placements of the light rail route, stations, lots and maintenance facilities, and the highway im-

provements for which need commonly arises upon the development of more detailed environmental or engineering data following approval of a Full Funding Grant Agreement.

(b) Following a public hearing as provided in section 7 (3) of this Act, the council shall either adopt a land use final order establishing the facilities and locations applied for by Tri-Met or continue the public hearing and refer the proposed facilities and locations back to Tri-Met for further review.

(c) Upon referral by the council, Tri-Met shall consider amendments to its proposed facilities and locations and then forward a further application to the council for hearing and adoption. The council shall either adopt a land use final order establishing the facilities and locations applied for by Tri-Met or again continue the hearing and refer the proposed facilities and locations back to Tri-Met for further review and application to the council.

(2) Any siting of the light rail route, a station, lot or maintenance facility, or a highway improvement outside the locations established in a land use final order, and any new station, lot, maintenance facility or highway improvement, shall require a land use final order amendment or a new land use final order which shall be adopted in accordance with the process provided for in subsection (1) of this section.

SECTION 7. The council shall apply the criteria established by the commission in making decisions in a land use final order on the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations. The provisions in ORS chapters 183, 192, 195, 197, 215, 227, 267 and 268 and in any other law or regulation shall not apply to proceedings of the council under sections 1 to 13 of this Act. The following procedures shall govern the council's proceedings in adopting a land use final order:

(1)(a) The council shall publish notice of a public hearing on the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, as to which decisions will be made in the land use final order of the council in a newspaper of general circulation within Metro's jurisdictional area at least 14 days prior to the hearing.

(b) The notice shall:

(A) Identify the general subject matter of the hearing and the street address where a staff report and the criteria may be found;

(B) Identify the date, time and place of the hearing;

(C) State that appeals from decisions in a land use final order must be filed within 14 days following the date the land use final order is reduced to writing and bears the necessary signatures;

(D) State that failure by a person to raise an issue at the hearing in person or in writing, or failure to provide sufficient specificity to afford the council an opportunity to respond to the issue raised, shall preclude appeal by that person to the board based on that issue;

(E) State that persons whose names appear on petitions submitted into the public hearing record will not be considered by that action to have provided oral or written testimony at the hearing; and

(F) State that written notice of adoption of the land use final order will be provided only to persons who provide oral or written testimony at the hearing and who also provide, in writing, a request for written notice and a mailing address to which notice should be sent.

(c) The council also shall provide such other notice as is, in its judgment, reasonably calculated to give notice to persons who may be substantially affected by its decision. No other form of notice is required.

(2) A copy of the staff report shall be available for public inspection at least seven days prior to the public hearing. The staff report shall set forth and address compliance with the criteria. The staff report also shall include a description of the proposed boundaries within which the light rail route, stations, lots and maintenance facilities, and the highway improvements shall be located, as recommended by Tri-Met under section 6 (1) of this Act. The staff report may be amended as the staff considers necessary or desirable prior to the public hearing without further notice.

(3) The council shall hold a public hearing on the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, as to which decisions will be made in the land use final order. At the commencement of the hearing, a statement shall be made to those in attendance that:

(a) Lists the criteria or directs those present to a place at the hearing location where any person may obtain a list of the criteria at no cost;

(b) Lists generally the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, as to which decisions will be made in the land use final order;

(c) States that testimony shall be directed towards the application of the criteria to the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, as to which decisions will be made in the land use final order;

(d) States that appeals from decisions in a land use final order on the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, must be filed within 14 days following

the date the land use final order is reduced to writing and bears the necessary signatures;

(c) States that failure by a person to raise an issue at the hearing, in person or in writing, or failure to provide sufficient specificity to afford the council an opportunity to respond to the issue raised, shall preclude appeal by that person to the board based on that issue;

(f) States that written notice of adoption of the land use final order will be provided only to persons who have provided oral or written testimony at the hearing and who also have provided, in writing, a request for written notice and a mailing address to which notice should be sent; and

(g) States that persons whose names appear on petitions submitted into the public hearing record will not be considered by that action to have provided oral or written testimony at the hearing.

(4) The council shall allow for the submission of oral and written testimony at the hearing, subject to such hearing procedures as the council may deem necessary or appropriate for the adoption of land use final orders. The council may exclude irrelevant, immaterial or unduly repetitious testimony.

(5) The council may take official notice at the hearing of any matter identified in ORS 40.065 and 40.090 or as authorized by the resolution, if any, of the council establishing hearing procedures for the adoption of land use final orders.

(6) The council shall close the hearing and shall adopt by resolution a land use final order. The council may continue the matter as provided in section 6 (1) of this Act or as it otherwise considers necessary for the purpose of land use final order adoption.

(7) The land use final order shall be accompanied by written findings demonstrating how the decisions on the light rail route, stations, lots and maintenance facilities, and the highway improvements, including their locations, comply with the criteria.

(8) Following adoption of a land use final order, the council as soon as reasonably possible shall:

(a) Provide media notice of the adoption; and
(b) Provide written notice of the adoption to persons who:

(A) Provided oral or written testimony at the hearing; and

(B) Provided at the hearing, in writing, a request for written notice and a mailing address to which written notice should be sent. Persons whose names appear on petitions provided at the hearing shall not be considered to have provided oral or written testimony at the hearing. The written notice of adoption provided hereunder shall indicate the date of written adoption and signature of the land use final order, identify the place at and time during which a copy

of the land use final order may be obtained and state that appeals from decisions in the land use final order must be filed within 14 days following written adoption and signature of the land use final order.

(9) The procedures established by this section establish the only opportunities that the council must provide for interested persons to participate in the proceedings of the council in adopting a land use final order. Subject to the other provisions established by this section, the council by resolution may establish additional procedures to govern its proceedings in adopting a land use final order.

SECTION 8. (1) The state, and all affected counties, cities, special districts and political subdivisions shall:

(a) Amend their comprehensive or functional plans, including public facility plans and transportation system plans and their land use regulations, to the extent necessary to make them consistent with a land use final order; and

(b) Issue the appropriate development approvals, permits, licenses and certificates necessary for the construction of the project or project extension consistent with a land use final order. Development approvals, permits, licenses and certificates may be subject to reasonable and necessary conditions of approval, but may not, by themselves or cumulatively, prevent implementation of a land use final order.

(2) Notwithstanding the provisions of subsection (1)(a) of this section or any other provision of state or local law, a land use final order shall be fully effective upon adoption.

(3) For purposes of subsection (1)(b) of this section, an approval condition shall be considered not reasonable or necessary, or shall be considered to prevent implementation of a land use final order, if:

(a) The measure has been deleted or deferred from the project or project extension in the Full Funding Grant Agreement; or

(b) The Steering Committee determines in accordance with the provisions of the intergovernmental agreement described in section 1 (21) of this Act that:

(A) There are not sufficient federal, state and local funds within the project or project extension budget to pay for the measure;

(B) The measure will significantly delay the completion or otherwise prevent the timely implementation of the project or project extension; or

(C) The measure will significantly negatively impact the operations of the project or project extension.

(4) Applications for development approvals under subsection (1)(b) of this section shall be treated as land use decisions and not as limited land use decisions.

(5) Plan and land use regulation amendments, to the extent required under subsection (1)(a) of this section shall not be reviewable by any court or agency.

(6) Development approvals and permit, license and certificate decisions under subsection (1)(b) of this section may be the subject of administrative and judicial review as provided by law. However, determinations of the Steering Committee made pursuant to subsection (3) of this section shall not be reviewable and shall control in the event of conflict.

(7) Each state agency, special district or affected local government that issues a development approval, permit, license or certificate for the project or project extension shall continue to exercise enforcement authority over the development approval, permit, license or certificate.

SECTION 9. (1) Notwithstanding ORS 183.482, 183.484, 197.825 or any other law or regulation, exclusive jurisdiction for review of a land use final order relating to the project or project extension is conferred on the Land Use Board of Appeals and the court as provided by sections 1 to 13 of this Act.

(2) Review of a land use final order relating to the project or project extension shall be initiated within 14 days following the date that the land use final order is reduced to writing and bears the necessary signatures by personal delivery to the board, to the administrator and to Metro at the office of Metro's executive officer of a notice of intent to appeal as required by this section.

(3) A person may petition for review of a land use final order relating to the project or project extension if the person:

(a) Personally delivered a notice of intent to appeal the land use final order as provided for in subsection (2) of this section; and

(b) Appeared before the council orally or in writing at the land use final order hearing on the project or project extension.

(4) A person's failure to raise an issue at the land use final order hearing, in person or in writing, or failure to provide sufficient specificity to afford the council an opportunity to respond to the issue raised, shall preclude that person from petitioning for review based on that issue.

(5) A notice of intent to appeal shall:

(a) Contain an affidavit stating the facts that support the petitioner's standing as provided in subsection (3) of this section;

(b) State with particularity the grounds on which the petitioner assigns error; and

(c) State the residence or business address of the petitioner to which documents may be delivered, and the telephone and facsimile number or numbers where the petitioner may be reached during normal business hours.

(6) Metro shall personally deliver to the board and to the administrator a certified copy of the record of the council's land use final order proceedings within seven days following the filing and delivery of a notice of intent to appeal as provided in subsection (2) of this section. Metro shall make copies of the record available to the public for the actual costs of copying. The record shall consist of the land use final order, the written findings accompanying the land use final order, the notice of the land use final order hearing, any audio cassette recordings of the hearing, a statement of matters that were officially noticed at the hearing, the staff report and any amendments thereto and documents accepted into the record at the hearing. Metro shall make a copy of the record available for inspection by petitioners and shall provide a copy of the record to any petitioner upon request for the actual costs of copying.

(7) Any objection to the record shall be personally delivered or transmitted by facsimile to the board, to the administrator and to Metro at the office of Metro's executive officer within four days following delivery of the record to the board. Within four days thereafter, responses of Metro to objections to the record shall be personally delivered or faxed to the board, to the administrator and to the residences or business addresses of the persons objecting. Thereafter, the board shall rule expeditiously on objections. The board's ruling on objections shall not affect the briefing schedule or decision timelines set forth in sections 1 to 13 of this Act.

(8) No stays or continuances of proceedings shall be permitted. No person may intervene in and thereby be made a party to the review proceedings, except that Tri-Met, the Department of Transportation and the affected local governments shall have standing to and may intervene on their own behalf.

(9) Within 14 days following the filing of the notice of intent to appeal, a petitioner shall personally deliver a petition for review and brief to the board, to the administrator, to Metro at the office of Metro's executive officer and to Tri-Met, the Department of Transportation or an affected local government if it has filed a motion to intervene in the review proceeding. The petition for review and brief shall set out in detail each assignment of error and shall identify those portions of the record in which the petitioner raised in the land use final order hearing the issues as to which error is assigned. The petition for review and brief shall comply with the specifications for opening briefs set forth in the rules of appellate procedure.

(10) Within 28 days following the filing of the notice of intent to appeal, Metro and any intervening party shall personally deliver to the board, to the administrator and to any petitioner at the petitioner's residence or business address their briefs in response to a petition for

review and brief. Responding briefs shall comply with the specifications for answering briefs set forth in the rules of appellate procedure.

(11) Within 35 days following the filing of the notice of intent to appeal, the board shall hear oral argument in the manner provided for in its administrative rules. The board shall issue a final opinion within 28 days following oral argument. The board's final opinion shall affirm or remand the council's land use final order, stating the reasons for the decision.

(12)(a) The board shall remand the land use final order only if it finds that the council:

(A) Improperly construed the criteria;

(B) Exceeded its statutory or constitutional authority; or

(C) Made a decision in the land use final order on the light rail route, on stations, lots or maintenance facilities, or the highway improvements, including their locations, that was not supported by substantial evidence in the whole record. The existence in the whole record of substantial evidence supporting a different decision on the light rail route, stations, lots or maintenance facilities, or the highway improvements, including their locations, shall not be a ground for remand if there also was substantial evidence in the whole record supporting the land use final order.

(b) Failure to comply with statutory procedures, including notice requirements, shall not be grounds for invalidating a land use final order.

(c) The board shall affirm all portions of the land use final order that it does not remand.

(13) Upon issuance of its final opinion, the board shall file the opinion with the administrator and transmit copies to the parties. The board also shall inform the parties of the filing of the final opinion by telephone or facsimile. Within seven days following issuance of its final order, the board shall file with the administrator a copy of the record of the board.

(14) Neither the board nor the court shall substitute its judgment for that of the council as to any issue of fact or any issue within the discretion of the council.

SECTION 10. (1) Any party appearing before the Land Use Board of Appeals under section 9 of this Act and objecting to the board's final opinion may petition the court for review of the final opinion as provided for in this section. The petition shall be filed with the administrator and served on the board and all parties within 14 days following the board's issuance of its final opinion in the manner provided for filing and service in the rules of appellate procedure. The petition shall be in the form of a brief and shall state, with particularity and with supporting authority, each reason asserted for reversal or modification of the board's decision. Insofar as practicable, the petition shall comply with the

specifications for petitions for review in the rules of appellate procedure.

(2) If a petition for review has been filed, then within 14 days thereafter, any other party appearing before the board may, but need not, file a response to the petition for review. In the absence of a response, the party's brief before the board shall be considered as the response. A party seeking to respond to the petition for review shall file its response with the administrator and serve it on the board and all parties in the manner provided for filing and service in the rules of appellate procedure. The response shall be in the form of a brief and shall comply with the specifications for responses to petitions for review in the rules of appellate procedure.

(3) The court may decide the matter on the briefs, or it may hold oral argument. The court may adopt the board's final opinion as its own, affirm without opinion or issue a separate opinion. The court shall decide the matter at its earliest practicable convenience, consistent with sections 1 to 13 of this Act.

(4) The court shall affirm or remand the land use final order, in whole or in part. The court shall affirm all parts of the final order that it does not remand. The court shall base its decision on the standards for review set out in section 9 (12) of this Act. If the court remands, the council shall respond as to those matters remanded by adopting by resolution a land use final order on remand. The provisions of section 7 of this Act shall govern the proceedings of the council in adopting a land use final order on remand. Upon adoption of a land use final order on remand, Metro shall immediately file with the administrator the land use final order on remand and the record of the council. Metro shall personally deliver copies of its land use final order on remand to the parties before the court and shall inform the parties of the filing of the final order on remand by telephone or facsimile.

(5) If the court remands, the court shall retain jurisdiction over the matters remanded. Within 14 days following adoption of a land use final order on remand, the parties before the court may submit memoranda to the court with respect thereto and shall personally deliver copies of the memoranda to other parties before the court. The court may limit the length of such memoranda. The court's decision on the land use final order on remand shall be based on the standards set forth in section 9 (12) of this Act.

SECTION 11. (1) If, as a condition of executing a Full Funding Grant Agreement, the Federal Government requires the deletion or deferral of portions of the approved project or project extension, or the deletion or deferral of measures expressly provided for in a Final Statement, a determination of which improve-

ments or measures to delete or defer shall be made in accordance with the provisions of the intergovernmental agreement described in section 1 (21) of this Act.

(2) If, subsequent to execution of a Full Funding Grant Agreement, additional deletions or deferrals are required due to insufficient funds in the budgets for the project or project extension, a determination of which improvements or measures to delete or defer shall be made in accordance with the provisions of the intergovernmental agreement described in section 1 (21) of this Act.

SECTION 12. (1) Upon execution of a Full Funding Grant Agreement, the council shall amend the land use final order to be consistent with the terms and conditions of the Full Funding Grant Agreement.

(2) The following amendments to a land use final order shall be considered technical and environmental and shall not be subject to judicial or administrative review:

(a) Amendments resulting from adoption of a Final Statement;

(b) Amendments required to ensure consistency with an executed Full Funding Grant Agreement; and

(c) Amendments to defer or delete a portion of the project or project extension as provided for in section 11 (2) of this Act.

SECTION 13. No action taken by the commission, the council, the board or the court under sections 1 to 13 of this Act shall be invalid due to a failure to meet a timeline established by sections 1 to 13 of this Act.

SECTION 14. ORS 197.550, 197.553, 197.556, 197.559, 197.562, 197.565, 197.568, 197.571, 197.574, 197.577, 197.581, 197.584 and 197.590 are repealed.

SECTION 15. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

Approved by the Governor March 4, 1996
Filed in the office of Secretary of State March 6, 1996
Effective date March 4, 1996

CHAPTER 13

AN ACT

HB 3479

Relating to the Columbia River Light Rail Transit Compact; creating new provisions; repealing ORS 391.300, 391.305 and 391.310; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. The Legislative Assembly of the State of Oregon hereby adopts and ratifies the

Columbia River Light Rail Transit Compact set forth in section 2 of this Act, and the provisions of the compact are hereby declared to be the law of this state upon such compact becoming effective as provided in Article XXII of the compact.

SECTION 2. The provisions of the Columbia River Light Rail Transit Compact are as follows:

ARTICLE I

Columbia River Light Rail Transit Authority Established

The States of Oregon and Washington establish by way of this interstate compact an independent, separate regional authority, which is an instrumentality of both of the signatory parties hereto, known as Columbia River Light Rail Transit Authority (hereinafter referred to as the "Authority"). The Authority shall be a body corporate and politic, and shall have only those powers and duties granted by this compact and such additional powers as may hereafter be conferred upon the Authority by the acts of both signatories.

ARTICLE II
Definitions

As used in this compact, the following words and terms shall have the following meanings, unless the context clearly requires a different meaning:

(1) "C-TRAN" means the Clark County Public Transportation Benefit Authority based in Clark County, Washington, or any successor agency or authority.

(2) "Major feeder system" means all bus or other transit services provided by C-TRAN or Tri-Met that are or are planned to be connected with the South North light rail transit line, to accommodate the transfer of passengers to or from the light rail line and to transport light rail passengers between the light rail station and their trip origin or trip destination.

(3) "Signatory" or "signatory state" means the State of Oregon or the State of Washington.

(4) "South North light rail transit line" means the light rail line directly connecting portions of Clackamas County, Oregon, Portland, Oregon and Clark County, Washington as may be extended from time to time, including any segment thereof, and also including, without limitation, all light rail vehicles, rights-of-way, trackage, electrification, stations, park-and-ride facilities, maintenance facilities, tunnels, bridges and equipment, fixtures, buildings and structures incidental to or required in connection with the performance of light rail service between portions of Clackamas County, Oregon, Portland, Oregon and Clark County, Washington. The South North light rail transit line shall include a system that comprises any future light rail lines and transit fa-

SOUTH/NORTH LIGHT RAIL TRANSIT PROJECT
STEERING COMMITTEE AGREEMENT

THIS AGREEMENT is entered into this 3rd day of June, 1998, by Metro, Oregon Department of Transportation (ODOT), Tri-County Metropolitan Transportation District of Oregon (Tri-Met), Clackamas and Multnomah counties, political subdivisions of the State of Oregon, and the cities of Milwaukie and Portland, incorporated municipalities of the State of Oregon.

WHEREAS, the existing South/North Light Rail Transit Project steering committee (hereinafter LPS steering committee) of policymakers from participating jurisdictions representing areas for Phase I and Phase II was established for the federal Locally Preferred Strategy process in the Evaluation Methods Report of May 20, 1996, to assure coordination on the federally required Draft Environmental Impact Study of a South/North Light Rail Project; and

WHEREAS, the Oregon Legislature enacted Oregon Laws 1996, Chapter 12 ("the Act") establishing mandatory state procedures for siting the South North MAX Light Rail Project by the use of a regional "land use final order" (LUFO) to be adopted by the Metro Council; and

WHEREAS, Section 4 of the Act requires the Land Conservation and Development Commission (LCDC) to establish criteria to be used by the Metro Council in making decisions in the land use final order on the light rail route, stations, lots and maintenance facilities, and the highway improvements for the project; and

WHEREAS, the LCDC held a public hearing on May 30, 1996 and adopted the region's proposed South/North Land Use Criteria, attached as Exhibit A, as the Criteria for use by the South/North Project; and

WHEREAS, Section 1(21) of the Act requires the establishment of a Steering Committee (hereinafter LUFO Steering Committee) for Phase I ("the Project") and Phase II ("the Project Extension") of the South North MAX Light Rail Project, to be comprised at least of representatives of Tri-Met, ODOT, and elected officials of the affected local governments and Metro, whose specific membership and manner of function are to be determined by intergovernmental agreement between Metro, Tri-Met, ODOT and the affected local governments for the Project or Project Extension; and

WHEREAS, Section 6(1)(a) of the Act requires the LUFO Steering Committee to make recommendations to Tri-Met as to the light rail route, stations, lots and maintenance facilities, and the highway improvements for the Project, including their locations, prior to the time Tri-Met applies to Metro for approval of a LUFO for the Project; and

WHEREAS, Section 11(1) and (2) of the Act requires a Steering Committee intergovernmental agreement identified in Section 1(21) to contain provisions to determine how any measures or improvements of the Project would be deferred or deleted if deferral or deletion is required as a condition of executing a Full Fund Grant Agreement or due to insufficient funds to fully execute the approved Full Funding Grant Agreement; and

WHEREAS, Section 8(3) of the Act requires that a Steering Committee intergovernmental agreement identified in Section 1(21) contain provisions by which the LUFO Steering Committee may determine whether locally-imposed development approval conditions are unreasonable or unnecessary or would prevent implementation of a land use final order; and

WHEREAS, participating jurisdictions representing areas for both Phase I and Phase II have been cooperating to study High Capacity Transit Studies under an organizational and oversight structure originally established in Metro Resolution No. 90-1179 and IRC Resolution No. 89-11-03, and amended in Metro Resolution No. 92-1549 and IRC Resolution No. 1-92-2; and

WHEREAS, upon completion of the Draft Environmental Impact Statement, a notice is published in the Federal Register to allow a minimum 45-day comment period, which includes a public hearing; and

WHEREAS, upon review of the public comments at the Project Managers Group, Citizen Advisory Committee and Downtown Oversight Committee, a federally required Locally Preferred Strategy will be recommended to the LPS steering committee, JPACT and the Metro Council for adoption of the federally required Locally Preferred Strategy; and

WHEREAS, Phase I of the South/North MAX Light Rail Project was defined in the Phase I South/North Corridor Project Locally Preferred Alternative Report to include light rail route, stations, lots and maintenance facilities for a project from Clackamas Town Center to Vancouver; and

WHEREAS, Project Extensions are being studied from Clackamas Town Center to Oregon City; and

WHEREAS, additional environmental study of Phase I will be done in the federally required Final Environmental Impact Statement (EIS); and

WHEREAS, federal approval of the Phase I Project for funding will be in the federally required Full Funding Grant Agreement, which may add or delete Project components; now, therefore,

METRO, TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRI-MET), CLACKAMAS AND MULTNOMAH COUNTIES, CITIES OF MILWAUKIE AND PORTLAND AND OREGON DEPARTMENT OF TRANSPORTATION (ODOT), AGREE AS FOLLOWS:

I. Affected Local Governments

For Phase I (the Project), Multnomah and Clackamas are the counties and Portland and Milwaukie are the cities in Oregon within which the light rail route, stations, lots and maintenance facilities and any highway improvements will be located. The LUFO Steering Committee for Phase I shall be comprised of one representative each from these affected local governments, and one representative each from Tri-Met, ODOT and Metro. The representatives of Metro, Milwaukie, Portland, Clackamas County and Multnomah County shall each be elected officials of those jurisdictions.

II. LUFO Steering Committee Membership

Consistent with the Act, Metro, Tri-Met, ODOT, Multnomah and Clackamas counties and the cities of Portland and Milwaukie shall be voting members of the LUFO Steering Committee for Phase I (the Project). The LUFO Steering Committee shall include other local governments and agencies represented on the LPS steering committee of all Phase I and Phase II participating jurisdictions as non-voting, ex officio members in the consideration of the recommendations to Tri-Met.

III. Phase I Recommendations

A. The LUFO Steering Committee shall forward recommendations to Tri-Met on the light rail route, stations, lots and maintenance facilities, and any highway improvements for the Project, including their locations, to be included in a land use final order. The recommendations shall be submitted to Tri-Met prior to the time Tri-Met applies to the Metro Council for approval of a land use final order for the Project.

B. If the Metro Council refers an application back to Tri-Met consistent with the Act, the LUFO Steering Committee may consider and recommend to Tri-Met any proposed revisions to the Phase I Project.

C. If the Metro Council refers an application back to Tri-Met consistent with the Act, Tri-Met shall request the views of the LUFO Steering Committee as to proposed revisions to its application if, in its judgment, time and circumstances reasonably permit.

IV. Manner of Function

A. Metro shall staff the LUFO Steering Committee through the time of publication of the Final Environmental Impact Statement for the Project. Thereafter, Tri-Met shall staff the LUFO Steering Committee.

B. Phase I Recommendations

1. Each voting member of the LUFO Steering Committee shall have one vote on Phase I recommendations to Tri-Met. A Phase I recommendation shall be forwarded to Tri-Met only upon an affirmative vote of a majority of voting members.

2. All members of the LPS steering committee that are not voting members of the LUFO Steering Committee may participate as non-voting, ex officio members in the consideration of the Phase I recommendation to Tri-Met by the LUFO Steering Committee.

V. Separate Phase I Intergovernmental Agreement

Upon adoption of a Phase I land use final order, the parties agree to begin development of a separate Phase I Intergovernmental Agreement to implement Sections 8(3), 11(1) and 11(2) of the Act.

VI. Amendments to Intergovernmental Agreement

The terms of this Agreement may be amended or supplemented by unanimous agreement of the parties to this Agreement. Any amendments or supplements shall be in writing, shall refer specifically to this Agreement, and shall be executed by the parties.

VII. Phase II Intergovernmental Agreement

The parties shall enter into a separate Intergovernmental Agreement for Phase II (the Project Extension). The Agreement shall be in accordance with Oregon Laws 1996, Chapter 12, and shall include additional affected parties as defined by the Act. The parties agree to exercise good faith efforts to enter into such agreement prior to the completion of a Draft Environmental Impact Statement for the Phase II Project Extension.



(Signature for Metro)
MIKE BURTON, Exec. Officer

(Print Name and Title)

MAY 27 1998
(Date)

Judie Hammerstad
(Signature for Clackamas County)
Judie Hammerstad, Clackamas Cty. Chair
(Print Name and Title)
May 28, 1998
(Date)

Beverly Stein
(Signature for Multnomah County)
Beverly Stein, Multnomah County Chair
(Print Name and Title)
May 27, 1998
(Date)

Carolyn Tomei
(Signature for City of Milwaukie)
Carolyn Tomei, Mayor
(Print Name and Title)
May 29, 1998
(Date)

Charlie Hales
(Signature for City of Portland)
Charlie Hales, Commissioner
(Print Name and Title)
5/28/98
(Date)

Kay Van Sickle
(Signature for Oregon Department of Transportation (ODOT))
KAY VAN SICKLE
REGION 1 MANAGER
(Print Name and Title)
6/3/98
(Date)

(Approved as to Form) **APPROVED AS TO FORM**
Jeffrey L. Rogers ^{KSB}
CITY ATTORNEY
Robert Stacey
(Signature for Tri-County Metropolitan Transportation District of Oregon (Tri-Met))
Robert Stacey
Ex. Director, Policy & Planning
(Print Name and Title)
5/26/98
(Date)

Attachments:

- Exhibit A: Adopted South/North Land Use Criteria
- Exhibit B: HB 3478

APPROVED AS TO LEGAL SUFFICIENCY:
Dean M. Phillips
Dean M. Phillips

I:\DOCS#10.TRN\05LRT\02S-N\03S-N.DEC\02STRCMT.IGA\408NSSC.AGT

REVIEWED

By Matthew O'Brien
MULTNOMAH COUNTY COUNSEL

ADOPTED SOUTH/NORTH LAND USE CRITERIA

1. Coordinate with and provide an opportunity for Clackamas and Multnomah Counties, the cities of Gladstone, Milwaukie, Oregon City and Portland, the Tri-County Metropolitan Transportation District of Oregon and the Oregon Department of Transportation to submit testimony on the light rail route, light rail stations, park-and-ride lots and vehicle maintenance facilities, and the highway improvements, including their locations.
2. Hold a public hearing to provide an opportunity for the public to submit testimony on the light rail route, light rail stations, park-and-ride lots and vehicle maintenance facilities, and the highway improvements, including their locations.
3. Identify adverse economic, social and traffic impacts on affected residential, commercial and industrial neighborhoods and mixed use centers. Identify measures to reduce those impacts which could be imposed as conditions of approval during the National Environmental Policy Act (NEPA) process or, if reasonable and necessary, by affected local governments during the local permitting process.
 - A. Provide for a light rail route and light rail stations, park-and-ride lots and vehicle maintenance facilities, including their locations, balancing (1) the need for light rail proximity and service to present or planned residential, employment and recreational areas that are capable of enhancing transit ridership; (2) the likely contribution of light rail proximity and service to the development of an efficient and compact urban form; and (3) the need to protect affected neighborhoods from the identified adverse impacts.
 - B. Provide for associated highway improvement, including their locations, balancing (1) the need to improve the highway system with (2) the need to protect affected neighborhoods from the identified adverse impacts.
4. Identify adverse noise impacts and identify measures to reduce noise impacts which could be imposed as conditions of approval during the NEPA process or, if reasonable and necessary, by affected local governments during the permitting process.
5. Identify affected landslide areas, areas of severe erosion potential, areas subject to earthquake damage and lands within the 100-year floodplain. Demonstrate that adverse impacts to persons or property can be reduced or mitigated through design or construction techniques which could be imposed during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.
6. Identify adverse impacts on significant fish and wildlife, scenic and open space, riparian, wetland and park and recreational areas, including the Willamette River Greenway, that are protected in acknowledged local comprehensive plans. Where adverse impacts cannot practicably be avoided, encourage the conservation of natural resources by demonstrating that there are measures to reduce or mitigate impacts which could be imposed as conditions of

approval during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.

7. Identify adverse impacts associated with stormwater runoff. Demonstrate that there are measures to provide adequate stormwater drainage retention or removal and protect water quality which could be imposed as conditions of approval during the NEPA process or, if reasonable and necessary, by local governments during the permitting process.

8. Identify adverse impacts on significant historic and cultural resources protected in acknowledged comprehensive plans. Where adverse impacts cannot practicably be avoided, identify local, state or federal review processes that are available to address and to reduce adverse impacts to the affected resources.

9. Consider a light rail route connecting the Clackamas Town Center area with the City of Milwaukie's Downtown. Consider an extension of the light rail route connecting the City of Oregon City and the City of Gladstone with the City of Milwaukie via the Interstate 205 corridor and/or the McLoughlin Boulevard corridor.

10. Consider a light rail route connecting Portland's Central City with the City of Milwaukie's Downtown via inner southeast Portland neighborhoods and, in the City of Milwaukie, the McLoughlin Boulevard corridor, and further connecting the Central City with north and inner northeast Portland neighborhoods via the Interstate 5/Interstate Avenue corridor.

EXHIBIT B OF S/N
LUFO IGA

1 9 9 6 O R E G O N L A W S

and

Senate Concurrent Resolution 15

Enacted and Adopted by the
Sixty-eighth Legislative Assembly

at its

Special Session

February 1 and 2, 1996

Published by

OREGON LEGISLATIVE ASSEMBLY

#1

SPEAKER SIGN UP CARDS

DATE 5/14/98

NAME

ROBERT HUGGINS

ADDRESS

MULT CO. LEGAL AID

700 SW TAYLOR, #300

PHONE

PTD 97205 224-4094

SPEAKING ON AGENDA ITEM NUMBER OR
TOPIC PUBLIC SERVICES; HOUSING ASSISTANCE

GIVE TO BOARD CLERK

R-5

PROJECT + FAIR HOUSING ASSISTANCE

#2

SPEAKER SIGN UP CARDS

DATE 5/14/98 (JOE'S)

NAME BRENDA JOSE / UNLIMITED CHOICES

ADDRESS 5530 E. BURNSIDE.
PORTLAND OR 97215

PHONE 234-6167

SPEAKING ON AGENDA ITEM NUMBER OR
TOPIC R-5 DEF - PUBLIC HEARING

GIVE TO BOARD CLERK

#3

SPEAKER SIGN UP CARDS

DATE 5/14/98

NAME Fred Pollastrini

ADDRESS 11091 SE Bull Run Rd

Sandy OR 97055

PHONE 503-695-6495

SPEAKING ON AGENDA ITEM NUMBER OR
TOPIC B5

GIVE TO BOARD CLERK

#4

SPEAKER SIGN UP CARDS

DATE 5/14/98

NAME Carolyn Piper

ADDRESS Human Solutions

2900 SE 122 9728

PHONE 248-5900 x26003

SPEAKING ON AGENDA ITEM NUMBER OR
TOPIC CPBG

GIVE TO BOARD CLERK

MEETING DATE: May 14, 1998
AGENDA NO: R-5
ESTIMATED START TIME: 9:50 AM

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: 1998-99 Consolidated Plan and Annual Action Plan for the Community Development Block Grant Program

BOARD BRIEFING: DATE REQUESTED: _____
REQUESTED BY: _____
AMOUNT OF TIME NEEDED: _____

REGULAR MEETING: DATE REQUESTED: May 14, 1998
AMOUNT OF TIME NEEDED: 15 minutes

DEPARTMENT: Community and Family Services
DIVISION: Community Programs & Partnerships

CONTACT: Karen Jones Whittle TELEPHONE #: 83631
BLDG/ROOM #: 166/500

PERSON(S) MAKING PRESENTATION: Karen Jones Whittle

ACTION REQUESTED:

INFORMATIONAL ONLY POLICY DIRECTION APPROVAL OTHER

SUGGESTED AGENDA TITLE:

1998-99 Consolidated Plan and Annual Action Plan for the Community Development Block Grant Program - Public Hearing and Board Action.

Multnomah County will receive \$376,000 from the US Department of Housing and Urban Development for Program Year 1998-99. Funds will be allocated to eligible projects located within the cities of Fairview, Troutdale, Maywood Park, and Wood Village and unincorporated areas of the County. Public testimony will be received on projects recommended by the Program's Policy Advisory Board. Multnomah County Annual Action Plan will become part of the Portland-Gresham-Multnomah County Consolidated Plan.

SIGNATURES REQUIRED:

ELECTED OFFICIAL: _____
(OR)
DEPARTMENT
MANAGER: Lorenzo Ramirez

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Board Clerk @ 248-3277

SUPPLEMENTAL STAFF REPORT

TO: Board of County Commissioners

FROM: Lorenzo T. Poe, Jr. *Lorenzo Poe mas*
Department of Community and Family Services

DATE: May 7, 1998

RE: CDBG Annual Action Plan Public Hearing and Action

1. Recommendation/Action Requested:

The Board of County Commissioners are asked to receive testimony and approve the 1998-99 Annual Action Plan for funding the Community Development Block Grant Program.

2. Background/Analysis:

Multnomah County is entitled to receive US Department of Housing and Urban Development (HUD) funds through the Community Development Block Grant Program in the amount of approximately \$376,000 for program year 1998-99. Additional HUD funding is available to the County through the City of Portland and from the HOME Investment Partnership Program in the amount of approximately \$221,000. HOME projects have not yet been identified.

The Board is being asked to receive testimony on the County's 1998-99 Annual Action Plan and approve it in its final form before submission to HUD. The Annual Action Plan identifies specific eligible projects including expected outcomes, location, and budget.

3. Financial Impact:

Multnomah County will receive approximately \$376,000 in new HUD - CDBG funding beginning July 1, 1998.

4. Legal Issues:

No legal issues are apparent.

5. Controversial Issues:

No issues are controversial to date.

6. Link to Current County Policies:

NA

7. Citizen Participation:

Federal regulations require citizen participation at several key points during the application process. The May 14 hearing is the final step in this process.

8. Other Government Participation:

Several of the projects recommended for funding are joint partnerships with the cities of Fairview, Wood Village, Troutdale, Lake Oswego, and Maywood Park as well as the Burlington Water District.

CONSOLIDATED PLAN

1998 - 1999 Action Plan

OF

**City of Portland
City of Gresham
Multnomah County**

**Submitted to
The U.S. Department of
Housing and Urban Development**

April 9, 1998

If you have questions, call

Portland: 823-2375
Gresham: 618-2378
Multnomah County: 248-3631



City of Portland



Multnomah County



City of Gresham

ACKNOWLEDGMENTS

City of Portland, City Council

Vera Katz, Mayor

Gretchen Miller Kafoury

Charlie Hales

Erik Sten

Jim Francesconi

City of Gresham, City Council

Gussie McRobert, Mayor

Jack Gallagher

John Leuthauser

Robert Moore

Glenn McIntire

Debra Noah

David Widmark

Multnomah County, Board of Commissioners

Beverly Stein, Chair

Vacant

Sharron Kelley

Gary Hansen

Vacant

Housing and Community Development Commission

Sam Galbreath, Co-Chair

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HCDC Liaisons

Richard Ross, City of Gresham

Karen Jones Whittle, Multnomah County

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I. INTRODUCTION

The Consolidated Plan and Annual Update ("Action Plan")

The Consolidated Plan is a combined plan and application to the U.S. Department of Housing and Urban Development (HUD) for funds available to cities and counties under four formula grant programs. The statutes for the grant programs set forth three basic goals, each of which must *primarily benefit low- and very low-income persons* (people with incomes below 80% of area median income):

- 1) *To provide decent housing:* First, the programs are to provide decent housing. Included within this broad goal are the following: assist homeless persons to obtain affordable housing; retain the affordable housing stock, increase the availability of permanent housing that is affordable to low-income Americans without discrimination; and increase supportive housing that includes structural features and services to enable persons with special needs to live in dignity.
- 2) *To provide a suitable living environment:* This includes improving the safety and livability of neighborhoods; increasing access to quality facilities and services; reducing the isolation of income groups within areas by de-concentrating housing opportunities and revitalizing deteriorating neighborhoods; restoring and preserving natural and physical features of special value for historic, architectural, or aesthetic reasons; and conserving energy resources.
- 3) *To expand economic opportunities:* This goal includes creating jobs accessible to low and very low-income persons; providing access to credit for community development that promotes long-term economic and social viability; and empowering low and very low-income persons in federally assisted and public housing achieve self-sufficiency.

The grant programs covered by the Consolidated Plan include:

- ▶ **Community Development Block Grant (CDBG) Program.** The Cities of Portland and Gresham, and Urban Multnomah County (the area of Multnomah County outside of the Portland and Gresham city limits) each receive CDBG funds which can be used for activities such as housing, public services, community facilities, public improvements, economic development, and community revitalization.
- ▶ **HOME Investment Partnership.** The HOME program is authorized under Title II of the National Affordable Housing Act for the purposes of 1) expanding the supply of affordable housing for low-and very low-income families with an emphasis on rental housing; 2) building state and local nonprofit capacity to carry out affordable housing programs; and 3) providing coordinated assistance to participants in development of affordable low-income housing.

The Cities of Portland and Gresham and Multnomah County are partners in the HOME Consortium, with Portland designated as the lead jurisdiction. For the past several years the jurisdictions have been working together to implement the CHAS, a countywide housing strategy. The Consolidated Plan incorporates the statutory requirements of the CHAS.

- ▶ **Emergency Shelter Grant (ESG).** The City of Portland is the only jurisdiction in the County that receives a direct award of ESG funds. ESG funds can be used for emergency shelter programs and other direct service programs for homeless people. The City and Multnomah County work together on planning and allocation decisions.
- ▶ **Housing Opportunities for People With AIDS (HOPWA).** The HOPWA program is administered by the City of Portland for a 6-county area: Multnomah, Washington, Clackamas, Clark, Columbia, and Yamhill. Portland works closely with the other 5 counties in planning and allocation. HOPWA funds are targeted to persons with HIV/AIDS with incomes at or below 50% of the area median. Supportive services must be provided as part of any housing funded by HOPWA. HOPWA can fund supportive services but will be primarily targeted to housing capital and rental assistance funding.

The Consolidated Plan replaces all former HUD planning and application requirements with a single submission. *The Consolidated Plan 1995-1999* was a five-year planning document. The current document is an update which contains the "Action Plan" for FY 1998-1999. It must be submitted to HUD by May 15, 1998, to ensure that funds will be available by July 1, 1998-- the start of the 1998-1999 Fiscal Year.

Major Challenges

Changes at the Federal Level

The Portland-Multnomah-Gresham Consortium continues to be concerned about funding levels and changes to HUD programs being considered by Congress. Significant cuts over the years in housing programs for very low-income households place enormous pressures on how the CDBG and HOME resources are used.

The Consortium is also concerned about the amount of CDBG funds set-aside for specific programs which should be funded separately. Set-asides erode the amount of entitlement funds available at the local level. In addition, Multnomah County has seen a dramatic decrease in its CDBG entitlement due to the annexation of areas formerly in its jurisdiction by the Cities of Portland and Gresham. At the same time, CDBG amounts for the two cities have not increased proportionately.

Information continues to be gathered on the impacts of welfare reform. Over the past year food banks and soup kitchens have reported increases in the number of persons they serve. While the number of people employed has risen and the welfare caseload has declined dramatically, the number of people in poverty has not changed. The City of Portland and Multnomah County are conducting surveys every six months to assess changing needs as the population moves from welfare to work, but not out of poverty. City activities funded with CDBG and other resources, such as work force and child care initiatives, have also changed to meet the new needs of the working poor.

Local Resources: Less HIF More TIF

Local governments continue to work with limited new general funds due to voter approved property tax roll backs. The City of Portland was able to allocate \$3.4 million in the 1997/98 supplemental

budget for the local Housing Investment Fund (HIF) which is used in conjunction with CDBG and HOME resources, however it is uncertain whether additional funds will be budgeted in the next biennium. Portland has been able to generate tax increment finance (TIF) resources in its urban renewal districts, some of which will be used for low and moderate income housing development.

Regional Growth

Metro, Portland's regional government, has forecast that 645,000 - 700,000 more people will be living in the four-county area by 2015. To accommodate this growth the cities of Portland and Gresham are encouraging infill development and new types of development such as mixed use (residential and commercial) and high density transit-oriented housing.

In December, 1997 Metro adopted a *Regional Framework Plan*. Metro will form an Affordable Housing Technical Advisory Committee which will develop a fair share strategy, a related allocation formula and an "inclusionary housing" policy. The latter will be a collection of regulatory and programmatic actions jurisdictions are encouraged to take. Mandatory inclusionary zoning will be considered by Metro if jurisdictions make no significant progress toward the fair share goals.

Last year the City of Portland issued permits for over 3,000 residential units, an increase of over 15 percent from 1996. The City also began providing a transit-oriented tax abatement for new high density residential development along the eastside light rail. In exchange, this program requires developers to provide some affordable units and/or other transit-oriented public improvements.

II. PLAN DEVELOPMENT PROCESS

Lead Agency

The City of Portland's Bureau of Housing and Community Development (BHCD) administers funds from these federal grants (on behalf of the Consortium): HOME Investment Partnership Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). BHCD is designated as the lead agency for the Consolidated Plan. The Bureau of Housing and Community Development has delegated the coordination of the Consolidated Plan process and county wide plan development to the Housing and Community Development Commission (HCDC) and its staff.

Inter-Agency and Jurisdictional Consultation

The Consolidated Plan development process for Fiscal Year 1998-1999 carried out the inter-jurisdictional, cooperative venture begun during the initial stages of the CHAS planning process. The cities of Portland and Gresham along with the rest of Multnomah County formalized their relationship by forming a HOME consortium in 1991. These jurisdictions committed to an ongoing planning effort by instituting a citizen body, the Housing and Community Development Commission (HCDC). This county wide Commission recommends housing policy, advising the three jurisdictions on budget decisions affecting housing programs, ensuring the linkage of associated social services with these programs, and guiding and monitoring the updates of the Plan. The HCDC acts a focused public forum on all affordable housing matters and advocates, when necessary, for low and moderate income residents of the county.

The Policy and Planning Function of HCDC

The HCDC consists of fifteen members, nine of whom are appointed by the City of Portland and three each by the City of Gresham and Multnomah County. This body is the inter-jurisdictional citizens' body that reviews and makes policy recommendations to the jurisdictions regarding housing and community development plans submitted to the Department of Housing and Urban Development. The principles, priorities, and strategies incorporated in the *Consolidated Plan* form the basis for the final budget recommendations made to the three jurisdictions.

The staff for the HCDC consists of an interagency team representing Portland's Bureaus of Housing and Community Development and Planning, the Housing Authority of Portland, Multnomah County's Division of Community Programs and Partnerships, and Gresham's Community Development Department. In addition, extensive consultation has been undertaken with the Oregon Department of Housing and Community Services, and county social service agencies and non-profits.

Institutional Structure for Housing and Special Needs Service Delivery

The responsibility for implementing this Plan will rest with Portland's Bureau of Housing and Community Development, Gresham's Community Development Department, Multnomah County's Division of Community Programs and Partnerships, and the Housing Authority of Portland. However, implementation cannot proceed without the involvement and support of several public and private agencies. The list of "players" found in the *Consolidated Plan, 1995-1999* (pages 4-11) contains the various institutions and agencies responsible for the delivery of housing and community development services in the region.

Process

In developing this Annual Update for the *Consolidated Plan*, information was gathered from a variety of sources detailing housing market and regional economic trends. Public testimony on housing and community development needs was offered at monthly HCDC meetings. Some of the topics discussed included: changing Portland's zoning code to increase accessory rental units, evaluation of the Portland Development Commission's administration of the Housing Investment Fund, urban renewal districts (including process, funds and housing), Gresham's proposed housing policy, and the housing authority's implementation plan for the Moving to Work demonstration. HCDC also sponsored a hearing on long-term affordability for locally funded rental housing.

Multnomah County and the City of Gresham

Multnomah County and Gresham's project selection process began with a jointly sponsored application workshop. The competitive process was advertised by a direct mailing to interested parties, such as non-profits, neighborhood-based groups, and small cities in east county; and in newspaper ads. Applicants were informed of program objectives, time lines, eligible project activities, rating criteria, and opportunities for input. Applications were available and due 30 days later.

For Multnomah County, program staff reviewed, rated, and ranked all applications and produced staff reports which were submitted for consideration to the Policy Advisory Board (PAB) which is comprised of representatives of small cities and the county. After the PAB recommended projects to fund, a public hearing was advertised and provided an opportunity for applicants and other citizens to testify on recommendations. The PAB then finalized their recommendations to the Board

of County Commissioners. The Board will hold another public hearing before it approves this "Action Plan" for submittal to HUD.

In Gresham, applications were reviewed by staff for eligibility, and then reviewed and scored by five technical panelists and the city's Community Development and Housing Committee (CDHC). A public hearing was conducted by the CDHC to receive testimony on all applications received. Public notices announcing the hearings and describing the projects were issued. A summary, the testimony, the rating and ranking, and ratios of cost and leverage were submitted to CDHC members for each project. The CDHC then recommended projects for funding to the City Council. The City Council will conduct a public hearing advertised by a public notice, and adopt the Action Plan for the coming fiscal year.

Draft Plan and Final Document

A *Draft* of the 1998-1999 Action Plan was published March 4 and was available for comments for over 30 days. The Housing and Community Development Commission (HCDC) held a public hearing on the *Draft Annual Update* April 8, 1998, and recommended that the three jurisdictions approve this Action Plan for 1998-1999. Each member of the Consortium held at least two hearings on their proposed CDBG and HOME budgets, and in the case of the City of Portland, on the ESG and HOPWA budgets also.

A summary of the April 8 testimony and written comments which were received are included in Appendix B of this document, as well as a summary of the discussion of HCDC members after the public testimony.

III. HOUSING MARKET ANALYSIS

The strong local economic trends described in the adopted *Five Year Consolidated Plan (FY 1995-1999)* continue to influence the metropolitan (and Multnomah County's) housing market. The areas of concern expressed in the *Consolidated Plan* continue to hold true for those households that have been identified as the highest priority in terms of housing assistance needs. The following information comes mainly from the *3rd Quarter 1997 Housing Market Report, Spotlight on Portland-Vancouver, Oregon-Washington*, published by the U.S. Department of Housing and Urban Development.

- **Since 1990 employment in the Portland-Vancouver area has increased by 25 percent, as some 184,500 jobs were added to the employment base.** Employment in the following sectors has increased by at least 50 percent: office equipment, electronics and electronic equipment, fabricated metals, business services, motion pictures and amusements, engineering and management services, private education, and social services. During the 12-month period ending September 1997, wage and salary employment rose by 32,950 (a 3.7-percent increase) to 917,400. Stimulated by hiring in the semiconductor and office equipment industries, employment in manufacturing increased by 5.3 percent. Firms in the semiconductor industry are forecasting the addition of another 7,000 jobs by the year 2000, despite current chronic shortages of skilled labor.

Labor shortages have not been confined solely to the high-technology industries. The unemployment rate had fallen to 3.9 percent as of September 1997. Labor shortages are reported for a wide variety of occupations in both the manufacturing and non-manufacturing sectors. Employment projections call for a greater-than-20-percent increase between 1996 and 2006, with demand highest for computer scientists, database administrators, home health care aides, industrial engineers, machine tool operators, social welfare aides, and semiconductor processors. Should this trend continue, it will help to alleviate the disparity documented during the last several years between housing costs and median area wage, as noted below.

- ***In the midst of a growing economy, the high priority needs identified by the CHAS and restated in the Consolidated Plan continue.*** In a tight rental market, the affordability gap for low income renters remains. Households with special needs, including low income large families and persons with physical and mental disabilities continue to be underserved in this market.
- ***Housing affordability in the Portland-Vancouver metropolitan area has been a high-profile issue.*** The rapid escalation in land prices has been a major factor in driving up prices for new construction. Lot prices, on average, have increased at 30 percent per year during the past 3 years as the supply of developable land has been depleted over the course of the current residential construction boom. In response to skyrocketing land prices and continued strong population growth, Metro, Portland's regional government recently expanded the area's urban growth boundary by 4,500 acres, an increase of nearly 2 percent.
- ***Rental market conditions have been balanced throughout 1997, with the areawide vacancy rate hovering around the 5- to 5.5-percent range.*** After several years of relatively tight rental market conditions, apartment seekers have been enjoying a greater range of opportunities in several of the area's submarkets. Downtown Portland has seen two low- and moderate-income targeted projects with a total of 200 units start leasing-up in 1997. Initial rent-up has been very good. During the next few years, several hundred rental units aimed at all segments of the market are scheduled for construction in Portland's River District, 10 blocks from Portland's downtown core. The River District, formerly a railroad yard, is the largest remaining undeveloped parcel of land in the city.
- ***The bulk of apartment construction in the Portland-Vancouver area has consisted of moderate- and high-rent garden-style apartments.*** Most of the complexes have been located near the high-technology employment centers or along the Westside light rail line, which is to be completed in 1998. Tri-Met, the Portland area's public transportation agency, has promoted apartment construction near transit stations located in the city as well as all along the rail line to its Hillsboro terminus, 11 miles west of Portland.

Oregon, and especially the Portland metropolitan region, continued to experience a healthy economy although at a slightly lower rate than 1996. By 1996, for the first time in the state's history, jobs associated with the high tech industry overtook the number of jobs available in the

wood products and timber industries. This marked a historic shift in the economic character of the state.

According to *Real Estate Report for Metropolitan Portland* (Autumn, 1997), from the Real Estate Report, Autumn 1997:

The increase in home prices since 1989, with median home prices increasing from \$70,000 to \$147,500 today, has had an impact on the livability of the area. Today Portland ranks high on the list of communities with least affordable housing since incomes have not increased at the rate as housing prices.

... The PMSA has experienced a population increase of 231,383 since 1991 and nearly 70 percent of this increase was net migration. While this inflow has decreased recently, immigration the last three years has exceeded 20,000 annually.

This ongoing debate on the nature of the regional housing market and the appropriate response to local needs, both current and long term, has been central in the debate surrounding the adoption of the *Regional Framework Plan* by Metro in December 1997. Important elements of this planning dialogue are whether or how much to extend the land area within the metro Urban Growth Boundary and how to address the issue of housing affordability on a regional level. The adopted *Framework Plan* contains the broad outlines of a "fair share" strategy in which local jurisdictions will be given affordable housing goals which can be met in a variety of ways through a bundle of proposed incentives and subsidies as part of an "inclusionary housing" policy. Many of the details of this plan are expected to be developed this coming year.

IV. NEEDS ASSESSMENT

There is no new data that would change the needs assessment found in the *Consolidated Plan, 1995-1999*. However since then, the preservation of existing project-based Section 8 housing has emerged as a critical issue. Over 2,400 units of affordable rental housing, much of which is occupied by persons who are elderly or have a disability, are at risk of loss. The City of Portland has had a Preservation Task Force examining this issue. The task force issued a report (February 20, 1998) which provided recommendations for addressing the issue.

Preservation, low vacancy rates, rising housing costs, difficulties Section 8 certificate holders have in finding a landlord who will accept the certificate, and other factors have given rise to a new organization, the Community Alliance of Tenants (CAT). CAT and other organizations have collaborated to propose that the City of Portland adopt a housing replacement ordinance.

In March the Housing and Community Development Commission held a public hearing on the proposed replacement housing ordinance and expiring use projects. Over 70 people attended. HCDC has forwarded its findings and recommendations to Commissioner Kafoury. Among them is support for the recommendations made by the Preservation Task Force which can be implemented immediately. HCDC also recommended that an agency or bureau be designated as the lead in future preservation efforts.

HCDC supports the formation of a broadly representative work group under the leadership of Commissioner Kafoury which will look more closely at the replacement housing proposal.

Homeless People

Every November providers of shelter and housing for homeless people cooperate in providing information on the people they shelter on one night. This past November 1,906 individuals who were homeless spent the night of the 19th in a shelter or in transitional housing. The table and diagram below provide information on the numbers and composition of those sheltered.

Another 572 homeless persons, nearly half of whom were children, were unable to obtain shelter from agencies who provide it on the night of November 19.

Lack of affordable permanent housing currently poses the biggest stumbling block to moving homeless people through the existing continuum of housing and services. In this situation one alarming statistic sums up the problem: for the more than 22,000 renter households with incomes below 30 percent in the County, there are only 12,000 housing units that are affordable to them. Thus, it is extraordinarily difficult for those attempting to transition from homelessness to find appropriate and affordable residential units.

**Table 1. Homeless Persons Sheltered in Multnomah County
On the Night of November 19, 1997**

	TOTAL # HSEHOLDS	ADULTS		TOTAL # ADULTS	TOTAL # CHILDREN	TOTAL # INDIVIDUALS
		M	F			
Individuals	969	748	221	969		969
Families w/children	280	69	259	328	460	788
Youth (unaccompanied)	84	49	35	84		84
Youth w/children	33	2	33	35	30	65
Total	1,366	868	548	1,416	490	1,906

Source: *One Night Shelter Count*, November 19, 1997. Data reported to Multnomah County Division of Community Programs and Partnerships.

V. ANNUAL PLAN

A. Resources

**Table 2. Estimated Resources (Consortium Wide)
1998 - 1999**

RESOURCES	City of Portland	City of Gresham	Multnomah County
HOME ¹	\$3,959,000	\$ 316,720	\$ 221,704
CDBG			
* Entitlement	\$ 12,083,000	\$ 663,000	\$ 376,000
* Program Income	5,541,747	20,000	100,000
* PLPA	3,979,200		
* Carry Over	600,000		
ESG			
* Entitlement	\$ 465,000		
* Carry Over			
HOPWA ²			
* Entitlement	\$ 766,000		
* Carry Over			
General Fund	\$ 1,470,785		
Miscellaneous			Disaster/flood grant:
* PILOT	\$ 320,787		\$ 247,787 ³
* Cost Recovery	17,133		\$ 250,000 ⁴
Housing Investment Fund	4,663,501 ⁵		
TOTAL	\$33,866,153	\$999,720	\$1,195,491

¹ HOME funds are the only source which is allocated to the Consortium. Even though Portland is the lead jurisdiction, the funds are spent by each jurisdiction

² HOPWA funds serve a six county area: Clackamas, Columbia, Multnomah, Washington, Yamhill, and Clark (Washington State). Portland, as the largest city within the six county EMSA, is responsible for administering the funds.

³ Administration for 1997-98.

⁴ 1997-98: \$250,000 not expended; carried over to 1998-99.

⁵ Includes 1997-98 carryover.

HOME Investment Partnership Program

HOME Match

The Portland HOME Consortium expects the match obligation generated by its proposed use of funds to be approximately \$882,000. Key sources which will be used to meet match requirements include grant funds from the State Housing Trust Fund, value of below market private financing under the Oregon Affordable Housing Tax Credit Program, value of donated property and donated labor, property tax abatement in distressed neighborhoods and property tax exemption for low income housing owned by charitable non-profits, and building permit fee waivers. The Consortium has successfully met and exceeded match obligation in prior years from these sources.

The HOME Program has successfully leveraged both public and private resources for affordable housing. Many projects have received funding from State, County, and other City sources. The jurisdiction also used HOME funds in combination with LIHTC to attract private equity to projects. In addition, most projects, except those serving the lowest income populations, have been able to use private debt as a funding source.

B. Activities to be Undertaken

In 1991 the Cities of Portland and Gresham and Urban Multnomah County formed a Consortium for purposes of applying for and administering the HOME grant -- a federal entitlement grant specifically for housing. The first Comprehensive Housing Affordability Strategy (CHAS) was developed on a county-wide basis. As part of that process, and after extensive citizen involvement, the jurisdictions adopted the following principles and priorities. In December, 1993, the HCDC further defined the CHAS priorities and strategies. These principles and priorities were reaffirmed in the Consolidated Plan, 1995-1999. In May 1997 and April 1998 the Housing and Community Development Commission made some modifications to the principles. The following are the revised principles.

PRINCIPLE I

Priorities should focus on developing and preserving housing for those with the greatest needs. Those persons with greatest need are defined as people who are without basic shelter, living in dangerous environments, in substandard housing that violates fire and life safety codes, and those who are at risk of homelessness. Particularly vulnerable persons within this category are those who have historically had limited access or power to act on their own behalf such as very low-income single parents, youth, frail elderly, people with mental or physical disabilities, refugees and other cultural/ethnic minorities. Housing for these populations should be linked to supportive services designed to promote economic independence and self-sufficiency.

PRINCIPLE II

Both public and private resources are required to meet community needs. Public and philanthropic resources should be targeted to meet the priorities of those with the greatest need. Market-driven private resources should be the primary source for meeting other low and moderate income housing needs. Public moneys can be used to stimulate private investment and bridge affordability gaps.

PRINCIPLE III:

There should be a direct relationship between the amount of public subsidy and the number of units affordable for a minimum of 60 years. Maximizing the number of unit years of affordability is an important means of making effective and efficient use of public investment. The number of units required to remain affordable should be balanced with the subsidy so that programs are marketable. Preference should go to programs that reduce the initial capital cost of a housing asset rather than programs that subsidize ongoing costs which do not result in an increase to the affordable housing inventory.

PRINCIPLE IV

Both economic vitality and neighborhood viability should be the goals of public and private investments in economic development initiatives. These activities should be consistent with the housing principles and priorities adopted by HCDC. Public investment should increase the long term earnings of low-income residents, reduce barriers to employment, and encourage the development of products and services to meet the local needs of low-income communities.

Priorities

1. Programs to provide affordable rental housing for *homeless* individuals or families, and *very-low income* households who pay more than 50% of their income for housing. This includes persons with special needs, such as people with mental and physical disabilities, people with AIDS, and the elderly.
2. Programs to assist *low-income* households, renters and existing homeowners. Programs should help to maintain and preserve housing stock, and stabilize neighborhoods, and provide support services such as case management, job training, child care, education, etc.
3. Programs to assist low-income *first-time home buyers*. These programs should focus on innovative types of housing and lower income populations unable to access the increasingly unaffordable market. Home buyer programs also should be targeted as an important community development tool to reinvest in and stabilize deteriorating neighborhoods. Public funding of these programs should leverage private funds.

Housing Activities

The Consortium

Since the jurisdictions are a consortium only for purposes of the HOME Grant, this section shall be limited to activities to be carried out with HOME funds. (Please refer to Appendix B for a detailed description of activities for each individual jurisdiction that is a member of the Consortium.)

The Portland HOME Consortium will use the FY 98 HOME Investment Partnership funds to expand and improve the supply of affordable housing to low- and moderate-income families in accordance with the priorities adopted by HCDC (above). An agreed upon formula is used to set aside HOME funds for each Consortium member and to determine equitable contributions for tenant-based

rental assistance administrative costs, CHDO operating support and general HOME administration. When the opportunity arises the Consortium will collaborate on joint projects and system wide programs

- **Tenant-based Rental Assistance.** The three jurisdictions will allocate \$225,000 for a small tenant-based rental assistance program to assist approximately 130 new households. Our goal is to use modest amounts of rental assistance to move households from transitional to permanent housing, and to prevent homelessness by providing short term assistance to households faced with eviction. Forms of assistance would include security deposits, assistance with first and last month's rent, and short term rent subsidies. Assistance may also be provided to households in rental projects being rehabilitated under the HOME Program.
- **Community Housing Development Organizations (CHDOs)**
 - **CHDO Projects.** The Consortium will work closely with CHDOs and have set aside \$593,850, 15 percent of the Consortium's HOME allocation, for CHDO projects. CHDOs will be involved in a number of rental production and rental rehabilitation projects in addition to special needs housing projects. CHDOs will be eligible to participate in projects in addition to those in the set-aside and are expected to be active partners in many HOME funded projects.
 - **Operating Support.** The budget to provide operating support to CHDOs is \$197,950, 5 percent of the total grant amount. We have developed a system to distribute this grant funding on a competitive proposal basis.
- **Program Administration.** Ten percent of the total grant, or \$395,900, is budgeted for program administration. This category will include administrative costs of managing the HOME program. It also includes some program delivery costs for the consortium members and the tenant based rental assistance program.

New Construction

We estimate that approximately 70 percent of the funds available for production will involve new construction. New construction will be used to meet the needs of large family housing, special needs housing, and development on in-fill sites. We expect that Gresham and Multnomah County will have a large share of new construction projects.

Rehabilitation

We estimate that approximately 30 percent of the funds available for production will involve moderate or substantial rehabilitation. These projects will assist CHDOs, non-profits and for profit developers to improve rental housing for low and moderate income households.

City of Portland: HOME-Funded Activities

- **Rental Housing.** We propose to use HOME funds to produce approximately 200 units of affordable rental housing, including approximately 75 HOME-assisted units. This will include a combination of new construction and rehabilitation projects.
- **Home Ownership**
 - **Shared Appreciation Mortgage (SAM).** The City of Portland will continue to provide HOME funds with a Shared Appreciation Mortgage agreement as a second mortgage. Approximately \$500,000 will be available for the SAM programs. The HOME assisted units will have a 25 year period of affordability, which will coincide with the second mortgage term. The SAM describes a equity recapture formula that is based on the amount of subsidy the City provides to the homeowner or developer. The amount of equity recaptured by the SAM will never be more than 50 percent of the total realized equity appreciation.
 - **Community Land Trust.** The City of Portland may make HOME funds available for a Buyer-initiated Community Land Trust program. The City will select a nonprofit, or a partnership of nonprofits, to administer the program, which will make loans of up to \$45,000 to low-income home buyers. The home buyer will receive the subsidy in the form of a silent second mortgage. The City expects that approximately 16 - 22 home buyers could be assisted by this program. The homeowner will take title to the improvements and will sign a 99-year lease for the land with the nonprofit community land trust, which will hold the land. Upon resale the value of the land will not be included in the sales price to the new eligible home buyer.

City of Portland: CDBG-Funded Activities

The following is a description of the activities within Program Areas which the City's Bureau of Housing and Community Development will fund during the next fiscal year. It includes not only CDBG funds, but all funding sources.

Housing Program Area

The Housing Program area includes both capital for housing development, and social services related to housing. The major focus of the program area is on development of housing affordable to low- and moderate-income households: home buyer programs, homeowner repair, rental rehabilitation and production, and special needs housing. Housing services programs include information and referral, education, fair housing and housing counseling services for low- and moderate-income households.

Housing programs respond to the housing needs of low income individuals and families. They are also key components of targeted neighborhood improvement strategies. Individual programs may be designed to respond to one or both of these needs.

Economic Development

The City's Economic Development program mission is to increase economic opportunities, create and retain wealth, and promote healthy neighborhoods for all City residents. BHCD supports these efforts by focusing its funding on economic development programs which benefit low income residents and promote the physical and economic revitalization of targeted neighborhoods. Economic development programs for FY 1998/99 continue to primarily focus on N/NE and Outer SE Portland. Workforce development funding focuses on linking low-income residents to employment opportunities through basic skills development and implementation of the City's target industry strategy.

Neighborhood Improvements

The Neighborhood Improvement Program Area provides funding for capital and other projects which have a long term impact on neighborhoods. Types of projects include residential street and drainage construction, neighborhood park development and construction, construction and rehabilitation of public facilities and major community planning projects. Street improvements meet housing development needs in the current request.

Homeless Services and Housing

These activities are described in the section dealing with homelessness, pages 18-20.

Youth Employment and Involvement

The Youth Employment and Involvement programs provide at risk young people with summer and year-round education, training, work experience, cultural enrichment, self esteem building, and support to prepare them to enter the workforce; support and assistance finding and keeping a job, and meaningful opportunities to become involved in and assist in improving their community. Through these programs, young people may have the chance to work on a summer youth crew that focuses on neighborhood improvement, be placed in a private sector job, or be part of a year long training program that blends education and hands-on work experience.

Public Safety

The Public Safety Program Area provides services for victims of crime and violence, gang prevention and intervention, community corrections, community policing and other services which are community based and related to the corrections and law enforcement systems.

Community and Targeted Initiatives

The Community and Targeted Initiatives Program Area contributes to community revitalization by providing targeted service delivery and support to low and moderate income neighborhoods. Small one-time grants for innovative grassroots projects build the capacity of residents and address identified community needs. Designation of target areas (8-10 areas) for multi-year financial and technical assistance to carry out community-based revitalization, build leadership and capacity among neighborhood residents and businesses and contribute to improved physical appearance and livability of neighborhoods. A variety of support services to targeted communities is also included in this Program Area, including targeted code enforcement, storefront improvement grants, and technical assistance.

Multnomah County

Multnomah County's Policy Advisory Board continues to follow the revised funding policies for 1998-1999 because of the reduction in the county's federal funds. Housing development and rehabilitation remain the top priority, with 38.5 percent of CDBG funds earmarked for housing. Public services (10 percent) are focused on those services which are housing related. No new public services will be considered. The share allocated to neighborhood revitalization (public works, community facilities, historic preservation, handicapped access) remains at 28.5 percent. No economic development projects will be funded. Funds reserved as contingency will hold at 3 percent.

Housing Activities

The County has received applications for barrier removal modifications for renters and homeowners and for acquisition of property for construction of housing. During the last year the County ceased providing loans for the sewer-hook-up program and likewise no longer provides funding for critical home repairs; the reduced entitlement grant has greatly impacted funding housing activities.

Neighborhood Revitalization

Multnomah County will fund at least three public works projects: the cities of Wood Village and Fairview and the Burlington Water District have submitted projects for drainage improvements, water line replacement, and city park enhancements. The neighborhood revitalization category traditionally receives applications far in excess dollar-wise of what is available for the category allocation.

Public Services

Funding of public services will continue based on the 1997-98 template. These on-going services include the dental program, fair housing assistance and enforcement, transitional housing and housing assistance. Once again, the focus is on meeting fair housing program requirements. Funding of public services in subsequent years is unclear.

The City of Gresham

Using CDBG funds, Gresham will conduct a single family housing rehabilitation program to connect houses to a new sewer system, award funds to a nonprofit organization to conduct remodeling of existing units to provide access for persons with a disability, and to two or three nonprofits to acquire, rehab or construct units for families and individuals with special needs whose income is below 50 percent of the area's median family income. Fifteen percent of the funds will be used to provide a variety of public services; and 7.5 percent will be used for community facilities. (Refer to Appendix B for Gresham's "1998-1999 Sources and Allocation of Funds" chart).

Gresham has adopted its first housing policy and a management program for the next 20 years. The need for affordable housing is becoming more acute due to the rapid increase in housing costs and the lack of purchasing power of low-income households. Home ownership has also slipped dramatically in the central Rockwood area over a decade.

Policy and strategy recommendations fall into five areas: affordable/assisted, maintenance, rehab, ownership, and mix. Among the priority strategies are the implementation of a new maintenance code and home ownership programs. Of primary concern is finding new sources of revenue to assist in the development of additional affordable housing stock, especially first time home buyers.

Gresham also is adopting plans to increase the housing density throughout the city and particularly in city centers and along the transit corridors to comply with metropolitan wide planning requirements. All plans deal with the need for additional housing. The city will use these studies to resolve where affordable housing will be located.

C. Geographic Distribution

HOME

The HOME Investment Fund is targeted for investment geographically proportionate to the low-income population within each jurisdiction. In general all three jurisdictions support integration of low-income housing throughout the community to avoid increasing concentrations of poverty in any one area. East County and Gresham have larger family sizes so HOME funds in those areas are more likely to be prioritized for larger family units. Gresham allocates HOME funds on an RFP basis and preference is given to rehabilitation or development of first time owner housing in one area, central Rockwood. Portland funds for rental housing have been accessed on an open door application basis and are available city-wide. During FY 97/98 RFPs were conducted for special objectives such as large family housing. A combination of RFP and open door processes will be used in FY 98/99.

CDBG

The City of Portland

The City of Portland has targeted community development assistance since the beginning of the program in 1974. After each census the City determined which neighborhoods met the federal guidelines as low/moderate income neighborhoods. In the early years of community development, the City developed a plan to move through the eligible areas, beginning in North Portland. Through the 1970's, the City provided major infrastructure improvements to low/moderate income North Portland neighborhoods. These areas were then "graduated" out of the program and the focus shifted to inner Northeast and Southeast. Through the early 1980's the bulk of community development services were provided in these areas.

Major sections of Multnomah County, east of Portland, were annexed to the City during the 1980's. These areas were not served by the City's community development program because of the focus in inner Northeast and Southeast. In the early 1990's the City began to move into outer Southeast Portland neighborhoods through its contribution to the development of the Outer Southeast Community Plan. The intent was to use this plan as a directional tool for providing services to this area. Work in this area continues. Because inner Northeast Portland continues to have the highest

concentration of low income persons in the City, it may never fully graduate from the community development program.

Even with the level of targeting which has always existed in the City's community development efforts, it has become clear that the funds available are not adequate to make significant long-term change in these low/moderate income neighborhoods. The City's Community Development Plan, prepared in 1994, identified the need for an even more targeted approach to providing community development services. It calls for an integrated approach to community improvement, addressing the range of needs rather than dealing with one problem at a time. This Plan recognized that quickly creating visible improvements will best stimulate private investment and build community momentum for continued positive change.

The Bureau of Housing and Community Development (BHCD) has continued and expanded its program of targeted neighborhood revitalization, through the Target Area Designation Program and supportive services. In FY 95/96, eight target areas were selected for assistance. In FY 96/97, five additional areas were brought into the program and three other areas were provided with assistance to help them prepare for possible future designation. By the end of FY 97/98, six of the original target areas will have graduated from the program. These areas, located throughout the City, have addressed a variety of issues in their communities. In Brentwood-Darlington, major street and park development projects were carried out, as well as development of a community center. Kenton addressed issues related to code enforcement and neighborhood livability and has spent its final year working toward redevelopment of its commercial district. In Sunnyside, major rehabilitation of the SE Belmont commercial district took place, with facade improvements, public art, and business recruitment activities.

In the next fiscal year BHCD has budgeted \$1.1 million for the Community and Targeted Initiatives Program Area. These dollars will be used to fund 20 Community Initiatives Small Grant projects; provide assistance to 8-10 target areas; and support targeted code enforcement and neighborhood clean-ups in targeted neighborhoods.

The City of Gresham

In December 1997, Gresham adopted a new Housing and Community Revitalization Strategy which focuses a variety of City planning efforts on the Rockwood community in West Gresham. (Refer to Appendix A.) As a result of this strategy, the City amended its CDBG project focus for housing to solicit FY:98-99 projects for a Rockwood home ownership program. Additionally the City will continue past levels of efforts citywide for special needs housing, public services, on-going projects, and public improvements.

The Housing and Community Revitalization Strategy also will focus on adoption of a Central Rockwood Plan in early 1998. Then, the City will convene a process with public and private partners to develop a five-year Rockwood Action Plan to support community revitalization and the land use plan.

Multnomah County

Multnomah County continues to focus its community development funding in the program participating cities of Maywood Park, Fairview, Wood Village and Troutdale. Additionally, the Burlington Water District has qualified as an eligible area through surveying. The cities of Wood Village and Fairview will continue to attract the majority of projects as they are census qualified "target areas." Generally, the far eastern reaches of the County do not qualify through the census as low- and moderate-income areas.

D. Homeless and Other Special Needs

October 1, 1997, after months of dialog and planning, the City of Portland and Multnomah County implemented a change in responsibilities for planning and funding subpopulations of homeless people. Prior to this, the City worked in partnership with the County who had lead responsibility. In addition to the City's "passing funds" through to the county, the City's Bureau of Housing and Community Development also contracted directly with agencies for certain services to victims of domestic violence, single adults, and homeless youth. Now the City of Portland is responsible for planning and contracting for services for the single adult population. The Multnomah County Division of Community Programs and Partnerships has comparable responsibilities for all other homeless populations.

Over the past decade the public sector and non-profit community in Multnomah County have worked to create an effective response to homelessness, a "continuum of care" that provides an array of housing options and support services. Services are delivered through a decentralized and geographically based system of community service centers, special needs providers, access agencies and system-wide resources. The county-wide community action system is divided into seven districts with defined geographic boundaries; one non-profit agency in each district provides services to homeless and low-income persons. Six of the centers primarily serve low-income and homeless families; the one in downtown is for homeless and low-income single adults. Services to homeless youth and domestic violence populations are also delivered through networks of non-profit agencies and are available county-wide.

The following describes only activities funded with HOME, CDBG, ESG, HOPWA, or locally controlled funds. Multnomah County uses other sources of funds to fund activities which are not described below. ESG funds are allocated in concert with the allocation of CDBG funds. Public participation was available at three levels: BHCD's Bureau Advisory Committee, the City's Housing and Community Development Commission, and the City Council. Local Multnomah County funds are used as match for ESG funded activities.

The City of Portland will allocate approximately \$3.2 million in 1998-99 to homeless activities, the bulk of which will fund services for single individuals. (Over \$500,000 of this is received through the McKinney program.) The City also will allocate \$1,000,000 toward the development of a facility to serve as transitional housing for homeless youth.

Although development and operation of facilities for homeless people has been a high priority, it is the lack of affordable permanent housing that currently poses the biggest stumbling block to moving more people through the homeless continuum.

1. Addressing Emergency and Transitional Housing Needs of Homeless People

Individuals

Portland will continue to fund two shelters for single adult men (Glisan Street and Clark Center), Jean's Place which provides both shelter and transitional housing for women, the Bridgeview program for persons who are chronically mentally ill, and alcohol/drug free transitional housing at the Estate and Everett. In addition to case management services, alcohol/drug intervention and employment, will be funded for men in the Glisan Street Shelter and Clark Center.

Youth

Portland and Multnomah County will continue to fund services for homeless youth; including day shelter, night shelter, winter emergency overflow beds, transitional housing, and case management. After a community planning process, the County will issue a Request for Proposals for youth services.

Families

Multnomah County funds transitional and emergency services in a similar array of components as the youth system throughout the county. Gresham and Multnomah County both fund the transitional housing programs which Human Solutions operates in east county and Gresham. Following a community planning process, the County will issue a Request for Proposals (RFP) for services to homeless families.

Emergency Vouchers

Portland, Gresham and Multnomah County will continue to provide funds for emergency housing vouchers for individuals and other households in need. These vouchers are administered through Multnomah County's Clearinghouse.

2. Preventing Low-Income Individuals and Families from Becoming Homeless

All three jurisdictions will continue to fund rent assistance and assistance with move-in costs to households at risk of losing their permanent housing and to homeless households to facilitate their accessing and stabilizing in permanent housing. The jurisdictions each allocate HOME funds for the rent assistance program operated by the Housing Authority of Portland (HAP). Portland also uses PILOT funds for a program operated by Multnomah County. Multnomah County uses FEMA, HUD Supportive Housing Program and County general funds for emergency housing vouchers, transitional housing and rent assistance.

Portland will contract with the Northwest Pilot Project for prevention/stabilization services for seniors.

3. Helping Homeless Persons Make the Transition to Permanent Housing and Independent Living

- The City of Portland will fund services in two SRO buildings for support services for formerly homeless individuals.
- The rent assistance programs mentioned above are designed to assist homeless people to access housing.
- The housing authority also extends priority status in its Section 8 and Public Housing programs to some homeless people in transitional housing.

4. Other Activities

- The City of Portland will fund outreach services to campers (through JOIN) and to mentally ill individuals (Mental Health Services West).
- The City of Portland will allocate over \$100,000 for winter shelter for single individuals; and provide approximately \$25,000 to assist Multnomah County in providing winter shelter for homeless families.

Addressing the Special Needs of Persons Who Are Not Homeless

Persons with Need for Accessible Units

All three jurisdictions will fund the Adapt-A-Home project which modifies existing rental units to make them accessible to handicapped persons. Owners agree to leave the modifications in place so that they can be used by future tenants who need an accessible and affordable unit.

Persons with HIV/AIDS

The City of Portland receives and administers the Housing Opportunities for People with AIDS (HOPWA) grant for the six-county entitlement area. HOPWA funding has been used for a combination of service programs, rent assistance and housing development activities. Service programs include case management, a furniture warehouse and fair housing services. Transitional housing programs providing rent assistance are operating in Multnomah, Clark, Washington and Yamhill counties. Development projects have been completed or are underway in Multnomah and Clackamas counties.

HOPWA consortium partners will be brought together again this Spring to review accomplishments to date and to begin planning for future resource allocation. It is anticipated that a mix of services, rent assistance and development projects will be funded in the future.

Development projects have ranged from SRO development to set-asides of HOPWA units in larger affordable housing projects. All development projects have been planned in collaboration with a service agency which will link residents to services. The development projects also typically use other federal fund sources including CDBG, HOME and federal McKinney funds; and receive assistance from Portland, Gresham, Multnomah County, and Clackamas County.

Households Impacted by Domestic Violence

Multnomah County uses SHAP, EHA, HUD Supportive Housing Program, Emergency Shelter Grant, and other General Funds for programs that provide domestic violence intervention, including shelter, transitional housing, and support staff. These activities are coordinated with other resources and programs dedicated to the reduction of domestic violence.

E. Fair Housing

The three jurisdictions completed an *Analysis of Impediments to Fair Housing* in May, 1996, and identified strategies to address these impediments. Some of the actions that are key to addressing fair housing issues require that actions be taken on a metropolitan-wide basis--not just within the boundaries of Multnomah County. The following table includes the major activities which will be funded the next year.

Table 3. Fair Housing Programs, 1998 - 1999

Agency and Activities	Source of Funds ¹				Total Funding
	City of Portland		Multn County	City of Gresham	
	CDBG/HOPWA ²	Gen. Fund ³			
Fair Housing Council of Oregon • Fair Housing Enforcement . Testing Services in Support of Complainants . Legal Assistance to Complainants • Education and Outreach Programs • Research Projects	\$10,124	\$11,307	\$2,600		\$34,531.28
Multnomah County Legal Aid Service • Fair Housing Enforcement . Legal Information . Representation for Complainants • Landlord/Tenant	\$ 39,980		\$ 7,500	\$ 4,357	\$51,837
Portland Housing Center • Fair Housing Enforcement . Intake Services in Support of Complainants • Education and Outreach	\$46,595				\$46,595
			\$ 3,417		\$ 3,417

Agency and Activities	Source of Funds ¹				Total Funding
	City of Portland		Multn County	City of Gresham	
	CDBG/HOPWA ²	Gen. Fund ³			
State of Oregon Civil Rights Div. • Enforcement of City of Portland Civil Rights Ordinance and State Law		\$19,208 ³			\$19,208
TOTALS	\$107,199	\$ 30,515	\$13,517	\$4,357	\$155,588

- 1 All budget numbers are in draft form, and do not represent budgets adopted by the jurisdictions.
- 2 Housing for Persons with AIDS (HOPWA) grant covers six counties in Portland metropolitan area.
- 3 Covers only City of Portland protected classes: sexual orientation, age, and source of income.

F. Other Actions

Addressing Obstacles to Meeting Underserved Needs

In response to decreasing federal subsidies for housing development, the City of Portland continues to disperse General Fund revenue as part of a Housing Investment Fund to assist housing development in furtherance of its adopted Livable City Housing Goals.

Despite the passage of Measure 47 on the permitted rate of increase in assessed taxable property value, the Portland Development Commission has tax increment funds and is examining the appropriate uses of tax increment funds generated by active urban renewal districts.

The City of Gresham has completed adoption of its housing policy. Included in this policy is an assessment of Gresham's affordable housing needs and proposed strategies and programs to address a variety of housing issues starting with maintenance and ownership.

As a planning backdrop to this activity, Metro has adopted its *Regional Framework Plan* including an affordable housing element. This addresses regional affordable housing needs and strategies which will continue to engage all of the metro jurisdictions in an dialogue on ways to address this issue in a consolidated region wide fashion. However, at this stage several elements of the Plan are under appeal by some local jurisdictions and the Metro Homebuilders Association.

Fostering and Maintaining Affordable Housing

The major local effort to be undertaken by Portland is the continuation of two housing-based property tax exemption programs which are dedicated to preserving rental housing stock and the development or maintenance of rental housing by non-profit community development corporations. For the upcoming year, twenty two local community development organization will participate in this program ensuring the maintenance of nearly 3,000 housing units affordable to households earning 60 percent or less of the area median income.

Removing Barriers to Affordable Housing

The City of Portland continues to undertake several initiatives to alleviate identified barriers to the development process including several steps to remove local policy and regulatory barriers to development in general and housing development in particular.

Portland has successfully received an exception to the State Building Code which allows the development of five story wood frame structures. This has allowed a more economical form of construction for new rental unit development.

The policy to grant development review fee waivers to non-profit developers of low income housing has been implemented. Some changes made to the administration of the fee waiver pool include placing a cap on individual projects so that one or two large developments do not take up large amounts of the bureau re-imbusement pool.

Gresham adopted a new small lots ordinance citywide which has reduced average lot sizes on new lots from 8,000 to 5,300 sq. ft. in one year. Gresham has also adopted a tenant tax abatement ordinance to give incentives for mixed use, mixed income housing in station areas.

Developing the Institutional Structure

The major initiative by the Commissioner in charge of Portland's Planning Bureau is to reorganize all segments of the development review bureau into one centralized permit review and issuance agency. This process is call Blueprint 2000 and has just begun.

Also, the City of Portland is embarking on an update of its City Housing Policy. The last time the official Housing Policy was developed was in 1978.

At the regional level, Metro continues to develop the components of the Region 2040 Plan including a specific Title of the Functional Plan which addresses regional affordable housing strategies. Metro and the regional jurisdiction are examining strategies such as a "fair share" affordable housing allocation for all jurisdictions and minimum density standards to ensure that development fulfills regional growth objectives.

Evaluating and Reducing Lead-Based Paint Hazards

The City of Portland has been approved to receive a \$2.9 million dollar grant for lead-based paint hazard control activities. This grant will be used to control the lead hazards in approximately 400 units of low-income housing. The program will also train and certify 10 emerging business contractors and 60 low-income workers to control lead hazards, and provide approximately 6,000 information packets on safe work practices for homeowners rehabilitating their own homes. The City is participating in a series of "Lead Summits" that will coordinate funding for lead programs and education among the city bureaus and nonprofit organizations.

Reducing the Number of Poverty Level Families

Anti-poverty strategies of the members of the Consortium have not changed significantly from those discussed in the *Consolidated Plan 1995-1999* (pages 83-86). However, the Multnomah County Board of County Commissioners has identified reducing the number of children living in poverty as

a priority. The Community Action Commission is preparing to launch the Child Poverty Reduction Initiative, a local set of strategies to reduce the number of children, families and neighborhoods in poverty.

The county's Division of Community Programs and Partnerships will work to:

- Create a greater understanding within the community of the causes and long-term consequences of poverty for children, families and neighborhoods;
- Increase coordination between County services, community-based agencies, businesses and other local governments to reduce the level of poverty in our community;
- Support policy changes and tools that will institutionally reduce barriers to and create pathways for people moving out of poverty; and
- Identify, replicate and, if necessary, strengthen efforts that are successful in reducing poverty.

Enhancing Coordination between Public and Private Housing and Social Service Agencies

Central City Housing

The Downtown Housing Occupancy Work Group--comprised of four downtown social service agencies, nonprofit housing organizations, the housing authority, and others--will continue to meet monthly. The group focuses primarily on downtown housing which has been developed with local public subsidy and/or has rent assistance through the housing authority. Often managers, both from nonprofits and private firms, are invited to problem solve with the group on specific buildings.

New Housing Development

Two new housing projects for very low-income individuals are under development. One is the final replacement for the units lost when the new federal courthouse resulted in the demolition of 192 SRO units. The Housing Authority of Portland is developing this project and will involve representatives of social service agencies and tenants in existing downtown housing. The second is 90 units for formerly homeless individuals which REACH CDC will develop in inner southeast. REACH, representatives of agencies serving homeless individuals, and HCDC staff will develop tenant selection criteria. REACH also will involve various constituencies in the design process.

Coordinated Services Team

The Multnomah County Division of Community Programs and Partnerships facilitates monthly meetings of the "Coordinated Services Team". The participants in this team include representatives from 30 agencies, such as domestic violence, the Housing Authority of Portland, mental health agencies, Adult and Family Services, workforce development programs and several not-for-profits providing services to homeless families.

The objectives of these meetings include becoming knowledgeable about services available in the community for homeless families and sharing resources. The ultimate goal is to assist families without housing, or at risk of losing their housing, enter into a stabilized, permanent housing arrangement.

The Division also facilitates a meeting of "Housing Specialists", professionals who actively assist people to access housing. Agencies involved serve families with children, singles, including people with disabilities, and senior. In an effort to obtain housing for their consumers, individuals who attend this meeting relate daily to landlords in the private sector.

G. Public Housing

HUD has selected the Housing Authority of Portland (HAP) as one of thirty housing authorities nation-wide to participate in a three-year *Moving to Work (MTW)* demonstration. This will enable HAP to design and test various approaches for providing and administering housing assistance that reduce cost and achieve greater cost effectiveness, provide work incentives to residents to promote self-sufficiency, and increase housing choices for low-income families. The MTW demonstration also will allow HAP to combine funds from the Low Rent Public Housing, Section 8, and Comprehensive Grant programs into one pool of funds.

1. Improving the Operation and Livability of Public Housing

The capital maintenance of HAP's public housing units costs significantly more per unit than the per unit costs of HAP's other housing. HAP has identified several factors which contribute to this and has adopted three objectives it believes will reduce costs and improve its public housing units. It proposes to:

- Maximize its preventive maintenance effort;
- Do capital maintenance when possible on an as-needed basis; and
- Create a maintenance reserve for this purpose.

HAP intends to take the following steps to accomplish these objectives:

- Analyze the information developed from the Cost Benefit Analysis to develop capital maintenance and improvement options;
- Develop a capital maintenance/improvement strategy which address both preventive and replacement maintenance; and
- Develop the inspection and preventative maintenance methods and capacity to carry out the strategy.

2. Resident Initiatives/Self-Sufficiency Activities

Amendment to Current Family Self-Sufficiency (FSS) Program

HAP's objectives are to expand self-sufficiency opportunities for all Section 8 and LRPB participants and to streamline and consolidate program administration as much as possible. (HAP also intends this component to test the comparative effectiveness of *escrow with support services* versus *earned income exclusion without support services*.)

To restructure the current FSS Program, HAP will:

- Disengage FSS program size from allocated slots in the public housing and Section 8 programs;
- Permit FSS program participation by clients in other HAP housing programs; and
- Maintain one unified waiting list for the FSS program

HAP plans to redefine contract requirements as follows:

- Redefine "welfare assistance";
- Simplify language for clients;
- Revise the terms for FSS contract;
- Redefine Section 8 FMR as FSS Program completion indicator in both Section 8 and LRPB and other HAP housing programs;
- Clarify termination of FSS Contract for families who terminate participation in LRPB and other HAP programs;
- Redefine and simplify escrow reporting requirements;
- Revise any references to total tenant payment to make them compatible with the above revisions; and
- Equalize the benefit to low and very low income households when determining escrow contribution.

Incremental Earned Income Exclusion Option

HAP will offer an Incremental Earned Income Exclusion (IEIE) to all HAP assisted households, excluding FSS escrow participants. This will expand the financial incentive for households to become self-sufficient, albeit without significant support services. HAP will take steps to protect program participants from getting into financial problems caused by inappropriate spending practices. For example, HAP will establish participation criteria, i.e. budget education within a specific time frame. HAP will require Money Management Certification prior to any Earned Income Exclusion.

HAP still needs to develop a plan for funding the additional deductions and allowances.

Housing Choice

HAP has maintained the former "federal preferences" for both the public housing and Section 8 programs and continues to focus on addressing the needs of very low-income households (i.e. those whose incomes are less than 50 percent of the area's median family income). HAP plans to assist the current number served in both the public housing and Section 8 programs and is committed that its actions will not result in a net loss in housing for very low-income people.

Piloting a Voucher System for Public Housing Residents

The housing authority intends to provide customers with options to expand housing choice, create the potential for more mixed-income housing, and generate revenue for HAP to use to create additional housing for very low-income families. HAP will offer a limited number of upgraded units within a public housing complex to low income applicants who have no federal rent subsidy, and are willing and able to pay extra for additional amenities. HAP will provide an equal number of vouchers to public housing residents to enable them to choose where they would like to live. This voucher payment system will be similar to the current Section 8 voucher program: HAP will set a ceiling contribution which it will make to a landlord, and residents may pay above the 30 percent of their income for the housing they select.

Home Ownership Opportunities

HUD has approved the housing authority plan to sell up to 20 of its 191 scattered public housing units. Houses will be sold to current residents who wish and are able to purchase their units. No resident will be displaced. All proposed purchasers will be screened for capacity to assume financial obligations and will be supported in the process. The proceeds from the sales will be used to purchase or build additional lower income housing units.

H. Program-Specific Requirements

City of Portland

- **Recapture Provisions**

The units funded with HOME funds as part of the City of Portland's Shared Appreciation Mortgage (SAM) program will have a 25 year period of affordability. The SAM agreement describes a equity recapture formula that is based on the amount of subsidy the City provides to the homeowner or developer. The amount of equity recaptured by the SAM will never be more than 50 percent of the total realized equity appreciation.

- **Resale Provisions**

Home buyers participating in the City of Portland's HOME-funded Community Land Trust program will agree to resale provisions. The homeowner will take title to the improvements and will sign a 99-year lease for the land with the nonprofit community land trust, which will hold the land. Upon resale the value of the land will not be included in the sales price to the new eligible homebuyer.

City of Gresham

Recapture And Retention Requirements

The City of Gresham provides this program to bring Home Ownership opportunities within the reach of households who could not otherwise buy their own homes. Long term affordability mechanisms preserve the public subsidy so that future low and moderate income home buyers may also be assisted. The subsidy recapture and retention mechanisms tie the length of affordability or the amount of funds recaptured to the amount of public subsidy provided.

The following table outlines the recapture and retention requirements, based on the subsidy per unit provided to the project.

Subsidy per Unit	Affordability Mechanism	Eligible Applicants
Less than \$30,000	Recapture - Shared Appreciation Mortgage Years 0-7: 2% per thousand of subsidy, multiplied by net appreciation Years 8+: 1% per thousand of subsidy, multiplied by net appreciation	Nonprofit Developers* For-profit Developers
Less than \$30,000	Retention - Ground Lease with Resale Restrictions	Nonprofit Developers*

* Non-Profits can choose a SAM or Ground Lease when borrowing less than \$30,000 per unit

Tenant-Based Rental Assistance

The Portland HOME Consortium will offer a small tenant-based rental assistance project under the HOME program. A detailed discussion of procedures for the tenant-based rental assistance program can be found in the *Consolidated Plan 1995-1999* (pages 91-92). There will be no programmatic changes in 1998-1999.

Other Forms of Investment

The Consortium does not use forms of investment other than those described in 24 CFR 92.205(b).

Affirmative Marketing Program

In accordance with the regulations of the HOME Investment Partnership Program contained in 24 CFR 92.351, the Portland HOME Consortium will utilize an affirmative marketing program which is described in detail in the *Consolidated Plan, 1995-1999* (pages 92-93).

Minority and Women Business Enterprise Outreach Program

In accordance with the regulations of the HOME Investment Partnership Program contained in 24 CFR 92.352 (a)(5), the Portland HOME Consortium will utilize the minority and women business outreach program which is described in detail in the *Consolidated Plan, 1995-1999* (pages 94-95).

VI. MONITORING

Some projects are funded by more than one jurisdiction. To reduce administration and monitoring, interagency agreements spell out that only one jurisdiction will manage a project and management responsibilities will alternate between jurisdictions.

City of Portland: HOME, ESG, HOPWA, and CDBG

The Bureau of Housing and Community Development provides monitoring for HOME, ESG, HOPWA, and CDBG-funded projects. Monitoring activities may include program performance, fiscal accountability and regulatory compliance and could involve both internal file review and on site reviews. Program Managers select the projects to be monitored for program performance and regulatory compliance and work with the fiscal staff to determine which projects will receive a fiscal review. Generally, projects which receive large amounts of City funding, projects which are administered by unsophisticated or inexperienced organizations, projects which appear to be having difficulties in meeting contract or program requirements and projects which require more intensive technical assistance receive priority in establishing a monitoring schedule.

Internal file review consists of analysis of bills, reports, external audits, file documentation and other materials submitted by the providing agency to determine that the project is on schedule, fiscally accountable, complying with contractual requirements and meeting regulations. On site review can include any or all of the following depending on the depth of the monitoring: file review at the project facility, visiting sites where the activity is being carried out (for instance, a house under construction), visiting completed sites, interviewing participants and clients as well as agency staff, checking income verification system and documentation used for the project, completing a review of the fiscal system and conducting a review of invoices through source documentation.

Minority Business Outreach

The bulk of contracting opportunities are carried out by property owners/borrowers rather than the City. Borrowers of amounts under \$100,000 are provided information about opportunities and encouraged to solicit quotes from minority and women business enterprises. Additionally, the Bureau of Housing & Community Development (BHCD) contracts with the Housing Development Center to provide MBE and WBE contractors with technical assistance to improve their capacities and capabilities to take on more complicated projects.

When Portland Development Commission (PDC) loans and contracts both exceed \$100,000, borrowers are required to use formal advertising and bid procedures; to publish requests for bids in at least two media; to register plans and specifications in appropriate plan centers; in soliciting contractors to include language for prime or general contractors to use minority and women business enterprises as subcontractors; and to report on their efforts and accomplishments.

PDC monitors each \$100,000 loan/contract to ensure compliance with these procedures. Though there is not a quota for MBE and WBE participation, there are goals of 9 percent and 5 percent respectively. There is a requirement that 10% of the contract goes to Emerging Small Businesses.

Multnomah County

Multnomah County monitors its subrecipients according to federal requirements and program policy. The County initially introduces subgrantees to select grant compliance requirements at the annual application workshop. Program staff formally monitor subrecipients on at least an annual basis through field site visits, monitoring of fiscal records in-house and on-site, and follow-up contact to ensure correction of any deficiencies. The county's monitoring goal is to provide enough up-front guidance and on-going assistance so that subrecipients stay in voluntary compliance and are not put in the "gotcha" situation.

City of Gresham

Monitoring the use of federal funds is conducted by Gresham to ensure that subrecipients comply with all regulations governing their administrative, financial, and programmatic operation, and achieve their performance objectives within schedule and budget. Monitoring is an on-going process which includes the application process, the preparing the contract, communication,

technical assistance, site visits and follow-up with the subrecipient. Monitoring by Gresham focuses on assisting the subrecipient rather than catching it doing something wrong. To this end, new subrecipients will be visited early and provided with technical assistance as needed. Housing projects requiring long-term affordability will be monitored annually or every two years as required until the term of affordability is completed.

VII. CERTIFICATIONS AND STANDARD FORM 424

Copies of HUD-required certifications and Standard Form 424 are on file in each of the jurisdiction's department/bureau that administers HOME, CDBG, and other programs covered in the Consolidated Plan.

APPENDIX A. Proposed Activities: 1998 - 1999

A-1. The City of Portland

A-2. The City of Gresham

A-3. Multnomah County

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
1998/99 PROGRAM BUDGET (Mayor's Proposed)
FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
PROGRAM: HOUSING (B)						
Service Area: Homebuyer Program						
Projects:						
PDC Homebuyer Program/PLPA	720,000	267,674			480,000	747,674
PDC Urban Homestead/PLPA	129,000	50,752			86,000	136,752
PDC Homebuyer Revolving Fund	0	245,000				245,000
PDC Program Delivery	189,253	161,358				161,358
<i>Total Service Area</i>	<i>1,038,253</i>	<i>724,784</i>			<i>566,000</i>	<i>1,290,784</i>
Service Area: Homeowner Rehabilitation						
Projects:						
PDC Homeowner Rehab Loans/PLPA	976,614	945,860			105,000	1,050,860
PDC Neighborhood Improvement Incentive	122,500	0				0
PDC Home Rehabilitation Refinance/PLPA	320,000	120,594			308,200	428,794
PDC Homeowner Revolving Fund	0	500,221				500,221
PDC Program Delivery	977,799	867,143				867,143
Sewer Hookup	252,000	252,000				252,000
<i>Total Service Area</i>	<i>2,648,913</i>	<i>2,685,818</i>			<i>413,200</i>	<i>3,099,018</i>
Service Area: Rental Housing						
Projects:						
PDC Affordable Rental Housing/PLPA	5,368,177	1,300,377	2,702,000		3,000,000	7,002,377
PDC Rental Housing Revolving Loan Fund	0	836,526				836,526
Richmond Place Float	0	60,000				60,000
PDC Program Delivery	1,161,452	1,298,199				1,298,199
Gresham-HOME	252,106		316,720			316,720
Multnomah Co HOME	200,392		221,704			221,704
Housing Investment Fund	233,000		233,000			233,000
<i>Total Service Area</i>	<i>7,215,127</i>	<i>3,495,102</i>	<i>3,473,424</i>		<i>3,000,000</i>	<i>9,968,526</i>

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
1998/99 PROGRAM BUDGET (Mayor's Proposed)
FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
Service Area: Special Needs Housing						
Projects:						
Housing Authority of Portland	385,508	235,508				235,508
<i>Total Service Area</i>	<i>385,508</i>	<i>235,508</i>				<i>235,508</i>
Service Area: Housing for People w/AIDS (HOPWA)						
Projects:						
Cascade AIDS/PCRI-Transitional Hsg 96-97	198,381				0	0
Cascade AIDS Projects 96-97	22,343				0	0
Fair Housing Council of Or-Outreach 96-97	10,898				0	0
HOPWA Housing Development 96-97	403,283				0	0
HOPWA Housing Development 97-98(Entitl)	758,000				0	0
Outside In-HIV+ Housing 96-97	32,095				0	0
HOPWA Services	0				275,508	275,508
HOPWA Housing Development	0				471,000	471,000
<i>Total Service Area</i>	<i>1,425,000</i>				<i>746,508</i>	<i>746,508</i>
Service Area: Housing Capacity Building/TA						
Projects:						
Housing Development Center	114,346	118,119				118,119
Oregon Housing NOW	10,660	15,500				15,500
Portland Community Design	41,160	0				0
NP Developer Org Oper Support	700,000	528,167	171,833			700,000
<i>Total Service Area</i>	<i>866,166</i>	<i>661,786</i>	<i>171,833</i>			<i>833,619</i>
Service Area: Housing Services		550,000				550,000
Projects:						
Home Security-Police Bureau	111,113	0				0
Portland Sch Dist-HRTP	414,797	409,600				409,600

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
Senior Job Center-SHRMP	128,286	0				0
Community Energy Project	105,227	0				0
Portland Housing Center-Homebuyer	94,865	97,740				97,740
Portland Housing Center-Rental Housing Svc	45,125	46,595				46,595
Ecumincal Ministries of Or-Shared Housing	39,294	0				0
Mult Co Legal Aid Society-Fair Housing	37,147	39,980				39,980
Or Fair Housing Council	9,894	10,124				10,124
Mult Co Moving Assistance	28,119	12,519				12,519
Social Service Siting	12,000	10,000				10,000
Unlimited Choices, Inc.	52,000	0				0
Total Service Area	1,077,867	1,176,558				1,176,558
Service Area: Loan Servicing/Administration						
Projects:						
PDC Loan Servicing	344,369	300,298				300,298
PDC Housing Admin	151,623	249,387				249,387
PDC Other Admin	192,585	0				0
National Development Council	0	60,000				60,000
Total Service Area	688,577	609,685				609,685
TOTAL HOUSING	15,345,411	9,589,241	3,645,257	0	4,725,708	17,960,206
PROGRAM: ECONOMIC DEVELOPMENT (C)						
Service Area: Community Economic Development						
Projects:						
PDC Target Dev Opportunity Strategy	300,000					0
PDC Outer SE Dev Opportunity Strategy		132,927				132,927
PDC NE Dev Opportunity Strategy		101,321				101,321
PDC Financial Assistance	356,308					0
PDC Outer SE Financial Assistance		193,782				193,782
PDC NE Financial Assistance		258,187				258,187

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
PDC Financial Assistance/DOS to New TADs		50,000				50,000
PDC Storefront Improvement	160,487	243,963				243,963
PDC Subtotal	816,795	980,180				
REACH Community Economic Development		50,000				50,000
Micro Enterprise Loan	46,000	46,000				46,000
PSU Business Outreach	80,000	82,500				82,500
NPF-Community Economic Development	100,000	100,000				100,000
HDC Contractors Support Program	44,835	46,211				46,211
<i>Total Service Area</i>	<i>1,087,630</i>	<i>1,304,891</i>				<i>1,304,891</i>
Service Area: Workforce Development						
Projects:						0
PDC Job Net	528,000					
WDB Activities		528,000				528,000
NPF Workforce Development (OSE)	50,000	50,000				50,000
Quality Jobs Initiative	217,000	217,000				217,000
<i>Total Service Area</i>	<i>795,000</i>	<i>795,000</i>				<i>795,000</i>
Service Area: PDC Administration						
Projects:						
PDC Econ Dev Admin	40,000	44,251				44,251
Loan Servicing		19,596				19,596
<i>Total Service Area</i>	<i>40,000</i>	<i>63,847</i>				<i>63,847</i>
TOTAL ECONOMIC DEVELOPMENT	1,922,630	2,163,738				2,163,738
PROGRAM: NEIGHBORHOOD IMPROVEMENTS (D)						
Service Area: Street Improvement Program	0	200,000				200,000
Projects:						
Design Small Street	54,400	184,800				184,800
LID- Brentwood-Darlington Phase II & III	850,000					0

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/ PILOT/PLPA	MAYOR'S PROPOSED TOTAL
					Budget	
Transportation Eng. Prog Mgmt	36,842	40,776				40,776
PDC LID Subsidy	89,153	99,862				99,862
LID-Auditor's Assessment	24,000	3,000				3,000
LID-NE 47th & Alberta	90,000					0
LID-NE 55th & Ainsworth	115,000					0
<i>Total Service Area</i>	<i>1,259,395</i>	<i>528,438</i>				<i>528,438</i>
Service Area: Park Improvement Program						0
Kennedy School Community Gardens		0		20,000		20,000
<i>Total Service Area</i>	<i>0</i>	<i>0</i>		<i>20,000</i>		<i>20,000</i>
Service Area: Community Planning						
Projects:						
Planning Bur-Community Planning Program	62,263	84,617				84,617
<i>Total Service Area</i>	<i>62,263</i>	<i>84,617</i>				<i>84,617</i>
Service Area: Public Facilities						
Projects:						
PDC Non Profit Facilities	252,611	251,930				251,930
<i>Total Service Area</i>	<i>252,611</i>	<i>251,930</i>				<i>251,930</i>
TOTAL NEIGHBORHOOD IMPROVEMENTS	1,574,269	864,985		20,000		884,985
PROGRAM: HOMELESS FACILITIES & SERVICES (E)						
Service Area: Homeless Services						
Sub-Service Area: Homeless Families/ESG						0
Projects:						
Mult Co - Homeless Families	130,626	0				0
Mult Co - Voucher Program	57,418	17,781				17,781
Salvation Army Family Winter Emergency				23,365		23,365

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
1998/99 PROGRAM BUDGET (Mayor's Proposed)
FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
ESG -Mult Co Willow Tree	10,835					0
<i>Total Service Area</i>	<i>198,879</i>	<i>17,781</i>		<i>23,365</i>	<i>0</i>	<i>41,146</i>
Sub-Service Area: Homeless Single Adults				618,000		618,000
Projects:						
TPI - Glisan Street/ ESG	424,796	325,000			76,414	401,414
TPI - Jean's Place/ McKinney		93,803			92,356	186,159
TPI - Clark Center/ ESG		300,000			76,414	376,414
TPI - Community Service Center		36,140				36,140
TPI - Contingency				40,090		40,090
CCC - A/D Free Transitional Housing/ ESG	173,324	0			172,672	172,672
CCC - Homeless Employment				12,555		12,555
Mult Co - Bridgeview	85,894	233,678				233,678
Mult Co - SHAC	156,300	0				0
Mult Co - Winter Shelter/ ESG	47,216	0				0
NW Pilot Project - Homeless Seniors/ ESG		106,743			99,500	206,243
St. Francis Public Toilets				3,000		3,000
MHSW -Project Respond/ East Side				65,500		65,500
Swindells/ ESG					30,000	30,000
REACH/ ESG				3,000	10,000	13,000
<i>Total Service Area</i>	<i>887,530</i>	<i>1,095,364</i>		<i>742,145</i>	<i>557,356</i>	<i>2,394,865</i>
Sub-Service Area: Homeless Youth		185,778		100,000		285,778
Projects:						
Mult Co - Youth Day Shelter	64,795	0				0
Mult Co - Youth Night Shelter	100,073	0				0
<i>Total Service Area</i>	<i>164,868</i>	<i>185,778</i>		<i>100,000</i>		<i>285,778</i>
Service Area: Facilities Development	190,000	1,065,000				1,065,000
Projects:						

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
BOB-Multi Family At Risk	98,352	97,650				97,650
CCC/Emergency Repair	185,557	191,680				191,680
<i>Total Service Area</i>	<i>473,909</i>	<i>1,354,330</i>				<i>1,354,330</i>
Service Area: Homeless Prevention						
Projects:						
Rent Assistance/PILOT	504,669		282,067		320,787	602,854
<i>Total Service Area</i>	<i>504,669</i>		<i>282,067</i>		<i>320,787</i>	<i>602,854</i>
TOTAL HOMELESS FAC & SERVICES	2,229,855	2,653,253	282,067	865,510	878,143	4,678,973
PROGRAM: YOUTH EMPLOYMENT & INVOLVEMENT (F)						
Service Area: Employment, Training & Support						
Projects:						
Technical Assistance	0			7,000		7,000
WDB-Continuum (YEP)	67,798			77,198		77,198
IMPACT Summer Program	7,405			7,744		7,744
WDB-Homeless Youth Employment Outside I	90,044			133,303		133,303
WDB-Summer Program	141,030			177,011		177,011
PIC-Graffiti Removal/SOLV	40,000					0
Oregon Outreach-Summer Youth	16,220			16,701		16,701
Mult Co YEPP	224,368			196,886		196,886
Southeast YEP				27,035		27,035
Youth Entrepreneurial Project				18,000		18,000
<i>Total Service Area</i>	<i>586,865</i>			<i>660,878</i>		<i>660,878</i>
Service Area: Community Services						
Projects:						
PIC-Community Pride	57,139			45,600		45,600
Open Meadow Learning Center	100,950			104,280		104,280

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
Community Service - Other (Marshall Caring)				28,585		28,585
<i>Total Service Area</i>	194,067			178,465		178,465
Service Area: Prevention						
Projects:						
Self Enhancement, Inc.	253,425	118,000		143,788		261,788
TLC- TNT	18,868			19,434		19,434
<i>Total Service Area</i>	272,293	118,000		163,222		281,222
TOTAL YOUTH EMPLOY & IMPROVEMENT	1,053,225	118,000		1,002,565		1,120,565
PROGRAM: PUBLIC SAFETY PROGRAM (G)						
Service Area: Outreach/Education						
Projects:						
Mult Co-Youth Outreach Gangs	88,642	91,567				91,567
Catholic Charities-SE Asian Outreach	22,051			22,869		22,869
<i>Total Service Area</i>	110,693	91,567		22,869	0	114,436
Service Area: Domestic Violence						
Projects:						
Bradley-Angle House-Emergency Shel	51,223					0
Bradley-Angle Transitional Housing	81,385					0
Mult Co Domestic Violence Coord	30,000			30,900		30,900
Mult Co.-Community Advocate	10,722					0
Ptld Women's Crisis Line	11,148					0
Prostitution Alternatives	10,000					0
Raphael House	60,155					0
Salvation Army/ESG	97,811					0
Volunteers of America	52,335					0
Y W C A	60,385					0
<i>Total Service Area</i>	465,164	0		30,900		30,900

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
Service Area: Treatment Programs						
Projects:						
CCC-CHIERS	285,070			294,452		294,452
Outside In-Needle Exchange	20,889			22,579		22,579
<i>Total Service Area</i>	<i>305,959</i>			<i>317,031</i>	0	<i>317,031</i>
TOTAL PUBLIC SAFETY PROGRAM	881,816	91,567		370,800		462,367
PROGRAM: COMMUNITY & TARGETED INITIATIVES (H)						
Service Area: Community Initiative Programs	200,000	200,000				200,000
<i>Total Service Area</i>	<i>200,000</i>	<i>200,000</i>				<i>200,000</i>
Service Area: Targeted Neighborhood Assistance	98,500	0				0
Projects:						
BOB-Nuisance	103,999	107,845				107,845
BOB-Target Housing	239,522	250,023				250,023
BES-Cleanups	15,000	15,000				15,000
<i>Total Service Area</i>	<i>457,021</i>	<i>372,868</i>				<i>372,868</i>
Service Area: Targeted Area Designation	0					0
Projects:						
TAD Areas	291,200	360,000				360,000
TAD Projects	0	50,000				50,000
TAD Technical Assistance	50,000	70,000				70,000
<i>Total Service Area</i>	<i>341,200</i>	<i>480,000</i>				<i>480,000</i>
Service Area: Citizen Participation						
Projects:						
Central NE Neighbors	9,104	0				0
Community Development Network	18,360	19,990				19,990

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/ PILOT/PLPA	MAYOR'S PROPOSED
					Budget	TOTAL
NECN-Livability	31,313	10,000				10,000
SEUL-Citizen Participation	42,336	10,000				10,000
<i>Total Service Area</i>	<i>101,113</i>	<i>39,990</i>				<i>39,990</i>
TOTAL COMMUNITY & TARGETED INIT	1,099,334	1,092,858				1,092,858
PROGRAM: ADMINISTRATION (A)						
BHCD Admin	1,061,718	1,109,720				1,109,720
HCDC Admin	110,981	114,209				114,209
Home/HOPWA Admin	174,631		210,199		19,492	229,691
Subtotal-BHCD	1,347,330	1,223,929	210,199		19,492	1,453,620
OF&A-Grant Compliance	44,564	46,035				46,035
HCDC Other Support						
HAP	63,609	65,000				65,000
Planning	90,878	93,890				93,890
City Housing Policy		56,700				56,700
BHCD City Housing Policy/Planning		25,000				25,000
Non Profit Technical Assistance to CBO's	75,000	75,000				75,000
TOTAL ADMINISTRATION	1,621,381	1,585,554	210,199		19,492	1,815,245

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/PILOT/PLPA Budget	MAYOR'S PROPOSED TOTAL
Indirect Cost						
Indirect Costs - General Fund	166,905	178,741				178,741
Indirect Costs - Transportation	51,765	35,519				35,519
Indirect Costs - Buildings	100,438	119,255				119,255
Indirect Costs - Env Services	2,466	2,375				2,375
<i>Total Indirect Costs</i>	<i>321,574</i>	<i>335,890</i>				<i>335,890</i>
General Operating Contingency						
General Operating Contingency	86,471	53,494	51,477			104,971
Strategic Reserve	75,000	75,000				75,000
<i>Total Contingency</i>	<i>161,471</i>	<i>128,494</i>	<i>51,477</i>			<i>179,971</i>
TOTAL INDIRECT & CONTINGENCY	483,045	464,384	51,477		0	515,861
TOTAL REQUIREMENTS	26,210,966	18,623,580	4,189,000	2,258,875	5,623,343	30,694,798

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
1998/99 PROGRAM BUDGET (Mayor's Proposed)
FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/ PILOT/PLPA	MAYOR'S PROPOSED
					Budget	TOTAL
RESOURCES						
CDBG Entitlement	12,166,000	12,083,000				12,083,000
CDBG Program income PDC	3,750,000	3,750,000				3,750,000
CDBG Program income Revolving Loan		1,581,747				1,581,747
CDBG Program income Richmond Place Carryover		60,000				60,000
CDBG Program Income-BOB	60,000	75,000				75,000
CDBG Program Income-HCDC	17,500	17,133				17,133
CDBG-Multnomah Co Sewer Payment	75,000	75,000				75,000
Unobligated Carryover	500,000	600,000				600,000
Obligated Carryover-Housing Policy	0	81,700				81,700
Obligated Carryover-Youth Facility	0	300,000				300,000
Subtotal	16,568,500	18,623,580	0	0	0	18,623,580
PLPA	2,383,800				3,979,200	3,979,200
Float	0					0
HOME	3,687,000		3,959,000			3,959,000
HOME Program income	200,000		230,000			230,000
General Fund Discretionary	1,385,675			1,470,875		1,470,875
General Fund Homeless	0			618,000		618,000
General Fund Add Packages	0			170,000		170,000
HOPWA Entitlement 97-98	758,000				766,000	766,000
HOPWA 96-97	667,000					0
Emergency Shelter Grant FY 97/98	315,000				465,000	465,000
ESG Carryover FY 95/96	5,566					0
ESG Carryover FY 96/97	16,000					0
McKinney					92,356	92,356
PILOT	224,425				320,787	320,787
TOTAL RESOURCES	26,210,966	18,623,580	4,189,000	2,258,875	5,623,343	30,694,798

BUREAU OF HOUSING & COMMUNITY DEVELOPMENT
 1998/99 PROGRAM BUDGET (Mayor's Proposed)
 FOR HOME, CDBG, AND GENERAL FUNDS

PROGRAM/Service Area/Projects	97/98 Adopted Budget	CDBG Budget	HOME Budget	GEN FUND Budget	HOPWA/ESG/ PILOT/PLPA	MAYOR'S PROPOSED
					Budget	TOTAL
SPECIAL APPROPRIATIONS						
REQUIREMENTS						
Civil Rights				11,562		11,562
OR Bureau of Labor & Industries				19,208		19,208
Fair Housing Council of Oregon - Testing				11,307		11,307
<i>Total Civil Rights</i>				42,077		42,077
Homeless	600,000			0		0
TOTAL REQUIREMENTS - Special Appropriations				42,077		42,077
RESOURCES						
Civil Rights				42,077		42,077
TOTAL RESOURCES - Special Appropriations				42,077		42,077

City of Gresham
Community Revitalization Program
RECOMMENDED 1998-99 CDBG ACTION PLAN BUDGET

Project No.	Activity/Sponsor	Request Amount	Recommend Amount
SOURCES			
	Gresham Entitlement Grant		663,000
	Development Fund from Prior Years		618,000
	Estimated Program Income from 1997-98		20,000
	TOTAL AVAILABLE		1,301,000
USES			
<u>Housing Development/Rehabilitation</u>		649,000	649,000
1703	Sewer Hookup Program - SOS	200,000	200,000
1727	Adapt-A-Home Rehab - Unlimited Choices, Inc.	70,000	70,000
	HOUSE Gresham - HOST Development	300,000	300,000
	Gresham Supportive Hsng - Ptl'd Supportive Hsng	79,000	79,000
<u>Public Improvements/Community Facilities</u>		300,149	300,149
	Rockwood Grange - Rockwood Grange	16,000	16,000
	SE 165th Ave. - City of Gresham	284,149	284,149
<u>Public Services (15% of Gresham Grant & Program Income)</u>		104,387	102,450
1711	Fair Housing Assistance - MCLAS	4,357	4,268
1731/1709	Emergency Housing Vouchers-Multnomah County	5,365	5,255
1731/1714	Transitional Housing - Human Solutions, Inc.	33,365	32,682
1731/1722	EI Programa Hispano - Catholic Comm. Svcs	42,500	41,630
1712	Dental Services - Neighborhood Health Clinics	9,000	8,815
	Community Kids - Mt Hood Community Headstart	9,800	9,800
<u>Project Implementation</u>		80,000	80,000
	Project Implementation - City of Gresham	80,000	80,000
<u>Administration (20% of Gresham Grant & Program Income)</u>		136,600	136,600
1701	City/Staff/Contract Expenses	125,892	125,892
1721	HCDC/Consolidated Plan - City of Portland	10,708	10,708
<u>Contingency</u>			32,801
TOTAL REQUESTED / ALLOCATED		1,270,136	1,301,000

City of Gresham
 Community Revitalization Program
RECOMMENDED 1998-99 HOME ACTION PLAN BUDGET

Project No.	Activity/Sponsor	Request Amount	Recommend Amount
SOURCES			
	Gresham Grant		316,720
	Development Fund from Prior Years		305,000
	TOTAL AVAILABLE		621,720
 USES			
	<u>Housing Development/Rehabilitation</u>	485,836	475,836
1717	CHDO Operating Expenses - Human Solutions, Inc.	15,836	15,836
	Columbia Cottages - Cook Development	280,000	270,000
	Home Ownership - Habitat for Humanity	90,000	90,000
	Ava House II - Mt Hood Mental Health	100,000	100,000
	<u>Public Services</u>	18,000	18,000
1733	Rent Assistance - Housing Authority of Portland	18,000	18,000
	<u>Administration (10% of Gresham Grant)</u>	31,672	31,672
1702	City/Staff/Contract Expenses	12,652	12,652
	Portland/HOME Administration	14,455	14,455
	Portland/Rent Assistance Administration	4,565	4,565
	<u>Development Fund</u>		96,212
	TOTAL REQUESTED / ALLOCATED	535,508	621,720

RECAPTURE AND RETENTION REQUIREMENTS

The City of Gresham provides this program to bring homeownership opportunities within the reach of households who could not otherwise buy their own homes. Long term affordability mechanisms preserve the public subsidy so that future low and moderate income homebuyers may also be assisted. The subsidy recapture and retention mechanisms tie the length of affordability or the amount of funds recaptured to the amount of public subsidy provided.

The following table outlines the recapture and retention requirements, based on the subsidy per unit provided to the project.

Subsidy per Unit	Affordability Mechanism	Eligible Applicants
Less than \$30,000	Recapture - Shared Appreciation Mortgage Years 0-7: 2% per thousand of subsidy, multiplied by net appreciation Years 8+: 1% per thousand of subsidy, multiplied by net appreciation	Nonprofit Developers* For-profit Developers
Less than \$30,000	Retention - Ground Lease with Resale Restrictions	Nonprofit Developers*
*Non-Profits can choose a SAM or Ground Lease when borrowing less than \$30,000 per unit		

MULTNOMAH COUNTY
Community Development Block Grant Program
HOME Investment Partnership Program
1998-99 Recommended Projects
(Subject to Approval by Board of County Commissioners)

Program	Recommended Projects	Agency/City	Total
CDBG	NW Distribution Main - Ph II	Burlington Water District	\$ 34,225
	City Park Improvement - III	City of Wood Village	32,380
	Sixth/Harrison Storm Drain	City of Fairview	54,879
	Transitional Housing Program	Human Solutions, Inc.	29,351
	Housing Assistance Project	Multnomah County Legal Aid Service	3,417
	Neighborhood a Vecino	Neighborhood Health Clinics	9,000
	Fair Housing Assistance	Multnomah County Legal Aid Service	7,500
	Fair Housing Enforcement Program	Fair Housing Council of Oregon	2,600
	Adapt-A-Home	Unlimited Choices, Inc.	65,000
	Parcel Acquisition	Mt. Hood Habitat for Humanity	65,000
	Administration		72,648
		Total:	
HOME	Set-Aside for Eligible Projects	Total:	\$221,704
CDBG/HOME RECOMMENDED PROJECTS GRAND TOTAL:			\$597,704

APPENDIX B.

Public Hearing and Responses

Appendix B is on file in each of the jurisdiction's offices.

For copies contact:

Portland: 823-2375

Gresham: 618-2378

Multnomah County: 248-3631

PUBLIC HEARING TESTIMONY

April 8, 1998

Tasha Harmon, Community Development Network

Harmon stated that HCDC should amend Principle III to add "a minimum of" before 60 years. The sentence would then read, "There should be a direct relationship between the amount of public subsidy and the number of units affordable for a *minimum of 60 years*." This would be consistent with the language proposed by the committee on Long Term Affordability. There wasn't much in the March 4 Draft Consolidated Plan on preservation, which is a crucial issue. She urged HCDC to make a recommendation strongly supportive of the development of policies which address loss of affordable housing from any cause.

She distributed written testimony (attached) which addresses some of the issues brought up at last month's meeting regarding the proposed replacement housing ordinance. She recommended that the workgroup include representatives from all five of the groups that worked on the replacement ordinance proposal. Harmon is hopeful that HCDC might also forward a strongly worded endorsement of the concept of taking action to address the imbalance in the power struggle between for-profit landlords right to make large profits and the rights of tenants to have affordable housing.

Harmon also encouraged HCDC to forward a strong recommendation to have an increased add package for housing.

Will White, Housing Development Center

White stated he would like to see the Long Term Affordability policy in place to affect the PDC RFP going out 4/15. If there is not enough time to get this policy through both HCDC and the PDC Board, he would at least like to see a strong recommendation that the policy adopted by HCDC be a part of the RFP review policy, or that bonus points be given to projects which willingly offer longer periods of affordability. It is also important that the Consolidated Plan language reflect an update in the current long term affordability policy from the old policy. The current policy links the amount of subsidy to the length of affordability, rather than to the depth of the subsidy. White recommended that all subsidized units be affordable for a minimum of 60 years and that there be a direct relationship between the amount of the subsidy, the depth of affordability and the percentage of units which are affordable. He encouraged HCDC to look at the long term since the need for affordable units will only increase. White also emphasized that it is important to make sure developers are held to the promises they make at the time they secure funding. He agreed that there needs to be flexibility, particularly for mixed incomes projects, but cautioned against a policy which allows affordability to diminish over time. White prefers to underwrite a project with a mix of incomes from the beginning. He addressed the concern that there may be some areas of downtown, in which specific projects have been proposed, where the current market would not allow the desired breadth of income mixes. In response, White quoted HDC research which showed that the difference between rents in seasoned and new buildings on the East Side is only about 6%. In downtown, however, seasoned buildings are affordable at 70% Median Family Income (MFI) while new buildings have average rents affordable to 130% MFI. This research led White to the conclusion that the market will support mixed income developments downtown, and that the problem in some areas is a lack of other new buildings to use as comps in appraisals and underwriting. White cautioned HCDC to keep an eye on long term affordability in projects funded with 4% tax credits and bonds. Many of these projects are privately owned, have 60% MFI rents, and promise only 30 years of affordability. We need to get things affordable for a minimum of 60 years. White reiterated from last month's public testimony, that permanent affordability is the desired good, but the 60 year affordability standard was reached for technical and legal reasons.

Written testimony attached:

- Tasha Harmon, Community Development Network
- Bob Chaples, Community Energy Project, Inc.
- Janet Byrd, Oregon Housing HOW Coalition

**Discussion/Actions of
Housing and Community Development Commission
1998-99 Action Plan**

1. Approved replacement wording for Principle III contained in April 8 Draft, as well as recommendation to insert "a minimum of" before 60 years. Principle III changed to read: *There should be a direct relationship between the amount of public subsidy and the number of units affordable for a minimum of 60 years.* (See pages 10-11.)
2. Regarding coalition's replacement housing proposal:
 - HCDC agreed to the formation of a group to work with Commissioner Kafoury to formulate recommendations, but felt it was premature to support specific actions at this time.
 - HCDC agreed to recommend that Commissioner Kafoury include tenant representation on her work group, and that other than naming its own representative, HCDC would not recommend specific individuals.
 - HCDC agreed that they would support Commissioner Kafoury's "aggressive time line" for developing a recommendation to take to City Council.
3. HCDC strongly recommends the add package for housing requested by the City of Portland's Bureau of Housing and Community Development.
4. HCDC approved other revisions proposed by Outcomes Committee and staff which include:
 - Deletion of tables dealing with "needs/gaps analysis" in Appendix A in April 8 Draft. In place of the tables 4 paragraphs were added to "Needs Assessment", now on page 8.
 - Revision of Table 1, page 8, on homeless people sheltered November 19, 1997.
 - Changes in Priority 3 to reflect changes in home buyer programs and minor change to Priority 2 (page 11).
 - Editing of first two paragraphs of "Homeless and Other Special Needs" to highlight changes the City and County made in responsibilities for homeless populations October, 1997.
 - Addition to Table 3, p. 21, of Gresham's funding for Fair Housing Enforcement.



Testimony For HCDC on the Replacement Housing Ordinance, April 8th, 1998 by Tasha Harmon, for the Community Development Network, and the alliance of groups proposing the ordinance to City Council.

Having provided an overall presentation on the replacement ordinance proposal at your last meeting, I would like today to focus in on the issues we heard raised by those opposed to the ordinance, and to concerns reflected in the minutes of the HCDC Executive Committee meeting included in the packet for this meeting.

HCDC's Executive Committee observed that "(the proposal) does not protect the poorest, vulnerable elderly, most fragile populations, but that is where the greatest problem and most need lies". Our proposal does not exclusively focus on that population, and it will not meet all of their needs, but it is a crucial piece of the multi-level response to the needs of these people that needs to happen. Other pieces include the development of more subsidized units for this population, related increases in public subsidies available for housing, education efforts to counter exploitative housing sale and refinancing offers for poor homebuyers, etc. However, without a replacement ordinance, many members of our most fragile populations will be displaced from their homes and find themselves without decent housing options. Also, the other renters protected by our proposal will, without a strong replacement ordinance, be competing with the most vulnerable renters for an extraordinarily limited pool of affordable rental housing.

Non-profits developing
affordable housing and
revitalizing neighborhoods

We have heard from the landlord associations that the replacement ordinance would place an unfair burden on a small segment of the population to address a community problem. 1) Owners of affordable housing who decide to convert that housing to other uses in order to increase their profits are playing a disproportionately large role in the displacement of vulnerable tenants and the concentration of the city's housing stock in ways that do not reflect the demographics of our population. 2) They are also unfairly transferring costs to the public sector -- the displaced tenants often need increased services (to find housing, provide shelter, etc.). 3) The replacement ordinance should be only one small part of a larger affordable housing with important roles to play for all sectors of our economy and society. 4) Most of the people making this argument have opposed the strategies advocates have proposed to substantially increase public funding for affordable housing through methods that would distribute the costs more broadly (the RETT, larger general fund allocations, etc.) We have heard no concrete alternative proposals about how to meet the needs.

We have heard from the landlord associations that the replacement ordinance is rent control. Our proposal does not limit the amount of rent a landlord can charge in any way. It requires that when a landlord removes housing from the affordable stock by implementing a rent increase of 25% or more in a single year that he/she replace the units lost. Think about what a 25% increase in your own housing costs would mean --- that is a lot of money. There are exemptions for justifiable increases in the proposal.

We have also heard from several people that the replacement ordinance should only apply to subsidized units. The replacement ordinance proposal is specifically designed to address the displacement that is happening due to private sector actions, and to affect the housing stock that is not under public control. This is where the vast majority of the units are being lost.

We support taking the immediate steps outlined by the Preservation Task force. This would be a positive step forward in these crucial efforts to save affordable housing in Portland.

We are, however, disappointed that the HCDC packet includes no recommendations supporting the development of policies that would address the loss of affordable rental units through demolition, conversion, withdrawal from government programs and outrageous rent increase. We feel that HCDC's proposed action -- convening the work group -- does not reflect the urgency of the situation faced by low income renters. We agree that the work group needs to be convened and are please that the recommendation reflects the need to have a technical group working on the ordinance while the group is meeting, but it had been our hope that HCDC would at minimum present a strong statement about the need for policies to address the needs identified and perhaps even an endorsement of regulatory action that would address private sector actions.

Finally, we are concerned that the five groups who brought the replacement ordinance proposal forward may not all be represented on the working group as proposed in documents we have seen. Each of these groups has a unique perspective to offer on these issues and have worked hard to bring these needs and ideas to the attention of HCDC and City Council. We deserve to be at the table when these discussions take place.

Thank you for your attention to this crucial issue.

Community Energy Project Inc.

422 N.E. Alberta St. • PO Box 12272 • Portland, OR 97212 • TEL. 284-6827 • FAX 284-9403

April 2, 1998

Wendy Cherubini
Program Manager
Housing and Community Development Commission
808 S.W. Third Avenue, 6th Floor
Portland, Oregon 97204

Dear Wendy:

Thank you for sending us the draft of the Consolidated Plan, 1998-1999 Action Plan. The plan for next fiscal year has a wide range of activities to address affordable housing and other low income issues in Portland, Gresham and Multnomah County.

The impact of energy bills on low income families has certainly increased since 1995 the first year of the plan. Because Bonneville Power Administration forced a reduction of their residential exchange program, PGE raised residential electric rates by 12% and Pacific Power by 2 1/2 percent. Northwest Natural Gas also had to raise their residential rates 14.50% to pay for increased whole sale price of natural gas. Some of the low income clients we see in our energy conservation programs tell us they have a \$150 to \$200 electric bill they have to pay their utility company and this is during a mild Winter. When Winters get colder in subsequent years energy costs for low income families will be even higher. Helping low income families reduce these energy costs helps them to have more affordable homes.

The other major change in the utility industry since 1995 are the moves to deregulate the electric utility industry. In a deregulated competitive electric industry market there is little or no incentive for the power companies to promote conservation programs for low income families or anyone else. Our concerns are that in a deregulated electric utility market low income families who usually do not have a say in their energy rates will again end up paying for a disproportionate share of electric utility costs. It will be up to the individual consumer to reduce their electric utility bill.

Because of a prior family commitment I will not be able to attend the HCDC meeting on April 8, 1998. However I did want to have the above information on record for the consolidated plan update.

Best Regards,

Sincerely,



Bob E. Chaples
Director

EVERYONE DESERVES A HOME!



Oregon Housing NOW Coalition
2710 NE 14th
Portland, OR 97212

Incorporating the mission of Burnside Advocates Group

**Written Comments of Janet Byrd, Oregon Housing NOW Coalition
HCDC Hearing on the Consolidated Plan Annual Update
April 8, 1998**

I'm sorry that I am unable to attend tonight's meeting in person. I have just a few comments about the Consolidated Plan Update.

Change to Existing Principle 3

I would like to support the proposed change to the Existing Principle number 3. As a member of the long-term affordability working group I very much support the principle of requiring a minimum of 60 years of affordability in exchange for public subsidy. As we make decisions about the allocation of scarce public resources, I believe we must work to constantly maximize both the permanency of our work and our impact on very low income households. I would encourage that as PDC works to develop guidelines for the implementation of this policy that we challenge ourselves and our assumptions, and set the standard as high as we possibly can.

Additions to Housing Market Analysis

I would like to add to the consideration of market conditions a recognition of the accelerated number of prepayments and opt-outs by private owners of HUD subsidized housing. This trend is likely to accelerate over the next few years absent public intervention because of the interplay of a number of factors: increasing uncertainty about the terms of HUD contract renewal; increasing pressure by HUD on owners to make physical improvements; and the growing range of options available to owners because of increasing market values.

As we all know, these decisions made by private owners have a significant impact on the tenants of the properties involved as well as on the entire community.

OPT I O N S F O R I N D E P E N D E N T L I V I N G

Program:

Unlimited Choices, Inc. is a private, nonprofit organization serving Portland, Gresham and other Multnomah County residents. Founded in 1993, we are dedicated to providing people who have physical disabilities with the opportunity to gain or retain their independence by making affordable housing accessible.

Participants in our Adapt-A-Home project are people of all ages with physical disabilities who have low, fixed incomes and are either in institutional settings or face going to one without accessibility modifications made to their existing or future homes.

Adapt-A-Home project participants must qualify by HUD income guidelines and may be either renters or home owners. Community development block grant monies of up to \$2000 may be allocated for



the materials and labor necessary to make houses or rental units accessible and safe.

Modifications to the residence are made by licensed, bonded and insured contractors through a competitive bid process. As the program is designed to expand the supply of accessible, affordable housing in the area, structural changes are permanent, and property owners must agree to keep them in place for future tenants.

Services:

Project Coordination: We manage all project activities from the initial referral and intake process to completion of the project, communicating regularly with the client, case manager, property owner, social worker, family members and other stakeholders.

On-Site Assessment: A rehabilitation specialist visits the home and, with the client, designs a cost-effective plan which addresses the client's specific accessibility needs.

Request for Bid (RFB): The specification list is sent to licensed, bonded and insured contractors, experienced in the field of accessibility. This competitive bid process allows for selection of a contractor with the most compelling bid for the specified work.

Owner's Permission & Release: When accessibility modifications are to be made to rental properties, we work directly with the property owner throughout the process. We also assist owners in finding new tenants for a unit modified by our program when one becomes available.

Oversight: We are in direct communication with both the contractor and the client throughout the construction process to resolve conflicts, answer questions and generally facilitate a successful housing rehabilitation project for all concerned.

Inspection, Completion and Payment: Our staff conducts a thorough inspection of the finished job to ensure compliance and satisfaction. Upon final approval by the

client and property owner, we pay the contractors.

Tracking: Follow-up and tracking are done on all of Unlimited Choices' rehabilitation projects. When a vacancy occurs in a rental home, we notify all interested parties.

Modifications:

Accessible housing modifications available through the Adapt-A-Home project include

- Wheelchair ramps
- Raised Toilets
- Widened doorways
- Hand-held shower heads
- Grab bars
- Hand rails
- Barrier free bathrooms
- Other related accessibility modifications



The focus of Unlimited Choices, Inc. is to promote independence, empowerment, safety and dignity for individuals of all ages with physical disabilities. We are supported through CDBG funds from Multnomah County, City of Portland, City of Gresham, contracts for service, and donations from individuals and the United Parcel Service Foundation.



For more information, please call

Unlimited Choices, Inc.
5530 E. Burnside
Portland, Oregon 97215

503-234-6167 phone
503-234-9980 fax

Unlimited Choices, Inc. and the Adapt-A-Home project have received the following awards:

National Community Development Association (NCDA)
Audrey Nelson Community Development Achievement Award

National Association for County Community and Economic Development (NACCED)
Annual Award of Excellence

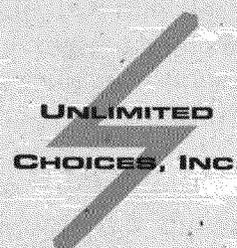
National Organization on Disability (NOD)
Community Award

Oregon Disabilities Commission (OCD)
Distinguished Service Award

Portland/Multnomah Progress Board
Benchmarks Results Award



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ADAPT-A-HOME PROJECT
PROGRAM INFORMATION