The City has invested $207 million since 2000 in the eastside neighborhood of Lents to improve the economy, housing, and infrastructure.

Lents was — and still is — home to vulnerable and disadvantaged communities. The percentages of people of color, immigrants, and those with lower incomes are higher in Lents than citywide.

Prosper Portland and the Housing Bureau manage the City’s investments in Lents. This audit is based on data gathered and assessed by the Auditor’s Office and external analysts to determine to what extent the City’s ambitious goals for Lents were achieved. Results were mixed.

Prosper Portland’s management suggested that progress should be measured based on projects planned and completed. We agree this is important. But it is also important to evaluate the results of those projects on the community — has poverty declined? Is housing more affordable?

The Housing Bureau has regularly reported on new housing units and analyzed affordability for an area approximating Lents. But Prosper Portland reported primarily on key projects and created forward-looking plans, rather than comprehensively assessing and reporting how its investments have changed the Lents economy.

If the City does not measure progress toward urban renewal goals and results, it cannot make mid-course adjustments strategically.

We compared the Lents data to those for a nearby neighborhood that did not receive urban renewal investment and the city as a whole. The comparison area includes parts of the Montavilla and Mount Tabor neighborhoods. The comparison area was similar to Lents in demographics and jobs in 2000.

---

**Is Lents better off?**

<table>
<thead>
<tr>
<th>Neighborhoods</th>
<th>Lents</th>
<th>Comparison: Montavilla</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate for residential lots</td>
<td>-3% points</td>
<td>-2% points</td>
</tr>
<tr>
<td>Gentrification</td>
<td>increased</td>
<td>increased</td>
</tr>
<tr>
<td>Property values</td>
<td>+63%</td>
<td>+89%</td>
</tr>
<tr>
<td>Homeownership for people of color</td>
<td>-10% points</td>
<td>+6% points</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing</th>
<th>Lents</th>
<th>Montavilla</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordable housing units</td>
<td>+476 units</td>
<td>+16 units</td>
</tr>
<tr>
<td>Home prices</td>
<td>+71%</td>
<td>+95%</td>
</tr>
<tr>
<td>Apartment rents</td>
<td>+2%</td>
<td>-5%</td>
</tr>
<tr>
<td>People who can afford their rented home</td>
<td>-17% points</td>
<td>-5% points</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jobs and Income</th>
<th>Lents</th>
<th>Montavilla</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs</td>
<td>+36%</td>
<td>+16%</td>
</tr>
<tr>
<td>Wages</td>
<td>-4%</td>
<td>-1%</td>
</tr>
<tr>
<td>Income</td>
<td>-24%</td>
<td>-5%</td>
</tr>
<tr>
<td>Poverty rate</td>
<td>+7% points</td>
<td>+5% points</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commercial Areas</th>
<th>Lents</th>
<th>Montavilla</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate for commercial lots</td>
<td>-3% points</td>
<td>-2% points</td>
</tr>
<tr>
<td>Number of businesses</td>
<td>+31%</td>
<td>+24%</td>
</tr>
</tbody>
</table>

---

**What is urban renewal?**

Urban renewal is a redevelopment tool that relies on a financing method of borrowing, investment in a specific area, and repayment. The City borrows money to invest in various projects within the zone. The improvements lead to increased property taxes, which are captured to pay back the borrowed money.

The tradeoff in using urban renewal for redevelopment is that the increased property tax revenue cannot be spent on other City priorities or by other jurisdictions, such as schools.
# Goals and Projects

The City set ambitious goals for Lents in the 1998 urban renewal plan and added others in more recent documents:

<table>
<thead>
<tr>
<th>Neighborhoods</th>
<th>Housing</th>
<th>Jobs and Income</th>
<th>Commercial Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revitalize residential neighborhoods and increase livability</td>
<td>Provide new and rehabilitated housing; create housing opportunities that allow existing Lents residents of all ages and incomes to remain</td>
<td>Help businesses create family-wage jobs and make these jobs available to area residents</td>
<td>Increase the vitality and economic health of commercial areas, support businesses, increase business profitability</td>
</tr>
<tr>
<td>Raise homeownership among people of color</td>
<td>Re rehabilitate 75-125 rental units and develop 150-250 new units by 2005</td>
<td>Intensify industrial uses</td>
<td>Stimulate development in the Lents Town Center, rent out and redevelop Prosper Portland-owned properties, promote private investment, and support businesses on Foster Road</td>
</tr>
<tr>
<td>Focus on racial equity and anti-displacement since 2013</td>
<td></td>
<td>Increase employment by people of color, self-sufficiency, and middle-wage jobs</td>
<td></td>
</tr>
</tbody>
</table>

To achieve the goals, Prosper Portland and the Housing Bureau funded various projects:

<table>
<thead>
<tr>
<th>Direct support for homeowners included:</th>
<th>Support for affordable housing included:</th>
<th>Prosper Portland’s support for businesses included:</th>
<th>Land purchases and redevelopments included:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homebuyer assistance: $11 million helped about 200 people buy their first home in Lents</td>
<td>Svaboda Court: $2 million for 12 new townhomes</td>
<td>Ararat Bakery: $3 million</td>
<td>Asian Health and Service Center: $5 million</td>
</tr>
<tr>
<td>Home repairs: $6 million went to about 600 homeowners</td>
<td>The Glen Apartments: $4 million for renovations</td>
<td>Zoiglhaus brewpub: $1 million</td>
<td>Ground-floor commercial space in the Lents Town Center</td>
</tr>
<tr>
<td></td>
<td>72Foster: $4 million for 101 new apartments</td>
<td>Portland Mercado: $1 million</td>
<td>Storefront improvement grants: $3 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bridgetown Natural Foods: $300,000</td>
<td></td>
</tr>
</tbody>
</table>
Neighborhoods

Residential neighborhoods make up most of the Lents urban renewal area. The City provided financial support directly to homeowners for repairs and to first-time homebuyers to revitalize neighborhoods. About 800 people benefited from the programs.

Property values shot up

Property values rose by 63 percent in Lents, but the increase lagged that of the comparison area and the city as a whole. A rise in property values is desired by urban renewal, but could also be a sign of gentrification.

Homeownership rate fell among people of color

Lents houses more people of color now than in 2000, but the growing population largely rents, instead of owning homes. It has been Prosper Portland’s goal since 2015 to raise the homeownership rate among people of color in Multnomah County. In Lents, the rate fell from 51 to 41 percent of households, but in Montavilla it grew from 46 to 52 percent.

Fewer lots are vacant

Lents has fewer vacant residential lots, which indicates an increase in development activity.

Where did $207 million go?

The City has invested...

... $17 million to revitalize neighborhoods...

... $27 million on infrastructure...

Streets, sidewalks, light rail, and parks

= $1 million in 2018
Renting in Lents stresses wallets

Three out of five renters in Lents were burdened by rental costs, according to data for 2013-17. When households spend more than 30 percent of their income on housing, it is considered a burden.

This is worse than Montavilla and citywide, where half of renters are burdened.

Urban renewal funds helped build housing

More affordable housing units exist in Lents now. The City has contributed funds for 627 affordable housing units as of 2019. These 627 units make up 6 percent of all housing in Lents. This dwarfs Montavilla’s 24 City-funded affordable housing units.

Goals for building affordable housing in Lents are from 2000 to 2005 and outdated.

Apartments rents reached nearly $1,000

Apartments rents averaged $954 in 2018, which was 2 percent higher than 2000, taking inflation into account. This modest increase was countered by falling incomes.

House prices soared

Home prices soared citywide, though less so in Lents. Houses in Lents were still cheaper than in Montavilla.

The City has invested...

...$41 million on housing...
Including $5 million on housing administration/overhead
Jobs increased

The number of jobs in Lents has increased 36 percent since 2003, exceeding the growth rate in the comparison area and citywide. Job growth in Lents was strong among administrative/support businesses, health care, and manufacturing businesses.

Lents also saw industrial intensification, as manufacturing jobs grew by 85 percent to nearly 700. Transportation and warehousing jobs grew by 60 percent to about 900. These growth rates outpaced the city overall.

Prosper Portland, however, has not analyzed Lents-specific unemployment data. The agency has a goal to lower unemployment among people of color citywide and also committed to tracking employment and unemployment for Lents.

Wages fell

Average wages in Lents fell by 4 percent between 2003 and 2017, while those in Montavilla fell 1 percent. Citywide, wages went up.

At $37,606, the average wage for Lents workers was lower than middle wage, $46,000, which is a Prosper Portland goal.

Incomes of Lents residents plunged

Incomes of Lents residents did not rise. In fact, median household income fell 24 percent, having been eroded by inflation since 1999. Lents incomes were already low before urban renewal started.

Poverty rose

Poverty rates were worse in Lents than Montavilla and citywide (16 percent).

23% of residents in Lents are experiencing poverty

Self-sufficiency—defined as $71,000 for a family of four in 2017—remains out of reach for many Lents residents.

The City has spent...

... $7 million to support jobs...
... $31 million on administration/overhead...
... $10 million on Prosper Portland staff...
More development on commercial/industrial land

The vacancy rate for commercial, industrial, and mixed-use lots decreased in Lents and Montavilla, but less than the city as a whole.

Number of businesses in Lents grew

Lents outpaced Montavilla in its count of businesses, which accelerated citywide as well. But Prosper Portland has no data for its goal to raise business profits.

Multiple large projects completed in Lents Town Center with urban renewal funds

1. Assurety Northwest commercial building $2 million
2. Asian Health & Service Center $5 million
3. Woody Guthrie Place $12 million for 16 affordable and 48 market-rate units
4. 92/Harold $3 million spent, with plans for future development
5. Bakery Block $3 million spent, with plans for future development
6. Portland Homeless Family Solutions shelter $500,000
7. Oliver Station $22 million for 125 affordable units, 19 market-rate units, and retail space
8. Lents Commons $17 million for 16 affordable units, 38 market-rate units, and retail space

The City has invested...

... $74 million to revitalize commercial areas
Racial Equity and Anti-Displacement

The 1998 urban renewal plan set anti-displacement goals when calling for housing and jobs to benefit Lents residents. Prosper Portland also acknowledged that its urban renewal activities in Northeast Portland had caused displacement there and has made racial equity a priority since 2013. Its strategic plan sets specific targets to enhance the prosperity of people of color.

Analyses fell short

Until 2019, Prosper Portland’s equity policy required equity analyses/assessments for each major project, including consideration of disparities and beneficiaries. Prosper Portland did not have such project-specific analyses for Lents. Rather than apply the policy and carry out in-depth and project-specific analyses, Prosper Portland cited some area-wide studies from 2010 to 2014 and programs with equity purposes, described on the following page.

Data shows that, despite these equity efforts, housing affordability and overall wealth are still problems in Lents. Some data to measure the prosperity of people of color was not available to Prosper Portland.

Gentrification has accelerated in Lents and now affects much of East Portland

Gentrification accelerated in Lents, the comparison area that includes parts of Montavilla and Mount Tabor, and East Portland generally. Gentrification is defined as an undervalued neighborhood becoming desirable, resulting in rising property values and changes to demographic and economic conditions.
Prosper Portland should begin and the Housing Bureau should continue to periodically measure economic results for the goals they have set, update goals as needed, and report progress to the public.

**Recommendations**

Prosper Portland should begin and the Housing Bureau should continue to periodically measure economic results for the goals they have set, update goals as needed, and report progress to the public.

**What has Prosper Portland accomplished?**

<table>
<thead>
<tr>
<th>Equity activities</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grants</strong></td>
<td>Prosper Portland says it has dedicated grants to people of color and long-time property owners since 2013. Since fiscal year 2017, about half of grants went to business/property owners of color. For example, local retail businesses, Friends of Zenger Farms, and the Earl Boyles Neighborhood Center received grants.</td>
</tr>
<tr>
<td><strong>Contracting</strong></td>
<td>All recent construction projects funded by urban renewal met City goals for subcontracting at least 20 percent of the cost to disadvantaged, minority-owned, women-owned, or emerging small businesses, according to City procurement reports. Final results for some construction projects had not been reported during this audit.</td>
</tr>
<tr>
<td><strong>Construction jobs</strong></td>
<td>All but one recent construction project funded by urban renewal met requirements for hiring people of color and training apprentices, according to City procurement reports. Prosper Portland requires that people of color perform at least 30 percent and women perform at least 15 percent of the work hours. The developer of Oliver Station fell behind on the apprentice requirements and paid a fine.</td>
</tr>
<tr>
<td><strong>Public benefits</strong></td>
<td>Developers promised to hold public meetings and reduce negative construction impacts. The benefits of these activities are difficult to quantify.</td>
</tr>
<tr>
<td><strong>Affordable spaces for businesses</strong></td>
<td>The affordable commercial space at Oliver Station was partly occupied last summer, while Prosper Portland was in negotiations with a tenant for the vacant retail space at Lents Commons. Both buildings opened in 2018. Half of 7,500 commercial square feet at Lents Commons and 4,000 of 29,000 square feet at Oliver Station are dedicated to this program.</td>
</tr>
<tr>
<td><strong>Equity analyses and cultural outreach</strong></td>
<td>Prosper Portland did not have project-specific equity analyses for Lents. Before finalizing plans for future development at 92nd Avenue and Harold Street, Prosper Portland carried out culturally-targeted outreach, but some stakeholders criticized it as insufficient. Prosper Portland had not identified a data source for its goal to improve the diversity of business owners.</td>
</tr>
</tbody>
</table>

**Equity analyses and cultural outreach**

Prosper Portland’s 2016 equity policy requires equity and disparity analyses for every project.

**Contracting**

Large construction projects funded with City dollars have to follow equitable contracting requirements.

**Construction jobs**

Prosper Portland supports construction jobs and has workforce and apprenticeship requirements.

**Public benefits**

Developers of the Lents Town Center agreed to provide certain public benefits.

**Affordable spaces for businesses**

Two buildings in Lents offer a 10-percent discount on rent to businesses that are diverse and serve local needs.

Mary Hull Caballero  Portland City Auditor  
Audit Services Director  Kari Guy  
Audit Team  
Minh Dan Vuong, Performance Auditor II  
Dylan Cain, Audit Services Intern

We adjusted dollar amounts prior to 2019 for inflation and show them in 2018 dollars, unless noted otherwise. We also rounded numbers.
Objective, Scope, and Methodology

This audit evaluates the success of the Lents Town Center Urban Renewal Area by:

1) Quantifying economic and equity outcomes
2) Assessing the alignment of major projects with desired outcomes
3) Quantifying anti-displacement efforts.

We reviewed urban renewal from when the first projects launched in 2000 through present. Urban renewal projects were managed by Prosper Portland, formerly known as Portland Development Commission, and the Portland Housing Bureau. We focused on major investments rather than cover every single urban renewal project. Our audit fieldwork ended in August 2019.

Goals for the urban renewal area also cover public involvement, the environment, transportation, parks, and community identity; we did not focus on these goals as most spending supported commercial revitalization and housing.

We used existing goals adopted by City Council or articulated by Prosper Portland and the Housing Bureau. When their goals were broadly phrased and lacked numeric targets, such as “Maintain and increase livability of residential neighborhoods,” we selected indicators we believed appropriate – property values and lot vacancies in this case.

When measuring the performance of programs, there are many different indicators one can study: inputs, such as spending/staffing; workload, such as number of grant applications; outputs, such as number of units built; and outcomes. This audit is focused on measuring outcomes – to what extent the investments have changed people’s situations, the economy, and housing market.

We contracted with the Metro Data Resource Center to tabulate certain data for us.

We analyzed spending, population, economic, and housing data for Lents, which may also show broader economic trends beyond the City’s control or the effects of investments by other entities. To isolate the effect of urban renewal in Lents, we compared changes over time with a comparison area that did not receive urban renewal investments. We chose parts of Montavilla and Mount Tabor as the best comparison area (Census Tracts 16.01, 16.02, 17.01, and 17.02). This choice was based on the racial make-up, income, language spoken, and jobs profile of Portland at the start of Lents urban renewal.

<table>
<thead>
<tr>
<th>Census data (2000)</th>
<th>Lents Census Tracts</th>
<th>Montavilla Census Tracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>22,979</td>
<td>20,718</td>
</tr>
<tr>
<td>White, non-Hispanic</td>
<td>73%</td>
<td>75%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>10%</td>
<td>6%</td>
</tr>
<tr>
<td>Asian</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Black</td>
<td>2%</td>
<td>3%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Estimated median household income (in 2000 dollars)</td>
<td>$35,715</td>
<td>$40,334</td>
</tr>
<tr>
<td>Language other than English spoken at home</td>
<td>27%</td>
<td>20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jobs data (2003)</th>
<th>Lents Urban Renewal Area</th>
<th>Montavilla Census Tracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>5,431</td>
<td>3,826</td>
</tr>
<tr>
<td>Retail trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(North American Industry Classification System 44+45)</td>
<td>24%</td>
<td>21%</td>
</tr>
<tr>
<td>Educational services (NAICS 61)</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Accommodations and food services (NAICS 72)</td>
<td>12%</td>
<td>15%</td>
</tr>
<tr>
<td>Transportation and warehousing (NAICS 48)</td>
<td>9%</td>
<td>1%</td>
</tr>
<tr>
<td>Health care and social assistance (NAICS 62)</td>
<td>7%</td>
<td>19%</td>
</tr>
<tr>
<td>Manufacturing (NAICS 33)</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Other industries</td>
<td>25%</td>
<td>24%</td>
</tr>
</tbody>
</table>

Objective, Scope and Methodology continued on next page
Data sources used in this audit include:

- Population data from the 2000 Census and the 2013-2017 Five-Year American Community Survey. To approximate the Lents urban renewal boundaries when using Census and American Community Survey data for homeownership, affordability of rent, poverty, and income, we used Census Tracts 6.01, 6.02, 83.01, 83.02, 84, and 85. The American Community Survey has sampling errors.
- Jobs, wages, and business data from the Quarterly Census of Employment and Wages for 2003 and 2017, a data set from the Oregon Employment Department. Employers are required to report payroll data to the state; self-employment is not in this data set.
- Gentrification typology from reports by the Bureau of Planning and Sustainability and Dr. Lisa Bates.
- Land use and property value data from Metro's Land Development Monitoring System/Regional Land Information System for 2000 and 2018. We deem a lot as vacant when 75 percent of its area or more was vacant.
- Home sale data from the Regional Multiple Listing Service.
- Apartment data from CoStar, a commercial provider.
- Data on City-regulated housing units from the Housing Bureau.

We did not comprehensively test our data's reliability, but we found the data was reliable enough for our audit's purposes. We reviewed financial reports, plans, board documents, and other materials from Prosper Portland and the Housing Bureau, as well as media stories and letters from the public. We attended community and neighborhood meetings in Lents. We interviewed stakeholders and City staff.

We adjusted dollar amounts prior to 2019 for inflation and show them in 2018 dollars, unless otherwise noted. This means that our dollar amounts do not match with historical documents where numbers were not adjusted for inflation. From 2000 to 2018, the consumer price index rose roughly 54 percent. We rounded, which may result in subtotals and percentages not adding to the grand total.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.
Thank you for the opportunity to respond to your recent audit, “Lents Urban Renewal: 20 Years of Investment with Minimal Evaluation.” We appreciate the work put into this audit by your team and your dialogue with us throughout the evaluation process.

The 1998 Lents Urban Renewal Plan called for affordable housing, a connected transportation system, a more livable community, a revitalized central town center business district, job growth and economic opportunities. Your audit poses the question: to what extent have these ambitious goals for Lents been achieved?

**Focused investment in Lents has resulted in significant progress toward each of these goals.** We are pleased to see that several metrics outperform the comparison neighborhood:

- Property values increased at a slower rate than in the comparison area – indicating lesser gentrification pressures;
- 476 affordable housing units compared to 16 in comparison area;
- 36% increase in jobs compared to 16% in comparison area; and
- 31% increase in number of businesses compared to 24% in comparison area.

Over the lifetime of the district, we have successfully created 217 new homeowners through homebuying programs supported by tax increment finance (TIF), assisted 608 low-income households with grants and loans for critical home repairs and developed 627 units of affordable housing.

We’ve invested critical resources to improve the transportation infrastructure and parks systems, which are crucial to the development of a healthy neighborhood. For example, between 2002 and 2019 Prosper Portland contributed $11.9 million in total transportation funding, including the Foster/Woodstock Streetscape Enhancement Project, the SE 122nd: Ramona to Holgate Sidewalk Infill Project, the Lents Entryways Project, and other transportation infrastructure investments. Prosper Portland also contributed approximately $5 million to the MAX Green Line extension and two station areas. In addition, approximately $4 million went to Lents Park, Zenger Farm, Leach Botanical Garden, and Earl Boyles Park. Each of these projects represent a key part of delivering on the urban renewal plans goals of creating a healthier, more livable community.

The Five-Year Lents Action Plan, adopted by City Council in 2014, resulted from a thorough evaluation of progress toward the 1998 vision. The 2014 Action Plan acknowledged that “while the actions defined in the Lents Town Center URA Plan are being implemented, many of the hoped-for retail amenities, residential density, job growth, and private investment have yet to materialize.” As such it laid out a strategy that focused investments on those projects and partnerships with the most impact in neighborhood centers, commercial corridors, affordable housing, and industrial and open space.
Five years later, we’re proud of the accomplishments we share with our partners, project developers, and community members, all of whom played a vital role in delivering on the Lents Action Plan from 2014 to 2019:

- 364 new rental housing units, including 258 affordable;
- Development of Portland Mercado, 72 Foster, Woody Guthrie Place, Lents Commons, Oliver Station, Asian Health & Service Center, 93rd and Woodstock, the Orchards of 82nd;
- $75M in additional funds leveraged for multi-family housing, redevelopment, and business assistance;
- $618K in loans and grants to 36 businesses in commercial corridors; and
- $803K in loans and grants to 28 local businesses in Lents Town Center/West Foster.

**Concerns with Audit Methodology**

We have four concerns with the approach taken in this audit, which we believe provides an incomplete or potentially inaccurate analysis of the progress made.

1. **The audit omitted key community priorities including transportation and parks improvement.** You state that: “goals for the urban renewal area also cover public involvement, the environment, transportation, parks, and community identity; we did not focus on these goals as most spending supported commercial revitalization and housing.” Public projects are wholly within the sphere of influence of the public sector and least impacted by the market cycles that, for example, slowed job growth and redevelopment activity in 2009. If the goal of the audit is to understand whether Prosper Portland and the City have delivered on their commitments, we are confused and troubled by this omission.

   **Auditor’s response to the Mayor’s letter:**
   The audit focused on economic and housing results because that’s where most spending happened. We agree transportation and environmental goals are important and encourage Prosper Portland to report on results in these areas.

2. **We question the selection of Montavilla/Mt. Tabor as a reference point for comparison.** While there were similarities in population, race, income, and jobs between those census tracts in the year 2000, there were also significant differences not considered in this analysis. Without considering land area, population density, and a host of other demographic and socioeconomic variables when comparing these two geographies, this audit risks ignoring complex social phenomena that are part of our urban environment.

   **Auditor’s response:**
   No Portland neighborhood is a perfect mirror for Lents. Our methodology section describes how we chose Montavilla/Mt. Tabor with the assistance of experts from the Metro Data Resource Center.
3. The proxy area used in this analysis of the Lents Urban Renewal Area (URA) is imperfect. The six census tracts used as proxy areas include another 649 acres that are outside the URA; and roughly 28% — 800 acres — of the URA is unaccounted for in this geography. While TIF funding and investments are tied to URA boundaries, a different and larger geography is used for demographic, job, wage, and business data in the audit. It is important to acknowledge this discrepancy and call out the fact that the proxy area omits some important commercial sections of the Lents URA, including Foster Road. It should also be clear to the public that the per person expenditure for the Lents URA is different than the data presented for the proxy area.

4. The audit used inflation-adjusted expenditures instead of actual investments. We spent $189M while the audit states that we collectively spent $207M. The audit sets out to determine whether the City has been successful over the last two decades yet the methodology results in an estimate of what the projects and staff might have cost if they occurred in 2018. The practice of converting historical expenditures is potentially misleading for readers of the audit.

Recommendation
In the recommendations section, the audit notes that “Prosper Portland should begin...to periodically measure economic results for the goals they have set, update goals as needed, and report progress to the public.”

Prosper Portland agrees that reporting on results is important. The agency has produced numerous reports (e.g., Year in Review presentations, TIF Expenditure Reports, Accomplishment Maps, and the soon-to-be-released Lents Five-Year Action Plan Report – and market studies (e.g., ‘Market Assessment of Prospective Use Types and Evaluation Sites in the Lents Town Center Study Area’ and ‘Freeway Land Property Industrial Site Assessment’) to report on progress made and to update strategies and goals over the life of the district.

Prosper Portland appreciates the recommendation to more consistently report on progress made and to ensure these reports include economic trends. As noted in the methodology section above and within the audit itself, finding reliable data sources that align precisely with the Lents URA plan presents many challenges. However, going forward, Prosper Portland will endeavor more consistently to report on progress made and market data.
Next Steps

With the completion of the 5-Year Lents Action Plan in 2019, the year ahead presents an opportunity to reengage with community partners on key priorities for investment of the remaining resources within the district. We look forward to these discussions and to continuing to deliver on the vision of an inclusive, healthy and prosperous Lents alongside these partners.

Sincerely,

Ted Wheeler, Mayor, City of Portland

Shannon Callahan, Director, Portland Housing Bureau

Kimberly Branam, Executive Director, Prosper Portland