

**PORTLAND DEVELOPMENT COMMISSION  
PORTLAND HOUSING BUREAU**

**TAX INCREMENT FINANCING  
AFFORDABLE HOUSING SET ASIDE**

**ANNUAL REPORT FY 2008-09**



# CONTENTS

INTRODUCTION.....	3
EXECUTIVE SUMMARY.....	4
2008/09 TIF SET ASIDE ANNUAL REPORT – URA DETAIL.....	9
Central Eastside Urban Renewal Area .....	10
Downtown Waterfront Urban Renewal Area .....	12
Gateway Regional Center Urban Renewal Area .....	14
Interstate Corridor Urban Renewal Area.....	16
Lents Town Center Urban Renewal Area .....	18
North Macadam Urban Renewal Area .....	20
Oregon Convention Center Urban Renewal Area.....	22
River District Urban Renewal Area .....	24
South Park Blocks Urban Renewal Area .....	26
POLICY BACKGROUND AND METHODOLOGY.....	28

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## INTRODUCTION

The City of Portland and Portland Development Commission (PDC) have longstanding urban development and revitalization goals that entwine job growth and community vitality. Ensuring affordable housing options remain in Portland's neighborhoods as revitalization occurs and property values increase is an important part of this urban renewal strategy.

In 2006, the City Council and PDC adopted the "TIF Set Aside" dedicating a minimum of 30% of tax increment money in urban renewal areas (URAs) to develop, preserve and rehabilitate affordable housing for individuals and families earning 100% Median Family Income (MFI) or less. Designed to ensure a consistent and predictable level of funding for affordable housing, the policy requires a certain percentage of TIF resources in each of nine URAs be spent on affordable housing. Housing goals for each of the URAs cover a cumulative five-year period, 2006 through June 30, 2011, including specific goals by income. More explanation of the policy and the calculation of the set-aside is in the "Policy Background and Methodology" section of this report. On July 1, 2010 PDC's housing department and the Set Aside program were incorporated into the Portland Housing Bureau (PHB), with PHB assuming responsibility for meeting and monitoring the Set Aside program.

Tables in this report provide information about cumulative three-year expenditures and specific annual results, including the most recent year, FY 2008/09.<sup>1</sup>

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<sup>1</sup> This report complements the PDC Annual Unit Production Report, which has been produced since FY 2001/02. That report contains more comprehensive information on PDC housing activities, including projects and programs that utilize non-TIF resources, such as Federal funds, indirect subsidies, and other rental and homeownership programs. What appear to be discrepancies between the two reports are due to the fact that the reports focus on two different time frames for the data: the Set Aside policy requires reporting on expenditures, which for some projects may span multiple years. The Unit Production Report includes total project funding and units as of the commitment (loan closing) dates for the projects, regardless of when the actual expenditures occur.

## EXECUTIVE SUMMARY

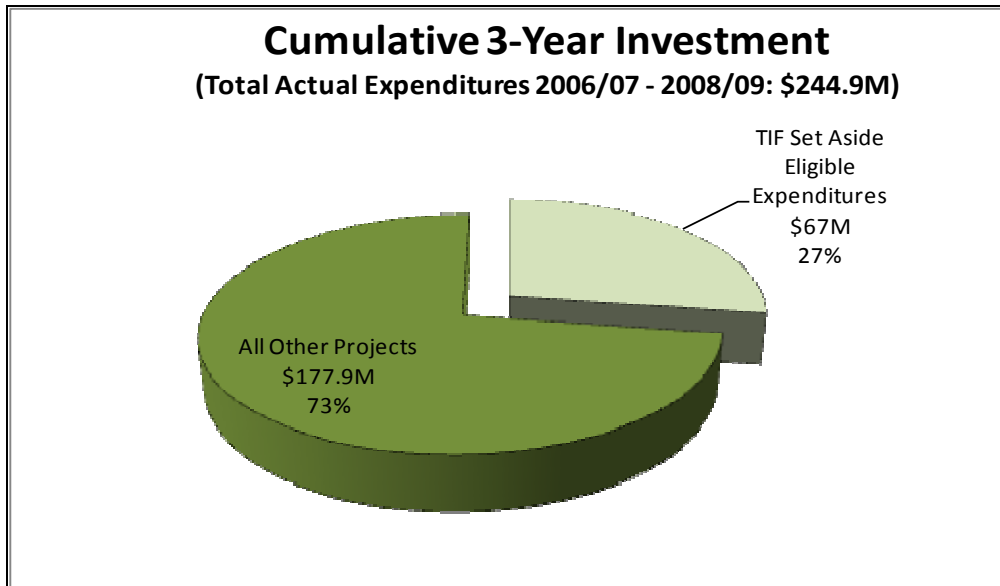
The TIF Set Aside for affordable housing is key to Portland's urban development and revitalization strategies. As the City's urban renewal agency, PDC has operated the Set Aside since its inception in 2006, dedicating a minimum of 30% of tax increment funds (TIF) in urban renewal areas (URAs) to develop, preserve and rehabilitate affordable housing. The policy defines investment targets by URA, income and use.

### Adopted TIF Set Aside Policy

Urban Renewal Area	Set Aside for Affordable Housing (% of Total URA Expenditures)	Income Guidelines (Percent of Total Set Aside by Income/Use Category)			
		0-30% MFI Rentals	31-60% MFI Rentals/ 0-60% MFI Ownership	61-100% MFI Ownership	Community Facilities
Central Eastside	<b>30%</b>	35-50%	20-50%	10-30%	0-25%
Downtown Waterfront	<b>22%</b>	50-70%	20-40%	0-20%	0-25%
Gateway	<b>30%</b>	35-50%	20-45%	20-40%	0-10%
Interstate	<b>30%</b>	35-50%	20-45%	20-40%	0-10%
Lents	<b>30%</b>	35-50%	20-45%	20-40%	0-10%
North Macadam	<b>39%</b>	50-70%	20-40%	0-20%	0-10%
Oregon Convention Center	<b>26%</b>	35-50%	20-45%	20-40%	0-10%
River District	<b>30%</b>	50-70%	20-40%	0-20%	0-10%
South Park Blocks	<b>30%</b>	75-90%	10-25%	0-10%	0-10%

In July 2010 the Set Aside program and PDC housing staff was integrated into the Portland Housing Bureau, providing a focused point of accountability for the City's comprehensive housing agenda. City Council is scheduled to review the Set Aside policy's investment and income guidelines in 2010, with reauthorization scheduled for 2011.

This annual report provides a snapshot of the first three years of the Set Aside program, from fiscal year 2006/07 to 2008/09. In that period, \$67 million was generated and spent in new affordable housing resources for Portland's nine URAs – 27% of available funds. This keeps the City on track to meet the five-year goal to spend at least 30% of TIF resources on affordable housing. This housing investment is in addition to the \$178 million of TIF funds invested in other revitalization activities in the nine URAs over the same period.



#### Highlights of Set Aside Program, 2006/07-2008/09

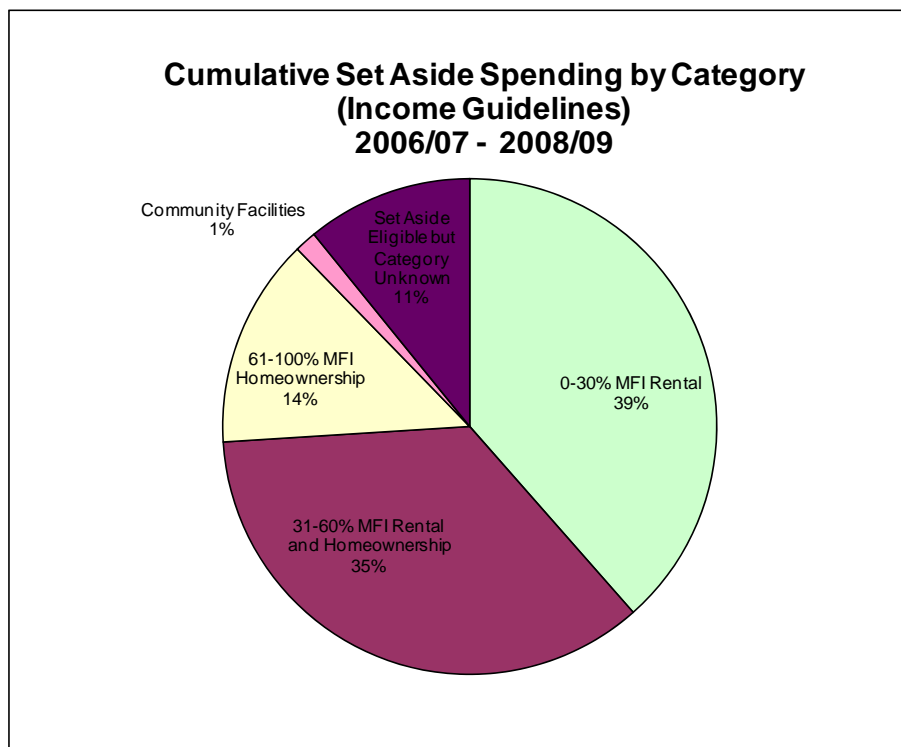
- Overall affordable housing spending goals have been exceeded in four of nine URAs: Downtown Waterfront, Interstate Corridor, Lents Town Center and South Park Blocks. In the other five URAs (Central Eastside, Gateway, North Macadam, Convention Center and River District) projects are in the pipeline to help meet specific goals. The differences in performance are due largely to the pipeline of projects in each district and varying resource availability:

Urban Renewal Area	3 Year Cumulative Expenditures		TIF Set Aside Adopted Policy
	TIF Set Aside Eligible Expenditures	% of Total URA Expenditures	
Central Eastside	\$ 85,843	1%	15%*
Downtown Waterfront	\$ 17,024,602	24%	22%
Gateway Regional Center	\$ 308,562	5%	30%
Interstate Corridor	\$ 12,576,337	53%	30%
Lents Town Center	\$ 8,087,290	31%	30%
North Macadam	\$ 7,097,594	25%	39%**
Oregon Convention Center	\$ 1,766,390	10%	26%
River District	\$ 3,584,462	14%	30%
South Park Blocks	\$ 16,489,048	51%	30%
<b>Total Expenditures</b>	<b>\$ 67,020,128</b>	<b>27%</b>	

\* Central Eastside: A minimum of \$5,100,000 (15%) of all tax increment resources of the first \$35 million of debt issued and a minimum of 30% of all tax increment resources for any additional debt beyond \$35 million.

\*\*North Macadam URA requires spending according to the Council and Commission adopted funding plan for the district for the first 5 years, which is 39% (\$22.7M). After that, 30% of expenditures must be for affordable housing.

- \$46 million, nearly three-quarters of total Set Aside funds, have been invested in low and very low income rental and ownership housing. An additional \$12 million has also been invested in moderate-income homeownership opportunities for first-time homebuyers – a four-fold increase in the past year alone.



- 3,663 affordable housing units and homebuyers/homeowners have received Set Aside funding. Nearly half of the homes are targeted to low income households (31-60% MFI), and an additional 36% targeted to very low income (0-30% MFI) households:

**3-Year Housing Investments:  
Units by Set Aside Income Categories<sup>2</sup>**

TOTAL UNITS	UNIT MIX				3-year Total Expenditures
	0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside	
3,663	1,308	1,821	269	265	\$ 68,114,027

- Success in meeting goals by income categories has improved but is inconsistent. Investment in rental housing for our poorest citizens (0-30% Median Family Income) totals \$25.8 Million across all nine URAs. However, the majority of this investment has been in the

<sup>2</sup> Total Units and Total Expenditures in this table include units and some dollars that were housing expenditures, but not attributed to the \$67 Million in Set Aside eligible expenditures.

South Park Blocks and Downtown Waterfront URAs for preservation of existing very low-income housing,

This table summarizes Set Aside expenditures in all URAs for the first three years of the Set Aside, including breakdowns by the adopted income guidelines (“Actual %” column):

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental			39%	6,452,897	10,092,190	9,267,080	25,812,167
31-60 MFI Rental			31%	6,878,789	5,384,349	8,512,824	20,775,963
31-60 MFI Ownership			4%	431,066	1,149,101	1,426,737	3,006,904
Total 31-60 MFI Rental & Ownership Housing			35%	7,309,855	6,533,450	9,939,562	23,782,867
61-80/100 MFI Ownership			14%	663,449	1,589,737	6,948,859	9,202,045
Community Facilities			1%	227,954	269,674	459,292	956,920
Set-aside eligible, category unknown			11%	5,044,702	1,927,744	293,684	7,266,130
Total Set-Aside (% of total project expenditures)			100%	19,698,857	20,412,794	26,908,476	67,020,128
Non Set Aside Housing Actual Expenditures			0%	217,745	553,643	322,512	1,093,900
Total Housing Actual Expenditures			28%	19,916,602	20,966,437	27,230,988	68,114,028
Total PDC Project Expenditures			100%	94,497,992	75,355,747	75,076,734	244,930,473
Cumulative TIF Set Aside Actual Expenditures				19,698,857	40,111,651	67,020,128	
Cumulative Total PDC Expenditures				94,497,992	169,853,739	244,930,473	
Cumulative Total TIF Set Aside % (Actual Expenditures)				21%	24%	27%	

### Highlights of 2008/09

- In the worst economy in 80 years, with private credit scarce, development projects stalled and economic confidence fragile nearly \$27 million of TIF Set-Aside was invested in dozens of projects in the most recent year, FY 2008/09. This represents 36% of URA expenditures for that year, including:
  - More than \$12 million for projects continuing from 2007/08 (with several projects completed).
  - \$7.7 million in new projects.
  - Approximately \$4.5 million for property acquisition and other pre-development activities.
  - \$2.8 million in ongoing homeownership and home repair programs.
- New project commitments closing in 2008/09 include:
  - Admiral Apartments (REACH Community Development)
  - Cambrian Park (aka Jim & Salle’s Place)
  - Oak Apartments (Northwest Housing Alternatives)
  - University Place (Housing Authority of Portland)
  - Lents Landing (Habitat for Humanity)
  - Pardee Commons (CityHouse Builders and Portland Community Land Trust)
  - Rivergate Commons (Habitat for Humanity)
  - Scattered Site Homeownership (ROSE Community Development and Portland Community Land Trust)

- Homeownership programs and projects increased dramatically, from approximately \$2.7 million in 2007/08 to \$8.4 million in 2008/09. Much of this reflects increased demand to the PDC Neighborhood Housing homebuyer and home repair programs, as well as significant new project development support to Habitat for Humanity, ROSE Community Development, and Portland Community Land Trust (aka Proud Ground). The \$8.4 million total also includes \$3.5 million for the acquisition of 20 scattered site homes in Lents and Interstate from the Housing Authority of Portland. These funds will be ultimately recaptured when the homes are sold to first-time buyers.
- In spring 2009, new awards for affordable rental projects were issued for the Lents and Interstate URAs (up to \$3.5 million available in each). Mixed income projects with significant amounts of 0-30% MFI apartments were encouraged and preferred, although, similar to past years, the unit mixes fell short of meeting 0-30% MFI goals under the Set Aside policy. Projects selected for funding were:
  - Bridge Meadows (new construction)
  - Ainsworth Court (rehab)
  - The Glen (acquisition/rehab)
  - Beyer Court (rehab)
  - Bush Gardens (modular housing feasibility study)

## Looking Ahead

Four areas require more attention in the final two years of the Set Aside's five-year start-up:

- Cumulative performance has been solid, and exceeded goals in four URAs. However, stronger efforts are needed to meet affordable housing goals in the Central Eastside, Convention Center, Gateway, North Macadam and River District URAs.
- Economic realities refocused recent efforts on preserving existing affordable housing rather than creating new units. Protecting existing assets is crucial, but additional steps are necessary to expand the affordable housing supply, particularly for Portland's poorest residents.
- A variety of factors – including tight private credit, policies encouraging multi-income developments, and limited access and money for supportive social services – complicated efforts to meet housing goals for 0-30% MFI. Meeting the overall target, while important, is insufficient, especially when results vary widely by URA.
- The Set Aside is scheduled for reauthorization by City Council in 2011. PHB and its partners, including PDC, need a clear analysis of what works and what needs improvement in the structure and implementation of the Set Aside. Goals must be ambitious and achievable, implementation appropriate for the differences in URAs, and the capacity in place to execute well, particularly on low-income projects.



# 2008/09 TIF SET ASIDE ANNUAL REPORT

## URBAN RENEWAL AREA DETAIL



**Central Eastside Urban Renewal Area**

- The five-year Housing Set Aside target for this district was set at \$5.1 million (15%) of the first \$35 million in debt issued (total expenditures), and 30% of all additional total expenditures. As currently forecast, the CES URA is unlikely to meet \$35 million in debt issued within the next 2 years.
- Total project expenditures for the first three years were \$12.7 million, most of which supported significant job creation, infrastructure investments, and major building renovations to encourage growth in the tax base.
- PDC committed \$2.85 million to the preservation and rehabilitation of the Clifford Apartments, through the joint Permanent Supportive Housing NOFA process with the City, HAP, and Multnomah County. The project will preserve 88 units of low income housing. Predevelopment funding began for this project in 2008/09 and the bulk of the rehabilitation is expected to occur in 2010.
- Resource projections are very constrained and significant resources are earmarked or committed to the Burnside Couch couplet, East Side Streetcar, and Burnside Bridgehead redevelopment. Besides the Clifford, the only other Set Aside project budgeted is the rehabilitation of the Hooper Detox Center, currently forecast in 2012, and \$300,000 in uncommitted homeownership development funds forecast in FY 10/11. No other housing resources are available for several years unless other non-housing projects are re-prioritized.

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$858,000</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$12.7 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>1%</b>

### CES URA Project Details

PROJECT	TOTAL UNITS*	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Clifford Apartments Rehab	88	45	43			\$2,850,000	\$0	\$0	\$85,843	\$85,843
<b>TOTALS</b>	<b>88</b>	<b>45</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>\$ 2,850,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 85,843</b>	<b>\$85,843</b>

### CES URA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	35%	50%	51%	0	0	43,897	43,897
31-60 MFI Rental			49%	0	0	41,946	41,946
31-60 MFI Ownership			0%	0	0	0	0
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>20%</b>	<b>50%</b>	<b>49%</b>	<b>0</b>	<b>0</b>	<b>41,946</b>	<b>41,946</b>
61-80/100 MFI Ownership	10%	30%	0%	0	0	0	0
Community Facilities	0%	25%	0%	0	0	0	0
Set-aside eligible, category unknown			0%	0	0	0	0
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>0</b>	<b>0</b>	<b>85,843</b>	<b>85,843</b>
Non Set-Aside Housing			0%	0	0	0	0
<b>Total Housing Budget</b>			<b>1%</b>	<b>0</b>	<b>0</b>	<b>85,843</b>	<b>85,843</b>
<b>Total PDC Project Expenditures</b>				<b>4,403,597</b>	<b>6,868,640</b>	<b>1,474,006</b>	<b>12,746,243</b>
Cumulative TIF Set-Aside Budget				0	0	85,843	
Cumulative Total PDC Project Expenditures				4,403,597	11,272,237	12,746,243	
Cumulative TIF Set-Aside %				0%	0%	1%	

***Downtown Waterfront Urban Renewal Area***

- The five-year housing Set Aside target for this URA was set at 22% of the district’s total project expenditures. This target was set lower than the 30% Set Aside standard because of the district’s significant previous investments in affordable housing and the expectation that this URA would expire.
- This district is slated to meet the income guidelines of the TIF Set Aside policy with the current pipeline of projects. This is due to large investments in preserving existing low income housing, consistent with the goals and policies guiding this URA.
- Major commitments and acquisition funding or predevelopment funding went to Blanchet House, the Yards Phase C, the Grove Hotel and the Resource Access Center. Future funding for these projects was moved into the River District URA amendment, due to the close-out of the Downtown Waterfront URA.
- Significant construction funding in 2008/09 went to Oak Apartments, the final work on Musolf Manor and the Estate Hotel, and the Westshore.
- Beyond 2008/09, little to no funding is available in this URA for new housing projects as the final urban renewal bonds were sold and the district is closing out.

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$17.1 million</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$71.3 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>24%</b>

### DTWF URA Project Details

PROJECT	TOTAL UNITS*	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Estate Hotel	194	153	41			\$5,308,596	\$5,234,842	\$175,679	\$331,595	\$5,742,116
Estate Hotel Storefront Grant	0					\$21,850	\$0	\$21,850	\$0	\$21,850
Musolf Manor	95	83	11		1	\$4,662,576	\$966,810	\$3,816,921	\$400,000	\$5,183,731
Musolf Manor Storefront Grant	0					\$9,702	\$0	\$9,702	\$0	\$9,702
Access Center (units counted in RD)	0					(in RDURA)	\$0	\$34,897	\$182,494	\$217,391
Hotel Alder	99	99				\$3,568,046	\$16,296	\$0	\$0	\$16,296
333 Oak Apartments	90		89		1	\$2,100,000	\$150,000	\$150,000	\$1,903,443	\$2,203,443
Yards at Union Station (Phase C) (units counted in RD)	0					(in RDURA)	\$3,780	\$0	\$0	\$3,780
Grove Apts. (units counted in RD)	0					\$3,468,752	\$0	\$2,727,537	\$550,860	\$3,278,397
Blanchet House	0					(in RDURA)	\$0	\$6,560	\$0	\$6,560
Downtown Chapel Storefront Grant	0					\$23,350	\$0	\$23,350	\$0	\$23,350
3rd & Oak Parking Obligation	0						\$0	\$64,112	\$0	\$64,112
Policy/Planning (Central City Housing Inventory)	0						\$0	\$22	\$2,486	\$2,508
Old Town Lofts (SAMs)	20			20		\$1,448,040	\$5,995	\$0		\$5,995
Westshore	113		112		1	\$309,500	\$0	\$188,717	\$112,207	\$300,924
Affordable Homeownership (Homebuyer Assistance Marketing)	0						\$0	\$0	\$462	\$462
Salvation Army building SLIP and Storefront Grant	0					\$22,156	\$0	\$0	\$22,156	\$22,156
PEAR Storefront Grant (Bennett Building)	0					\$20,000	\$0	\$0	\$20,000	\$20,000
<b>Total</b>	<b>611</b>	<b>335</b>	<b>253</b>	<b>20</b>	<b>3</b>	<b>\$20,920,412</b>	<b>\$6,377,723</b>	<b>\$7,219,348</b>	<b>\$3,525,704</b>	<b>\$17,122,774</b>

### DTWF URA 3-Year Summary

Set-Aside Summary	Policy		Actual %	First 3 Year Actuals			Total
	Min	Max		FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	50%	70%	65%	3,730,965	6,206,560	1,209,895	11,147,420
31-60 MFI Rental			34%	2,640,763	876,316	2,213,836	5,730,915
31-60 MFI Ownership			0%	0	0	0	0
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>20%</b>	<b>40%</b>	<b>34%</b>	<b>2,640,763</b>	<b>876,316</b>	<b>2,213,836</b>	<b>5,730,915</b>
61-80/100 MFI Ownership	0%	20%	0%	5,995	0	462	6,457
Community Facilities	0%	25%	1%	0	40,785	99,025	139,810
Set-aside eligible, category unknown			0%	0	0	0	0
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>6,377,723</b>	<b>7,123,661</b>	<b>3,523,218</b>	<b>17,024,602</b>
Non Set-Aside Housing			0%	0	95,686	2,486	98,172
<b>Total Housing Budget</b>			<b>24%</b>	<b>6,377,723</b>	<b>7,219,348</b>	<b>3,525,704</b>	<b>17,122,774</b>
<b>Total PDC Project Expenditures</b>				<b>23,451,017</b>	<b>28,501,967</b>	<b>19,367,579</b>	<b>71,320,563</b>
Cumulative TIF Set-Aside Budget				6,377,723	13,501,384	17,024,602	
Cumulative Total PDC Project Expenditures				23,451,017	51,952,984	71,320,563	
Cumulative TIF Set-Aside %				27%	26%	24%	

# Gateway Regional Center Urban Renewal Area

## Highlights

- The five-year Housing Set Aside target for this district is 30% of total project expenditures.
- Total project expenditures in this district have been limited by TIF availability and development challenges. The bulk of the \$6.5 Million spent so far has been for infrastructure investments (including MAX Light Rail), and some mixed-use commercial development. In 2008/09, PDC acquired a priority property for a future park, and continued planning efforts to spur infrastructure development in the Central Gateway area.
- In 2008/09, PDC invested in predevelopment for Gateway Glisan, a catalytic, mixed use, mixed income project proposal that competed for funding in the 2007 NOFA for Permanent Supportive Housing funds. Progress on the predevelopment toward that project was halted due to market conditions and real estate challenges; in the spring of 2009 PDC began conversations about acquisition of that property for future mixed use development.

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$308,600</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$6.5 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>5%</b>

### GWURA Project Details

PROJECT	TOTAL UNITS	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Gateway Glisan Predevelopment Loan	0					\$960,000	\$0	\$0	\$98,646	\$98,646
Gateway Glisan DOS Grant	0					\$12,000	\$0	\$9,460	\$2,540	\$12,000
102nd and Burnside Study	0					\$30,222	\$0	\$30,222	\$0	\$30,222
Portland Impact Building Improvements	0					\$167,694	\$167,694	\$0	\$0	\$167,694
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$1,169,916</b>	<b>\$167,694</b>	<b>\$39,682</b>	<b>\$101,186</b>	<b>\$308,561</b>

### GWURA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	35%	50%	0%	0	0	0	0
31-60 MFI Rental			0%	0	0	0	0
31-60 MFI Ownership			0%	0	0	0	0
Total 31-60 MFI Rental & Ownership Housing	20%	45%	0%	0	0	0	0
61-80/100 MFI Ownership	20%	40%	0%	0	0	0	0
Community Facilities	0%	10%	54%	167,694	0	0	167,694
Set-aside eligible, category unknown			46%	0	39,682	101,186	140,868
Total Set-Aside (% of total project expenditures)			100%	167,694	39,682	101,186	308,562
Non Set-Aside Housing			0%	0	0	0	0
Total Housing Budget			5%	167,694	39,682	101,186	308,562
Total PDC Project Expenditures				3,492,447	211,656	2,779,791	6,483,894
Cumulative TIF Set-Aside Budget				167,694	207,376	308,562	
Cumulative Total PDC Project Expenditures				3,492,447	3,704,103	6,483,894	
Cumulative TIF Set-Aside %				5%	6%	5%	

## ***Interstate Corridor Urban Renewal Area***

### **Highlights**

- The five-year Housing Set Aside target for this district is 30% of total project expenditures.
- Total project expenditures in this district were \$23.6 million in the first three years of the policy. Of this, \$12.6 million (53%) was spent towards the Set Aside.
- 2008/09 saw a large increase in housing investment (\$9.2 million, compared to \$2.8 million in 2007/08). This is due to significant expenditures for the Patton Park, Cambridge Court and Shaver Green rental projects that were completed in 2009, as well as increases in demand for PDC homebuyer assistance loans and acquisition of nine homes from the Housing Authority of Portland for future homeownership opportunities.
- This URA is exceeding 31-60% MFI housing goals due to both rental and low/moderate income homeownership investments, while achieving the very low income housing goals (0-30% MFI) remains challenging with the mixed-income projects that have been proposed in this URA.
- Predevelopment work continued on the Killingsworth Station homeownership project as well as new homeownership projects awarded in the 2007 Homeownership RFP (Woolsey Corner, PCRI's Exeter/Fessenden project, and Habitat for Humanity's Rivergate Commons).

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$12.6 million</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$23.6 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>53%</b>



## ICURA Project Details

PROJECT	TOTAL UNITS*	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Killingworth Block (incl. constr. loan)	54			33	21	\$5,100,000	\$3,459	\$215,565	\$311,641	\$530,665
06-07 Home Repair	18		15	3		\$263,030	\$263,030	\$0	\$0	\$263,030
07-08 Home Repair	32		21	11		\$473,091	\$0	\$473,091	\$0	\$473,091
08-09 Home Repair	20		18	2		\$311,678	\$0	\$0	\$311,678	\$311,678
06-07 Homebuyer Assistance	2			2		\$69,757	\$69,757	\$0	\$0	\$69,757
07-08 Homebuyer Assistance	9		2	7		\$317,972	\$0	\$317,972	\$0	\$317,972
08-09 Homebuyer Assistance	26		3	23		\$1,077,407	\$0	\$0	\$1,077,407	\$1,077,407
HAP Scat. Site Homeown. - Acquisition	9			9		\$1,791,846	\$0	\$71,645	\$1,720,201	\$1,791,846
HAP Scat. Site Homeown. - Rehab/Subsidy	0					\$950,000	\$0	\$0	\$43,860	\$43,860
Boise Humboldt Repair Program	0					\$18	\$18	\$0	\$0	\$18
McCuller Crossing Pres	40	3	37			\$154,400	\$154,395	\$0	\$0	\$154,395
Cambridge Court	20	20				\$931,576	\$0	\$10,157	\$915,195	\$925,352
Shaver Green	85	14	71			\$2,140,800	\$0	\$276,040	\$2,064,286	\$2,340,326
Patton Park Aff Rental	54	12	42			\$4,467,500	\$0	\$1,430,174	\$2,889,510	\$4,319,684
Humboldt Infill Strategy (Schools/Families/Housing)	0					\$25,332	\$0	\$25,332	\$0	\$25,332
Vanport Phase II Housing	0					\$0	\$0	\$31,750	\$0	\$31,750
Woolsey Corner	8			8		\$672,000	\$0	\$35,005	\$46,303	\$81,308
PCLT Buyer Initiated	3		1	2		\$227,387	\$0	\$227,387	\$0	\$227,387
N/NE Community Health Ctr	0					\$5,975	\$550	\$5,425	\$0	\$5,975
IC Housing Policy/Planning	0					\$0	\$0	\$102	\$1,903	\$2,005
Habitat for Humanity (Rivergate Commons)	11		11			\$385,000	\$0	\$0	\$173,250	\$173,250
<b>Total</b>	<b>391</b>	<b>49</b>	<b>221</b>	<b>100</b>	<b>21</b>	<b>\$19,364,769</b>	<b>\$491,209</b>	<b>\$3,119,645</b>	<b>\$9,555,234</b>	<b>\$13,166,087</b>

## ICURA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	35%	50%	18%	28,255	373,439	1,897,308	2,299,002
31-60 MFI Rental			43%	126,140	1,342,932	3,971,682	5,440,755
31-60 MFI Ownership			9%	199,903	433,491	529,200	1,162,594
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>20%</b>	<b>45%</b>	<b>53%</b>	<b>326,043</b>	<b>1,776,423</b>	<b>4,500,882</b>	<b>6,603,348</b>
61-80/100 MFI Ownership	20%	40%	29%	132,902	691,610	2,843,499	3,668,012
Community Facilities	0%	10%	0%	550	5,425	0	5,975
Set-aside eligible, category unknown			0%	0	0	0	0
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>487,750</b>	<b>2,846,897</b>	<b>9,241,690</b>	<b>12,576,337</b>
Non Set-Aside Housing			3%	3,459	272,748	313,544	589,751
<b>Total Housing Budget</b>			<b>56%</b>	<b>491,209</b>	<b>3,119,645</b>	<b>9,555,234</b>	<b>13,166,088</b>
<b>Total PDC Project Expenditures</b>				<b>2,935,971</b>	<b>7,152,297</b>	<b>13,468,960</b>	<b>23,557,228</b>
Cumulative TIF Set-Aside Budget				487,750	3,334,647	12,576,337	
Cumulative Total PDC Project Expenditures				2,935,971	10,088,268	23,557,228	
<b>Cumulative TIF Set-Aside %</b>				<b>17%</b>	<b>33%</b>	<b>53%</b>	

## ***Lents Town Center Urban Renewal Area***

### **Highlights**

- The five-year Housing Set Aside target for this district is 30% of total project expenditures.
- Of the total project expenditures in this district of \$26.1 million in the first three years of the policy, \$8 million (31%) was spent towards the Set Aside. Similar to Interstate, this district saw a large uptick in housing investment in 2008/09 due to projects planned and funded in the first two years of the Set Aside.
- The bulk of housing funding to-date—nearly \$7 million—has been for homeownership programs and projects, while the first rental housing project in Lents (Jim & Salle’s Place) was funded and began rehab work in late 2008. A rental housing RFP was issued in early 2009 that led to the selection of two projects for funding (The Glen and Beyer Court), as well as a feasibility study for the potential cost savings and sustainability benefits of modular apartment construction.
- Homeownership goals are being met or exceeded due to program changes and increased demand for homebuyer assistance, home repair programs, and acquisition of 11 HAP homes for future homeownership opportunities. Construction funding went to the Pardee Commons, Habitat for Humanity, and ROSE/PCLT for-sale homes, as well as predevelopment work for Svaboda Court, a planned new land trust project.
- PDC continued planning and feasibility work for mixed use projects in the Town Center area, including a Request for Qualifications process to select a development team for the 92<sup>nd</sup> and Harold site.
  
- **Total Housing Set Aside expenditures (06/07 – 08/09)                      \$8 .0 million**
- **Total Overall Project expenditures (06/07 – 08/09)                      \$26.1 million**
- **% Set Aside to Overall Budget (06/07 – 08/09)                              31%**

## LTC URA Project Details

PROJECT	TOTAL UNITS	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
06-07 Lents Home Repair	6		2	4		\$100,053	\$100,053	\$0	\$0	\$100,053
07-08 Lents Home Repair	14		8	6		\$185,956	\$0	\$185,956	\$0	\$185,956
08-09 Lents Home Repair	8		7	1		\$154,188	\$0	\$0	\$154,188	\$154,188
06-07 Lents Land Trust Homebuyer	5		5			\$107,951	\$107,951	\$0	\$0	\$107,951
07-08 Lents Land Trust Homebuyer	1		1			\$53,000	\$0	\$53,000	\$0	\$53,000
06-07 Lents Homebuyer Assist	5			5		\$70,220	\$70,220	\$0	\$0	\$70,220
07-08 Lents Homebuyer Assist	16		3	13		\$509,114	\$0	\$509,114	\$0	\$509,114
08-09 Lents Homebuyer Assist	32		7	25		\$1,178,342	\$0	\$0	\$1,178,342	\$1,178,342
HAP Scat. Site Homeownership Ac	11			11		\$2,094,423	\$0	\$86,323	\$2,008,100	\$2,094,423
HAP Scat. Site Homeown. Rehab/Subsidy	0					\$1,300,000	\$0	\$0	\$10,824	\$10,824
Lents REACH Home Rehab	194		194			\$347,114	\$100,026	\$125,000	\$122,088	\$347,114
Pardee Schools/Family Housing	10			10		\$700,000	\$996	\$106,839	\$863,410	\$971,245
Lents Aff Rental Hsg (Due Dilligence for New Copper Penny Acquisition)	0					\$19,113	\$0	\$0	\$19,113	\$19,113
Cambrian Park (Jim & Salle's Place)	17	5	12			\$1,375,243	\$0	\$601	\$1,137,468	\$1,138,069
ROSE/PCLT Homeownership	4			4		\$221,455	\$0	\$0	\$105,171	\$105,171
Habitat for Humanity (Martins)	7		7			\$231,000	\$0	\$173,526	\$50,671	\$224,198
Habitat for Humanity (Ogden)	5		5			\$165,000	\$0	\$75,442	\$89,678	\$165,120
Habitat for Humanity (Lents Landing)	9		9			\$420,000	\$0	\$0	\$190,901	\$190,901
HOST Raymond Park Place	7			7		\$273,282	\$226	\$272,548	\$0	\$272,774
Dahlia Commons (Svaboda Court)	14			8	6	\$675,000	\$0	\$0	\$123,763	\$123,763
Portland Youth Builders	0					\$65,752	\$59,710	\$3,464	\$2,578	\$65,752
Lents Hsg Policy/Planning	0					\$0	\$0	\$480	\$6	\$486
<b>Total</b>	<b>365</b>	<b>5</b>	<b>260</b>	<b>94</b>	<b>6</b>	<b>\$10,246,205</b>	<b>\$439,182</b>	<b>\$1,592,294</b>	<b>\$6,056,301</b>	<b>\$8,087,776</b>

## LTC URA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	Total
0-30 MFI Rental	35%	50%	5%	0	218	413,254	413,472
31-60 MFI Rental			9%	0	383	724,214	724,597
31-60 MFI Ownership			23%	231,163	715,610	897,537	1,844,310
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>20%</b>	<b>45%</b>	<b>32%</b>	<b>231,163</b>	<b>715,992</b>	<b>1,621,752</b>	<b>2,568,907</b>
61-80/100 MFI Ownership	20%	40%	62%	148,309	872,138	3,999,598	5,020,046
Community Facilities	0%	10%	1%	59,710	3,464	2,578	65,752
Set-aside eligible, category unknown			0%	0	0	19,113	19,113
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>439,182</b>	<b>1,591,813</b>	<b>6,056,295</b>	<b>8,087,290</b>
Non Set-Aside Housing			0%	0	480	6	486
<b>Total Housing Budget</b>			<b>31%</b>	<b>439,182</b>	<b>1,592,293</b>	<b>6,056,301</b>	<b>8,087,776</b>
<b>Total PDC Project Expenditures</b>				<b>10,912,061</b>	<b>6,010,990</b>	<b>9,177,114</b>	<b>26,100,165</b>
Cumulative TIF Set-Aside Budget				439,182	2,030,995	8,087,290	
Cumulative Total PDC Project Expenditures				10,912,061	16,923,051	26,100,165	
Cumulative TIF Set-Aside %				4%	12%	31%	

# North Macadam Urban Renewal Area

## Highlights

- The five-year Housing Set Aside target for this district is 39% of total project expenditures for the first five years, based on the adopted funding plan for the 8<sup>th</sup> Amendment to the URA Plan (\$22.7 million for housing). After year five, 30% of expenditures must be for affordable housing.
- Of total project expenditures in this district of \$28.2 million in the first three years of the policy, \$7 million (25%) was spent towards expected Set Aside eligible projects. 2008/09 saw very minimal housing expenditures: \$167,000 in predevelopment and environmental work for Block 49. That proposed project was stalled for most of the fiscal year.
- All housing expenditures in this district to-date have been for property acquisition and predevelopment so are attributed to the “unknown” income category. When a project is finalized and the unit mix and funding is certain, these past expenditures will be allocated appropriately.

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$7.0 million</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$28.2 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>25%</b>

### NMAC URA Project Details

PROJECT	TOTAL UNITS	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Block 49 Affordable Rental	0					\$19,000,000	\$5,044,702	\$1,877,973	\$167,143	\$7,089,818
Block 33, Mixed Use, Aff Rental	0					\$0	\$0	\$7,776	\$0	\$7,776
<b>Total</b>	<b>0</b>					<b>\$19,000,000</b>	<b>\$5,044,702</b>	<b>\$1,885,749</b>	<b>\$167,143</b>	<b>\$7,097,594</b>

### NMAC URA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	50%	70%	0%	0	0	0	0
31-60 MFI Rental			0%	0	0	0	0
31-60 MFI Ownership			0%	0	0	0	0
Total 31-60 MFI Rental & Ownership Housing	20%	40%	0%	0	0	0	0
61-80/100 MFI Ownership	0%	20%	0%	0	0	0	0
Community Facilities	0%	10%	0%	0	0	0	0
Set-aside eligible, category unknown			100%	5,044,702	1,885,749	167,143	7,097,594
Total Set-Aside (% of total project expenditures)			100%	5,044,702	1,885,749	167,143	7,097,594
Non Set-Aside Housing			0%	0	0	0	0
Total Housing Budget			25%	5,044,702	1,885,749	167,143	7,097,594
Total PDC Project Expenditures				19,636,021	5,854,361	2,742,617	28,232,999
Cumulative TIF Set-Aside Budget				5,044,702	6,930,451	7,097,594	
Cumulative Total PDC Project Expenditures				19,636,021	25,490,382	28,232,999	
Cumulative TIF Set-Aside %				26%	27%	25%	

# Oregon Convention Center Urban Renewal Area

## Highlights

- The five-year Housing Set Aside target for this district is 26% of total project expenditures. The district is expected to expire before reaching its maximum indebtedness capacity, so resource availability for the next few years is limited.
- Total project expenditures in this district were \$18 million in the first three years of the policy. Of this, \$1.8 million (10%) was spent towards the Set Aside.
- This URA is expected to meet or exceed 31-60% MFI rental goals due to investments in the PCRI/Urban League project, Miracles Club housing, and the Rose Quarter housing rehab project. The latter contains significant very low income housing (0-30% MFI) that was leveraged with Project Based Section 8 vouchers, so while the 0-30% MFI income investments appear low from a dollar perspective, it is important to note that the project will provide 80 new units of 0-30% MFI/permanent supportive housing.
- The North/Northeast URA Study was initiated in early 2009 to examine opportunities for amending the OCC and Interstate URAs. URA boundary changes may present new opportunities for housing funding and project sites.
- PDC continued feasibility planning and predevelopment for the King Parks (aka Piedmont Place) and Grant Warehouse affordable homeownership projects.

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$1.8 million</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$18 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>10%</b>

### OCCURA Project Details

PROJECT	TOTAL UNITS	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Piedmont Place - Aff. Housing	24			24		\$2,100,000	\$201,908	\$2,846	\$100,630	\$305,384
2nd & Wasco	0					\$0	\$0	\$2,313	\$3,606	\$5,919
Lloyd Cascadian Phase II	210				210	\$0	\$0	\$1,109	\$1,492	\$2,601
Fremont Housing (incl. constr. Loan)	7			1	6	\$516,500	\$250,000	\$126,603	\$14	\$376,618
Grant Warehouse/Aff HO	30			30		\$2,000,000	\$138,621	\$5,056	\$3,744	\$147,421
MLK Zoning Study	0					\$25,000	\$0	\$25,000		\$25,000
PCRI Urban League Housing	24		24			\$700,000	\$412,505	\$11,777	\$61,213	\$485,495
Volunteers of America Storefront Grant	0					\$20,000	\$0	\$20,000		\$20,000
McCoy Village	55	10	45			\$500,000				\$0
Rose Quarter Housing	176	80	96			\$6,780,000			\$535,574	\$535,574
Lloyd Policy/Planning (Central City Housing Inventory)	0					\$2,486			\$2,486	\$2,486
Miracles Club	40	6	34			\$3,500,000			\$199,872	\$199,872
Homebuyer Assistance Marketing	0					\$924			\$924	\$924
Bradley-Angle House DOS Grant	0					\$12,000			\$12,000	\$12,000
<b>Total</b>	<b>566</b>	<b>96</b>	<b>199</b>	<b>55</b>	<b>216</b>	<b>\$16,144,910</b>	<b>\$1,003,034</b>	<b>\$194,705</b>	<b>\$921,554</b>	<b>\$2,119,293</b>

### OCCURA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	35%	50%	15%	0	0	272,567	272,567
31-60 MFI Rental			54%	412,505	11,777	524,091	948,373
31-60 MFI Ownership			0%	0	0	0	0
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>20%</b>	<b>45%</b>	<b>54%</b>	<b>412,505</b>	<b>11,777</b>	<b>524,091</b>	<b>948,373</b>
61-80/100 MFI Ownership	20%	40%	29%	376,243	25,988	105,300	507,531
Community Facilities	0%	10%	2%	0	20,000	12,000	32,000
Set-aside eligible, category unknown			0%	0	2,313	3,606	5,919
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>788,748</b>	<b>60,078</b>	<b>917,564</b>	<b>1,766,390</b>
Non Set-Aside Housing			2%	214,286	134,626	3,990	352,902
<b>Total Housing Budget</b>			<b>12%</b>	<b>1,003,034</b>	<b>194,705</b>	<b>921,554</b>	<b>2,119,293</b>
<b>Total PDC Project Expenditures</b>				<b>8,944,476</b>	<b>2,893,195</b>	<b>6,171,360</b>	<b>18,009,031</b>
Cumulative TIF Set-Aside Budget				788,748	848,826	1,766,390	
Cumulative Total PDC Project Expenditures				8,944,476	11,837,671	18,009,031	
Cumulative TIF Set-Aside %				9%	7%	10%	

# River District Urban Renewal Area

## Highlights

- The five-year Housing Set Aside target for this district is 30% of total project expenditures.
- Total project expenditures in this district were \$26 million in the first three years of the policy. Of this, \$3.6 million (14%) was spent towards the Set Aside.
- The legal appeals of the River District URA amendments left uncertainty about funding for housing and other activities in this district for all of FY 2008/09, but some predevelopment funding continued for the Blanchet House redevelopment, rehab of the Grove Hotel, the Pearl Family Housing project, and site work for the Resource Access Center.
- The district is slated to exceed the 30% Set Aside target by 2010/11 due to the Resource Access Center (RAC) and Pearl Family Housing investments, and will exceed 31-60% MFI housing goals. While the RAC will provide significant very low income and permanent supportive housing towards the 0-30% MFI goals (130 new apartments), a portion of the funding for that project supports the community facility space for the replacement of the Glisan Shelter and the new day access center, so the URA will surpass the “community facilities” category for the TIF Set Aside.

▪ <b>Total Housing Set Aside expenditures (06/07 – 08/09)</b>	<b>\$3.6 million</b>
▪ <b>Total Overall Project expenditures (06/07 – 08/09)</b>	<b>\$26 million</b>
▪ <b>% Set Aside to Overall Budget (06/07 – 08/09)</b>	<b>14%</b>



### RD URA Project Details

PROJECT	TOTAL UNITS	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Block 247 Pearl Family Housing	135		135			\$1,000,000	\$0	\$200,000	\$800,000	\$1,000,000
Sitka Apts.	202		202			\$9,000,000	\$434,360	\$0		\$434,360
Lovejoy Station Rental Hsg	181		181			\$4,461,729	\$74,940	\$0		\$74,940
Station Place Senior Hsg	176	76	81		19	\$13,556,049	\$864,915	\$0		\$864,915
Crane Building	0						\$0	\$50,005		\$50,005
Resource Access Center (07/08 expenditures appear in DTWF URA)	130	130				\$28,500,000	\$0	\$0	\$725,187	\$725,187
Yards at Union Station (07/08 expenditures appear in DTWF URA)	80		80			\$3,700,000	\$0	\$0	\$270	\$270
Grove Apartments (07/08 expenditures appear in DTWF URA)	70	70				(in DTWF URA)	\$0	\$0	\$442,446	\$442,446
Blanchet House (07/08 expenditures appear in DTWF URA)	0					\$2,000,000	\$0	\$0	\$39,708	\$39,708
Fairfield Preservation	82	82					\$0	\$0		\$0
Affordable Homeownership (marketing)	0								\$150	\$150
Policy/Planning: Central City Housing Inventory	0					\$2,486			\$2,486	\$2,486
<b>Total</b>	<b>1,056</b>	<b>358</b>	<b>679</b>	<b>0</b>	<b>19</b>	<b>\$62,220,264</b>	<b>\$1,374,215</b>	<b>\$250,005</b>	<b>\$2,010,247</b>	<b>\$3,634,467</b>

### RD URA 3-Year Summary

Set-Aside Summary	Policy Min	Policy Max	Actual %	First 3 Year Actuals			Total
				FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	50%	70%	36%	366,649	0	941,652	1,308,301
31-60 MFI Rental			56%	1,007,566	200,000	800,270	2,007,836
31-60 MFI Ownership			0%	0	0	0	0
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>20%</b>	<b>40%</b>	<b>56%</b>	<b>1,007,566</b>	<b>200,000</b>	<b>800,270</b>	<b>2,007,836</b>
61-80/100 MFI Ownership	0%	20%	0%	0	0	0	0
Community Facilities	0%	10%	7%	0	0	265,689	265,689
Set-aside eligible, category unknown			0%	0	0	2,636	2,636
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>1,374,215</b>	<b>200,000</b>	<b>2,010,247</b>	<b>3,584,462</b>
Non Set-Aside Housing			0%	0	50,005	0	50,005
<b>Total Housing Budget</b>			<b>14%</b>	<b>1,374,215</b>	<b>250,005</b>	<b>2,010,247</b>	<b>3,634,467</b>
<b>Total PDC Project Expenditures</b>				<b>5,923,566</b>	<b>9,186,182</b>	<b>10,976,758</b>	<b>26,086,506</b>
Cumulative TIF Set-Aside Budget				1,374,215	1,574,215	3,584,462	
Cumulative Total PDC Project Expenditures				5,923,566	15,109,748	26,086,506	
Cumulative TIF Set-Aside %				23%	10%	14%	

# South Park Blocks Urban Renewal Area

## Highlights

- The five-year Housing Set Aside target for this district is 30% of total project expenditures. The district is reaching maximum indebtedness; forecast housing funding through the end of the district’s lifespan (2012/13) is 56% of total expenditures due to plans for preservation of expiring Section 8 projects and other existing rental housing in the district.
  - Total project expenditures in this district were \$32.4 million in the first three years of the policy. Of this, \$16.5 million (51%) was spent towards the Set Aside.
  - Most of the housing funding in 2008/09 went towards the rehab and preservation of the Admiral Apartments, as well as the start of construction on University Place—a project that replaces and increases the number of apartments that are home to Multnomah County’s Bridgeview program for homeless and at-risk clients.
  - Expenditures for the Jeffry project related to the continued relocation costs for residents of the former Jefferson West building.
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- **Total Housing Set Aside expenditures (06/07 - 07/08)      \$16.5 million**
  - **Total Overall Project expenditures (06/07 - 07/08)      \$32.4 million**
  - **% Set Aside to Overall Budget (06/07 – 07/08)      51%**

### SPB URA Project Details

PROJECT	TOTAL UNITS	UNIT MIX				TOTAL TIF COMMITMENT OR ESTIMATE	2006/07 Expenditures	2007/08 Expenditures	2008/09 Expenditures	3-year Total Expenditures
		0-30% MFI	31-60% MFI	61-80/100% MFI	Non-Set Aside					
Fountain Place Preservation	80		80			\$1,375,000	\$810,744	\$361,533		\$1,172,277
Jeffrey/Jeff West	78	50	28			\$9,010,725	\$4,180,159	\$5,565,862	\$504,199	\$10,250,220
Fairfield Preserv (units counted in RD)	0					(in RD URA)	\$27,940	\$8,563	\$50,000	\$86,503
Martha Washington	108	50	58			\$700,000	\$0	\$169,699	\$19,409	\$189,108
Loaves and Fishes	0					\$200,000	\$0	\$200,000		\$200,000
Clay Towers	235	235				\$359,000	\$0	\$359,000		\$359,000
Other: Recording Fee (Cornerstone)	0						\$0	\$97		\$97
St. Francis (loan documents)	0						\$0	\$257		\$257
University Place	48	48				\$6,000,000	\$0	\$0	\$851,275	\$851,275
Admiral Apartments	37	37				\$3,700,000	\$0	\$0	\$3,300,409	\$3,300,409
Outside In	0					\$80,000			\$80,000	\$80,000
Policy/Planning (Central City Housing Inventory)	0					\$2,486			\$2,486	\$2,486
<b>Total</b>	<b>586</b>	<b>420</b>	<b>166</b>	<b>0</b>	<b>0</b>	<b>\$ 21,427,211</b>	<b>\$ 5,018,843</b>	<b>\$ 6,665,011</b>	<b>\$4,807,777</b>	<b>\$16,491,631</b>

### SPB URA 3-Year Summary

Set-Aside Summary	Policy	Policy	Actual %	First 3 Year Actuals			Total
	Min	Max		FY06-07 Actuals	FY07-08 Actuals	FY08-09 Actuals	
0-30 MFI Rental	75%	90%	63%	2,327,027	3,511,972	4,488,507	10,327,507
31-60 MFI Rental			36%	2,691,816	2,952,941	236,784	5,881,541
31-60 MFI Ownership			0%	0	0	0	0
<b>Total 31-60 MFI Rental &amp; Ownership Housing</b>	<b>10%</b>	<b>25%</b>	<b>36%</b>	<b>2,691,816</b>	<b>2,952,941</b>	<b>236,784</b>	<b>5,881,541</b>
61-80/100 MFI Ownership	0%	10%	0%	0	0	0	0
Community Facilities	0%	10%	2%	0	200,000	80,000	280,000
Set-aside eligible, category unknown			0%	0	0	0	0
<b>Total Set-Aside (% of total project expenditures)</b>			<b>100%</b>	<b>5,018,843</b>	<b>6,664,914</b>	<b>4,805,291</b>	<b>16,489,048</b>
Non Set-Aside Housing			0%	0	97	2,486	2,583
<b>Total Housing Budget</b>			<b>51%</b>	<b>5,018,843</b>	<b>6,665,011</b>	<b>4,807,777</b>	<b>16,491,631</b>
<b>Total PDC Project Expenditures</b>				<b>14,798,836</b>	<b>8,676,459</b>	<b>8,918,549</b>	<b>32,393,844</b>
Cumulative TIF Set-Aside Budget				5,018,843	11,683,757	16,489,048	
Cumulative Total PDC Project Expenditures				14,798,836	23,475,295	32,393,844	
Cumulative TIF Set-Aside %				34%	50%	51%	

## POLICY BACKGROUND AND METHODOLOGY

On October 25, 2006 through ordinance No. 180547, the Portland City Council established a policy to dedicate a percentage of tax increment resources (TIF) in urban renewal areas (URAs) to the development, preservation and rehabilitation of affordable housing that serves individuals and families earning 100 percent Median Family Income (MFI) or less. PDC and the City Council subsequently adopted income guideline “brackets” for these housing expenditures in each URA, to guide the allocation of resources to different types of housing as defined by the income and rent (or sale) restrictions. These income guidelines are as follows:

- 0-30% Median Family Income Rentals.
- 31-60% Median Family Income Rentals or Homeownership (recognizing that some PDC homeownership and home repair programs and projects serve households at this income level).
- 61-80% Median Family Income Homeownership, with an allowance for up to 100% MFI homeownership for larger units serving families (3 bedroom +).
- Community Facilities (defined as facilities for social service providers with a primary mission of serving homeless and low income people).

The adopted policy is applied to any newly formed urban renewal area, subject to City Council adoption of the URA Plan. It requires that all URAs with bonding authority beyond June 30, 2011 spend a minimum of 30% of total tax increment resources on Affordable Housing. For existing URAs, specific set-aside requirements and income guidelines were adopted, shown in the table below. *Note that not all existing URAs have a 30% Set Aside, due to the resource constraints (in cases where it is below 30%) or project pipeline (in cases where it is above 30%) in those URAs at the time the policy was adopted. Therefore, the policy is not 30% when averaged across all URAs.*

### Adopted Set Aside Policy Guidelines

Urban Renewal Area***	Set Aside for Affordable Housing (% of Total URA Expenditures)	Income Guidelines (Percent of Total Set Aside by Income/Use Category)			
		0-30% MFI Rentals	31-60% MFI Rentals/ 0-60% MFI Ownership	61-100% MFI Ownership	Community Facilities
Central Eastside	30%**	35-50%	20-50%	10-30%	0-25%
Downtown Waterfront	22%	50-70%	20-40%	0-20%	0-25%
Gateway	30%	35-50%	20-45%	20-40%	0-10%
Interstate	30%	35-50%	20-45%	20-40%	0-10%
Lents	30%	35-50%	20-45%	20-40%	0-10%
North Macadam	39%*	50-70%	20-40%	0-20%	0-10%
Oregon Convention Center	26%	35-50%	20-45%	20-40%	0-10%
River District	30%	50-70%	20-40%	0-20%	0-10%
South Park Blocks	30%	75-90%	10-25%	0-10%	0-10%

\*North Macadam URA requirements are to spend according to the Council and Commission adopted funding plan for the district for the first 5 years, which is 39% (\$22.7M). After that, 30% of expenditures must be for affordable housing.

\*\* A minimum of \$5,100,000 (15%) of all tax increment resources of the first \$35 million of debt issued and a minimum of 30% of all tax increment resources for any additional debt beyond \$35 million.

\*\*\* Airport Way & Willamette Industrial URAs have no requirement for budgeting or spending on Affordable Housing.

## **Methodology for calculating the Set Aside**

The Set Aside is calculated as a percentage of total project expenditures in an urban renewal area. Total project expenditures include all capital outlays, financial assistance, and materials and services expenses related to qualified affordable housing and community facility projects and programs. The Set Aside does not include administrative and overhead costs in either the numerator or denominator of this calculation, so the Set Aside totals do not reflect the total cost of housing program delivery at PDC.

The Set Aside is projected in each year's adopted budget and five-year forecast as the amount of resources needed to reach the required percentage for affordable housing in each URA, based on the projections of overall resources and expected projects (including infrastructure, commercial development, and business assistance). In some cases, these may be projections of "opportunity fund" line items for rental and/or ownership housing. In other cases, there may already be a pipeline of expected or committed projects, and the budget is forecast for those projects accordingly.

As expenditures occur in the current fiscal year for both affordable housing projects and all other types of projects, the forecast for meeting the Set Aside requirements must be re-calibrated to maintain a balance of planned housing resources to other project resources that is in compliance with the policy as well as reflecting a realistic pipeline of projects. As TIF projections change each year and project realities change, the future forecast for the Set Aside dollar amounts is subject to change significantly.

*Currently, both construction/permanent funding and predevelopment loan amounts are counted in the Housing Set Aside totals, so expenditures shown may over-represent the amounts committed to housing projects. Typically, predevelopment loans that developers borrow from PDC are paid off when the construction loans close, and the construction loan amount disbursed reflects that payoff.*

## **Explanation of terms and classifications used in this report:**

- **Set Aside Eligible, Category Unknown:** This classification denotes expenditures that were made for property acquisitions, pre-development loans or feasibility and planning studies that are expected to support a TIF Set Aside eligible project in the future, but the exact project, housing type and income mix are unknown. In future years' reports, these expenditures will likely be moved into a "known" category.
- **Non Set-Aside Housing:** This classification is for housing expenditures by PDC that are not eligible for the TIF Set Aside (i.e., housing that is not income restricted, or is restricted to a higher income and rent than the policy for 60% MFI rental and 80/100% MFI homeownership). Expenditures are also classified here that are for property holding

costs on sites owned by PDC, intended for housing, but likely not to be Set Aside eligible. In very few cases, expenditures in this category may be reclassified if a project is funded in the future that does meet Set Aside guidelines.

- **Total Housing Budget:** This reflects the total housing budget and expenditures for housing, some of which may not be TIF Set Aside eligible.