

**PORTLAND DEVELOPMENT COMMISSION
PORTLAND HOUSING BUREAU**

**TAX INCREMENT FINANCING
AFFORDABLE HOUSING SET ASIDE**

ANNUAL REPORT FY 2008-09



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Please contact David Sheern, PDC Housing Project/Program Coordinator,
with any questions about this report, (503) 823-4103.

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 2008/09.¹

¹ 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

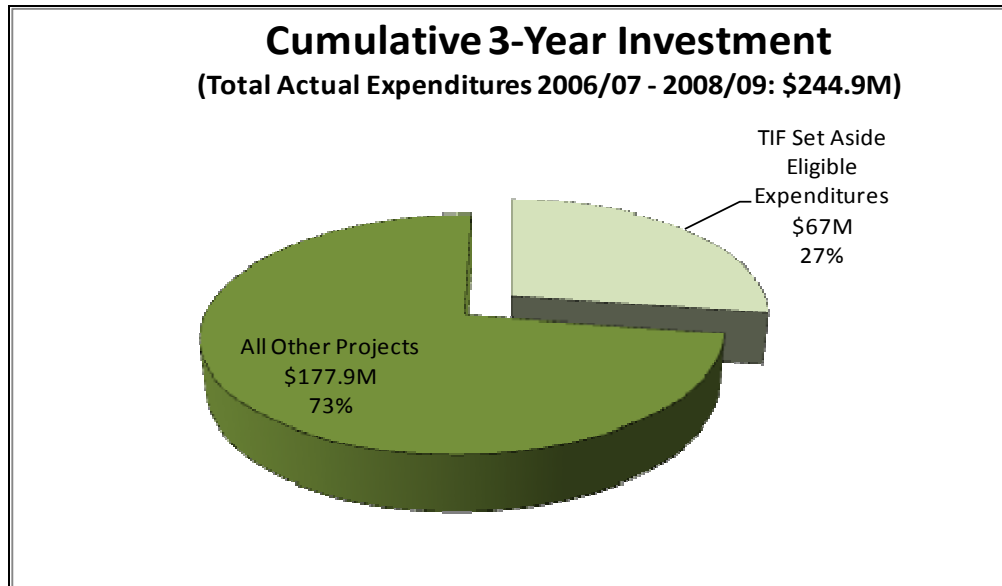
The TIF Set Aside for affordable housing is key to Portland's urban development and revitalization strategies. As the City's urban renewal agency, PDC has operated the Set Aside since its inception in 2006, dedicating a minimum of 30% of tax increment funds (TIF) in urban renewal areas (URAs) to develop,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

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

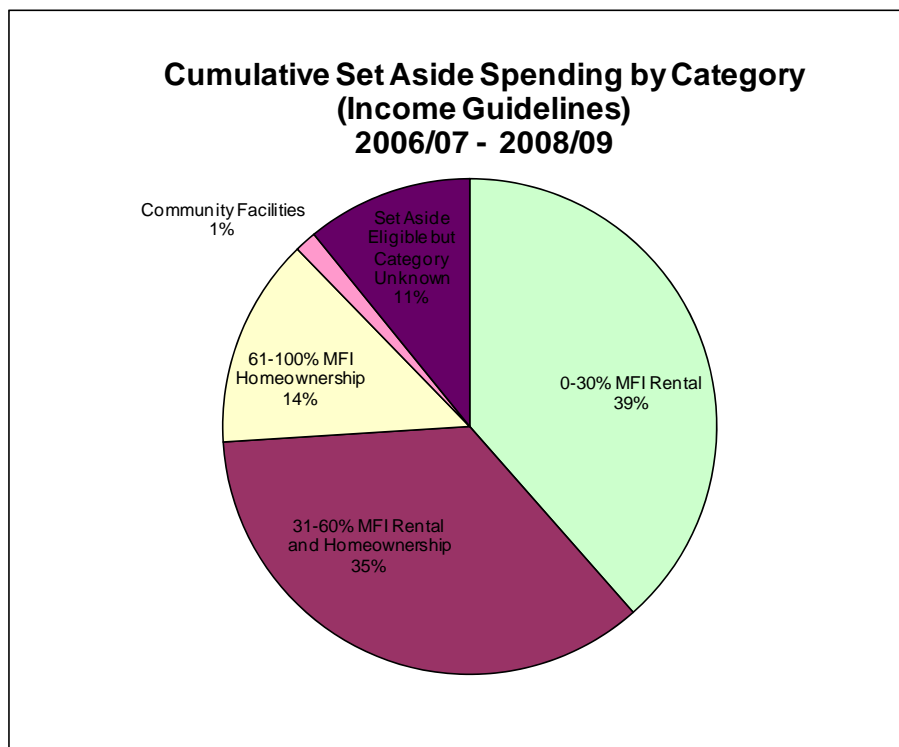
- Overall affordable housing spending goals have been exceeded in four of nine URAs: Downtown Waterfront, Interstate Corridor, Lents Town Center and South Park Blocks. In the other five URAs (Central Eastside, Gateway, North Macadam, Convention Center and River District) projects are in the pipeline 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% |
| Total Expenditures | \$ 67,020,128 | 27% | |

* 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 Categories²**

| 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

² 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.

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

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 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| TOTALS | 88 | 45 | 43 | 0 | 0 | \$ 2,850,000 | \$ - | \$ - | \$ 85,843 | \$85,843 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 20% | 50% | 49% | 0 | 0 | 41,946 | 41,946 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 0 | 0 | 85,843 | 85,843 |
| | | | | | | | 0 |
| Non Set-Aside Housing | | | 0% | 0 | 0 | 0 | 0 |
| Total Housing Budget | | | 1% | 0 | 0 | 85,843 | 85,843 |
| Total PDC Project Expenditures | | | | 4,403,597 | 6,868,640 | 1,474,006 | 12,746,243 |
| 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.

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

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 |
| Total | 611 | 335 | 253 | 20 | 3 | \$20,920,412 | \$6,377,723 | \$7,219,348 | \$3,525,704 | \$17,122,774 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 20% | 40% | 34% | 2,640,763 | 876,316 | 2,213,836 | 5,730,915 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 6,377,723 | 7,123,661 | 3,523,218 | 17,024,602 |
| Non Set-Aside Housing | | | 0% | 0 | 95,686 | 2,486 | 98,172 |
| Total Housing Budget | | | 24% | 6,377,723 | 7,219,348 | 3,525,704 | 17,122,774 |
| Total PDC Project Expenditures | | | | 23,451,017 | 28,501,967 | 19,367,579 | 71,320,563 |
| 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.

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

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 |
| Total | 0 | 0 | 0 | 0 | 0 | \$1,169,916 | \$167,694 | \$39,682 | \$101,186 | \$308,561 |

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).

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

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 |
| Total | 391 | 49 | 221 | 100 | 21 | \$19,364,769 | \$491,209 | \$3,119,645 | \$9,555,234 | \$13,166,087 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 20% | 45% | 53% | 326,043 | 1,776,423 | 4,500,882 | 6,603,348 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 487,750 | 2,846,897 | 9,241,690 | 12,576,337 |
| Non Set-Aside Housing | | | 3% | 3,459 | 272,748 | 313,544 | 589,751 |
| Total Housing Budget | | | 56% | 491,209 | 3,119,645 | 9,555,234 | 13,166,088 |
| Total PDC Project Expenditures | | | | 2,935,971 | 7,152,297 | 13,468,960 | 23,557,228 |
| 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 | |
| Cumulative TIF Set-Aside % | | | | 17% | 33% | 53% | |

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 92nd 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 |
| Total | 365 | 5 | 260 | 94 | 6 | \$10,246,205 | \$439,182 | \$1,592,294 | \$6,056,301 | \$8,087,776 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 20% | 45% | 32% | 231,163 | 715,992 | 1,621,752 | 2,568,907 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 439,182 | 1,591,813 | 6,056,295 | 8,087,290 |
| Non Set-Aside Housing | | | 0% | 0 | 480 | 6 | 486 |
| Total Housing Budget | | | 31% | 439,182 | 1,592,293 | 6,056,301 | 8,087,776 |
| Total PDC Project Expenditures | | | | 10,912,061 | 6,010,990 | 9,177,114 | 26,100,165 |
| 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 8th 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.

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

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 |
| Total | 0 | | | | | \$19,000,000 | \$5,044,702 | \$1,885,749 | \$167,143 | \$7,097,594 |

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.

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

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 |
| Total | 566 | 96 | 199 | 55 | 216 | \$16,144,910 | \$1,003,034 | \$194,705 | \$921,554 | \$2,119,293 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 20% | 45% | 54% | 412,505 | 11,777 | 524,091 | 948,373 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 788,748 | 60,078 | 917,564 | 1,766,390 |
| Non Set-Aside Housing | | | 2% | 214,286 | 134,626 | 3,990 | 352,902 |
| Total Housing Budget | | | 12% | 1,003,034 | 194,705 | 921,554 | 2,119,293 |
| Total PDC Project Expenditures | | | | 8,944,476 | 2,893,195 | 6,171,360 | 18,009,031 |
| 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.

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

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 |
| Total | 1,056 | 358 | 679 | 0 | 19 | \$62,220,264 | \$1,374,215 | \$250,005 | \$2,010,247 | \$3,634,467 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 20% | 40% | 56% | 1,007,566 | 200,000 | 800,270 | 2,007,836 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 1,374,215 | 200,000 | 2,010,247 | 3,584,462 |
| Non Set-Aside Housing | | | 0% | 0 | 50,005 | 0 | 50,005 |
| Total Housing Budget | | | 14% | 1,374,215 | 250,005 | 2,010,247 | 3,634,467 |
| Total PDC Project Expenditures | | | | 5,923,566 | 9,186,182 | 10,976,758 | 26,086,506 |
| 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.
-
- **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 |
| Total | 586 | 420 | 166 | 0 | 0 | \$ 21,427,211 | \$ 5,018,843 | \$ 6,665,011 | \$4,807,777 | \$16,491,631 |

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 |
| Total 31-60 MFI Rental & Ownership Housing | 10% | 25% | 36% | 2,691,816 | 2,952,941 | 236,784 | 5,881,541 |
| 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 |
| Total Set-Aside (% of total project expenditures) | | | 100% | 5,018,843 | 6,664,914 | 4,805,291 | 16,489,048 |
| Non Set-Aside Housing | | | 0% | 0 | 97 | 2,486 | 2,583 |
| Total Housing Budget | | | 51% | 5,018,843 | 6,665,011 | 4,807,777 | 16,491,631 |
| Total PDC Project Expenditures | | | | 14,798,836 | 8,676,459 | 8,918,549 | 32,393,844 |
| 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.