



Joint Meeting of the N/NE Housing Strategy and the N/NE Community Development Initiative Oversight Committee Meeting – July 19, 2018

New Song Community Center ~ 220 NE Russell St. ~ 6:00 p.m.

Prosper Portland N/NE CDI Oversight Committee Members Present: Chair Leesha Posey, Oscar Arana, Jennifer Huang, Maurice Rahming, Chonitia Smith, Gwen Thompson, Karen Ward

Prosper Portland N/NE CDI Oversight Committee Members Not present: Co- Chair Haben Woldu, Dorcie Johnson, Khanh Le, Karis Stoudamire- Phillips

Portland Housing Bureau N/NE Housing Strategy Oversight Committee Members Present: Chair Dr. Steven Holt, Lisa Bates, Sheila Holden, Marlon Holmes, Jillian Saurage

Portland Housing Bureau N/NE Housing Strategy Oversight Committee Members Not Present: Felicia Tripp Folsom, Dr. T. Allen Bethel, Sr., Triston Dallas, Karin Edwards

Prosper Portland Staff Present: Kimberly Branam, Kimberly Moreland, Tory Campbell, Lisa Abuaf, Mayra Arreola, Yvonne Smoker

Portland Housing Bureau Staff Present: Leslie Goodlow, Letimya Clayton, Jessica Polanco, Norma Trujillo, Victoria James

Summary of action Items:

- Dr. Steven Holt opened the meeting at 6:10p, and facilitated the meeting
- Dr. Holt, as chair of the N/NE Housing Strategy Oversight Committee, provided a background and history of the N/NE Housing Strategy Oversight Committee
- Leesha Posey, as Co-Chair of the N/NE Community Development Initiative (CDI) Oversight Committee provided a background and history of the N/NE CDI Oversight Committee
- Members of both Oversight Committees introduced themselves
- Jeana Wooley of JM Wooley Consulting presented an overview on Tax Increment Financing (TIF) as it related to commercial projects within the Urban Renewal Areas (URA)
 - Jeana provided background and historical context as to how urban renewal (UR) dollars were allocated from the inception of URAs, and the purpose of its original creation
 - UR dollars applied to housing were initially only 30% of the total UR dollars, but have now increased to 70%, as a direct correlation to the housing crisis triggered by the gentrification that has affected Portland, and the pushing out of poor and African-American families in N/NE Portland
 - UR is a state-authorized redevelopment and finance program, originally designed in the late 1940s to help cities improve and redevelop the inner core of the cities that were suffering from economic stagnation or considered unsafe or poorly planned, generally the poorest and the blackest neighborhoods
 - Prosper Portland was established in 1958 as Portland's UR and redevelopment agency
 - Three of the four earliest federally-funded UR districts were in N/NE Portland
 1. Albina Neighborhood Improvement Plan
 2. Legacy Emanuel Hospital UR district
 3. Model Cities Neighborhood Development Plan
 - Vanport flood happened in 1948, and most of the displaced African American families ended up in the Albina neighborhood

- The major redevelopment areas in the N/NE Portland URA were:
 - Veterans Memorial Coliseum, which was paid for by a general obligation bond
 - Legacy Emanuel UR district
 - Created for Emanuel Hospital to expand on their land, submitted to HUD in 1967, with demolition starting in 1971, 55 acres
 - Oregon Convention Center URA
 - Lloyd Center district included, 410 acres
 - Interstate Corridor URA, created by an amendment to the housing Set Aside policy
 - Created in 2000; the largest URA at 3,990 acres
- Jeana provided an overview on the typical public/private development process
 - Assemble and land bank sites
 - Create redevelopment vision
 - Plan helps dictate what is allowed on the URA
 - Request for Proposals (RFP) for developers
 - Set up Memorandums of Understanding (MOU) and Disposition and Development Agreements (DDAs)
 - Oversee delivery of desired project outcomes
 - Community members should be paying attention during this process and keeping stakeholders accountable to the process
- Jeana presented examples of public and private partnership models in the development process
 - Defined development outcomes
 - Types of uses (programming)
 - Responsiveness to local revitalization objectives/strategies
 - Defined community outcomes
 - Jobs and construction workforce participation
 - DMWESB participation
 - Sustainability features
 - Neighborhood revitalization – does the project actually revitalize the neighborhood and for whom
 - Affordable commercial retail space
 - Wealth creation opportunities – who owns it and benefits from it
- Jeana provided details on an example of TIF use in Interstate URA (ICURA) through the Vanport Square Phase 1 Project
 - JM Wooley and Ray Leary completed for the 2-block RFP
 - Renovation of the former Marco Machine Works building
 - New construction of 15,000 square foot mixed-use building on corner of MLK & Emerson
 - Commercial condominium ownership opportunities for small, local businesses
 - Profit from sales would benefit the small business owners directly
 - New Market Tax Credits (NMTC) provided affordable financing for the purchase of the units
 - 36,000 square feet of retail and office space
 - 15 commercial condominiums were made available, targeting local, small business owners, with 12 being minorities and/or women-owned units
 - Part of the development fee was put back into the project to make it viable
 - This type of deal would not be possible today, but is the type of deal that should be pursued to create ownership in the community
- Dr. Holt presented the Oversight Committees the opportunity to ask questions regarding Jeana's presentation
 - Gwen Thompson asked Jeana for an explanation of why the Vanport deal could not be done today
 - Jeana Wooley and Ray Leary had created a model that had never been done anywhere else in the country at the time

- United Family of Funds helped support this project to do something in N/NE
 - NMTC by law could not be recaptured within the 7 year period of the NMTC
 - They needed to create a legal model to parcel out debt to each of the owners; it was the equivalency of a sale, but was not a sale
 - The interest rate received by the small business owners would not be possible in today's market; the businesses were able to buy their units, blended with money from Prosper Portland to help pay for the property
 - Lisa Bates thanked Jeana for her work on the history of URAs, and wanted to call out the history even more regarding those in the African American community who spoke out against the implementation of the URAs
 - Lisa Bates also asked, speaking to the ICURA specifically, when one talks about the "plan" and holding those accountable, has Jeana found ways to have tangible accountability measures that would inform any future plans and developments
 - Those measures would need to be built into the DDAs that Prosper Portland signs with the developer
 - The Vanport Square development had many targets and goals built into their plan; those things all cost more money, which need to be factored into the cost of the project and recognized by both the developer and Prosper Portland
 - The right developers need to be at the table, local companies; Jeana and Ray had to partner with a larger developer because it was 2-block site and they would not have the financial capacity, but were part of the visioning and the commitment to the community
 - Having the Community Benefit Agreement (CBA) is important
 - ✓ For the Alberta Commons development, the CBA came after the DDA was signed, and came about because of the reaction from the community, and was paid for by Prosper Portland; but, should have been paid for by the developer
- Elaine Howard of Howard Consulting presented an overview on how TIF works in Oregon, specifically within Portland, as well as the amendment process required in increasing maximum indebtedness
 - Total Tax Rate – The way the tax increment financing works in Portland (Division of Taxes)
 - Value of the district when it is established: Frozen base → Taxing District Taxes (plus shared revenues) → Taxing Districts
 - As values grow, the funds get to be used in the area (URA): Incremental Assessed Value → Tax Increment Revenues [for River District, NPIs [Neighborhood Prosperity Initiatives], revenue sharing caps TIR [tax increment redevelopment] caps at 10% of maximum indebtedness → Prosper Portland + Portland Housing Bureau
 - Elaine answered some FAQs in regards to URAs and property taxes:
 - Q: Do URAs increase property taxes?
 - A: No. URAs dedicated portion of property taxes to be invested in specific geography. If there are bonds issued by any of the taxing jurisdictions, there may be very small tax increases on every property in the state of Oregon.
 - Q: Is TIF a primary driver of development in the city?
 - A: No. It depends on how your TIF is being used. URAs cover less than 15% of the city. In areas with TIF, the impact greatly varies (e.g. Gateway, Lents, ICURA, River District)
 - Q: Can Prosper Portland or PHB condemn property or make people sell?
 - A: No. Not for private purposes. The City can only condemn property for infrastructure or other public uses.
 - Lisa Bates asked to reframe the first question: If the purpose of a URA is revitalization and increased property values, how do those global effects of increased property values impact down to the individual property owner's assessed tax, and therefore, the taxes that they are paying?
 - If one owns property in the City of Portland, and they do not sell the property, the property taxes can only go up a maximum of 3% per year, due to a property tax measure that voters voted on.
 - Elaine discussed Maximum Indebtedness (MI)

- The potential amendment is intended to increase non-set-aside ICURA budget for economic development activities by \$18 million
- If Prosper Portland does increase the maximum indebtedness, they will need to reevaluate the current N/NE CDI investment allocations to ensure maximum economic impact through:
 - Prosperity Investment Program (PIP)
 - Community Livability Grant (CLG)
 - Cultural Business Hub
- There is also currently a discussion around the grants versus loans ratio, and the possibility of increasing the number of grants available and reducing the number of loans to assist in wealth creation
- Tory also presented a breakdown of how the extra \$18 million can be disbursed among the current programs
- There is a push to extend the community outreach to increase access to Prosper Portland services and programs, as well as support for large-scale real estate development projects and explore geographic amendments to the ICURA
- Dr. Holt offered the Oversight Committees the opportunity to ask questions regarding Tory's presentation
 - Sheila Holden asked for clarity around the numbers around outcomes to date: recipients versus pipeline
 - Leesha Posey asked about the pipeline numbers and the increasing and decreasing
 - Tory clarified that the target number had not changed, and that there was a typo in the slides
- Leslie Goodlow presented on the impact of a potential amendment to increase maximum indebtedness and its impact on affordable housing
 - Housing dollars set aside in the ICURA, accomplishments and the proposal on how to spend the \$47 million additional dollars
 - The first goal was preventing displacement
 - In the ICURA, between 2000-2018, PHB has provided 420 home repair loans, a majority of the recipients were below 50% Area Median Income (AMI); 37% were people of color (POC)
 - 282 home repair grants disbursed between fiscal years 2013-2018; 65% were to POC
 - 668 home purchase loans disbursed between 2000-2018; 42% were POC
 - Since starting the Strategy, PHB has not achieved their goal of placing families in homes since starting the strategy, but 6 families participating are POC
 - 1500 regulated units within the URA that have some TIF dollars associated with them
 - 503 units currently in the pipeline under the Strategy – 80% will be utilizing the Preference Policy, other 20% will be primarily utilizing Section 8 vouchers (each with a separate preference policy)
 - 106 units of home ownership in development, approximately \$11 million, along with down payment assistance projects, to assist approximately 31 families; all units purchased through the preference policy
 - Seeking to make the down payment assistance forgivable; at year 15, 50% of down payment would be forgiven, at 3% per year up to year 30, then totally forgiven
 - At June 2018 N/NE Housing Strategy Oversight Committee, approved a recommendation to use a portion of set-aside for land banking, about \$16-17 million
 - Hoping to include recommendation for the Argyle project
 - 4 significant projects PHB to propose to the Oversight Committee to finish out the district
 - Home ownership purchase & development at \$11,750,000 and 50-70 units
 - Rental development of 48 units at \$6 million
 - Land banked project at \$15-22 million
 - Future project, to set aside \$7.5 million
 - Leslie offered some statistics around PHB's Housing Strategy's Preference Policy's applicant pool:
 - 98% of home ownership applicants were POC, 63% were African American; for rental, 85% were POC, 49% were African American
 - Many have asked how this process is different than in the past, it is that both of the oversight committees are a part of the process
- Dr. Holt offered the Oversight Committees an opportunity to ask questions regarding Leslie's presentation
 - Jennifer Huang asked for clarification as to which Oversight Committee Leslie Goodlow had referred to in her presentation, and Leslie clarified that it was the Housing Strategy's Oversight Committee to which she was

referring in her presentation regarding approval

- Gwen Thompson asked Leslie Goodlow for clarification around a previous comment by Leslie in her presentation around, “finish out the district”
 - Utilizing the remaining dollars, primarily if the URA dollars are not extended
 - \$5-7 million allocated to home repair that have not been spent and are still available
- Dr. Holt offered the opportunity for public comment
 - Byrd commented on Leesha’s question regarding the creation of the ICURA, and stated that the URA was not created by the community; but instead, was created because of lack of adequate funding for transportation
 - Byrd stated that the ICURA is unique in that it includes residential areas that were occupied by non-white people; gentrification is a byproduct, if not a goal of urban renewal
 - Byrd also asked why there is not an alternative to URAs, and why Prosper Portland has not looked to another resource for funding
 - Leesha followed up on her question and asked about the boundaries for the URA, and Byrd offered that 10 neighborhood associations were asked where they would like the boundaries to be drawn, and that was how the boundaries were drawn, and the appeared randomness of the boundaries
- During public comments, Fred Smith stated that he was bothered by some of the things that are going on, and asked why some programs are receiving more funding than others, i.e., why is Portland Community Reinvestment Initiatives (PCRI) only receiving \$100,000 in funding
 - Dr. Holt replied that the group will have to get back to him with a more robust answer
 - Many factors are at play, such as NoFAs, RFPs, and how dollars were allocated from the beginning
 - Fred asked if all of the money is put into one pot, why do some groups get more than others
 - Dr. Holt stated a reason being permanent affordability and some for non-permanent affordability
 - Lisa Bates offered that Fred’s question has been asked and discussed previously in other N/NE Housing Strategy Oversight Committee, and there has not been enough explanation provided to the community
- During public comments, Quinton Blanton asked about a lineage-based breakdown of who is receiving the funds within the URAs
- During public comments, Ronessa Harris testified that she is currently in the Housing Strategy program, and is home-ready, but had to move into a Habitat home because the Housing Strategy program could not accommodate her
 - Ronessa asked why, 4 years later, she is still waiting for housing that is has more than 3 bedrooms
- During public comments, Susan Ronning identified herself as a resident of the Kenton neighborhood, and asked about the Argyle project
 - Susan stated that she is a part of the Kenton Neighborhood Association, and while not speaking on their behalf, stated that they have put together a plan on how to bring businesses and housing into the community, and commented on how the current Argyle plan had changes to the designs that have led to fewer parking spaces and fewer units with no commercial space; the community really wanted a business space as well, and had desired a mixed-use space
 - Susan also commented that she had noticed that the structure changed to no longer pay prevailing wage, so the workers will not be paid what they deserve
 - Susan also stated that she wanted to bring this issue up now before the next N/NE Housing Strategy Oversight Committee meeting
- Jennifer Huang thanked the community member for their comment, and noted that the Oversight Committees are held accountable for the intent of how they receive the funding, and that it would behoove the Oversight Committees to make sure that the TIF funding actually does revitalize neighborhoods, and that the projects being proposed do not get high-jacked beyond their original intent
- During public comments, Yvette Davis posed her question to PHB, and what they intend on doing with the remaining pot of money; why they don’t increase the money available to those requiring home repairs, and why not give the money to the property owners to purchase homes
 - Regarding PHB seeking to acquire more land, why not give those dollars to homebuyers to purchase homes, versus buying property that may sit vacant
 - Leslie Goodlow responded that PHB the home repair dollars are actively being pushed out the door; modified from \$15,000 to \$40,000 for home loans, and up from \$5,000 to \$15,000 for grants
 - One of the pieces of property PHB is looking to purchase is owned by a LTPO, and PHB wished to support other POC with the property, specifically African Americans; to build homes on that property

to make available to African Americans at an affordable price

- Yvette clarified that she was not speaking to the actual loans; with the rising cost of repairs or of doing business, \$15,000 is not a lot
- During public comments, Sharon Maxwell shared that she currently serves on the Hill Block Project Working Group, and expressed her appreciation of the content that had been provided at the meeting
 - Sharon asked that the data around how many African American community members have benefited from the dollars be made available online
 - Sharon also asked if there could be an ongoing cohort-based program that would help out business owners and property owners with peer coaching and receiving feedback
 - Existing property owners and businesses owned by African Americans have not been successful in the priority areas such as Mississippi and Williams Ave.
 - Cultural shifts need to be addressed and not just the economic impact, which the cohort-based peer group could help to address
 - Leesha Posey responded that she has also requested data from Prosper Portland and asked what Quinton and Sharon were looking for in regards to the information and data that they are requesting
 - Sharon clarified that she is looking for what steps have been taken to help African American business owners, how much money was disbursed and how, i.e., technical assistance have been provided, where the businesses are to date, what has worked and what hasn't; the community doesn't believe that people have been trying and they don't get the support from the larger community via patronage
 - Quinton clarified that he was not talking about race-based data, but lineage-based data
- Dr. Holt circled back on the meeting being about the URA, specifically how the expansion of the URA can impact economic development and housing; in terms of determinations and recommendations, Dr. Holt asked if both Oversight Committees felt if they had received enough information to make a preliminary recommendation.
 - Lisa Bates stated no
 - Dr. Holt clarified that there is not a recommendation being made that night, but only if the Committees had received enough information from the presenters to inform a decision to make a recommendation; if not, what additional information is needed
 - Maurice Rahming offered that the community had asked relevant and important questions that needed to be answered before the Committees could come to a decision to recommend or not
 - Marlon Holmes commented that the positive potential outcomes have been presented, but he wanted to know what the potential negative impacts could be to increasing and expanding maximum indebtedness
 - Gwen Thompson stated that she has heard the term "maximum," and asked if there are alternatives to "maximum" and why it needs to just be the maximum
 - Leesha Posey stated that the presentations were too high level, and that they were not broken down enough to comprehend all the information in one evening
 - Lisa Bates agreed with the questions that Marlon and Gwen had posed, and elaborated on alternative uses of the tax revenues by the other agencies and jurisdictions regarding property taxes and how it could advance racial justice, as well as asked:
 - What are the City's plans to utilize the URA dollars, along with general funds to leverage funds to create foundations and philanthropic giving, and going back to the original intent of the money?
 - What is the possibility of having binding community benefit agreements particularly with projects involving Prosper Portland?
 - How does this process tie back to the Hill Block Project, and to other related future projects such as the Albina Vision, Memorial Coliseum, and other projects that would require public funding?
 - Oscar Arana commented that the presentations were helpful, and have led to questions that would require additional information; agree that the information is very high level, and will need to know what the impact the programs are having on people, he wouldn't be comfortable with moving forward with this recommendation
 - Jennifer Huang asked to see more of the specifics of how the increased financing would get spent, and how the organizations arrived at the numbers, and what the spending is meant for; based on the evening's comments, there needs to be a deep dive into how the decisions were made
 - Sheila Holden expressed her appreciation of having both groups in the same room to get the required information, and asked what it envisioned as the next steps.
 - Dr. Holt stated that one presentation is the first step in getting the Committee and the community

informed on the process

- Chonitia Smith expressed her appreciation for the community coming out to express their opinions, and that there are a lot more resources available to distribute to the community
- Sheila Holden stated that she believed that the next steps would be to collect all of the questions posed by both Committees and the community at the event and to distribute them to the two committees to digest all of the information
- Dr. Holt noted that at some point the decision has to be made regarding maximum indebtedness, how and when the dollars are to be spent; the two Oversight Committees will need to come back together and do the work. Emails and phone numbers are available for any community members who have questions.

Meeting adjourned at 8:19pm.

DRAFT