

**Report to the Portland City Council
for
August 9, 2006
Public Hearing**

**TAX INCREMENT FINANCING SET-ASIDE
FOR AFFORDABLE HOUSING**

Expenditure Report

Prepared by

Investing in Portland's Future

PDC

PORTLAND DEVELOPMENT COMMISSION

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Tax Increment Financing Set-Aside For Affordable Housing Expenditure Report

August 2006

EXECUTIVE SUMMARY

On April 26, 2006, through Resolution No. 36404, the Portland City Council expressed their determination to develop a policy "to dedicate a percentage of Tax Increment Financing (TIF) revenues from all Urban Renewal Districts citywide to an affordable housing set aside fund, or to create another mechanism to ensure predictable and adequate funding and prioritization of housing for individuals and families earning 80% Median Family Income (MFI) or less."

The Portland Development Commission was specifically requested to undertake two activities toward the establishment of a Set Aside for Affordable Housing:

- Provide, in conjunction with the City Auditor and Bureau of Housing and Community Development, a formal report to Council by July 31, 2006 detailing spending of TIF for housing at all income ranges over the past 10 years against all TIF revenue, as well as the budgeted and projected TIF spending for housing in these income ranges over the next 5 years against projected revenues; and
- Work in partnership with the Bureau of Housing and Community Development, the Office of Management and Finance, the Housing and Community Development Commission, Affordable Housing Now and other interested stakeholders to develop and present an implementation plan to Council by September 1, 2006.

The following report summarizes the actual and forecasted TIF expenditures for housing affordable to households at or below 80% MFI.

Technical Advisory Committee

PDC established a technical advisory committee to review PDC's historic information on affordable housing expenditures in the existing urban renewal areas, as well as projections regarding future expenditures. The committee consisted of members representing the following offices and organizations: Mayor Potter's Office, Commissioner Sten's Office, Bureau of Housing and Community Development, Office of Management and Finance, Housing Development Center, Community Development Network and PDC. The committee met four times in July to review PDC's data, discuss the methodology and the format of the report.

As part of the review process, PDC and the committee also highlighted challenges to the data that can inform how PDC reports in the future. These challenges are outlined in Appendix C: Challenges to Reporting Tax Increment Expenditures, Budgets and Revenues.

Expenditure Data

The methodology used to for collecting and reporting the expenditure data is described in Appendix B: Data Collection Methodology. Due to changes in PDC's reporting and accounting systems, the historic expenditures data is presented for the previous eight (8) years.

In addition to reporting housing expenditures, this report also summarizes all of the actual and forecasted TIF expenditures.

While the City Council requested a report on housing expenditures, PDC felt it was important to report on all of the tax increment expenditures. The following major categories were developed by PDC in consultation with Commissioner Sten and Mayor Potter's staff, and reviewed by the technical advisory committee:

- 0-80% MFI Housing
- Housing Over 80% MFI
- Public Roads/Sidewalks/Utilities
- Business Assistance/Commercial Development/Jobs Generating Development
- Public Transportation
- Redevelopment Planning/Outreach/Predevelopment
- Distressed Property Acquisition & Development
- Environmental Mitigation & Sustainability

Two additional categories are included in the report. There was not consensus among the committee on how the TIF-funded infrastructure at New Columbia should be categorized. The following reports New Columbia expenditures separately, but includes those expenditures as part of the TIF-funded 0-80% MFI Housing in the Interstate Corridor Urban Renewal Area totals and the ten-URA totals. See page 31 for more information. Also, for the forecasted data there are some projects in which PDC has not completed sufficient due diligence or community involvement to ascertain the mix of uses or the levels of affordability. Rather than presume what the eventual development will entail, those projects are categorized as "Mixed-Income Housing - Income & Tenure TBD."

Appendix A: Expenditure Categories, Definitions and Data includes a description of the what type of projects and expenditures are included in each category. Detailed tables of actual and forecasted TIF expenditures by urban renewal area are also included in Appendix A.

It is important to note that the category "Business Assistance/ Commercial Development/Jobs" includes both those activities that are traditionally considered economic development (direct assistance to businesses) as well as revitalization activities that result in the development or renovation of commercial buildings. For instance of the total \$156,911,616 expended from 1998 to 2006, 19% was for traditional business assistance, recruitment and retention activities; while 54% was for neighborhood commercial development, and 33% larger employment generating development in industrial areas.

Also, the Administration category is a roll up of both traditional administrative overhead expenditures and direct project and program staffing costs. Approximately 9.5% of the total expenditures represent administrative overhead, while the remaining 8-9% is direct staffing associated with the delivery of economic, redevelopment and housing projects and programs.

Summary Findings

- **Historic Expenditures – 1998 - 2006**

A primary outcome of this analysis was to understand what percentage of total TIF spending has been for affordable housing. Over the last eight (8) years, PDC has expended over \$681 million of tax increment financing across eight (8) urban renewal areas. Depending on how the expenditures for New Columbia are counted, **PDC spent \$107,482,795 or \$113,882,795 for affordable housing**. This accounts for 16% or 17% of gross TIF expenditures and **19% or 20% of total project expenditures** minus personnel and administration.

Table 1 breaks out the percent of TIF funding that has been spent on affordable housing by each urban renewal areas. This table illustrates how funding of affordable housing has varied in each urban renewal area. For instance, in the older downtown districts affordable housing has been the largest expenditure category over the least eight years, while new urban renewal areas such as North Macadam Gateway Regional Center have had \$0 expenditures on affordable housing.

Other areas such as the River District and Lents Town Center show that spending on affordable housing has been approximately one-quarter the total TIF spending.

TABLE 2. **Historic Urban Renewal Expenditures for 0-80% MFI Housing by Urban Renewal Area**

Urban Renewal Areas	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Downtown Waterfront	\$50,180,364	35%	44%
South Park Blocks	\$19,673,249	26%	35%
River District	\$24,925,707	21%	24%
Central Eastside	\$136,858	0%	0%
Oregon Convention Center	\$7,588,821	8%	10%
North Macadam	\$2,920	0%	0%
Lents Town Center	\$3,958,021	17%	25%
Gateway Regional Center	\$0	0%	0%
Interstate Corridor[1]	\$7,416,855	15%	17%
Airport Way	\$0	0%	0%

[1] Includes \$6,400,000 New Columbia expenditure as 0-80% MFI Housing

The historic data shows the following:

- The Downtown urban renewal areas have had a high level of spending on affordable housing due both to the strong city policy and linkage to revitalization, and the more expensive development type.
- Two-thirds of the Interstate Corridor URA expenditures funded the local match for construction of the light rail with other investments occurring more slowly due to funding availability.
- TIF investments in North Macadam URA has been focused on the development of parks and transportation with economic development, housing and commercial development intended to follow.

- Commercial development, economic development and affordable housing have been the primary areas of focus in the Lents Town Center URA.
- Districts such as Central Eastside and Gateway Regional Center urban renewal areas have had no investment in affordable housing.
- The Oregon Convention Center URA investments in affordable ownership and rental housing have been modest, with economic development and commercial developments as the primary focus of urban renewal resources in past years.

The following table provides a summary of all TIF expenditures by major spending categories.

TABLE 2. **Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006**

Major Urban Renewal Spending Categories:	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing	\$107,482,795	16%	19%
New Columbia Infrastructure	\$6,400,000	1%	1%
Housing Over 80% MFI	\$10,815,073	2%	2%
Public Road, Sidewalks, Utilities	\$36,265,757	5%	6%
Parks/Open Space/Community Facilities	\$122,922,264	18%	22%
Business Assistance/Commercial Development/Jobs	\$156,911,616	23%	28%
Public Transportation	\$74,746,753	11%	13%
Redevelopment Planning, Outreach, Predevelopment	\$3,331,096	0%	1%
Distressed Property Acquisition & Development	\$38,770,326	6%	7%
Environmental Mitigation & Sustainability	\$4,442,197	1%	1%
Admin: Project Staffing, Administration, Overhead	\$119,619,961	18%	
TOTAL URBAN RENEWAL EXPENDITURES	\$681,707,838	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$562,087,877

The largest expenditures categories include (in order):

1. **Business Assistance/Commercial Development/Jobs Generating Development.** Projects and programs include: Small business loans, storefront grants, seismic loans for Telegram Building and Holman Building, Heritage and Fremont Projects on Martin Luther King Blvd. Jr., renovation of Meier & Frank, construction of the Riverside Parkway Corporate Center and Cascade Station.
2. **Parks/Open Space/Community Facilities.** Projects include: the Eastbank Esplanade, Cultural Chinese Garden, North Portland projects such as new lighting in Dawson Park, new play structures in Kenton Park, renovation of Peninsula Children’s Center, Station Place parking garage, and New Avenues For Youth facility.
3. **0-80% MFI Housing:** Affordable housing projects and programs include: Station Place Senior Housing, 8th NW 8th (Danmoore Replacement), Rose CDC’s Lents Town Center Apartments, home repair loans to low income homeowners, Portland Community Land Trust, homebuyer assistance, REACH Community Builders program, and the Sitka Apartments.
4. **Public Transportation:** TIF funded public transportation projects include the Interstate Light Rail, Central City Streetcar, and aerial tram.

PDC was asked to provide a summary of expenditures with the industrial urban renewal areas included and without the industrial areas included. To-date no expenditures have occurred in the Willamette Industrial Urban Renewal Area, so for the historic data affordable housing represents **21% or 22% of total project expenditures** if Airport Way Urban Renewal expenditures are not included in the evaluation. See page 33 to see the level of spending in the Airport Way URA from 1998 to 2006.

The City Council also requested that PDC present the housing expenditures by income level. PDC has an established methodology for allocating public subsidy to specific income affordability levels. Table 3 summarizes the expenditures by income level, but does not include the \$6,400,000 investment in New Columbia since those resources went to support infrastructure rather than directly into the housing development.

- Eighty-one percent of all TIF housing expenditures supported housing or households at 60% MFI or below;
- Ten percent of TIF housing investment supported moderate income housing at 61-80% MFI; and
- Less than 10% of TIF investment directly supported market rate housing or affordable homeownership (81-120% MFI) above 80% MFI.

TABLE 3. Historic Housing Expenditures by Income Level – July 1, 1998 through May 31, 2006

Income Levels	Total Expenditures* (dollars)	% of Total Housing Expenditures
0-30% MFI	\$40,317,372	34%
31-50% MFI	\$28,955,767	25%
51-60% MFI	\$26,878,522	23%
61-80% MFI	\$11,331,134	10%
Above 80% MFI	\$10,815,073	9%
TOTAL	\$118,297,868	100%

* Does not include \$6,400,000 New Columbia.

• Historic Housing Development— 1998 - 2006

The housing expenditures reported from 1998 – 2006 supported the development and renovation of over 3,000 housing units or homebuyers. Table 4 summarizes the number of units developed or renovated by income level during this time period.

TABLE 4. Housing Units Developed in FY97/98 thru 05/06*

	Rental Units	Owner Units or Homebuyers	Total Units & Homebuyers
0-30% MFI	495	14	509
31-51% MFI	678	14	692
51-60% MFI	820	10	830
61-80% MFI	219	66	285
Above 80% MFI	489	287	776
TOTAL UNITS	2,701	391	3,092

*The total expenditures supporting these units is not completely accounted for in the historic data report due to some loan disbursements occurring in 1997 and others occurring in the current 2006/2007 fiscal year.

A total of 2,316 low income housing units/households (0-80% MFI) were supported by the \$107,482,795 investment between 1998 and 2006. The table below does not include the over 800 units supported with the \$6,400,000 TIF expenditure toward New Columbia infrastructure improvements.

In addition to the housing units noted in Table 4, over 243,560 square feet of ground floor commercial and community uses were developed within mixed-use projects. The technical advisory committee recommended that in the future PDC track the amount of subsidy that is attributable to these non-housing uses. It also recommended PDC track the other public subsidies within TIF-funded projects by income level to understand which elements of a project the TIF subsidy is needed for and used for.

- **Forecasted Expenditures— 2006 – 2011**

PDC's *Adopted Fiscal Year 2006-2007 Budget* includes not only a budget for FY2006-2007, but also includes a five-year forecast of TIF expenditures through FY2010/2011. The following section provides a summary of the five-year forecast. It is important to note that the following information follows the Adopted Budget which represents the Central Eastside Urban Renewal Area as expiring and having limited resource availability. Therefore this report does not account for the extension of the Central Eastside URA and the resources that will be available due to that action, nor does it account for other major project decisions (such as the FireStation in Downtown Waterfront) that will change the forecast. This report also assumes that Staffing and Administration costs are held constant at 18% across the five year period.

The budgeted and forecasted expenditures for fiscal years 2006/2007 through 2010/2011 total \$481,691,373. It is anticipated that over **\$96 million will be spent on 0-80% MFI Housing** over the next five years. Affordable 0-80% MFI Housing accounts for 20% of forecasted gross TIF expenditures and **24% of total forecasted project expenditures**. An additional \$5 million is expected to support mixed-income developments in which some (if not all) of the expenditures will support 0-80% MFI Housing.

Table 5 breaks out the percent of TIF funding projected for affordable housing by each urban renewal area. The shows a wide range of projected spending across all urban renewal areas.

TABLE 5. **Forecasted Urban Renewal Expenditures for 0-80% MFI Housing by Urban Renewal Area**

Urban Renewal Areas	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Downtown Waterfront	\$10,850,000	12%	15%
South Park Blocks	\$17,688,319	28%	34%
River District	\$18,080,917	22%	27%
Central Eastside	\$0	0%	0%
Oregon Convention Center	\$2,404,303	7%	9%
North Macadam	\$22,741,000	33%	39%
Lents Town Center	\$10,905,096	22%	26%
Gateway Regional Center	\$3,250,000	18%	21%
Interstate Corridor[1]	\$10,326,000	19%	24%
Airport Way	\$0	0%	0%
Willamette Industrial	\$0	0%	0%

The forecasted data shows the following:

- Expenditures for 0-80% MFI Housing in newer urban renewal areas such as North Macadam, Gateway Regional Center and Interstate Corridor are ramping up from historic spending levels.
- Six of the eleven urban renewal areas have over 20% of net TIF expenditures budgeted for affordable housing.
- North Macadam and South Park Blocks have over 30% of their budget allocated to affordable housing.
- Oregon Convention Center continues to have a lesser focus on affordable housing.
- The semi-industrial district of Central Eastside forecasts no expenditures (approximately \$3,000,000 was recommended for the extension).

If there is a decision to increase the level of funding for affordable housing, TIF expenditures will need to be reprogrammed from the non-housing categories summarized in the table below.

TABLE 6. Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

Major Urban Renewal Spending Categories:	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing	\$96,245,635	20%	24%
Mixed-Income Housing - Income & Tenure TBD	\$5,204,000	1%	1%
Over 80% MFI Housing	\$3,064,152	1%	1%
Public Road, Sidewalks, Utilities	\$32,814,638	7%	8%
Parks/Open Space/Community Facilities	\$50,743,000	11%	13%
Business Assistance/Commercial Development/Jobs	\$138,946,692	29%	35%
Public Transportation	\$35,350,000	7%	9%
Redevelopment Planning, Outreach, Predevelopment	\$1,671,000	0%	0%
Distressed Property Acquisition & Development	\$27,868,362	6%	7%
Environmental Mitigation & Sustainability	\$3,381,000	1%	1%
Admin: Project Staffing, Administration, Overhead	\$85,419,552	18%	
TOTAL URBAN RENEWAL EXPENDITURES	\$481,691,373	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$396,283,550

• **Historic and Forecasted Expenditure Summary – 13 Years**

If a goal is established that each urban renewal area spend 30% of total TIF from this point forward on 0-80% MFI Housing an estimated \$22,340,909 would need to be reprogrammed to affordable housing. If Airport Way and the Willamette Industrial URAs are exempted, this decreases to \$18,515,976. This amount is further decreased by \$5 million if existing budgeted resources currently allocated to Mixed-Income Housing are spent solely on 0-80% MFI Housing.

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category [1]	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$47,966,774	\$22,340,909
To Reach 30% in the 13-Year Totals	\$138,596,330	\$76,067,622

[1] Amount of Resource That Would be Need to be Reprogrammed would decrease by \$5,204,000 if 100% Grant Warehouse, Interstate Housing and Kenton Station Area Redevelopment expenditures support 0-80% MFI housing.

As reported by the Office of Management and Finance Financial Planning Division's Analysis of the PDC Budget, PDC has 41 projects of \$1 million or more budgeted in FY 2006-07. More information on a summary of these projects is included in Appendix D: FY2006-07 Major Non-Housing Projects.

Key Questions for Implementation

The following is a list of questions that will be considered when making recommendations for implementation. It is anticipated that additional issues or questions may arise from the joint worksession of the Portland Development Commission and City Council on August 23, 2006.

- Should the Set Aside apply to all urban renewal areas including those that are purely Industrial zoned (i.e. exempt Airport Way and Willamette Industrial)?
- Should each URA have the same percent of funding set aside for affordable housing?
- How should the Set Aside be applied in "expiring" urban renewal areas that lose their bonding authority or reach maximum indebtedness within the 5-year forecast (Downtown Waterfront, South Park Blocks, Oregon Convention Center)?
- What percentage is appropriate for Portland and how does that compare to other communities that have a Set Aside?
- Should the Set Aside be retroactive? Should it start from this point forward or should we achieve a percent set-aside over the whole life of the URAs?
- What role should URA Plans and advisory groups play in establishing Set Aside priorities?
- Should community facilities with programs serving low income singles and families be eligible for the funding established by the Set-Aside?
- How should income guidelines be developed for the Set Aside? Should they be the same for each urban renewal area?
- Should there be a cap on how much mixed-use should be allowed under the Set Aside (i.e. subsidy for commercial components)?
- Will increased spending on affordable housing impact TIF revenue projections?

Next Steps

Per City Council Resolution No. 36404, PDC is working with stakeholders to develop a recommended implementation plan. PDC will continue to work with the technical advisory committee as well as other stakeholders to review and provide feedback on implementation options.

On August 28th, PDC will co-host a public forum with the Housing and Community Development Commission to provide the broader public an opportunity to comment on various implementation options.

In September, the PDC Board of Commissioners will review implementation options with the intent of making a recommendation to the City Council in early October 4th. A City Council hearing is tentatively scheduled for October 4, 2006.

Tax Increment Financing Set-Aside For Affordable Housing

Expenditure Report

APPENDICES

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APPENDIX A: Expenditures Categories, Definitions and Data

The Portland City Council requested that the Portland Development Commission provide a report detailing historical tax increment spending. In July, PDC developed a Technical Advisory Committee to review PDC's historic spending information on affordable housing expenditures in the existing URA's, as well as projections regarding future expenditures. The committee consisted of members representing the following: Mayor, Commissioner Sten, Bureau of Housing and Community Development, Office of Management and Finance, the Housing Development Center, Community Development Network and PDC.

PDC has provided a summary of expenditures in the following high level categories:

0-80% MFI Housing expenses related to the purchase of goods, services and property directly related to the development of a specific housing project or implementation of a housing program with income restrictions at 80% median family income or below are included in this category. In addition, all financial assistance in the forms of loans and grants are also included in this category. For those projects which received financing at various development stages (i.e. predevelopment loans, construction loans and permanent loans), financing that was ultimately "taken out" by a PDC permanent loan was not included in the expenditure reporting. This ensures there is not "double counting". This category includes both low and moderate income rental housing, as well as homebuyer assistance restricted at or below 80% MFI (shared appreciation mortgages, land trust, new development). This category does not include residential facilities such as homeless shelters, drug and alcohol treatment facilities, or residential youth facilities.

Above 80% MFI Housing: All expenses related to the purchase of goods, services and property directly related to the development or rehabilitation of a specific housing project or implementation of a housing program that either has no income restrictions, or is restricted at income levels above 80% median family income are included in this category. In addition, all financial assistance in the forms of loans and grants are also included in this category. For those projects which received financing at various development stages (i.e. predevelopment loans, construction loans and permanent loans), financing that was ultimately "taken out" by a PDC permanent loan was not included in the expenditure reporting. This ensures there is not "double counting". This category includes market rate rental housing, as well as homebuyer assistance restricted at 100% and 120% MFI (shared appreciation mortgages, Interest rate buydown) or with no income restrictions. Further information is available for historical spending in the following income categories: 0-30% MFI; 31-50% MFI, 51-60% MFI and 61-80% MFI.

Public Road, Sidewalks, Utilities: All expenses related to the purchase of goods, services and property for the development or rehabilitation of public roads, streetscape improvements, sidewalks, utilities, streetlights, etc. are included in this category. This also includes expenditures related to interagency agreements with the Portland Department of Transportation or the Bureau of Environmental Services which may include expenditures related to City staffing, engineering, design, planning, and construction expenses for specific projects. This category does not include parks or public transit facilities. This category does not include the infrastructure investments for New Columbia.

Parks/Open Space/Community Facilities: All expenses related to the purchase of goods, services and property for the development or rehabilitation of public parks and open spaces. This includes expenditures related to interagency agreements with Portland Parks and Recreation which may include expenditures related to City staffing, engineering, design,

planning, and construction expenses for specific projects. This category also includes a range of community facilities including community centers, workforce training centers, residential facilities such as homeless shelters, drug and alcohol treatment facilities, or residential youth facilities. It also includes public buildings including higher education, public school facilities, publicly-owned parking garages, and development of PDC offices.

Business Assistance/Commercial Development/Jobs: All expenses related to the purchase of goods, services and property for the development or rehabilitation of commercial buildings. This includes small business loans and grants for tenant improvements and capital projects. It also includes loans and grants for seismic upgrades and historic preservation for commercial buildings, storefront improvements, development of neighborhood commercial spaces, major commercial development generating new employment opportunities and the Development Opportunity Services program.

Public Transportation: All expenses related to the purchase of goods, services and property for the development of public transportation systems. This includes expenses related to the planning, design, engineering and development of light rail, streetcar, aerial tram systems and station platforms, as well as related infrastructure improvements necessary for accommodate the public transportation systems.

Redevelopment Planning/Outreach/Predevelopment: All expenses related to the purchase of goods and services for development of area plans, urban renewal strategies (housing, economic development, station area redevelopment, transportation, community livability), and housing and other property inventories. This category also funds general community outreach activities including urban renewal advisory committees, public forums, subcommittees, etc.

Distressed Property Acquisition and Development: All expenses related to the purchase of goods, services and property to support the redevelopment of properties. This category includes property in which the eventual use is not yet determined, or does not fit well within any of the categories identified above (i.e. commercial development, residential, large mixed-use, etc.). Properties that are anticipated for mixed-use residential development but have not yet been programmed for affordable or market rate housing are also included in this category. At the time the development program is established, these expenditures would be transferred to the appropriate category(ies) above.

Environmental Mitigation & Sustainability: All expenses related to the purchase of goods, services and property to support environmental testing and cleanup of contaminated properties in preparation for eventual development. This category includes costs that are due to extraordinary cleanup versus those expected for all developments. It also includes expenditures related to interagency agreements with Bureau of Environmental Services, Bureau of Housing and Community Development and Office of Sustainable development related to brownfield redevelopment and sustainability development activities which may include expenditures related to City staffing, engineering, design, planning, and construction expenses for specific projects.

Administration: All PDC staffing salary and benefit costs are included in this category. Administration also includes expenditures related to the purchase of goods, services and property for the overall building operations, furniture, computers and information systems, etc. All expenditures incurred by the legal department, executive department, public affairs section, finance and administration, contracting section, Board of Commissioners, human resources, resource development, etc. are included in this category.

Historical and Forecasted Expenditures by Urban Renewal Area (URA)

The following tables provide summary information on the type of activities that were funded with urban renewal tax increment financing over the last eight years. At the time the data was compiled, PDC was in the middle of its year-end accounting, so expenditures in June 2006 are not included in this report.

Historic Expenditures: Historic expenditures are broken down by the expenditure categories described in the previous section.

- *"Total Expenditures (dollars)"* represents the total 8-year expenditures.
- *"% Gross Expenditures (W/O Allocated Staffing & Admin)"* calculates what percent of the total urban renewal expenditures were made in a given expenditures category. This column adds up to 100% of the total urban renewal expenditures (i.e. the denominator is total urban renewal expenditures), but Project Staffing and Administration costs are broken out as a separate category rather than allocated to expenditures types.
- *"% Net Expenditures (minus Staffing & Admin)"* subtracts the Administration category from the total urban renewal expenditures and then calculates what percent of the remaining expenditures were made in a given category. This column adds up to 100% of Total URA Expenditures minus Administration (i.e. the denominator is total urban renewal expenditures' minus 'staffing and administration').

Historic expenditure data is not reported for the Willamette Industrial Urban Renewal Area because no tax increment financing has been generated to expended.

Budget and Forecasted Expenditures: Forecasted expenditures are broken down by PDC Department and three Housing Categories:

- *"0-80% MFI Housing"* represents both funding that restricted to low income housing, or it is the portion of the subsidy toward a mixed-income project (or program) that is anticipated to be spend on the 0-80% MFI housing.
- *"Housing Above 80% MFI"* represents projects or program that are anticipate to either provide affordable homeownership at 100% MFI, or market rate housing with no income restrictions.
- *"Mixed-Income Housing - Income & Tenure TBD"* represents project or budget line items in which the funding is allocated to residential development, but sufficient planning activities have not occurred to know if it will support rental housing, homeownership housing, mixed-use development and/or mixed-income housing. Rather than estimating a split between 0-80% MFI and Housing above 80% MFI, we categorized these budgets separately.

DOWNTOWN WATERFRONT URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$50,180,364	35%	44%
Housing Over 80% MFI	\$5,365,742	4%	5%
Public Road, Sidewalks, Utilities	\$8,525,487	6%	7%
Parks/Open Space/Community Facilities	\$28,254,814	20%	25%
Business Assistance/Commercial Development/Jobs	\$9,459,702	7%	8%
Public Transportation	\$29,573	>1%	>1%
Redevelopment Planning, Outreach, Predevelopment	\$778,363	1%	1%
Distressed Property Acquisition & Development	\$10,858,303	8%	10%
Environmental Mitigation & Sustainability	\$562,038	>1%	>1%
Admin: Project Staffing, Administration, Overhead	\$29,837,481	21%	
TOTAL URBAN RENEWAL EXPENDITURES	\$143,851,867	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$114,014,387

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$10,850,000	12%	15%
MFH Preservation - 32108	\$3,000,000		
Blanchet House - 32116	\$2,000,000		
MFH Estate - 34504	\$5,850,000		
Housing Over 80% MFI	\$0	>1%	>1%
Public Road, Sidewalks, Utilities	\$6,115,638	7%	8%
Parks/Open Space/Community Facilities	\$8,050,000	9%	11%
Business Assistance/Commercial Development/Jobs	\$16,560,231	19%	23%
Public Transportation	\$4,300,000	5%	6%
Redevelopment Planning, Outreach, Predevelopment	\$250,000	>1%	>1%
Distressed Property Acquisition & Development	\$26,386,362	30%	36%
Environmental Mitigation & Sustainability	\$200,000	>1%	>1%
Admin: Project Staffing, Administration, Overhead	\$15,741,234	18%	
TOTAL URBAN RENEWAL EXPENDITURES	\$88,453,465	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$72,712,231

DOWNTOWN WATERFRONT URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$61,030,364	26%	33%

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	Gross Expenditures (W/O Allocated Staffing & Admin)	Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$15,686,039	\$10,963,669
To Reach 30% in the 13-Year Totals	\$8,661,235	\$0

SOUTH PARK BLOCKS URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$19,673,249	26%	35%
Housing Over 80% MFI	\$163,586	0%	0%
Infrastructure	\$12,899	0%	0%
Parks/Open Space/Community Facilities	\$1,679,983	2%	3%
Business Assistance/Commercial Development/Jobs	\$27,032,799	36%	48%
Public Transportation	\$7,696,759	10%	14%
Redevelopment Planning, Outreach, Predevelopment	\$412,421	1%	1%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$17,748,885	24%	
TOTAL URBAN RENEWAL EXPENDITURES	\$74,420,580	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$56,671,696

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$17,688,319	28%	34%
MFH Jefferson West Preservation - 12027	\$4,430,000		
MFH Fairfield Preservation - 12030	\$1,767,000		
SPB Rental/Preservation - 32128	\$7,500,000		
MFH St. Stephens - 34511	\$3,950,000		
MFH St. Francis - 12034	\$41,319		
Public Road, Sidewalks, Utilities	\$0	0%	0%
Parks/Open Space/Community Facilities	\$9,575,000	15%	19%
Business Assistance/Commercial Development/Jobs	\$16,067,297	26%	31%
Public Transportation	\$8,000,000	13%	15%
Redevelopment Planning, Outreach, Predevelopment	\$305,000	0%	1%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$10,752,670	17%	
TOTAL URBAN RENEWAL EXPENDITURES	\$62,388,286	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$51,635,616

SOUTH PARK BLOCKS URBAN RENEWAL AREA – SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$37,361,568	27%	34%

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	Gross Expenditures (W/O Allocated Staffing & Admin)	Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$1,028,167	\$0
To Reach 30% in the 13-Year Totals	\$3,681,092	\$0

RIVER DISTRICT URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$24,925,707	21%	24%
Housing Over 80% MFI	\$2,588,933	2%	3%
Infrastructure	\$5,894,192	5%	6%
Parks/Open Space/Community Facilities	\$42,679,065	37%	42%
Business Assistance/Commercial Development/Jobs	\$23,827,444	20%	23%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$630,109	1%	1%
Distressed Property Acquisition & Development	\$7,154	0%	0%
Environmental Mitigation & Sustainability	\$1,591,527	1%	2%
Admin: Project Staffing, Administration, Overhead	\$14,263,923	12%	
TOTAL URBAN RENEWAL EXPENDITURES	\$116,408,053	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$102,144,130

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$18,080,917	21%	26%
Block 14 Housing - 13146	\$30,437		
RD Rental/Preservation - 32129	\$18,050,480		
Housing Over 80% MFI	\$344,849	0%	0%
Crane Building - 33424	\$344,849		
Public Road, Sidewalks, Utilities	\$6,220,000	8%	9%
Parks/Open Space/Community Facilities	\$6,360,000	8%	9%
Business Assistance/Commercial Development/Jobs	\$33,318,617	40%	50%
Public Transportation	\$1,500,000	2%	2%
Redevelopment Planning, Outreach, Predevelopment	\$305,000	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$1,000,000	1%	1%
Admin: Project Staffing, Administration, Overhead	\$15,729,128	19%	
TOTAL URBAN RENEWAL EXPENDITURES	\$84,858,511	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$69,129,383

RIVER DISTRICT URBAN RENEWAL AREA – SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$43,006,624	21%	25%

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	Gross Expenditures (W/O Allocated Staffing &Admin)	Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$7,376,636	\$2,657,898
To Reach 30% in the 13-Year Totals	\$17,373,345	\$8,375,430

CENTRAL EASTSIDE URBAN RENEWAL AREA – does not consider URA extension

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$136,858	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$4,744,766	9%	11%
Parks/Open Space/Community Facilities	\$18,436,965	34%	42%
Business Assistance/Commercial Development/Jobs	\$19,911,015	37%	46%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$168,691	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$19,149	0%	0%
Admin: Project Staffing, Administration, Overhead	\$10,028,954	19%	
TOTAL URBAN RENEWAL EXPENDITURES	\$53,446,398	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$43,417,444

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$0	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$280,000	4%	5%
Parks/Open Space/Community Facilities	\$0	0%	0%
Business Assistance/Commercial Development/Jobs	\$4,499,851	61%	83%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$0	0%	0%
Distressed Property Acquisition & Development	\$657,000	9%	12%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$1,880,879	26%	
TOTAL URBAN RENEWAL EXPENDITURES	\$7,317,730	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$5,436,851

CENTRAL EASTSIDE URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$136,858	>1%	>1%

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	Gross Expenditures (W/O Allocated Staffing &Admin)	Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$2,195,319	\$1,631,055
To Reach 30% in the 13-Year Totals	\$18,092,380	\$14,656,289

OREGON CONVENTION CENTER URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$7,588,821	8%	10%
Housing Over 80% MFI	\$1,924,128	2%	2%
Public Road, Sidewalks, Utilities	\$8,069,540	8%	10%
Parks/Open Space/Community Facilities	\$16,292,314	17%	21%
Business Assistance/Commercial Development/Jobs	\$24,769,760	25%	32%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$646,471	1%	1%
Distressed Property Acquisition & Development	\$17,484,855	18%	23%
Environmental Mitigation & Sustainability	\$932,073	1%	1%
Admin: Project Staffing, Administration, Overhead	\$19,510,333	20%	
TOTAL URBAN RENEWAL EXPENDITURES	\$97,218,295	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$77,707,962

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$2,404,303	7%	9%
MFH Preservation - 80007	\$1,300,000		
MFH Lloyd Opportunities - 80006	\$185,000		
Piedmont Place - 19032	\$919,303		
Mixed-Income Housing - Income & Tenure TBD*	\$2,104,000	6%	8%
Grant Warehouse - 80026	\$2,104,000		
Housing Over 80% MFI	\$1,919,303	6%	7%
Affordable Ownership (100% MFI) - 80029	\$1,000,000		
Piedmont Place - 19032	\$919,303		
Public Road, Sidewalks, Utilities	\$2,255,000	7%	8%
Parks/Open Space/Community Facilities	\$4,000,000	12%	15%
Business Assistance/Commercial Development/Jobs	\$11,612,034	35%	43%
Public Transportation	\$2,000,000	6%	7%
Redevelopment Planning, Outreach, Predevelopment	\$180,000	1%	1%
Distressed Property Acquisition & Development	\$455,000	1%	2%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$6,391,637	19%	
TOTAL URBAN RENEWAL EXPENDITURES	\$33,321,276	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$26,929,639

OREGON CONVENTION CENTER URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)*[1]	\$9,993,124	8%	10%

*Does not include Grant Warehouse budgeted expenditures which will in part support 0-80% MFI housing.

[1] % Gross Expenditures would increase to 14% and % Net Expenditure would increase to 17% if 100% Grant Warehouse expenditures support low income housing (0-80% MFI)

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	Gross Expenditures (W/O Allocated Staffing & Admin)	Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast*	\$7,592,080	\$5,674,589
To Reach 30% in the 13-Year Totals	\$29,168,748	\$21,398,157

*Net Dollars Needed would be reduced to \$1,466,589 if 100% of the Grant Warehouse expenditures supported low income housing development (0-80% MFI).

NORTH MACADAM URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$2,920	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$2,915,136	7%	8%
Parks/Open Space/Community Facilities	\$12,513,254	30%	35%
Business Assistance/Commercial Development/Jobs	\$477,827	1%	1%
Public Transportation	\$13,784,706	33%	39%
Redevelopment Planning, Outreach, Predevelopment	\$396,595	1%	1%
Distressed Property Acquisition & Development	\$4,094,253	10%	12%
Environmental Mitigation & Sustainability	\$1,299,001	3%	4%
Admin: Project Staffing, Administration, Overhead	\$6,236,063	15%	
TOTAL URBAN RENEWAL EXPENDITURES	\$41,719,755	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$35,483,692

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$22,741,000	33%	39%
MFH North Macadam - 10525	\$22,741,000		
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$2,950,000	4%	5%
Parks/Open Space/Community Facilities	\$14,919,000	22%	25%
Business Assistance/Commercial Development/Jobs	\$3,695,000	5%	6%
Public Transportation	\$11,550,000	17%	20%
Redevelopment Planning, Outreach, Predevelopment	\$480,000	1%	1%
Distressed Property Acquisition & Development	\$70,000	0%	0%
Environmental Mitigation & Sustainability	\$2,161,000	3%	4%
Admin: Project Staffing, Administration, Overhead	\$9,690,143	14%	
TOTAL URBAN RENEWAL EXPENDITURES	\$68,256,143	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$58,566,000

NORTH MACADAM URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$22,743,920	21%	24%

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$0	\$0
To Reach 30% in the 13-Year Totals	\$10,248,849	\$5,470,987

LENTS TOWN CENTER URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

Major Urban Renewal Spending Categories:	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing	\$3,958,021	17%	25%
Housing Over 80% MFI	\$10,000	0%	0%
Public Road, Sidewalks, Utilities	\$2,468,608	11%	15%
Parks/Open Space/Community Facilities	\$2,128,213	9%	13%
Business Assistance/Commercial Development/Jobs	\$7,487,762	33%	47%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$22,768	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$19,146	0%	0%
Admin: Project Staffing, Administration, Overhead	\$6,529,901	29%	
TOTAL URBAN RENEWAL EXPENDITURES	\$22,624,419	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$16,094,518

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

Major Urban Renewal Spending Categories:	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing	\$10,905,096	22%	26%
Lents Livability Home Rehab - 31209	\$1,304,096		
Lents Neighborhood Housing – 32109*	\$4,700,000		
MFH 122nd & Pardee - 32109	\$501,000		
REACH Home Rehab - 32121	\$500,000		
Lents Homeowner Dev - 33418	\$2,700,000		
Lents Homebuyer Assist - 33424	\$1,200,000		
Housing Over 80% MFI	\$300,000	1%	1%
Lents Homebuyer Assist - 33424	\$300,000		
Public Road, Sidewalks, Utilities	\$5,850,000	12%	14%
Parks/Open Space/Community Facilities	\$3,128,000	6%	8%
Business Assistance/Commercial Development/Jobs	\$16,092,377	32%	39%
Public Transportation	\$5,000,000	10%	12%
Redevelopment Planning, Outreach, Predevelopment	\$5,000	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$8,248,699	17%	
TOTAL URBAN RENEWAL EXPENDITURES	\$49,529,172	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$41,280,473

*Lents Neighborhood Housing will only be available to projects that include housing at or below 80% MFI, although the eventual housing development may be within mixed-income projects.

LENTS TOWN CENTER URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing			
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$14,863,117	21%	26%

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$3,953,656	\$1,479,046
To Reach 30% in the 13-Year Totals	\$6,782,961	\$2,349,380

GATEWAY REGIONAL CENTER URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$0	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$703,751	6%	8%
Parks/Open Space/Community Facilities	\$0	0%	0%
Business Assistance/Commercial Development/Jobs	\$2,220,930	19%	24%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$24,713	0%	0%
Distressed Property Acquisition & Development	\$6,325,761	54%	68%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$2,448,744	21%	
TOTAL URBAN RENEWAL EXPENDITURES	\$11,723,899	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$9,275,156

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$3,250,000	18%	21%
Multifamily HSG Opp Fund - 80016	\$3,250,000		
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$75,000	0%	0%
Parks/Open Space/Community Facilities	\$600,000	3%	4%
Business Assistance/Commercial Development/Jobs	\$7,920,920	43%	52%
Public Transportation	\$3,000,000	16%	20%
Redevelopment Planning, Outreach, Predevelopment	\$30,000	0%	0%
Distressed Property Acquisition & Development	\$300,000	2%	2%
Environmental Mitigation & Sustainability	\$20,000	0%	0%
Admin: Project Staffing, Administration, Overhead	\$3,357,993	18%	
TOTAL URBAN RENEWAL EXPENDITURES	\$18,553,913	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$15,195,920

*Multifamily HSG Opportunity Fund will only be available to projects that include housing at or below 80% MFI, although the eventual housing development may be within mixed-income projects.

GATEWAY REGIONAL CENTER URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing			
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)	\$3,250,000	11%	13%

	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category		
To Reach 30% in the 5-Year Forecast	\$2,316,174	\$1,308,776
To Reach 30% in the 13-Year Totals	\$5,833,344	\$4,091,323

INTERSTATE CORRIDOR URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$1,016,855	2%	2%
New Columbia Infrastructure	\$6,400,000	13%	14%
Housing Over 80% MFI	\$762,684	2%	2%
Public Road, Sidewalks, Utilities	\$609,058	1%	1%
Parks/Open Space/Community Facilities	\$361,650	1%	1%
Business Assistance/Commercial Development/Jobs	\$5,203,257	11%	12%
Public Transportation	\$30,000,000	62%	68%
Redevelopment Planning, Outreach, Predevelopment	\$15,315	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$3,848,324	8%	
TOTAL URBAN RENEWAL EXPENDITURES	\$48,217,143	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$44,368,819

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$10,326,000	19%	24%
Affordable Housing RFP - 19025	\$3,000,000		
Interstate Rental Repair - 19029	\$1,000,000		
Interstate Home Repair - 31403	\$1,100,000		
Interstate Homebuyer Assistance – 33419*	\$1,706,000		
Killingsworth Station - 19025	\$515,000		
Crown Motel - 19025	\$3,005,000		
Housing Over 80% MFI	\$500,000	1%	1%
Killingsworth Station - 19025	\$500,000		
Mixed-Income Housing - Income & Tenure TBD	\$3,100,000	6%	7%
Interstate Housing - 19025	\$1,100,000		
Kenton Station Area Redev - 19018	\$2,000,000		
Public Road, Sidewalks, Utilities	15%	19%	15%
Parks/Open Space/Community Facilities	8%	9%	8%
Business Assistance/Commercial Development/Jobs	32%	40%	32%
Public Transportation	0%	0%	0%
Redevelopment Planning, Outreach, Predevelopment	0%	0%	0%
Distressed Property Acquisition & Development	0%	0%	0%
Environmental Mitigation & Sustainability	0%	0%	0%
Admin: Project Staffing, Administration, Overhead	\$10,516,137	19%	
TOTAL URBAN RENEWAL EXPENDITURES	\$54,168,726	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$42,652,589

*A portion of Interstate Homebuyer Assistance may provide assistance to households from 81-100% MFI.

INTERSTATE CORRIDOR URBAN RENEWAL AREA - SUMMARY

0-80% MFI Housing Total Expenditures

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing			
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)** [1] [2]	\$17,742,855	17%	20%

**Includes \$6,400,000 New Columbia infrastructure expenditures.

[1] Does not include Interstate Housing and Kenton Station Area Redevelopment budgeted expenditures which will in part support 0-80% MFI housing.

[2] % Gross Expenditures would increase to 27% and % Net Expenditure would increase to 31% if 100% of Interstate Housing and Kenton Station Area Redevelopment budgeted expenditures support low income housing (0-80% MFI).

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$5,924,618	\$2,769,777
To Reach 30% in the 13-Year Totals*	\$12,972,906	\$8,663,568

*Net Dollars Needed in the 5-Year Forecast would be reduced to \$0 if 100% of the Interstate Housing and Kenton Station Area Redevelopment expenditures supported low income housing development (0-80% MFI).

AIRPORT WAY URBAN RENEWAL AREA

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$0	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$2,322,320	3%	4%
Parks/Open Space/Community Facilities	\$576,006	1%	1%
Business Assistance/Commercial Development/Jobs	\$36,521,119	51%	58%
Public Transportation	\$23,235,715	32%	37%
Redevelopment Planning, Outreach, Predevelopment	\$235,651	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$19,263	0%	0%
Admin: Project Staffing, Administration, Overhead	\$9,167,353	13%	
TOTAL URBAN RENEWAL EXPENDITURES	\$72,077,428	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$62,910,074

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$0	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$670,000	9%	11%
Parks/Open Space/Community Facilities	\$0	0%	0%
Business Assistance/Commercial Development/Jobs	\$5,501,257	71%	89%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$6,000	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$1,569,331	20%	
TOTAL URBAN RENEWAL EXPENDITURES	\$7,741,660	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$6,172,329

0-80% MFI Housing Total Expenditures

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing			
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)**	\$0	0%	0%

WILLAMETTE INDUSTRIAL URBAN RENEWAL AREA

No tax increment has been generated from the district and no expenditures have occurred.

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$0	0%	0%
Housing Over 80% MFI	\$0	0%	0%
Public Road, Sidewalks, Utilities	\$200,000	2%	3%
Parks/Open Space/Community Facilities	\$0	0%	0%
Business Assistance/Commercial Development/Jobs	\$6,372,519	79%	97%
Public Transportation	\$0	0%	0%
Redevelopment Planning, Outreach, Predevelopment	\$0	0%	0%
Distressed Property Acquisition & Development	\$0	0%	0%
Environmental Mitigation & Sustainability	\$0	0%	0%
Admin: Project Staffing, Administration, Overhead	\$1,541,702	19%	
TOTAL URBAN RENEWAL EXPENDITURES	\$8,114,221	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$6,172,329

0-80% MFI Housing Total Expenditures

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
0-80% MFI Housing			
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)**	\$0	0%	0%

URBAN RENEWAL AREA TOTALS

Historic Urban Renewal Expenditures – July 1, 1998 through May 31, 2006

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$107,482,795	16%	19%
New Columbia Infrastructure	\$6,400,000	1%	1%
Housing Over 80% MFI	\$10,815,073	2%	2%
Public Road, Sidewalks, Utilities	\$36,265,757	5%	6%
Parks/Open Space/Community Facilities	\$122,922,264	18%	22%
Business Assistance/Commercial Development/Jobs	\$156,911,616	23%	28%
Public Transportation	\$74,746,753	11%	13%
Redevelopment Planning, Outreach, Predevelopment	\$3,331,096	0%	1%
Distressed Property Acquisition & Development	\$38,770,326	6%	7%
Environmental Mitigation & Sustainability	\$4,442,197	1%	1%
Admin: Project Staffing, Administration, Overhead	\$119,619,961	18%	
TOTAL URBAN RENEWAL EXPENDITURES	\$681,707,838	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$562,087,877

Budgeted and Forecasted Expenditures – July 1, 2006 through June 30, 2011

	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing & Admin)	% Net Expenditures (minus Staffing & Admin)
Major Urban Renewal Spending Categories:			
0-80% MFI Housing	\$96,245,635	20%	24%
Mixed-Income Housing - Income & Tenure TBD	\$5,204,000	1%	1%
Over 80% MFI Housing	\$3,064,152	1%	1%
Public Road, Sidewalks, Utilities	\$32,814,638	7%	8%
Parks/Open Space/Community Facilities	\$50,743,000	11%	13%
Business Assistance/Commercial Development/Jobs	\$138,946,692	29%	35%
Public Transportation	\$35,350,000	7%	9%
Redevelopment Planning, Outreach, Predevelopment	\$1,671,000	0%	0%
Distressed Property Acquisition & Development	\$27,868,362	6%	7%
Environmental Mitigation & Sustainability	\$3,381,000	1%	1%
Admin: Project Staffing, Administration, Overhead	\$85,419,552	18%	
TOTAL URBAN RENEWAL EXPENDITURES	\$481,691,373	100%	100%
TOTAL URBAN RENEWAL EXPENDITURES MINUS ADMINISTRATION			\$396,283,550

*A portion of Interstate Homebuyer Assistance may provide assistance to households from 81-100% MFI.

URBAN RENEWAL AREA TOTALS -SUMMARY

0-80% MFI Housing Total Expenditures

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)**	\$210,128,430	18%	22%

**Includes \$6,400,000 New Columbia infrastructure expenditures.

[1] % Gross Expenditures would increase to 19% and % Net Expenditures would increase to 20% if 100% Grant Warehouse, Interstate Housing and Kenton Station Area Redevelopment expenditures support low income housing (0-80% MFI).

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category [1]	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$47,966,774	\$22,340,909
To Reach 30% in the 13-Year Totals	\$138,596,330	\$76,067,622

[1] Amount of Resource That Would be Need to be Reprogrammed would decrease by \$5,204,000 if 100% Grant Ware-house, Interstate Housing and Kenton Station Area Redevelopment expenditures support low income housing (0-80% MFI).

0-80% MFI Housing Total Expenditures (Without Including Airport Way URA or Willamette Industrial URA Expenditures)

0-80% MFI Housing	Total Actual Expenditures (dollars)	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
Actual 8-Year Expenditures Plus 5-Year Budgeted and Forecasted Expenditures (13 Years)** [1]	\$210,128,430	20%	22%

**Includes \$6,400,000 New Columbia infrastructure expenditures

[1] % Gross Expenditures and % Net Expenditures would increase to 21% if 100% Grant Warehouse, Interstate Housing and Kenton Station Area Redevelopment expenditures support low income housing (0-80% MFI).

Amount of Resources That Would Need to be Reprogrammed From a Non-Housing Category	% Gross Expenditures (W/O Allocated Staffing &Admin)	% Net Expenditures (minus Staffing & Admin)
To Reach 30% in the 5-Year Forecast	\$43,208,532	\$18,515,976
To Reach 30% in the 13-Year Totals	\$111,198,005	\$72,242,689

CURRENT % OF URBAN RENEWAL FOR AFFORDABLE HOUSING (0-80% MFI)
Includes 8-Year Historic Expenditures and 5-Year Forecasted Expenditures

Urban Renewal Areas	Total Actual Expenditures (dollars)	% Gross Expenditures (With Admin)	% Net Expenditures (w/o Admin)
Downtown Waterfront	\$61,030,364	26%	33%
South Park Blocks	\$37,361,568	27%	34%
River District	\$43,006,624	22%	25%
Central Eastside	\$136,858	0%	0%
Oregon Convention Center [1]	\$9,993,124	8%	10%
North Macadam	\$22,743,920	21%	24%
Lents Town Center	\$14,863,117	21%	26%
Gateway Regional Center	\$3,250,000	11%	13%
Interstate Corridor[2][3]	\$17,742,855	17%	20%
Airport Way			
Willamette Industrial	\$0	0%	0%

[1] % Gross Expenditures would increase to 14% and % Net Expenditure would increase to 17% if Grant Warehouse expenditures support 100% low income housing (0-80% MFI).

[2] Includes \$6,400,000 New Columbia infrastructure expenditures.

[3] % Gross Expenditures would increase to 14% and % Net Expenditure would increase to 17% if 100% of Interstate Housing and Kenton Station Area Redevelopment budgeted expenditures support low income housing (0-80% MFI).

APPENDIX B: Data Collection Methodology

The following outlines the methodology used in collecting both historic and forecasted tax increment financing (TIF) expenditure data. The methodology was refined as the Technical Advisory Committee provided input. In addition, some challenges to the data and the Portland Development Commission (PDC) current reporting system are also summarized.

Historic Expenditure Data Reporting Period:

City Council Resolution 36404 requested that PDC provided information on TIF expenditures for the last ten (10) years. In 1998, PDC changed its entire budget and accounting system which makes data before 1998 less accessible or reliable. Therefore the historic data provided is for the period beginning July 1, 1998 and ending May 31, 2006. This time period is used because it represents the most complete and accurate data that PDC is able to report.

Universe of Data:

The historic and forecasted data provided is a summary of all expenditures originating from tax increment financing. The historic data represents actual expenditures, rather than the adopted budgets or available resources. The forecasted data represents PDC's projection of how available resources will be spent over the next five years. This also does not represent the available resources, but rather anticipated expenditures. The data includes all expenditures, including staffing, facilities, administration, property acquisition, personal and professional services, consultants, loans, grants, interagency agreements, etc.

Staffing and Admin:

For purposes of this report, staffing costs were not allocated by department, project or expenditure category. PDC has three operating departments (Economic Development, Development and Housing) in which staff are predominantly involved in the direct delivery of projects and programs. In addition, legal, finance and loan servicing staff are also involved in the direct delivery of projects and programs. Other staff are responsible for overall operations and administration of the Commission. Due to changes in the allocation of personnel costs and administration costs, the report summarizes these expenses on an aggregate basis.

Housing Expenditures by Income Level:

City Council Resolution 36404 requested that PDC report on expenditure by the income level of the units produced or households served. Since many projects have a range of expenditure types, as well as income mixes within individual projects, the allocation of expenditures such as consulting costs, property acquisition, appraisals, etc. were distributed by income level using the same methodology PDC has used to allocate direct financial assistance (loans and grants). The following is a summary of the multiple methods used in allocating expenditures:

- If a housing project had a loan or grant, the allocation for the financial assistance by income level was applied to all other TIF expenses related to the project.
- For projects that are anticipated to have future financial assistance expenditures, but have had other expenditures such as property acquisition, PDC estimated based on current financial pro formas how the financial assistance will be allocated by

income levels and between different housing types (e.g. Killingsworth Station). This estimated distribution was then applied to all current expenditures.

- For projects that had predevelopment expenditures, but did not result in an executed project, the resources were allocated based on the intended income levels of the project (e.g. Clifford Apartments).

Other Housing Expenditures:

There are many expenditures that have not yet directly resulted in housing development where the incomes levels are known or clearly defined, and there are expenditures that are planning in nature. These expenditures were not categorized at *0-80% MFI Housing*, nor were they broken down by income level. Rather, they are included in other categories in the Expenditure Report, such as:

- ***Distressed Property Acquisition and Development:*** PDC owns properties that are anticipated to be developed as mixed-use with residential components, but specific income targets or housing type (rental or ownership) have not yet been established. Also, PDC has also purchased properties that were originally anticipated for housing development but may ultimately be developed as other uses.
- ***Redevelopment Planning/ Outreach/Predevelopment:*** Some of the activity undertaken by the Housing Department are not directly linked to individual development projects or programs, but inform the overall work that PDC does in support of housing development. These include community outreach, public forums, housing market studies, paid interns working on housing inventories, general area development studies, etc. These expenditures are included in the larger *Redevelopment Planning/Outreach/Predevelopment* category.
- ***Community Facilities/Social Services:*** The housing department often administers financial assistance to social service agencies or other community facilities that would not be considered housing. This also includes facilities that have a residential component such as drug and alcohol rehab center.

Minimizing "Double Counting:"

Often, expenditures for housing development are in the form of two, three or sometimes four different loans. These loans when viewed separately overstate the total urban renewal subsidy in the project. A project may have a PDC predevelopment loan that is completely paid off by a PDC construction loans, that is further paid off by a PDC permanent loan. Housing and Finance staff reviewed the loan history for each project and identified those projects in which there were cascading loans. The Expenditure Report reconciled those expenditures and reported only the total permanent subsidy in the project. This reconciliation subtracted approximately \$8 million dollars from the total housing expenditures.

APPENDIX C: Challenges to Reporting Tax Increment Expenditures, Budgets and Revenue

Challenges to Expenditures Reporting:

As PDC staff and the Technical Advisory Committee reviewed the expenditure data, a number of challenges to the data were identified. In addition, some requests for additional information required further research and were not possible within the time frame of this report. While the following represent challenges, they can also inform how PDC can track expenditures differently in the future.

- **Expenses Reimbursed:** Some TIF Expenditures are ultimately reimbursed by other local, state and federal agencies either due to funding agreements or grants.
- **Nature of the Expenditure:** Not all TIF Expenditures are the same. The data presented in this report does not distinguish between those expenditures that are “sunk costs” or grants which are never repaid, versus those expenditures that are short-term and long-term loans that provide *Program Income* into the district through loan payments over time. Infrastructure investments are expenditures that are not recaptured, but housing and commercial developments are most often subsidized through loans.
- **Program Income Generated by Investment:** Extremely low income housing is generally funded by either grants or equity gap contributions that are unlikely to be paid back. Moderate and mixed income housing is generally funded by subordinate loans that produce modest cash flow through low interest loan payments. Market rate housing is most often funded with bridge loans or short-term interest bearing loans that are paid back within 10 years generating revenue for the urban renewal area.
- **Property Sales/Property “Write downs”:** Expenditure data does capture the costs to acquire property, but it does not capture the amount of revenue generated from the ultimate sale of the property or the project subsidy when the property is sold either below market value or PDC’s cost of acquisition and site preparation.
- **Breakdown by Income Level:** PDC has developed a mixed-income methodology for allocating financial assistance (loans and grants) to various income levels in a housing project. But, PDC does not allocate all other projects expenses by income level. As described earlier in the report, PDC staff used discretion in allocating non-loan and grant expenditures by income level.
- **Commercial, Community Room and Social Service Uses Within Mixed-Use Buildings:** PDC currently allocates its financial assistance to the housing portion of a development. Many of the developments in the Central City and along transit corridors have ground floors uses that are community space, social services, or commercial (office, retail, restaurant, etc.). PDC has not traditionally allocated the subsidy to these ground floor uses potentially overestimating the subsidy to affordable housing and underestimated the subsidy to community facilities and commercial development.

- **Urban Renewal Expenditures that are made by the City:** Not all urban renewal expenditures “hit PDC’s books”. Projects such as the Interstate Light Rail and New Columbia were “taken off the top” by the City before the City allocated du jour urban renewal and long-term debt urban renewal resources to PDC. Those expenditures have been included in the report to ensure all tax increment expenditures are reported.

Differences Between Expenditure Report and PDC Housing Production Reports:

The Expenditures Report varies dramatically from the annual reports that PDC produces outlining investments in affordable housing. The Expenditure Report is capturing all expenses related to the planning and development of housing, while the Production Reports only report on those expenditures that take the form of a loan or grant.

- **PDC Production Reports are based on loans closed versus expenditures.** Those reports allocate the funds to the year the loan closed, while the expenditure reports we are looking at in this analysis allocate the funds to the actual year they were spent.
- **PDC Production Reports are based on long-term permanent subsidy.** PDC production reports account for the stages of development and expenditures, so in final allocations only the long term permanent loan or grant is tracked versus predevelopment loan and construction loans that are eventually paid off by the permanent subsidy.
- **PDC Production Reports do not account for site acquisition, preparation, maintenance and management costs.**

Expenditures versus Budgets or Available Revenue:

The revenues for tax increment spending come in number of different categories:

- **Du Jour** – actual tax increment revenues collected annually.
- **Long-Term Bond Debt** – city urban renewal bonds issued based on capacity to repay in the future (calculated by the Office of Management and Finance)
- **Lines of Credit** – city lines of credit loaned to PDC based on capacity to repay in the future (calculated by the Office of Management and Finance)
- **Property Sales** – revenues from the sale of PDC-owned properties
- **Other income** – commercial and residential lease fees from PDC owned properties, grant funds from other agencies or organizations, reimbursements

Those portions of the budgeted revenues that are unspent roll forward from year to year. This makes it difficult to analyze annual revenues over time. Also, urban renewal revenues are often controlled by decisions made by the Office of Management and Finance (OMF) and the ability to put their credit behind lines of credit or bonds. Below is a summary of how many of the revenues are budgeted annually.

- **Du Jour resources are projected.** The availability of these resources is not confirmed until after the adoption of the PDC annual budget in June. Often the budget is adjusted mid-year to reflect reductions or increases in Du Jour based on the actual tax collection by Multnomah County.

- **Long-Term Bond Debt resources are allocated a number of ways.**
 - When the bonds have been issued and PDC knows the total available resources, the Commission uses discretion in how to allocate the resources across a number of years based on projections of when project expenditures will actually occur.
 - When the bonds are projected in the future forecasts, the resource allocation is based on an estimate of what OMF believes the City can bond against and the cost of issuing the bonds. These also are allocated across different fiscal years using discretion.

- **Lines of Credit are similar to Long-Term Debt.** OMF prefers we not budget lines of credit unless PDC and the City are confident the expenditures will occur in a given year.

- **Property Sales are budgeted conservatively.** Often the timing and dollar amount of property sales is uncertain at the time of the budget. There is a desire to not make projects dependent on unrelated property sales because they may hinder the ability to move a project forward if the sale does not occur as projected.

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APPENDIX D: FY 2006-07 Major Non-Housing Projects

Financial Planning Division Analysis of PDC Fiscal Year 2006-07 Approved Budget May 31, 2006

The following tables and narratives are excerpts from the Budget Analysis prepared by the Office of Management and Finance for the Portland City Council as a review of the Portland Development Commission Approved Budget.

MAJOR PROJECTS

PDC has 41 projects of \$1 million or more in FY 2006-07. Below are illustrations of some projects in multiple districts, and separate listings of large projects by department.

- **TRANSPORTATION PROJECTS** – Transportation projects represent some \$39 million (43%) of the Development Department budget. These are in two general categories: Major projects, including Light Rail, Transit Mall Improvements, and the Tram in North Macadam URA (\$25 million); and an Intergovernmental Agreement with PDOT for projects in multiple districts (\$14 million).

DISTRICT	PROJECT	FY 2006-07 BUDGET
South Park Blocks	Downtown Transit Mall	\$6,170,000
Lents	I-205 Light Rail	5,000,000
North Macadam	Tram	5,000,000
Downtown Waterfront	Downtown Transit Mall	4,300,000
Gateway	I-205 Light Rail	3,000,000
River District	Downtown Transit Mall	1,470,000
TOTAL		\$24,940,000

- **ECONOMIC DEVELOPMENT ACTIVITY** – All URAs receive some economic development support, with the major source being Business Finance Loans. There are also loans for seismic upgrades, "storefront" grants, and some business retention activities. The table below summarizes these major programs for FY 2006-07, by URA.

	Business Finance Loans	Seismic Loans	Storefront Grants	Business Retention	Other	URA Total
AW				150,000		150,000
CE	501,832	1,733,000				2,234,832
OCC	3,530,500		250,000	100,000		3,880,500
DTWF	2,317,723	2,500,000	200,000	50,000		5,067,723
GW	280,150		78,000	10,000		668,150
IC	1,336,195	400,000	300,000	50,000		2,086,195
LENTS	1,184,710		170,000	130,000		1,484,710
NO MAC					895,000	895,000
RD	3,475,000		200,000	225,000		2,900,000
SPB	2,384,637	1,000,000	200,000	100,000		3,684,637
TOTAL	15,310,747	5,633,000	1,398,000	815,000	895,000	24,051,747

- MAJOR DEVELOPMENT PROJECTS – The table below shows major development projects in the coming year, with their four-year totals.

FUND	DEPT.	PROJECT	Approved 2006-07	4-YEAR TOTAL
NO MAC	D	Development of PDC RiverPlace property	6,338,000	6,341,000
OCC	D	Vanport project	6,302,000	6,302,000
SPB	D	Transit Mall	6,170,000	6,170,000
LENTS	D	Light Rail	5,000,000	5,000,000
NO MAC	D	Tram	5,000,000	5,000,000
NO MAC	D	Central North Macadam Infrastructure	4,472,000	5,883,000
DTWF	D	Transit Mall	4,300,000	4,300,000
GW	D	Gateway Light Rail	3,000,000	3,000,000
LENTS	D	Redevelopment	2,751,300	6,451,300
LENTS	D	Neighborhood Transportation	2,131,000	3,531,000
LENTS	D	Parks	2,023,000	2,948,000
IC	D	Streetscape	1,975,000	6,375,000
DTWF	D	Naito Parkway Improvements	1,795,000	1,795,000
OCC	D	Headquarters Hotel	1,600,000	4,000,000
RD	D	Transit Mall	1,470,000	3,470,000
OCC	D	MLK Blvd. Improvements	1,325,000	1,325,000
SPB	D	Park Development (Park Ave. @ Taylor)	1,200,000	1,200,000
DTWF	D	Fire Station/Globe Hotel	1,105,000	8,355,000
OCC	D	Lloyd Transportation Improvements	1,060,000	2,060,000

- BURNSIDE/COUCH REALIGNMENT – The project to realign W. Burnside and NW Couch, creating a couplet from west of the Burnside Bridge to I-405, includes both the River District and Downtown Waterfront. (There is also funding for E. Burnside planning in Central Eastside, but that project is separate from the west side.) Each district is budgeted for \$575,000 in FY 2006-07, and \$1,925,000 in each district in each of the following two years. The total budget for this project over the next three years is \$8,850,000 (FY 2006-07 costs are included in the IGA with PDOT).