

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: April 13, 2011

TO: Board of Commissioners

FROM: Patrick Quinton, Executive Director

SUBJECT: Report Number 11-25
Adopt Revised Community Livability Grant Program Guidelines

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6862

ACTION SUMMARY

This action will adopt revised guidelines for the Community Livability Grant (CLG) Program that will reinforce how CLG advances the Portland Development Commission's (PDC's) strategic goals of healthy neighborhoods and sustainability and social equity. The current CLG terms and processes are unchanged by the revised guidelines; however the revisions provide clarification and specific expectations that will improve program delivery and better prepare applicants, resulting in higher project success rates. The changes include:

- The program purpose is restated to better show alignment with PDC Strategic Plan 2010 goals of sustainability and social equity and healthy neighborhoods;
- That grants are awarded through a competitive process is emphasized;
- 'Eligible Grantee' continues to be broadly defined; however, requirements of working with a fiscal agent or City bureau, as necessary, are added to ensure there is the necessary capacity in place to complete the project;
- Evaluation criteria directed at overall organizational and project management capacity are added to focus on better prepared applicants;
- Clarification that the evaluation criteria in the guidelines is meant as a baseline and each announcement of available funds may add evaluation or ranking criteria, maintaining the program's ability to be flexible and responsive for unique needs in each urban renewal area (URA); and
- Specific expectations of grantees are clarified for entering into a legal commitment with PDC for the grant funds, identifying the community benefit to be achieved and the basis for making the grant and the required duration of the project providing the community benefit.

Since 2006, nearly \$1.8 million in CLG has been awarded to 29 community-based organizations in the Interstate Corridor and Lents Town Center URAs. The adoption of these guidelines will replace the existing guidelines for the CLG Program adopted through Resolution No. 6710 by the PDC Board of Commissioners (Board) on June 10, 2009.

This action is very timely as the announcement of funds available for FY 2011-12 was released on March 17, 2011, so that the review and selection process can be complete for the start of the new fiscal year integrating the revisions recommended here.

PUBLIC BENEFIT

The revised guidelines will increase efficiencies in delivering CLG and provide more clarity for potential applicants.

This action will support the following PDC goals:

- Strong Economic Growth and Competitiveness
- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Effective Stewardship over our Resources and Operations, and Employee Investment

PUBLIC PARTICIPATION AND FEEDBACK

For each annual funding cycle, an evaluation committee is formed to review the applications. The evaluation committee is reflective of the community and represents a broad cross section to critically review the applications. At the conclusion of each funding cycle, program staff debrief with evaluation committee members as to what could be improved in the selection process as well as the information required to make recommendations. Staff also discusses the pool of applicants and strategizes how to broaden outreach to be more inclusive. Staff has significant contact with applicants and potential applicants throughout the year and this helps inform how implementation of the next announcement can be improved. What staff has learned through this feedback process is the importance of organizational capacity and partnerships that can help build capacity to the success of the projects. This is reflected in the changes to the evaluation criteria.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

PDC's Strategic Plan 2010 focuses around five goals, two of which are supported by the Community Livability Grant Program:

- Sustainability and Social Equity goal demonstrates PDC's leadership in social equity by targeting investments towards disadvantaged residents, businesses, and communities. CLG enhances opportunities to provide education and skills training for disadvantaged populations and seeks opportunities to work with cultural communities.
- Healthy Neighborhoods goal focuses in URAs to transform our communities in unique ways. CLG invests in community livability projects that support diverse neighborhoods and stimulate community involvement.

The City of Portland's Economic Development Strategy calls for "*Building the Sustainable Economy*." These recommended changes support the following objective:

- Objective 3: provide "continued and expanded support for neighborhood serving businesses is required for Portland to achieve its vision of 20 minute neighborhoods, where resident have easy access to goods and services."

The CLG Program implements the adopted URA plan goals around parks, open space, traffic calming, community facilities, and historic preservation and urban design.

FINANCIAL IMPACT

In the Fiscal Year 2010-11 Budget, CLG funds are allocated in the Interstate Corridor (\$400,000) and Lents Town Center (\$250,000) URAs. For FY 2011-12, the Proposed Budget has \$300,000 in the Interstate Corridor URA and \$300,000 in the Lents Town Center URA. The revised guidelines will not have a financial impact on program budgets.

RISK ASSESSMENT

PDC staff will continue to conduct due diligence of grant applications, including confirming corporate registration with the Oregon Secretary of State, as applicable, determining property control, and assessing project sources and uses.

The proposed changes focus on clarifying the current guidelines and how they are implemented, but do not increase risks to PDC.

WORK LOAD IMPACT

The changes proposed in the guidelines are not expected to have an impact on work load.

ALTERNATIVE ACTIONS

If the Board chooses not to approve the revised guidelines, staff would continue to administer the CLG under the current guidelines. The Board could also choose to revise the recommended guidelines, and the CLG would be administered accordingly.

CONCURRENCE

These proposed changes were reviewed and discussed as part of the internal CLG Rethink process, which included input from PDC management, past grant recipients, a community economic development advisor, and the Neighborhood Division of the Urban Development Department. The recommended changes focus on clarity to improve program delivery, while maintaining the program's flexibility to work with community-based organizations to promote livable and healthy neighborhoods.

PDC's Finance Rethink Team, which is an internal cross-functional team, was created to align all financial products with the Strategic Plan 2010 as well as the Economic

Development Strategy. As part of that review process, the Finance Rethink Team reviewed the proposed changes to the CLG in October 2010. Finally, the Financial Investment Committee reviewed and approved the guidelines on January 26, 2011.

BACKGROUND

PDC has administered the CLG Program since 2006. This is a unique PDC program that was developed as part of the Interstate Corridor URA Community Livability Strategy (2003) with the intention of maximizing the community benefits of urban renewal to nonprofits and other community groups who may not otherwise have benefited from previous developer-oriented models of urban renewal. CLG was offered exclusively in the Interstate Corridor URA until 2010 when the Lents Town Center URA first offered the grant program.

Since 2006, nearly \$1.8 million in CLG has been awarded to 29 community-based organizations in the Interstate Corridor and Lents Town Center URAs. These grant dollars have leveraged almost \$1.6 million in volunteer hours, in-kind donations, and cash for a leverage rate of 1:0.89. Grant awards are recommended to PDC through an evaluation committee comprised of community members, Urban Renewal Advisory Committee members, and PDC staff. CLG funds have accomplished the following:

- nine historic buildings or cultural assets have been preserved;
- seven projects have added or improved open space or community gardens;
- seven buildings have increased or improved community meeting space;
- six projects included energy saving improvements;
- four charter and alternative schools completed building renovations;
- three projects utilized or supported workforce training programs;
- an affordable childcare center made improvements that reduced operating costs; and
- a center for survivors of domestic violence remodeled its kitchen.

The CLG is available to assist community-based organizations with projects that enhance community livability and/or support the organization's ability to serve the community. This program purpose has not changed, but streamlining the guidelines will bring efficiencies in delivery and high rates of applicant success.

ATTACHMENTS:

- A. URA Financial Summaries for Interstate and Lents
- B. Project Summary

URA FINANCIAL SUMMARIES

Five-Year Forecast Project Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Interstate Corridor URA						
Resources						
Beginning Fund Balance	2,392,256	361,425	66,630	398,397	752,775	784,672
Interest on Investments	20,000	20,000	20,000	20,000	20,000	20,000
Loan Collections	1,391,951	3,499,287	240,756	215,712	165,888	155,124
Property Income	2,440,000	500,000	0	0	0	0
TIF Proceeds	31,950,445	10,873,763	12,174,892	10,380,547	10,620,591	7,207,418
Total Fund Resources	38,194,652	15,254,475	12,502,278	11,014,656	11,559,254	8,167,214
Requirements						
Program Expenditures						
Administration						
Executive						
H60041 Eastside Central City Plan	276,998	0	0	0	0	0
H60042 N/NE Economic Dev Initiative	127,995	68,440	0	0	0	0
Finance						
H98001 Debt Management	20,438	21,459	22,532	22,532	22,532	22,532
Administration Total	425,431	89,899	22,532	22,532	22,532	22,532
Business Development						
High Growth						
H79020 Business Finance	425,000	300,000	300,000	300,000	300,000	300,000
Industry Cluster						
H28059 Manufacturing Investment Fund	0	200,000	200,000	200,000	200,000	200,000
H28069 Lean Manufacturing	0	70,000	70,000	70,000	70,000	70,000
H28070 Green Innovation Park	0	200,000	0	0	0	0
H72026 Cluster Development	380,000	100,000	100,000	100,000	100,000	100,000
H79020 Business Finance	775,000	430,000	430,000	430,000	430,000	430,000
H79100 Site Recruitment	0	42,750	42,750	42,750	0	0
Neighborhood Economic Development						
H61008 Killingsworth Station Commercial	0	902,656	0	0	0	0
H72030 Neighborhood Economic Development	50,000	75,000	75,000	75,000	75,000	75,000
H79020 Business Finance	625,000	500,000	500,000	500,000	500,000	500,000
H79025 Green Business Grants	200,000	200,000	200,000	200,000	200,000	200,000
Business Development Total	2,455,000	3,020,406	1,917,750	1,917,750	1,875,000	1,875,000
Housing						
Multi-Family - For Sale						
H20027 PCRI Scattered Sites 2 (NOFA)	400,000	0	0	0	0	0
H34606 Killingsworth Station	0	850,000	0	0	0	0
H38711 Habitat for Humanity - Homeownership	211,750	0	0	0	0	0
H38712 Woolsey Corner Homeownership Dev	480,857	0	0	0	0	0
H89035 Homeownership Development	0	0	500,000	500,000	500,000	0
H89046 PCRI Home Ownership Development	625,796	0	0	0	0	0
Multi-Family - Rental Housing						
H89030 Affordable Rental Housing	250,000	0	0	0	1,500,000	0
H89047 Bridge Meadows	1,318,722	0	0	0	0	0
H89048 Ainsworth Court	1,400,000	0	0	0	0	0
Single-Family - Home Repair						
H89010 Home Repair Projects	487,953	487,953	487,953	487,953	487,953	487,953
H89045 Home Rehab and Retention	100,000	100,000	100,000	100,000	100,000	100,000
Single-Family - Homebuyer Assistance						
H37932 HAP Afford Ownership/Rehab	647,000	150,000	0	0	0	0
H89020 Home Buyer Assistance	601,727	500,000	500,000	500,000	500,000	0
Housing Total	6,523,805	2,087,953	1,587,953	1,587,953	3,087,953	587,953
Infrastructure						
Parks						

Five-Year Forecast Project Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
H19038 Interstate Parks	1,370,000	0	0	0	0	0
H28073 Bridgeton	0	1,000,000	700,000	0	0	0
H28074 Dawson Park	0	500,000	400,000	500,000	0	0
H28075 Small Scale Improvements	0	100,000	100,000	30,000	0	0
Transportation						
H19020 Interstate Streetscape Improvements	1,549,999	0	0	0	0	0
H19021 Interstate Trans Improvements	1,133,850	200,000	200,000	200,000	200,000	200,000
H28076 Denver Streetscape	0	15,000	15,000	0	0	15,000
H28077 Killingsworth Streetscape	0	1,000,000	1,000,000	0	0	0
H28078 Lombard Streetscape	0	200,000	600,000	1,000,000	1,000,000	0
Infrastructure Total	4,053,849	3,015,000	3,015,000	1,730,000	1,200,000	215,000
Property Redevelopment						
Community Outreach - Revitalization						
H11601 Community Outreach	0	10,000	10,000	10,000	10,000	10,000
Plans and Strategies - Revitalization						
H19018 Interstate Redevelopment	150,000	200,000	500,000	500,000	500,000	500,000
Redevelopment						
H19023 Community Livability Projects	760,000	300,000	300,000	300,000	300,000	400,000
H19048 Kenton Redev Downtown	4,500,000	500,000	250,000	500,000	0	0
H27001 Storefront Grants	600,000	600,000	600,000	600,000	600,000	600,000
H27050 DOS Grants	300,000	150,000	150,000	150,000	150,000	150,000
H28030 Redevelopment Loan Projects	2,000,000	1,400,000	1,200,000	1,200,000	1,200,000	1,200,000
H28031 Clean Energy Program	2,500,000	0	0	0	0	0
H34606 Killingsworth Station	5,013,047	0	0	0	0	0
H61010 Jefferson Plaza	100,000	0	500,000	0	0	0
H70712 Brownfields Redevel	100,000	0	0	0	0	0
Property Redevelopment Total	16,023,047	3,160,000	3,510,000	3,260,000	2,760,000	2,860,000
Total Program Expenditures	29,481,132	11,373,258	10,053,235	8,518,235	8,945,485	5,560,485
Personal Services	866,545	990,070	369,116	313,856	329,237	207,377
Transfers - Indirect	3,151,794	2,025,032	1,414,946	1,203,116	1,262,077	794,947
PHB Staff/Admin	1,242,343	799,485	266,584	226,674	237,783	149,773
Total Fund Expenditures	34,741,814	15,187,845	12,103,881	10,261,881	10,774,582	6,712,582
Contingency	3,452,838	66,630	398,397	752,775	784,672	1,454,632
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	38,194,652	15,254,475	12,502,278	11,014,656	11,559,254	8,167,214

Five-Year Forecast Project Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Lents Town Center URA						
Resources						
Beginning Fund Balance	15,840,480	144,278	282,801	410,228	163,827	1,183,145
Federal and Other Grants	0	250,000	0	0	0	0
Interest on Investments	14,000	6,000	7,000	5,000	5,000	5,000
Loan Collections	113,096	108,000	108,000	108,000	108,000	108,000
Property Income	0	1,100,000	0	0	0	0
TIF Proceeds	1,352,586	14,006,563	16,201,368	13,173,424	7,835,543	5,867,234
Total Fund Resources	17,320,162	15,614,841	16,599,169	13,696,652	8,112,370	7,163,379
Requirements						
Program Expenditures						
Administration						
Finance						
H98001 Debt Management	10,000	10,000	10,000	10,000	10,000	10,000
Administration Total	10,000	10,000	10,000	10,000	10,000	10,000
Business Development						
High Growth						
H79020 Business Finance	250,000	200,000	250,000	250,000	250,000	250,000
Industry Cluster						
H28069 Lean Manufacturing	0	30,000	30,000	30,000	30,000	30,000
H28070 Green Innovation Park	0	185,000	0	0	0	0
H72026 Cluster Development	0	30,000	30,000	30,000	30,000	30,000
H79020 Business Finance	250,000	200,000	250,000	250,000	250,000	200,000
H79100 Site Recruitment	0	38,000	38,000	38,000	0	0
Neighborhood Economic Development						
H72030 Neighborhood Economic Development	120,000	0	0	0	0	0
H79020 Business Finance	500,000	400,000	400,000	400,000	400,000	400,000
H79060 Business Development	85,000	200,000	200,000	200,000	200,000	200,000
Business Development Total	1,205,000	1,283,000	1,198,000	1,198,000	1,160,000	1,110,000
Housing						
Multi-Family - For Sale						
H33441 Dahlia Commons Homeownership	446,000	1,134,000	0	0	0	0
H33442 Habitat for Humanity #3	27,709	0	0	0	0	0
Multi-Family - Rental Housing						
H20023 Holgate House	725,000	197,398	0	0	0	0
H89015 Rental Rehabilitation Projects	200,000	0	0	0	0	0
H89030 Affordable Rental Housing	0	3,000,000	250,000	250,000	1,000,000	250,000
H89031 The Glen Apartments	1,498,764	0	0	0	0	0
Single-Family - Home Repair						
H32131 REACH Home Rehabilitation	125,000	0	0	0	0	0
H89010 Home Repair Projects	286,001	444,354	434,784	544,354	294,354	444,354
Single-Family - Homebuyer Assistance						
H37930 Scat Site Home Rehab & Subs HAP	773,000	150,000	0	0	0	0
H89020 Home Buyer Assistance	709,930	400,000	700,000	800,000	700,000	700,000
Housing Total	4,791,404	5,325,752	1,384,784	1,594,354	1,994,354	1,394,354
Infrastructure						
Infrastructure Operations						
H13125 Parks Public Improvements	0	115,000	0	0	0	0
Parks						
H13125 Parks Public Improvements	270,000	0	1,175,000	100,000	100,000	100,000
Transportation						
H26714 Streets/Sidewalks LID	500,000	377,000	578,000	0	0	0
H26715 Neighborhood Trans Safety Improvements	1,408,000	2,200,000	2,300,000	550,000	0	0
Infrastructure Total	2,178,000	2,692,000	4,053,000	650,000	100,000	100,000

Five-Year Forecast Project Requirements

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Property Redevelopment						
Redevelopment						
H12209 LTC Town Cntr Redevelopment	2,065,000	1,160,000	2,990,000	1,835,000	385,000	325,000
H12212 Johnson Creek Industrial Area Revitalization	100,000	100,000	430,000	4,000,000	0	0
H27001 Storefront Grants	300,000	300,000	300,000	300,000	250,000	250,000
H27050 DOS Grants	100,000	75,000	75,000	75,000	50,000	50,000
H28030 Redevelopment Loan Projects	800,000	300,000	300,000	300,000	300,000	300,000
H28031 Clean Energy Program	1,000,000	0	0	0	0	0
H60008 SE 92nd Redevelopment	300,000	500,000	2,250,000	220,000	1,200,000	250,000
H60050 Foster Road Redevelopment	300,000	0	0	670,000	0	0
H60052 LTC Comm Livability Grants	250,000	300,000	300,000	300,000	200,000	190,000
H60053 LTC Station Area Redevelopment	75,000	0	75,000	0	0	0
H79025 Green Business Grants	125,000	125,000	125,000	125,000	125,000	125,000
Property Redevelopment Total	5,415,000	2,860,000	6,845,000	7,825,000	2,510,000	1,490,000
Total Program Expenditures	13,599,404	12,170,752	13,490,784	11,277,354	5,774,354	4,104,354
Personal Services	431,448	971,824	485,668	405,985	207,877	147,757
Transfers - Indirect	2,404,942	1,512,095	1,861,728	1,556,275	796,861	566,401
PHB Staff/Admin	740,090	677,369	350,761	293,211	150,133	106,713
Total Fund Expenditures	17,175,884	15,332,040	16,188,941	13,532,825	6,929,225	4,925,225
Contingency	144,278	282,801	410,228	163,827	1,183,145	2,238,154
Ending Fund Balance	0	0	0	0	0	0
Total Requirements	17,320,162	15,614,841	16,599,169	13,696,652	8,112,370	7,163,379

PROJECT SUMMARY

Project Name:	Adopt Revised Community Livability Grant Program Guidelines
Description:	Grant program for projects that promote livable and healthy neighborhoods, targeted for community-based organizations
Location:	In Fiscal Year 2010-11 budget, the CLG was budgeted for the Interstate Corridor and Lents Town Center URAs
URA:	Same as above; can be used in any URA, but primarily fits with neighborhood URA needs
Current Phase:	Amending program to enhance program delivery
Next Milestones:	Announcement of funds for FY 2011-12 on March 17, 2011; Informational workshops on April 6 and 7, 2011; Grant applications due May 10, 2011; and Grant awards June 30, 2011
Completion Target:	CLG makes an announcement of funds at a minimum annually
Outcome:	Enhanced program delivery
Site:	Currently funded in Interstate Corridor and Lents Town Center URAs