

# **PORTLAND STATE UNIVERSITY**

## **DOWNTOWN REVITALIZATION**

USP 427-527 – Three Credits

Tuesdays 6:40-9:20 p.m.

Lincoln Hall – Room: 301

### **Office Hours**

By appointment

## TABLE OF CONTENTS

ERNESTO FONSECA, PHD (Instructor) .....	3
Skills and Experience .....	3
DOWNTOWN REVITALIZATION.....	3
LEARNING OBJECTIVES.....	3
Ideally, students completing this course will be: .....	4
TEACHING .....	4
Class Discussion.....	4
Literature .....	4
GENERAL POLICIES .....	4
ASSIGNMENTS AND GRADING .....	5
Assignment summary details .....	5
FINAL PROJECT FRAMEWORK RECOMMENDATIONS .....	6
PROGRAM.....	9
Week 1 – January 9 .....	9
Week 2 – January 16 .....	9
Week 3 – January 23 .....	10
Week 4 – January 30 .....	10
Week 5 – February 6 .....	10
Week 6 – February 13 .....	10
Week 7 – February 20 .....	11
Week 9 March 5 .....	11
Week 10 March 14 .....	12

### **ERNESTO FONSECA, PHD (Instructor)**

Ernesto was born in a small community in Central Mexico, and later an immigrant to the United States, Dr. Fonseca has dedicated his professional life to addressing the needs of local communities through the design and development of healthy and inclusive housing, policies, and supporting candidates that advance these goals.

Ernesto holds a specialty in soils and construction from the Universidad de Guadalajara, a master's degree in Climate Responsive Architecture, and a Ph.D. in Environmental Design and Planning from Arizona State University.

During his time in Arizona, he spearheaded initiatives to assess the health impacts of urban development, including gentrification, access to public transportation, affordable housing, and public policy. Currently, Dr. Fonseca is the Chief Executive Officer of Hacienda CDC based in Portland, Oregon.

### **Skills and Experience**

Sustainable communities and healthy housing; Housing finance & development; Urban and housing planning; Green housing; Community participation and cultural sustainability; Small business development; Grant writing and administration; Fundraising and political advocacy; Communications and public relations and Program management.

### **DOWNTOWN REVITALIZATION**

This class would be better suited with a different title, perhaps “Real Estate & Community Development Essentials.” Either way, Downtown Revitalization focuses on the challenges and opportunities around the development and redevelopment of urban centers, commercial districts, neighborhoods, and rural towns. We will study and analyze a wide range of strategies that have been used by economic development planners, architects, community developers, real estate developers, intellectuals, and community leaders in their efforts to reinvent their cities, neighborhoods, and towns.

The design, and structure of cities, neighborhoods, and towns are always changing and evolving, (in some cases devolving) to accommodate more people, increase commerce and employment, bring new cultural opportunities, and certainly entertainment. Cities, neighborhoods, and towns sometimes diversify. Still, in many cases, some of our revitalization strategies gentrify, segregate, and exclude. This is one of the eternal struggles that many faces when embarking on reinventing their communities. We will dabble into the history of Urban Centers, and their evolution, in particular the history and evolution of downtowns, their rise, and fall. Furthermore, we will analyze our “new” urban renewal efforts, transit-oriented development, markets, and people, walkable communities, and community-led revitalization efforts.

### **LEARNING OBJECTIVES**

The primary objective of this class is to understand the systematic process to do community and economic development using real estate development as one of the most powerful tools to reinvent communities.

### **Ideally, students completing this course will be:**

1. Able to understand the history, role, and characteristics of downtown development and redevelopment, in particular commercial districts, mixed-income housing, and community assets such as parks, centers of gathering, etc.
2. Capable of analyzing the characteristics (e.g., physical, social, market, business, financial, political, community, and programmatic) of housing and commercial districts.
3. Able to assess the strengths, weaknesses, opportunities, and challenges that face downtowns.
4. Familiar with the types of tools, strategies, programs, and policies available to revitalize commercial districts and the role of housing and other assets in this revitalization; and
5. Aware of the implications of interventions in and on commercial districts for equity, livability, and sustainability.

### **TEACHING**

A variety of instructional methods may be used in this course, including lecture, discussion, small group exercises, projects, brief in- class critiques of research articles, and discussions. The course is organized thematically by week (see below) with the lectures, readings, discussions, and media presentations grouped around those themes. The class will be structured in two main sections.

1. First half of the session will include theory and discussion of assigned literature. (45-60 min.)
  - a. Break 10 minutes
2. The second half will consist of the presentation of a case study presentation by a guest speaker/expert on the topic. (30/45 min.)
  - a. Q/A with faculty and guest speaker

### **Class Discussion**

Whole class discussion will be at times challenging but we will collectively work a system that can allow us to debate and discuss in class. During my lecture portion of the class, I will do my best to keep my comments relevant and lively as much as possible. Reading all materials will be important so we can dive into our lecture and discussion of the topic at hand.

### **Literature**

There are no required texts for this course. Instead, a variety of short readings are available on CANVAS. Readings for each week are listed in the matrix at the end of this syllabus. Except for Week ONE. During our first session, we will share as much as we can about ourselves, and our professional experience, and gauge from you what is most relevant to discuss in our course.

**NOTE:** Readings should be completed before the class period for which they are listed.

### **GENERAL POLICIES**

1. **Late Assignments:** Late assignments create a variety of issues related to equity, pedagogy, and integrity. Please try to avoid them if possible. If you have legitimate reasons for a late assignment, you can petition for an extension. Communication is

essential; extensions will only be granted if you contact me in advance of a deadline.

2. **Academic Integrity:** All work done for the course must be your own. The work must be original and prepared for this class. Plagiarism is unacceptable. Copying the work of another and not citing it, lifting text from the Internet, or even presenting ideas that are not your own without proper attribution are all examples of plagiarism. Submitting work for this class that has been done for another class also counts as plagiarism, it is called “plagiarizing oneself.” Plagiarism will result in a zero on the assignment and could result in higher university-level actions. If you have a disability and are in need of academic accommodations, please notify me as soon as possible to arrange needed support.
  
3. **Attendance:** Generally speaking, I favor productivity and quality over presence. However, showing up matters, please try to attend all sessions on time. If you need to miss a class, just let me know in advance.

**ASSIGNMENTS AND GRADING**

Your course grade will be based on the assignments and examinations listed below. All assignments will be turned in electronically via CANVAS.

Item	Assignment	Responsibility	Due	Max Points
1.0	Policy Brief	Individual	January 30 <sup>th</sup>	30
2.0	Part ONE: Revitalization or Real Estate Proposal SWOT Analysis	Group of 5 maximum and 3 minimum	February 13 <sup>th</sup>	0
2.1	Part TWO: Revitalization or Real Estate Proposal Final Presentation	Same team as above	March 12 <sup>th</sup>	65
3.0	Attendance	Individual	All dates	5
4.0	NA	NA	TOTAL	100

**Assignment summary details**

The following represent summaries of the assignments; further guidance and detailed instructions about the four assignments will be provided in class and via email.

1. **Policy Brief:** Most professional activities are governed by policies and procedures established at a high level by a government or economic development agency. These restrictions and opportunities are designed to maintain a relative order in the way we do business. In this case, community, economic, and real estate development.

With this framework in mind, you will select a related policy that is currently enacted or under consideration by the State or any local jurisdiction such as the county, city, or town. Your job is to study such policy, analyze it and discuss the pro and cons of its

implication in community, economic, and real estate development. Some policies to consider. The Portland Residential Infill Project, Inclusionary Housing Program, Tax Increment Finance Districts, Renewal Areas, PCEF, etc.

**Deliverables:** A TWO Page policy brief outlining the scope, context, and implications of your chosen problem; exploring specific solutions available, weighing the advantages and disadvantages of each; and identifying a preferred alternative, or a supportive argument for what is being proposed.

- 2. Revitalization or Real Estate Proposal (Final Project):** No matter activities or on what side of the equation you end up being professionally. Anything that you do, will likely required to make a proposal or to review a proposal for all community, economic, and real estate development endeavors. These efforts will require that you perform these activities as a team. In this case, you will have the opportunity to form teams of three and no more that five. Your goal is to respond to a self-conceived Request for Proposals responding to address an issue, i.e., housing, economic development, community safety, or overall community revitalization.

This assignment will require you to explore and analyze one of the diverse commercial areas that exist in Portland, its suburbs, or any other community that you select in the State of Oregon and Vancouver, Washington. You will be asked to consider typical elements that influence the success of a commercial/mixed-used district, new real estate development, or programming to catalyze greater economic activity: design, organization, promotion, market, policy or zoning restriction, cost, location, etc. Before you get to this point, you will need to identify a “problem to solve or a request for proposal to respond to.” It is extremely important that, when possible, your teams include planning, real estate, community development, and design students. This is not always possible; in this case, I will support and advise you to cover some of those gaps or will engage with a professional partner to actively advise you as needed.

**Deliverables:** The team will be presenting a proposal to develop or redevelop a parcel or district, or a proposal presenting new programs that may reenergize economic development and activity in a particular district or corridor. This proposal includes a written proposal, a poster with highlights, and a visual presentation in person at PLACE Studio located at 735 NW 18th Avenue, Portland, OR 97209. The final presentation includes a networking portion to meet community, political, industry, and government agency leaders. All teams will present to them and to a panel also composed of experts in three areas, planning, real estate development and community development.

## **FINAL PROJECT FRAMEWORK RECOMMENDATIONS**

Your team will select a specific site, regardless of whether the site is for sale or not. It can also be a parking lot or an underutilized building that needs to be redeveloped. Keep in mind the program that you want to bring to the selected site or look for a place that fits your prospective "program" if you already have one in mind.

Before you do all this, I highly recommend developing a short mission statement that can support your values and work as your north star to focus on the kinds of projects you will do in the

future. For example, is it your goal to develop affordable housing for all? Are you developing sites to serve a niche industry such as artists and freelancers? Are you going to focus your efforts on commercial real estate? Are you a healthcare developer? Are you going to focus on a heavily underinvested community? Are you going to try to revitalize a community through the introduction of new programs, economic investment, social activities, etc.? Who you are as a developer or community developer will help you focus and select sites that meet your target needs and fulfill your mission and goals.

### Consider the following

- a. **Site-District- or Neighborhood Selection:** Justify your site selection, outlining the number of amenities that exist around the site that will be serving your residents or building users. Make sure that if anyone were to ask you: "Why that location?" during your elevator speech, you could quickly respond with three main points outlining your selection criteria.
- b. **Amenities & Programs:** How will your site interact and supplement the existing amenities in the community?
- c. **Gaps:** Successful developments are characterized by "filling a gap." There is no specific definition of a gap as it is unique to all communities, sites, or districts. Identifying that gap is very important to increase the success rate of your proposal in the market. Some of those gaps include a lack of affordable housing, commercial space, neighborhood attractiveness, beautiful design, and infrastructure that may attract investors. It may also include areas that lack retail space or are located where policies and programs to enhance economic activity or bring small businesses do not exist. What gap are you trying to fill?

### Recommended Structure

- a. **Project description ( One Page\*)**

This section includes your **Project Title and Overview**, outlining a general description of the project's area and the need or gap that you conceptually will be filling with your project. The project must include a clear big-picture narrative tying together site selection with the vision of your future development, amenities, and users. This big opportunity statement should have real rational content (strategy) and be emotionally compelling (vision).

1. **Program (Two Pages\*)**

In this section, please expand on "**the purpose and who**" you will be serving. Be specific regarding the purpose and need. In this narrative, you will have the opportunity to justify further the gap that will be filling with your project. E.g., NE Portland has seen little investment in commercial or housing infrastructure for younger families and individuals. The need for single-family units is high, and our project offers this and that. NE Portland has been left behind in terms of economic policy and reliable public transit options. What policies and programs would you design to fill this gap? etc.

2. **Location, include a site plan.** At a minimum, provide a site aerial with conceptual boxes for spatial uses. I know that this is mostly for architects who in the future will be part of your teams, so something that outlines location and concept would be good.

3. **Program A-** For site real estate developers, quantify the program elements (e.g., 25-one-bedroom units; 50-three-bedroom units; 5,000 sqf of commercial space; 100-parking spaces; 1,000 sqf of outdoor space; etc.)
4. **Program B-** For area developers and planners such as street, area, block selection, commercial districts. The program must be specific, outlining desired outcomes and strategies to achieve them. (e.g., Façade Renovation Initiatives, Street Improvements, Economic Development Programs, public policies to incentivize more development, etc.)
5. **Implementation program and schedule.** From pre-dev to occupancy and operations of the project. This is a concept section, a sketch of who will be funding the project and its future operations.
6. **Schematic Budget (Two pages\*)**  
Budget narrative, in this section, you will explain where your development funds (sources) will be coming from and what activities these will fund (uses). Describe the financing structure you will use for your project, including public and private resources such as equity, debt, tax credits, private financing, and grants. Based on your program, please develop a budget for all phases: predevelopment, development, and operations. For each Phase below, list your anticipated Sources, as well as the Uses

**Phase ONE, Predevelopment budget** (All soft cost, primarily staff time and consultants)

- a) Site selection exploration
- b) Program development
- c) Design feasibility studies
- d) Architecture and Engineering
- e) Zoning and planning consultants
- f) Lobbyists and policy developers
- g) Construction Budgeting

**Phase TWO, Development Budget** (Hard cost and staff time)

- a) Site Acquisition
- b) Architecture and Engineering (continue)
- c) Zoning and planner consultants (continue)
- d) Construction budgeting (continue)
- e) Construction
- f) Interest, Financing, and Legal Fees
- g) Lease-up services

**Phase THREE. Operations** (Primarily Property Management and Maintenance)

- a) Property management
- b) Maintenance
- c) Modernization
- d) Cash flow projections



- e) Debt servicing unless it is a city-funded project for a greater district revitalization effort.

## 7. CONCLUSIONS (One Page\*)

Finalize your report by dreaming about the possible outcomes after your project's implementation and maturity, one, three, five, or 15 years later. Describe what you see in the future and how you maximized your available resources.

### NOTES:

- a. This is an exercise, and there is no need for an actual proforma. This structure will help to solidly assess the feasibility of a project, which can be costly.
- b. \* Means "approximately." It can be more pages or fewer depending on how much detail you want to provide.

## PROGRAM

### Week 1 – January 9

#### **Introductions, policies, general class overview. First 1/2 of class**

Brief History of Downtowns and Commercial Districts in US. Second 1/2 of class

#### **Review:**

- Isenberg, Alison. 2004. *Downtown America: A History of the Place and the People Who Made It*. University of Chicago Press. Introduction

#### **Watch:**

- *The Dynamic American City* (1956)

### Week 2 – January 16

#### **"Blight", Eminent Domain, and Tax Increment Financing**

#### **Review:**

- Gordon, Colin. 2003. "Blighting the Way: Urban Renewal, Economic Development, and the Elusive Definition of Blight." *Fordham Urban Law Journal*, 31(2): 305-337.
- Weber, Rachel. 2015. "Tax Increment Financing in Theory and Practice" in *Financing Economic Development in the 21st Century*, Sammis B White and Zenia Kotval eds. Routledge. Chapter 12.
- Peterson, Sarah Jo. 2014. "Tax Increment Financing: Tweaking TIF for the 21st Century." -
- ORS Chapter 457 – Urban Renewal Prosper Portland – Urban Renewal Areas

#### **Watch:**

*A Tale of Two Cities* (1964)

### **Week 3 – January 23**

#### **Main Streets, Small Towns, and Neighborhood Commercial Districts; Historic Preservation**

##### **Review:**

- Robertson, Kent A. 2004. "The Main Street Approach to Downtown Development: An Examination of the Four-Point Program." *Journal of Architectural and Planning Research*, 21(1): 55-73.
- The Main Street Approach - <https://www.mainstreet.org/mainstreetamerica/theapproach>
- OCC. 2015. Historic Tax Credits: Bringing New Life to Older Communities. <https://www.occ.gov/topics/community-affairs/publications/insights/insights-historic-tax-credits-may-2015.pdf>

### **Week 4 – January 30**

#### **Planning for Downtowns and Commercial Districts; Regulations, Incentives, and Partnerships**

##### **Review:**

- LISC. 2006. Commercial Revitalization Planning Guide. [http://www.instituteccd.org/uploads/iccd/documents/commercial\\_revitalization\\_planning\\_guide.pdf](http://www.instituteccd.org/uploads/iccd/documents/commercial_revitalization_planning_guide.pdf)
- Malizia, Emil and David A Stebbins. 2015. "Making Downtowns What They Used to Be." *Urban Land*. <https://urbanland.uli.org/development-business/making-downtowns-used/>
- Portland, 2016, Central City 2035

### **Week 5 – February 6**

#### **Arts, Culture, and Entertainment; Tourism and Events**

##### **Review:**

- Grodach, Carl and Anastasia Loukaitou-Sideris. 2008. "Cultural Development Strategies and Urban Revitalization." *International Journal of Cultural Policy*, 13(4): 349-370.
- Campo, Daniel and Brent D Ryan. 2008. "The Entertainment Zone: Unplanned Nightlife and the Revitalization of the American Downtown." *Journal of Urban Design*, 13(3): 291-315.
- Maitland, Robert. 2006. "Culture, City Users and the Creation of New Tourism Areas in Cities" in *Tourism, Culture and Regeneration*, MK Smith ed. CABI.

### **Week 6 – February 13**

#### **District SWOT Analysis Presentations & Review of Markets, Niches, and Brands; Urban Design and Public Spaces**

**Review:**

- Leinberger, Christopher. 2005. "Turning Around Downtown: Twelve Steps to Revitalization." The Brookings Institution Research Brief.
- Feeding the Downtown Monster
- UW Extension. 2001. Downtown and Business District Market Analysis. **Watch:**

**Week 7 – February 20**

The Role of Small Businesses and Small Business Development in a Community.

**Review:**

- Mitchell, Jerry. 2001. "Business Improvement Districts and the "New" Revitalization of Downtown." Economic Development Quarterly, 15(2): 115-123.
- Hoyt, Lorlene and Devika Gopal-Agge. 2007. "The Business Improvement District Model: A Balanced Review of Contemporary Debates." Geography Compass, 1(4): 946-958.
- Supporting Entrepreneurship

**Watch:**

- Late Show with John Oliver – Special Districts <https://www.youtube.com/watch?v=3saU5racsGE>

**WEEK 8 – February 27**

Brownfields, Greyfields, and Ghostboxes.

**Review:**

- Howland, Marie. 2003. "Private Initiative and Public Responsibility for the Redevelopment of Industrial Brownfields: Three Baltimore Case Studies." Economic Development Quarterly, 17(4): 367-381.
- Efficiency in Targeting the Most Profitable Sites
- Oregon DEQ Environmental Cleanup
- US EPA Brownfields Program

**Week 9 – March 5**

The Role of Market and Affordable Housing in Urban Development and Downtown or Community Revitalization.

**Review:**

- The Turner Center: The Links Between Affordable Housing and Economic Mobility. The Experiences of Residents Living in Low-Income Housing Tax Credit Properties
- David Schwarts: the importance of affordable housing to economic competitiveness

## **Week 10 March 12**

Final presentations at PLACE

### **What to expect**

- These final presentations will be treated as professional presentations responding to an urban issue that you want to solve. These presentations, as listed above, will include real estate, urban planning, and economic development components.
- The presentations will be presided by an expert panel from beginning to end. This panel will include industry leaders from some of the largest real estate developers in Oregon, Government Agencies, Department Directors, and others. These stakeholders play a significant role in providing regulatory guidance, funding, resources, capacity, or advocacy for housing, commercial districts, and community development.
- **NOTE:** Depending on the number of teams we form, we will determine each presentation's proper time and refine the final requirements.