

Astoria Partnership Program (APP)

1. Program Overview

The Astoria Partnership Program (APP) is a funding initiative designed to promote private and public partnership and investment in Astoria's Urban Renewal Areas (URAs). The program offers a combination of grants, low-interest loans, and a revolving line of credit to support the priorities established by the Astoria Development Commission.

The program is structured to work with other funding agencies, banks and credit unions to address financing gaps and reduce lender risk with the goal of encouraging economic vitality and reinvestment in URAs.

2. Program Priorities

1: Housing

- Provide assistance for housing development projects that expand the overall housing units within URAs:
 - Partner with housing developers for eligible projects.
 - Assistance with System Development Charges (SDCs)
 - Assistance in upgrades to fire life safety and building code compliance for vertical housing in mixed-use commercial properties.
 - Coordinate and cooperate with public and private housing resource groups in their creation of needed close in housing.

2: Infrastructure Improvements

- Construct, improve, or replace infrastructure to serve existing and future development:
 - Make improvements to infrastructure in the renewal areas.
 - Construct, expand, or replace public and private utilities including, but not limited to, water, sewer, storm sewer, gas and electrical as necessary to encourage and permit development of private properties and public amenities.
 - Develop infrastructure improvements in Astor URAs as established by the Capital Improvements Plan.
 - Construct, expand, or replace transportation facilities including, but not limited to, paths, roads, sidewalks, and parking facilities.

3: Direct Economic Development

- Work with businesses in the Astor URAs to promote programs and industries that would lead to additional job growth and increase the economic vitality of the districts:
 - Promote economic vitality by creating activities and encouraging uses that bring a significant number of potential customers and investors to the renewal area.
 - Assist property owners in rehabilitating buildings so they can accommodate more intensive and dynamic commercial and industrial activity.
 - Act as a catalyst in bringing together developers and redevelopers with public and private owners of lands which are underutilized or vacant, to achieve new uses and economically sound enterprises, which are consistent with the City's Comprehensive Plan and the Port of Astoria's Central Waterfront Master Plan
 - Initiate economic activities for job generation, which establishes a diversification of needed, year-round employment opportunities.

4: Activities and Improvements that Enhance the Overall Value of Land and Property.

- Provide assistance to increase the value of properties in the URAs:
- Improve the appearance of existing buildings in order to enhance the overall aesthetics of the renewal areas.
- Enhance streetscapes by installing street lighting, street trees, street furniture, planters and other amenities.
- Provide new public amenities and open spaces in the renewal area.
- Rehabilitate and conserve properties compatible with this Plan.
- Address properties that are in economic duress such as substandard and/or obsolete buildings, non-conforming land uses, and under-utilized land.

3. Available Funding Mechanisms

a) Gap-Financing Loan

Low-interest loan up to \$250,000 intended to fill the "last dollar in" after other funding for the project has been secured. Interest rate ranges from 0% – 4%, depending on project type, risk profile, and alignment with ADC priorities. Repayment term up to 10 years, 0% - 100% of the loan can become forgivable based on the willingness of developers and property owners to meet the ADC's and City of Astoria's housing and economic development goals. All activities must align with the eligible use of funds as established by ORS 457.

(see loan term sheet template for more information)

- Eligible applicants:
 - For-Profit Organizations.
 - Housing Developers (for-profit and non-profit)
 - Property Owners

b) Revolving Line of Credit

A Revolving Line of credit is a flexible and strategic financing method, especially during the early phases of redevelopment or when incremental funding is needed. Line of credit up to \$150,000, renewable after 3 years. Interest charged only on drawn balance. Flexible draw schedule, allowing funds to be reused as repaid. Best suited for phased construction.

(see loan term sheet template for more information)

- Eligible applicants:
 - For-Profit Organizations
 - Housing Developers (for-profit and non-profit)
 - Property Owners.

c) Matching Grant for Community Partners

Up to \$50,000 for non-profit organizations that are integral to the vibrancy of the community and reside in Astor East or Astor West. Requires a 1:1 match from the applicant. Matching can be from another funding agency. Eligible uses include design, architecture, permitting, façade restoration, and energy improvements. Eligible to apply for funds every 3 years.

- Eligible applicants:
 - Non-Profit Organizations

d) Grant for City of Astoria Sponsored Projects:

Many priorities and projects of the City of Astoria that are eligible for funding as established by ORS 457 are located within the Astor East and Astor West urban renewal areas. These include projects for infrastructure improvements, and direct economic development that may also involve local partner organizations (i.e., Port of Astoria, etc.). City staff will submit an application requesting funding for these projects. There will be no matching requirement or funding limit for these projects.

- Eligible applicants:
 - City of Astoria

4. Eligible Activities

Activities eligible for urban renewal funding are established by ORS 457 and generally include:

- Rehabilitation or conservation work

- Real property acquisition
- Demolition, removal, or rehabilitation of buildings and improvements
- Installation, construction, or reconstruction of streets, utilities, and site improvements
- To carry out plans for a program of the voluntary repair and rehabilitation of buildings or other improvements in an urban renewal area in accordance with the urban renewal plan.
- Assisting in the relocation of persons
- Disposition of property acquired in the urban renewal area
- Undertaking and carrying out neighborhood development programs.

Activities that are typically ineligible for urban renewal funding include non-capital improvements, temporary improvements, and grants or loans for operating expenses.

5. Applicants

All eligible projects must be located within the Astor URAs

- Property owners, developers, and tenants with owner approval.
- Businesses and Non-profit organizations.
- Housing developers (nonprofit or for-profit)

6. Partnership with banks, lenders and other funding agencies.

This program is structured to work in partnership with funding agencies.

- For Profit Organizations must seek conventional financing first and present proof of a loan denial, partial approval, or bank participation letter.
- Program can be subordinate to primary bank financing, improving capital stack.
- City staff are available to assist in packaging applications to present to partner banks. – Could be in collaboration with CEDR, or other organizations.
- Memoranda of Understanding (MOUs) with local banks ensure alignment and co-investment. (see draft MOU)
- Non-Profit Organizations must show proof of matching funds or additional funding from other state and federal agencies.

7. Application & Review Process

1. Pre-Application Consultation with City staff.
2. Full Application including:
 - a. Project description, timeline, and pro forma

- b. Commitment or intent letter for funding from a funding agency,
 - c. Match funding sources
- 3. Review Panel Evaluation based on:
 - a. Alignment with Urban Renewal Plan
 - b. Alignment with Astoria Development Commission priorities
 - c. Readiness and feasibility
 - d. Public benefit (e.g., job creation, housing units, property tax growth)
- 4. Approval & Funding Agreement
 - a. Executed contract,
 - b. Record loan documents,
 - c. Establish disbursement schedule

8. Reporting & Compliance

- Quarterly project status report.
- Compliance with URA goals and zoning/building codes.
- Right to audit and project site visits during funding term.

9. Revolving Fund Sustainability

Loan repayments and credit line paydowns replenish the fund, ensuring future projects can be supported. Paid interest may be used to increase the fund or added to the City of Astoria General Fund #140.

10. Table Comparing Loaning Types

| Feature | Revolving Line of Credit (RLOC) | Gap-Financing Loan |
|---------------------------------|---|---|
| Purpose | Flexible short-term or phased project costs | Fixed, one-time capital gap in project financing |
| Loan Structure | Credit limit with multiple draws and repayments | Lump sum disbursed once, repaid over time |
| Disbursement | On-demand or milestone-based draws | Typically either a single disbursement or through milestone-based draws |
| Repayment Terms | Interest-only during term; principal due at end or repaid as drawn | Fixed amortization (monthly principal + interest payments) (parts of loan could be made forgivable) |
| Use of Funds | Phased construction, fit-outs, utilities | Major capital costs like new construction or large-scale rehab |
| Best For | Phased projects- Reimbursable grants- projects actively doing business | Projects with secured primary funding but final budget gap |
| Interest Charges | Only on drawn balance | On the full loan amount |
| Term | Typically 2–3 years, renewable | 10 years |
| Reusability | Funds can be re-borrowed once repaid | Fixed loan—cannot redraw |
| Example Projects | Rolling tenant improvements- Seasonal project- Staggered permitting or site work- Predevelopment- Utility phase-ins | Housing developments- Full building renovation- ADA upgrades- Fire/life safety improvements |
| Application Review Focus | Short-term cash flow management- Capacity to repay as draws cycle | Project feasibility- Long-term repayment capacity |
| Security/Collateral | May require UCC lien, personal guarantee, or subordinate lien | Often requires real estate or hard collateral |
| City Risk Profile | Moderate: City is exposed only on drawn amounts | Higher: Full principal disbursed up front |
| Public Benefit Alignment | Emphasizes interim, phased, or job-creating activities | Emphasizes large-scale investment and infrastructure outcomes |