

IMPACT STATEMENT

Legislation title: *Authorize Portland Housing Bureau (“PHB”) to assume certain contracts that will be assigned to PHB in connection with PHB’s acquisition of the Ellington Apartments (Ordinance).

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Purpose of proposed legislation and background information:

This legislation authorizes PHB to assume all contracts related to the operations and management of the Ellington Apartments. On November 4, 2016, PHB entered into that certain Purchase and Sale Agreement between PHB and BRCP/GM ELLINGTON, LLC (“Seller”) (the “PSA”) for the acquisition of certain real property known as the Ellington Apartments and located at 1610 NE 66th Avenue (the “Property”). The Property is comprised of 263 units in 28 buildings on 10.7 acres.

On December 14, 2016 by separate Ordinance, Council reviewed and approved PHB’s acquisition of the Property under the PSA. The acquisition is expected to close on or before February 6, 2017.

The PSA provides for the assignment by Seller, and the assumption by PHB, of certain contracts, including contracts for laundry, pest control, security, and broadband telecommunication as set forth on Exhibit A attached hereto (the “Assigned Contracts”).

In addition to seeking authorization to assume the Assigned Contracts, in order to provide for a smooth transition between Seller and PHB, PHB desires to assume, on a month-to month basis, assignment of the existing property management service contract (the “Property Management Contract”) until such time that PHB completes its own solicitation process.

Financial and budgetary impacts:

In order to properly maintain the Property and ensure smooth transition from the current owners, PHB has a need for third-party contractors to deliver certain services. Upon taking ownership and in collaboration with the City’s Procurement Office, PHB will evaluate each service and service provider to determine whether to maintain the existing contract, modify it or solicit for a new service provider.

Community impacts and community involvement:

Community Involvement: Due to the highly sensitive nature of negotiations, PHB hasn’t involved the community in the purchase. Notice of PHB’s interest in acquiring the property was provided to current tenants on Dec 2, 2016.

Community Impacts: PHB will work with current residents and the community on a plan to bring units to the desired affordability requirements, prioritizing access to 0-30% units. Current tenants in good standing will be offered lease renewal terms of up to one (1) year from the date of purchase of the property. Upon lease renewal and income recertification, tenants will be notified in advance that their unit may be rehabilitated, necessitating decommissioning of their dwelling unit and/or in situ relocation. If resident incomes exceed 60% of Area Median Income upon their lease renewal anniversary, the tenant may not be

provided a further lease extension. In such instances, all residents will be afforded at least one (1) year notification to vacate the premises.

As mentioned, upon taking ownership and in collaboration with the City's Procurement Office, PHB will evaluate each service and service provider to determine whether to maintain the existing contract, modify it or solicit for a new service provider. Thereafter, a qualified property management vendor can be retained by the City of Portland in a competitive process to respond to resident questions, manage the property day to day including processing of repair and maintenance requests and to process rent payments on behalf of the City of Portland.

Budgetary Impact Worksheet

Does this action change appropriations?

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section