

IMPACT STATEMENT

Legislation title: *Authorize acquisition of certain real property at 7104-7120 and 7126-7130 SE Foster Road (Ordinance)

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Presenter name: Siobain Beddow

Purpose of proposed legislation and background information:

This ordinance approves the Portland Housing Bureau acquisition of land currently owned by the Portland Development Commission. The land was offered in the Fall 2015 Affordable Rental Housing Notice of Funding Availability. A determination was made that it would better facilitate the awarded mixed-use affordable housing project if PHB held the site rather than PDC.

Financial and budgetary impacts:

The price agreed to by PDC and PHB is \$954,101(Purchase Price). The Purchase Price shall be increased by an amount equal to PDC's incremental costs for remediating the environmental conditions on the Property, an amount not to exceed \$60,000, and offset by a seller credit to PHB of \$783,509. If remediation costs are less than \$60,000, a comparison is made in the table below for potential impact on price and credit.

| | PDC Completes Cleanup \$30,000 | PDC Completes Cleanup \$60,000 |
|---|-----------------------------------|-----------------------------------|
| 2010 Appraisal of Western Parcels** | \$510,000 | \$510,000 |
| 2010 PHB Contribution Percentage* | 0.88 | 0.88 |
| 2016 Value (Includes Vacated ROW, Less Cleanup) | \$984,101 | \$954,101 |
| PHB's 2016 Value Allotment | \$866,009 | \$839,609 |
| PDC Asset Mgmt Fee (2% of asset per yr for 5.5 years) | \$56,100 | \$56,100 |
| Net Seller's Credit to PHB* | \$809,909 | \$783,509 |
| 2016 Sale Price | \$984,101 | \$1,014,101 |
| Cash Due from PHB at Closing | \$174,192 | \$230,592 |

*includes \$450,000 described in current PDC/PHB IGA relating to MetroWest Auto Property and Lents Town Center URA/\$510,000 2010 appraisal

**Current value \$1,014,101

Community impacts and community involvement:

An external evaluation panel recommended awarding development rights for the site to REACH CDC, which recommendation was upheld by Commissioner Saltzman. As part of the intended development on the site, community involvement is part of the process and will be addressed when the project returns to City Council for financing approval, estimated to be early to mid-June 2017.

Budgetary Impact Worksheet**Does this action change appropriations?**

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