

**IMPACT STATEMENT**

**Legislation title:** \* Authorize conveyance of city-owned property located at 3368 NE Martin Luther King Junior Boulevard to PCRI Northeast Housing LLC and funding in an amount not to exceed \$7,350,000 to its affiliate, MLK & Cook Apartments, LP for the construction of a new affordable multifamily/mixed-use housing development located in the Interstate Corridor Urban Renewal Area (Ordinance)

**Contact name:** Siobain Beddow, Housing Portfolio Finance Coordinator, Portland Housing Bureau ("PHB")

**Contact phone:** 503-823-3273

**Presenter name:** Kurt Creager, Director, PHB

**Purpose of proposed legislation and background information:**

- This Ordinance requests City Council approval of financing in an amount up to \$7,350,000 using Interstate Corridor URA funding from years 2016-19, and to convey the city-owned Grant Warehouse site located at 3368 NE Martin Luther King Jr. Boulevard.
- The purpose of funding is to allow Portland Community Reinvestment Initiatives (PCRI) to construct a new 80-unit mixed-use project on the site and provide authority for the execution of related disposition agreement and loan documents by the Director of the Portland Housing Bureau.

**Financial and budgetary impacts:**

- There are no additional costs to the City associated with approving this Ordinance other than the \$7,350,000 provided for the project in the Bureau's 2016-19 budget.
- Costs to PHB to maintain the site (landscaping, security, cleanup) will be eliminated in 2017-18 budget year in the approximate annual amount of \$2,700.
- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for sixty years. The ongoing cost of this work is anticipated in PHB staffing budgets.

**Community impacts and community involvement:**

This project was awarded funding and development rights to the site through PHB's Request for Qualifications Grant Warehouse Development, published July 2015. Because it is located in the N/NE Neighborhood, the development team conducted several community outreach activities, including presenting to the N/NE Oversight Committee on multiple occasions. Beyond the Oversight Committee, the development team published a project page to keep interested parties aware of the project progress, attended and presented at the Skanner MLK breakfast and Urban League Fair, attended and presented at a PHB contractor meeting, hosted Eco and Retail charrettes including community members, hosted a community forum, ran regular ads in the Observer and Skanner, presented to the Eliot neighborhood association in April and May 2015, attended and presented at the DMWESB Meet and Greet, hosted a booth and presented project information at the Alberta Street Fair.

This project is the first new construction multifamily rental project subject to the new Preference Policy (right to return), and addresses the need for affordable and family-sized units (55% are 2 & 3 bedrooms), as well as 24 (62% of which are 2 & 3 bedrooms) 30% MFI units.

The general contractor is a certified Minority Business Enterprise and Disadvantaged Business Enterprise in Oregon. Recent PCRI projects have exceeded 30% MW/ESB participation for the construction contract amounts.

PCRI's Executive Director Maxine Fitzpatrick and Housing Development Director, Travis Phillips, and the development consultant from Gerding Edlen, Sarah Zahn have been invited to testify.

Total Units	80
No. at or below 30% MFI	20 units = Project based Section 8
	4 units = PHB restriction
No. at or below 60% MFI	55
Population Specific Units	79 are subject to Preference Policy/MFI limits – 1 mgr's unit unregulated
PHB Subsidy	\$7,350,000 in Interstate CorridorURA

### Budgetary Impact Worksheet

**Does this action change appropriations?**

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