

IMPACT STATEMENT

Legislation title: * Amend goods and services contract no. 30005526 with Income Property Management Company (IPM) to increase the contract total by an amount not to exceed \$100,000 for a total value of \$190,000 (Ordinance)

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Purpose of proposed legislation and background information:

This legislation authorizes the amendment of contract 30005526 with Income Property Management Co. (IPM) to enable them to operate the Joyce Hotel and serve the remaining tenants through FY 16-17.

The Joyce contains 69 single room occupancy units on the upper three floors. A relocation program is in place and there are approximately 20 remaining tenants. While the relocation program is in progress, property management is necessary and operational expenses are greater than rent. Therefore, the contract with IPM needs to be amended to provide for an infusion of funds to the client trust account for operations as well as the payment of their fees.

The building is slated to be rehabilitated in 2017-18 and should be completely vacated by June 30, 2017.

Financial and budgetary impacts:

The funds for maintaining and operating the Joyce Hotel are currently included in the PHB's FY 16/17 SPBURA budgets.

Ongoing operations, including contracted property management services, are partially covered from rents paid by tenants and/or programs using the building. However, since tenants are being relocated, rents are not sufficient to cover the operational costs for the short-term period preceding the rehabilitation of this building.

Community impacts and community involvement:

PHB continues to involve partners and stakeholders as needed to discuss the options for both the rehabilitation and on-going operations.

Community Impacts: The acquisition will preserve a unique resource in Portland's downtown core. In addition, PHB is currently working with the remaining occupants to firm up their legal standing as residents of the building – making available to them the rights and protections associated with that status. The property management services provided by IPM are crucial to the well-being of the tenants as well as the longer-term viability of the rehabilitation of the building.

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

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