

IMPACT STATEMENT

Legislation title: *Authorize the purchase of certain real property located at 3000 SE Powell Blvd. at a price not to exceed \$3,720,000 (Ordinance)

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Presenter name: Kurt Creager, Director, PHB

Purpose of proposed legislation and background information:

- This Ordinance requests City Council approval of the purchase of property located at 3000 SE Powell Blvd. for the purpose of developing affordable housing.

Community impacts and community involvement:

PHB has been staffing and providing guidance to the Division Transit Project formerly known as the Powell-Division Bus Rapid Transit Project. The Powell-Division Local Action Plan associated with the transit project identified a need for at least 300 affordable housing units in the corridor. In response to this need, PHB initiated a property search and through this identified the subject property. The Division Transit Project’s Locally Preferred Alternative (LPA) adopted by City Council on December 7, 2016 includes a goal of between “100-300 [affordable housing] units” to be developed in the vicinity. PHB projects the subject property will accommodate the number of units specified as a goal in the LPA; up to 300. While PHB has no firm redevelopment plans for the property at this time, it may make sense to develop a more dense multi-family rental building or multiple buildings on the northern portion of the property, transitioning to less dense development on the south side of the property. This would accommodate a mixed tenure program with ownership buffering the existing neighborhood to the South from the more urban streetscape on SE Powell, where the affordable multifamily development would occur. This phasing approach would also accommodate a diversity of incomes within the subject property as well. If PHB is able to achieve the 100-300 unit production goal for the property, roughly 20 – 60 units for households earning 30% or less of area median income (AMI) would be expected within the multifamily rental housing planned for the site.

The approximately 50,000 square foot property that is the subject of this ordinance currently contains a single commercial structure, but is otherwise vacant. The property is currently zoned General Commercial (CG), but will change to Central Employment (CE) with implementation of city-wide zoning revisions on January 1, 2018.

The Bureau of Planning and Sustainability (BPS) and the Bureau of Transportation (PBOT) have been the city’s co-sponsors for Division Transit Project plan. As part of the plan, the bureaus have engaged a number of community groups in a series of meetings which eventually led to the LPA. PHB participated in this planning process. Community members expressed very strong interest in developing and preserving affordable housing in the corridor. In addition, Portland’s Planning and Sustainability Commission (PSC) expressed similar support.

Due to the sensitive nature of purchase negotiations, PHB has not engaged the community regarding the property that is the subject of this ordinance. However, post purchase and when PHB is ready to start pre-development work, the Bureau will reach out to relevant community members and groups to give input on the proposed project.

Financial and budgetary impacts:

The funds for acquisition and associated closing costs are currently included in the PHB's FY 17/18 Adopted budget. The acquisition will be taken out by bonds sold using funds generated in part by the transient lodging tax on short term rentals. Funds for the holding costs of the property are also included in the bureaus FY 17/18 Adopted budget. The nature and duration of those holding costs are still being developed by bureau staff.

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

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