

## IMPACT STATEMENT

**Legislation title:** \* Authorize conveyance of city-owned property located at 6431-6435 and 6445 NE Martin Luther King Junior Boulevard to PCRI NE Housing 2 LLC and funding in an amount not to exceed \$5,700,000 to its affiliate, King Parks Apartments Limited Partnership for the construction of a new affordable multifamily housing development located in the Interstate Corridor Urban Renewal Area (Ordinance)

**Contact name:** John Marshall, Housing Portfolio Finance Coordinator, Portland Housing Bureau ("PHB")

**Contact phone:** 503-823-3232

**Presenter name:** Shannon Callahan, Director, PHB

### Purpose of proposed legislation and background information:

- This Ordinance requests City Council approval of financing in an amount up to \$5,700,000 using Interstate Corridor URA funding from years 2018-20, and to convey the city-owned site located at 6431-35 and 6445 NE Martin Luther King Junior Boulevard.
- The purpose of this funding is to allow Portland Community Reinvestment Initiatives (PCRI) to construct a new 70-unit project on the site and provide authority for the execution of related disposition and development agreement and any and all financing 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 \$5,700,000 provided for the project in the Bureau's 2018-20 budget.
- Costs to PHB to maintain the site (landscaping, security, cleanup) will be eliminated the approximate annual amount of \$2,700.
- PHB has an adjusted basis of \$752,659.76 for the Property based off the PDC purchase price in 2002-2004 and costs of remediation. The value of which will be removed from the City's accounts upon conveyance to PCRI NE Housing 2 LLC.
- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for a minimum of sixty years. The ongoing cost of this work is anticipated in PHB staffing budgets.

### Community impacts and community involvement:

PCRI was awarded funding and development rights to the site through PHB's Fall 2015 NOFA. Because it is located in the N/NE Neighborhood, the development team conducted both wide-reaching and targeted, individual community outreach activity, including presenting to the N/NE Oversight Committee on multiple occasions. Beyond the Oversight Committee, PCRI presented to the Piedmont and adjacent Woodlawn neighborhood associations. Each association also shared information about the development via their newsletters and online platforms. PCRI published a webpage page and post information in their office to keep interested parties aware of the project progress

This project is the fourth multifamily rental project subject to the City's Preference Policy and addresses the need for affordable and family-sized units (71% are 2 & 3 bedrooms), as well as 24 30% AMI and PBS8 units (67% of which are 2 & 3 bedrooms).

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

**Project Overview:**

Total Units: 70  
No. at or below 30% MFI: 4 units  
No. at or below 60% MFI: 69 units  
No. at Market Rate: 1 Manager's unit  
Bedroom Mix:

Unit Size	Count	Income Restriction (AMI)
1 Bedroom	12	60%
1 Bedroom	6	PBS8 60%
1 Bedroom	2	30%
2 Bedroom	27	60%
2 Bedroom	8	PBS8 60%
2 Bedroom	2	30%
2 Bedroom	6	60%
3 Bedroom	6	PBS8 60%
<b>TOTAL</b>	<b>69</b>	

\*Project Based Section 8 voucher (PBS 8) units (20 units) are not subject to Preference Policy and 1 managers' unit is unregulated

**100% Renewable Goal:**

This Ordinance supports the City's goal to meet 100 percent of community-wide energy needs with renewable energy by 2050 because it will be built to Earth Advantage gold standards that are energy efficient.

PCRI's Executive Director Maxine Fitzpatrick has been invited to testify.

**Budgetary Impact Worksheet**

**Does this action change appropriations?**

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