

IMPACT STATEMENT

Legislation title: *Authorize an amendment to the On-Call Price Agreement for Relocation Services with OPC, LLC, to increase contract value by \$1,422,620 to allow for relocation assistance payments to residential and commercial tenants of the Westwind Apartments (Ordinance; amend Price Agreement 31001374)

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Purpose of proposed legislation and background information:

PHB acquired the Westwind Apartments, located at 618 NW Flanders Street with Portland Affordable Housing Bond funds. Per ORS.510, if the City acquires property, it is required to follow the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as Amended (URA) for temporary or permanent relocation of the tenant population.

At the time of the Westwind acquisition, PHB had planned to keep tenants in place or temporarily relocate them while the building was rehabilitated. Due to the scope of repairs, the length of a rehab (exceeding one year) and the cost of a full rehabilitation of the building, it was determined that temporary relocation of tenants would not be possible and that all tenants must be permanently relocated, the building demolished, and subsequently replaced with a new multi-family project.

While an on-call price agreement with OPC was in place at the time of acquisition, the contract amount was insufficient to pay the consultant's fees for a permanent relocation of the Westwind tenants.

- Permanent relocation of the Westwind tenants under the URA requires relocation assistance and advisory services to residential tenants, tenant fees and deposits, moving expenses, replacement housing payments, and reestablishment expenses for commercial tenants.
- There are approximately 55 residential tenants and 2 commercial tenants at the Westwind.
- The projected costs for the above expenses are \$1,146,350 plus a 20% contingency of \$276,270 for a total amount of \$1,422,620.
- While these costs have been allocated in PHB's budget to be paid by Downtown Waterfront TIF funds, it is necessary to increase the contract amount to OPC to enable them to initiate vendor, landlord, and tenant payments as needed.
- PHB plans to have all tenants of the property permanently relocated by September 30, 2019 and the property demolished as soon as reasonably feasible thereafter.
- Through Council action of November 14, 2018 Ordinance 189250 the purchase and rehabilitation or redevelopment of the Westwind Apartments was authorized, and the need to temporarily or permanently relocate its residents was stated within.

- This project supports the City's priority of increasing affordable housing stability for low income Portlanders, as well as increasing the number of permanently affordable units available

Financial and budgetary impacts:

Funds for expenses related to Westwind tenant relocation project are available in the FY 2018-19 budget and have been requested in the FY 2019-20 budget.

Community impacts and community involvement:

PHB anticipates generally positive impacts to the community. Successful relocation of Westwind tenants will enable the City to redevelop the Westwind Apartments to help address severe unmet housing needs among the people of Portland, including some of our most vulnerable neighbors.

Redevelopment of this property will preserve 70 units of housing for some of the City's most vulnerable individuals, including community space for on-site services, all of which will be available to households earning no more than 30% of area median income (currently \$17,100 for a single person). Ultimately, this project will also provide 70 supportive housing units for residents exiting homelessness and at risk of becoming homeless. The 70 units of new supportive housing will contribute the City's goal of creating 2,000 units of new supportive housing by 2027.

The purchase of the Westwind Apartments was strongly supported by the Bond Oversight Committee and aligns with the Bond Stakeholder Advisory Group's Bond Policy Framework, accepted and approved by City Council in October 2017.

This framework was created by the Bond Stakeholder Advisory Group, comprised of 18 community stakeholders appointed by the Mayor. The group convened for nine meetings from April to September 2017. They identified community priorities and guidelines for how bond funds should be spent, responsive to the immense needs in our community. In addition to Stakeholder Advisory Group meetings, PHB and community partners conducted robust outreach and engagement over five weeks to gather comments on the draft policy framework prior to finalization. This included contacts with nearly 1,000 community members through group discussions with agencies, networks and/or coalitions, in-person interviews with members from 16 linguistically-specific immigrant and refugee groups and online surveys.

Since PHB acquired the Westwind Apartments, it has held three resident meetings to inform residents of plans for the building, general relocation advisory services being offered to them through the URA. In addition, each tenant has received, and will continue to receive periodic informational notices regarding their rights and responsibilities throughout the relocation process.

100% Renewable Goal:

This Ordinance has no immediate impact on the City's goal to meet 100 percent of community-wide energy needs with renewable energy by 2050; however, this goal will be evaluated in any new development on the site that may be undertaken in the future.

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

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