

link the Northwest Natural Gas site with the transportation center. While it is true that these goals are part of the North of Burnside study, the policies quoted in the testimony are taken out of context.

Throughout the development of the North of Burnside policies, it was recognized that many diverse interests were contained in the study area; all of which were competing for adequate space. During the formulation of the land use policies by citizen groups and professionals, all the identified uses were determined to be valuable to the area and to the City as a whole. The North of Burnside policies, therefore, attempt to preserve and maintain all the existing uses. The intent of the land use policies was to minimize potential conflicts among competing uses by concentrating similar types of land uses along designated corridors and in certain parts of the study area. Areas are designated on the North of Burnside Land Use Map for commercial development, office space, and transportation facilities as well as housing. Both the Beaver and Estate Hotels are located in the areas specified for their respective uses.

As pointed out, consolidation of services and housing at the Beaver Hotel should actually benefit local businesses by reducing the type of client traffic that currently circulates to facilities located throughout the area. Additionally, the Beaver Hotel is located at a distance from a number of new and revitalized business in the Skidmore/Old Town Historic District.

Third, it was maintained in the written testimony that the proposed amendment involves a land use action "in that it establishes the use of these two buildings." In fact, this is not considered a land use action because a change in use is not being proposed for either of the two buildings and the uses are consistent with existing zoning and Comprehensive Plan designations.

Fourth, Comprehensive Plan policies were cited in the written testimony in an attempt to prove that the proposal is inconsistent with City policy. Policies 2.11 and 5.5 emphasize the importance of establishing commercial centers and promoting retail, lodging, office, residential, and cultural opportunities in the central business district.

It should be noted that the North of Burnside Land Use Policies represent a clarification of the City's Comprehensive Plan Policies and Downtown Plan as they relate to the North of Burnside area. All the Comprehensive Plan policies (which were adopted by City Council in January, 1981) were reviewed by the citizen committees and planning team during the research phase of the North of Burnside Study. Policies that were applicable to the study area were incorporated into the North of Burnside study recommendations and land use plan. The North of Burnside policies reflect a desire to promote commercial and retail opportunities in the North of Burnside area as is emphasized by Comprehensive Plan Policies 2.11

and 5.5, but they also recognize the importance of maintaining the few SRO hotels that remain in the City as emphasized by the City's Downtown Housing Policies. Such housing is valuable because it can provide shelter for very low-income people who are not adequately served by the marketplace. As cited previously, numerous city policies support the maintenance and preservation of this valuable housing resource.

Arguments similar to those cited in the written testimony were orally presented to the Planning Commission on November 12. Additional concerns centered on the sale of fortified wine near the Estate Hotel which houses recovering alcoholics, the adequacy of police and fire protection, City ownership of housing, the high crime rate, and the validity of the North of Burnside study given the fact that much development has taken place in the area since 1981. Several of these arguments, such as the continued sale of fortified wine in the vicinity and the high crime rate, are not considered land use issues reviewable by the Planning Commission. After consulting with the Police and Fire Bureaus, the Portland Development Commission has found that the proposed amendment will not affect police or fire services because a major change in use is not being proposed.

In response to the question raised during the hearing regarding City ownership of housing, it should be noted that the City does not intend to own either the Estate or the Beaver Hotels. The proposed amendment to the Downtown Waterfront Urban Renewal Plan merely provides Central City Concern with the assistance necessary to acquire and manage the properties on its own.

The final argument that was raised relevant to Planning Commission review involves the validity of the North of Burnside Land Use Policies given existing conditions and development trends. The North of Burnside Study was a comprehensive land use study that clearly anticipated much of the development that exists in the study area today. Furthermore, the North of Burnside Implementation and Management Program was prepared to track any changes that may have occurred, complete the regulatory changes necessary to implement the adopted land use policies, determine potential development opportunities which the City could promote, and establish priorities for programs and projects. Participation in this update process was elicited from the North of Burnside Study participants who had participated in the original study. Table 1, which was derived from information contained in the implementation plan, provides an indication of the type of development that was anticipated by the North of Burnside Study. In other words, the findings and conclusions contained in that study were based on projected development trends as well as on conditions that existed in 1981. This area will come under additional review during the Central City planning process.

In summary, while the majority of testimony represented arguments in favor of the proposed amendment, eight people from the business community testified in opposition to the proposal. Their concerns, as addressed above, did not warrant sufficient merit for the Planning Commission to disapprove the proposal. Planning Commission found the proposal is consistent with City policies, and most importantly, it is consistent with the North of Burnside Study land use policies which establish a specific land use plan for the area.

IV. Conclusion

The Planning Commission found that the amendment to the Downtown Waterfront Urban Renewal Plan is consistent with conditions (1.) through (7.) of ORS 457.095. As indicated, the proposal also is consistent with the existing zoning designation, city-wide housing policies and objectives, and specific policies and objectives established for the Downtown and North of Burnside areas.

Such policies express the City's desire to maintain low-income housing resources and related services in the Downtown in order to cater to a variety of groups including the special population in the North of Burnside area. In 1981, when the North of Burnside Study was adopted, the City had not yet felt the full effects of reduced federal spending for housing programs. Now, nearly four years later, the City's resources for housing have been reduced dramatically. In the face of declining federal dollars to deal with the City's housing problems and the fact that existing low-income residential hotels often operate under the threat of being replaced by more intensive land uses, this proposal is beneficial in that it utilizes local resources to deal with a situation that requires immediate local attention.

V. Planning Commission Recommendation

Planning Commission recommends that the Portland City Council accept the proposed amendment to the Downtown Waterfront Urban Renewal Plan and adopt the ordinance containing a determination of findings in support of the proposal.

BC/RMP/pkh

C-1017.2

Mayor Clark and Members of the Portland City Council
 December 10, 1985
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TABLE 1
 PROJECTS PROPOSED IN THE NORTH OF BURNSIDE STUDY (1981)

<u>Project Name</u>	<u>Description</u>
Pacific Square (NNG Property)	New Construction - Mixed Use Commercial
Porter Building	Renovation - Office/Retail
United States National Bank	New Construction - Office
Fong Chong Building	Renovation - Retail
Smith Ritchie Office	New Construction - Office/Retail
Union Station	Renovation - Transportation/Retail/ Office
Muckle/Riggs Building (Harlow Block)	Renovation - Office/Retail
Hazeltine Building	Renovation - Office/Retail
Blagen Block	Renovation - Office/Retail
Chinese Consolidated Benevolent Association	Renovation - Cultural Center
Block 33-P Infill	New Construction - Office/Retail
Oregon Cracker Company Building	Renovation - Office
Block 26-P Infill	New Construction - Office
Transit Mall	Public Improvement - Transportation
Transportation Center	New Construction - Transportation
Banfield Light Rail Transit/Vintage Trolley	New Construction - Transportation
Police Headquarters	Opportunity after Relocation of Police Bureau
Ankeny Arcade Expansion	Public Improvement - Open Space
Waterfront Park (North of Burnside)	Public Improvement - Open Space
Multi-Service Center	No site chosen at this time
Rich Hotel	Renovation - Housing

(Continued on next page)

Mayor Clark and Members of the Portland City Council
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TABLE 1
 (Continued)

PROJECTS PROPOSED IN THE NORTH OF BURNSIDE STUDY (1981)

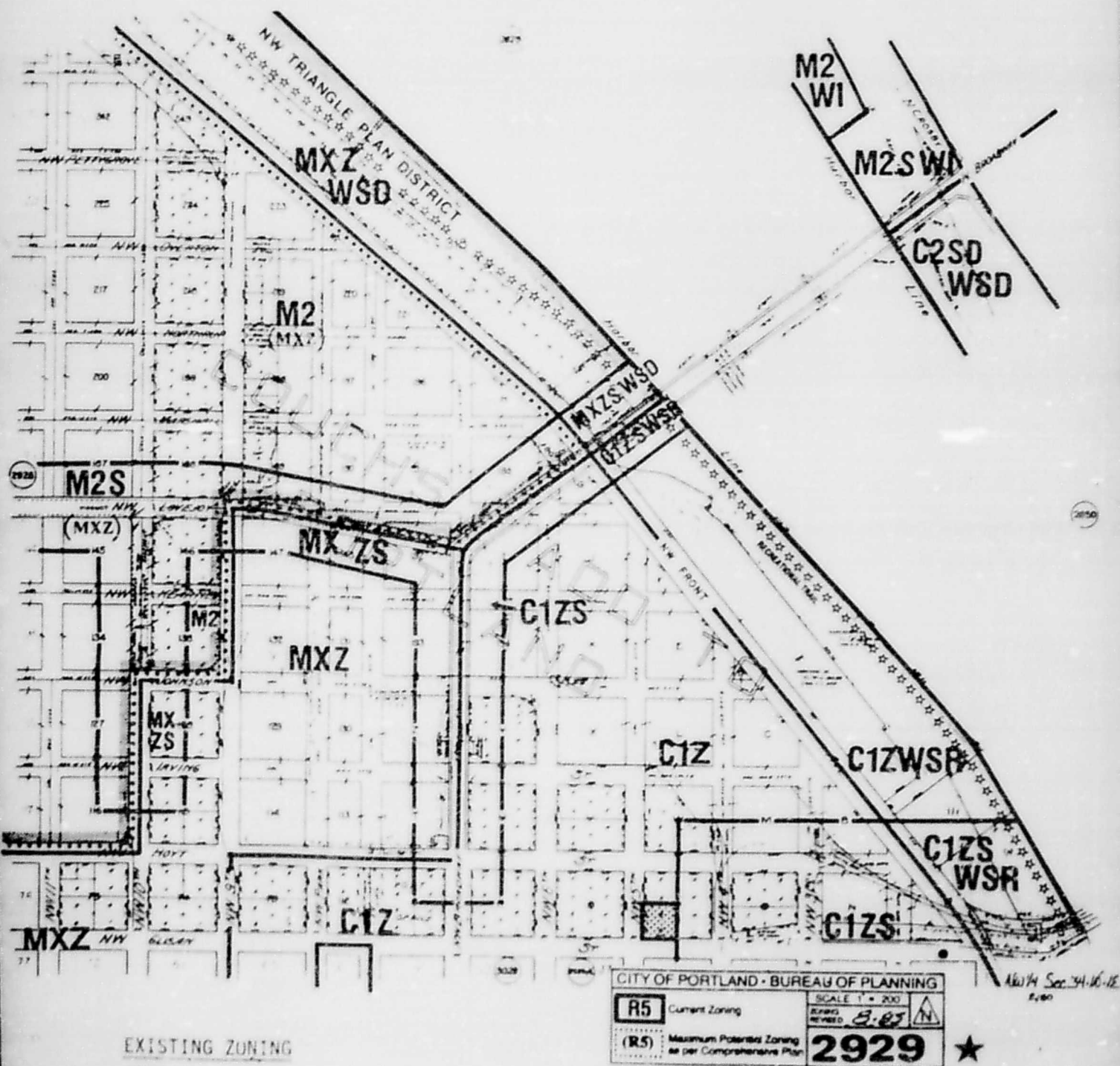
<u>Project Name</u>	<u>Description</u>
McCormick Pier Apartments	New Construction - Housing
Beaver Hotel	Renovation - Housing
Western Rooms	Renovation - Housing
New Market Theater	Renovation/New Construction - Mixed Use Commercial
Broadway Hotel	Renovation - Housing
Butte Hotel	Renovation - Housing
Broadmore Hotel	Renovation - Housing
Barr Hotel	Renovation - Housing
Saturday Market	Permanent site not chosen at this time

(Source: North of Burnside Policy Report - May, 1981)

Appendix A

LOCATIONAL MAPS

APPENDIX A - AREA MAPS



APPENDIX A - AREA MAPS



EXISTING ZONING



- Subject Property
Parcel B (Estate Hotel)
Couch's Addition, Block 18, Lots 2,3

CITY OF PORTLAND - BUREAU OF PLANNING	
R5	Current Zoning
(R5)	Maximum Potential Zoning as per Comprehensive Plan
SCALE 1" = 200' DRAWN 3-82 REVISION 3-82 2929.5	

Appendix B

TESTIMONY TO THE PLANNING COMMISSION

November 12, 1985

CONTENTS:

- 1) List of Those Who Testified
- 2) Written Testimony Submitted
by John Parsons Representing
the Union Station Business
Community Association

Those who testified
November 12, 1985

Amendment to Downtown Waterfront Urban Renewal Plan: Beaver, Estate Hotels--

1. Carl Abbott, Portland State University, P.O. Box 751, 97207
1830 N.E. Klickitat, 97212
2. James B. Reuler, P.O. Box 02477, 97202
3. Geri Ethan, 1819 N.W. Everett, #205, 97209
4. Gary Vaughan, 524 S.E. 15th, 97214
5. Sharon Nielson, Central City Concern, 2828 N.E. Knott, 97212
6. Jan Campbell, MHRC, 1120 S.W. Fifth Avenue, #520, 97204
7. Sally McCracken, 6215 S.E. Reed College Pl., 97202
8. Ramsay Weit, 310 S.W. Fourth Avenue, 97204
9. Howard Weiner, 213 N.W. Couch, 97209
10. Creag Hayes, 35 N.W. Third Avenue, 97209
11. Celeste LeDuke, 134 N.W. Eighth Avenue, 97209
12. Susan Baldwin, 523 N.W. Everett, 97209
13. Dan Bloch, 408 N.W. Fifth Avenue, 97209
14. Kathleen Curtis, 523 N.W. Everett, 97209
15. Larry Casey, 523 N.W. Everett, 97209
16. Laura Levinny (?), 9838 N.E. Wygant, 97220
17. Lonnie Williams, 523 N.W. Everett, 97209
18. Michael Henniger, 402 Oregon Pioneer Bldg., 320 S.W. Stark, 97204
19. Richard Harris, Hooper Detox Center, 20 N.E. Union, 97232
20. Linda Dowden, 110 N.W. Third, 97209
21. Doug Fullen, 110 N.W. Third, 97209
22. Kathy Oliver, 1023 S.W. Salmon, 97201
23. Jim Atwood, 33 S.W. Third Avenue, 97204
24. Mary Burki, 222 N.W. Couch, 97209
25. John Haggemiller, 401 N.W. Sixth Avenue, 97209
26. John B. Parsons, 220 N.W. Second Avenue, Suite 1100, 97209
27. Joe VanHaverbeke, 406 N.W. Glisan, 97209
28. Sam Galbreath, PDC
29. Elaine Howard, PDC
30. Dan Steffey, Mayor's Office
31. Tim Gallagher, BCD
32. Jean DeMaster, 523 N.W. Everett, 97209
33. Don Clark, 222 N.W. Couch, 97209

PRESENTATION TO
 PORTLAND ~~DEVELOPMENT~~ COMMISSION - 11/12/85
Planning

Members of the Commission, I am John Parsons, Vice ^{President} ~~President~~ of ~~Northwest Natural Gas Company~~ ^{*Pacific Square Corporation, a subsidiary of N.W.N.G.*}, and I am here today representing the Union Station Business Community Association. ~~Northwest Natural Gas is a member of that Association and I am Vice President of that Association.~~

The Union Station Business Community Association is comprised of over ~~205~~ ^{*175*} property owners and businesses located within the Skidmore/Old Town Historic Districts, ^{*Union Station Area*} The Union Station Business Community Association and its members are opposed to the amendment which would allow the acquisition by the city of the Beaver Hotel and the Estate Hotel. In the short time that we have known about this hearing, we have collected ~~over~~ ^{*201*} signatures on a petition opposing this amendment. Those petitions are here for your review.

Before I address the substance of the Association's position on this issue, I would like to point out the serious lack of notice and public involvement in this hearing. The Commission provided no advance notice to the members of our Association. Nor did the Commission notify the Skidmore/Old Town ^{*merchant's*} ~~Historic Neighborhood~~ Association of this hearing. We, in fact, received notice of this hearing only a few days ago, after pestering Mr. Galbraith to find out when the hearing would occur. On the other hand, we have also been advised that the Central City Concern has had notice of this hearing for some time and

has, therefore, had sufficient time to prepare for this hearing.

We have not had that time. *we have experienced similar confusion about this hearing, to the extent that as of 10:25 AM today we were led to believe that the mayor*

We think it is inappropriate for the city to rush *to attempt to strike this item from your agenda* through dramatic action which will have a serious and negative impact on our members and on the Skidmore/Old Town Historic District without extensive discussion with the businesses and property owners that will be most affected by this decision.

Those discussions have not occurred.

We were encouraged by the Report of the Mayor's Task Force on Downtown Alcoholism, particularly, Recommendation No. 30 which provided:

"The various Burnside/Old Town merchants associations and the area social service agencies should form a joint council, desiring to solve ongoing conflicts between the two groups. New and existing social service agencies should be required to submit to that council a plan for avoiding conflict between the person seeking their services and business and merchants in the area."

That recommendation is one of mutual cooperation, joint analysis, and careful planning. Yet, shortly after the *submit* ~~adoption~~ of that recommendation, we see that the action of the city is in direct conflict with that. That action is to propose the use of public funds to acquire the Beaver Hotel and the Estate Hotel as a site for homeless housing and alcohol treatment services. This has all occurred abruptly, without the kind of mutual cooperation and joint planning that the recommendation calls for. We urge that the recommendation be followed.

The proposal before you, if implemented, will mean nothing less than the permanent location of homeless, chemically

dependent, and troubled people in the very midst of Skidmore/Old Town Historic Districts. With the investment of public funds in a location of these proposed services in our neighborhood, there will be almost an institutionalization of all of these people within this fragile and important sector of downtown Portland.

In light of the numerous private and public steps taken to revitalize this area over the last two decades, it is startling to believe that the city would now take action to assure that these troubled individuals would always be within this business district and would be concentrated within this business district. The argument that locating these social services within this district will keep transients, vagrants, chemically dependent people and others off the streets -- simply does not make sense. It presumes an overly optimistic view of the effectiveness of such social services. Where will these people be when they are not within the Beaver Hotel and the Estate Hotel? The answer is obvious, they will be back out on the streets of our neighborhood. The historic pattern has been that private charitable missions and relief agencies attract these people. Will it not be a case that the social services proposed here will have the same effect?

Members of our Association live daily with these problems. We are the ones who have to, most frequently, step over intoxicated people, clean up the foul messes created at our store fronts and entry ways, deal with troubled people who come into our businesses, and try to conduct business activities, which we thought the city was encouraging, in the midst of this

areas of the north part of the study area along N.W. Glisan or Flanders." That is not what is being proposed here ^{for the Estate yls tel}

3. Another development policy is to "encourage medium density commercial development to link the Northwest Natural Gas site and the transportation facility area." How can this development policy be implemented by a proposal which would locate impediments to business development in the midst of this area?

4. Another policy is to promote a Chinatown special district and encourage "additional development of traditional commercial uses and special features appropriate to the district." This proposal is inconsistent with that policy.

The City Council also adopted a Supplemental Report to the North Burnside Report. That Supplement included the following policy: "Encourage continued concentration of specialty retailing and restaurants in the Skidmore/Old Town and Yamhill Historic Districts, with special attention paid to the environment of these areas." I do not believe that the proposal before you will encourage specialty retailing in restaurants, nor does it pay "special attention" to the environment of these areas as that policy requires.

The City Council, in July of 1982, adopted an implementation program for the North of Burnside study. That program listed a substantial number of public and private redevelopment activities that had occurred within this district. I urge you to review that list to see the extensive public and private commitment to the redevelopment of this area. That

program went on to adopt policies in favor of preserving "low income" housing opportunities in this area and encouraging medium density commercial development throughout this area. The proposal before you violates both of these policies. Low income housing is not developed by locating no income transients and troubled people in the midst of an area which is an important potential housing resource. You cannot encourage specialty shops and retail by concentrating these troubled people in the very midst of this retail area.

We believe that this action is essentially a land use action in that it establishes the use of these two buildings. As a land use action, we believe that it violates policies of the city's adopted comprehensive plan. First, Policy 2.11 provides that: "It is the policy of the city to expand the role of major established commercial centers and to strengthen these centers with retail office, service and labor intensive industrial activities which are compatible with the surrounding area." Unless you are willing to conclude that vagrants, transients, and similar people are compatible with the retail, office, housing, and commercial activities within our neighborhood, then you must conclude that this proposal violates this policy.

Second, Policy 5.5 provides that "The city shall assist in promoting retail, lodging, office, residential and cultural opportunities and facilities in the central business district." Our neighborhood is within that district and has been considered an important commercial resource in downtown Portland. We do not believe that the proposal before you is consistent with that

policy, for the proposal does not, in our judgment, assist in promoting the commercial activities and permanent housing which exist within our neighborhood.

We are not arguing that this serious problem should be ignored. We are the ones that have to deal with it on a daily basis. We are not arguing that these people should be disbursed throughout the community or necessarily displaced to some other neighborhood, such as the eastside riverfront.

We are arguing that this action is the wrong action, for it would only concentrate and make permanent this serious social problem within the midst of our struggling business neighborhood

We believe that Recommendation No. 30 of the Mayor's Task Force is the correct policy; that is, a well-thought out coordinated approach to this problem involving the businesses and social service agencies. That has not occurred -- and yet it must before this action is taken. There are other alternatives, for example, industrial areas further north of our district and further west include a number of buildings that could be renovated to provide housing and social services. In these areas, there are few restaurants and retail activities. We are not stating that that alternative be adopted, rather we point to it only as an illustration of other alternatives that should be considered in addressing this problem.

After years of a public private partnership in trying to redevelop the Skidmore/Old Town Districts, please do not

centralize and make permanent this serious social problem within the midst of our neighborhood.

STJ008

Appendix C

RELATED DOCUMENTS

Appendix C

RELATED DOCUMENTS

Bureau of Planning. Housing, Comprehensive Plan Support Document:
(No. 4 of 11 Documents). October, 1980.

Bureau of Planning. North of Burnside Land Use Policy. May, 1981.

Downtown Housing Advisory Committee. Downtown Housing Policy
and Program. October, 1979.

Leland and Hobson, et al. North of Burnside Study: Analysis
of Economic Impacts: Assessment of Development Potentials.
September, 1980.

Portland Development Commission. "Downtown Housing Inventory
Update, 1983." December, 1983.

Appendix D

PORTLAND DEVELOPMENT COMMISSION STAFF REPORT

PROPOSED DOWNTOWN WATERFRONT URBAN RENEWAL PLAN AMENDMENT

Chapter 1 - INTRODUCTION

A 1979 amendment to the State's urban renewal law [ORS 457.085(3)] requires that an urban renewal plan change be accompanied by a report which describes:

- a. A description of physical social and economic conditions in the urban renewal areas of the plan and the expected impact, including the fiscal impact, of the plan in light of added services or increased population;
- b. Reasons for selection of each urban renewal area in the plan;
- c. The relationship between each project to be undertaken under the existing conditions in the urban renewal area;
- d. The estimated total cost of each project and the sources of moneys to pay such costs;
- e. The anticipated completion date for each project;
- f. A relocation report which shall include:
 - (A) An analysis of existing residents or businesses required to relocate permanently or temporarily as a result of agency actions under ORS 457.170;
 - (B) A description of the methods to be used for the temporary or permanent relocation of persons living in, and businesses situated in, the urban renewal area in accordance with ORS 281.045 to 281.105; and
 - (C) An enumeration, by cost range, of the existing housing units in the urban renewal areas of the plan to be destroyed or altered and new units to be added.

The Downtown Waterfront Urban Renewal Plan and the first six amendments to that plan were approved by the Portland City Council prior to the 1979 State law amendment. The seventh and eighth amendments, adopted by City Council on September 2, 1981, and April 21, 1983, respectively were done in accordance with the revised State law requirements and, therefore, were accompanied by the required report. This report will include only pertinent information concerning the Ninth Amendment to the Downtown Waterfront (DTWF) Urban Renewal Plan.

The Ninth Amendment to the DTWF Urban Renewal Plan in the City of Portland, Oregon, authorizes the Portland Development Commission, as the City's urban renewal agency, choose to assist a non-profit organization in the acquisition of two parcels of property. This property (see Exhibit A) is located within the approved boundaries of the DTWF Urban Renewal Project Area, and is described as all land and improvements within the following two blocks:

- o Parcel A - Block P Lots 2 & 3 Couch's Addition (designated as the 17th property acquisition).
- o Parcel B - Block 18 Lot 2 & 3. Couch's Addition (designated as the 18th property acquisition).

The above described is area shown on Exhibit 4 and the parcels are identified as acquisition parcels 17 and 18 on Exhibit 5 in the Downtown Waterfront Urban Renewal Plan. The parcels are also identified in Exhibit A to this report.

The information required by State law to be included in this report and responses and comments thereto are set forth below:

Chapter II - A DESCRIPTION OF PHYSICAL, SOCIAL AND ECONOMIC CONDITIONS IN
THE URBAN RENEWAL AREAS AND THE EXPECTED IMPACT, INCLUDING THE
FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR
INCREASED POPULATION

A. Physical Conditions

The two parcels to be evaluated for acquisition both contain old, residential hotels.

Parcel A is the Beaver Hotel, a three story structure constructed in 1907, consisting of 27,693 square feet above grade. The ground floor is designated as retail space and the upper two floors as single room occupancy hotel units. The only tenant on the ground floor is the Jazz Nest Tavern which occupies approximately 1,800 square feet. The second and third floors were almost totally destroyed by fire in August of 1984. The second floor has been minimally rehabilitated and occupied. The third floor remains in its post fire damage condition and is not tentable.

The Parcel B is the Estate Hotel, a four story structure constructed in consisting of 32,678 square feet above grade and a full basement. The ground floor is occupied by a grocery and two taverns on the south west corner. The remainder of the ground floor is vacant or occupied by community service organizations, with all tenants paying below market rates.

The upper three floors are single room occupancy hotel rooms in need of some rehabilitation.

In 1973, the Portland Development Commission prepared a thorough and comprehensive report of the City's central area to determine if blight and deterioration exist as defined in ORS 457. The following table summarizes the findings of this report as they pertain to the condition of existing buildings on the property.

Parcel	# of Bldgs.	CONDITION OF STRUCTURES				
		Number of Buildings by Condition				
		Excellent	Good	Fair	Poor	Bad
A (Block P)	1			X		
B (Block 18)	1			X		

Since the report, Parcel A has been considerably damaged by fire. Parcel B is in a similar condition as the '73 survey showed.

B. Existing Social & Economic Conditions of Parcels which may be Acquired

Parcel A is presently occupied by low income tenants on the second floor and by the Jazz Nest Tavern on the first floor.

The residential portion of Parcel B is presently managed by the Central City Concern. The tenants are typically low income. No displacement is anticipated. Central City Concern will become the owner/operators when acquisition is complete.

The ground floor is occupied by a grocery on the S.W. corner, a tavern on the N.W. corner and two non-profit organizations, Guardian Angels and Sister Marias. The ground floor tenants are anticipated, with time, to change under new ownership. The grocery has a 10 year lease while the remainder of the tenants are on month to month leases.

Exhibits B and C to this report show assessed value information for the two blocks and for other blocks in the vicinity for fiscal year 1984-85.

- TAV -- Total assessed value of the entire block in dollars.
- L -- Total assessed value of land in the block in dollars.
- I -- Total assessed value of improvements in the block in dollars.
- I:L -- A ratio, expressed as a decimal fraction of the assessed value of all improvements divided by the assessed value of all land.
- AV/SF-- The dollar per square foot value resulting from dividing total assessed value for the block by the total square footage of land area in each block.

Redevelopment will result in upgrading the two buildings to serve the low income residents in the Burnside Area. Parcel A is envisioned as a social service center for the low income and transient population. In concept, the primary uses would be a night shelter, clean up center and a medical clinic. Other potential uses are counseling, food service, day time drop-in center and other related uses which may serve the low income population.

Parcel B will remain as low income housing on floors 2,3, & 4. In the future it is anticipated that the ground floor uses will be upgraded to provide more cash flow to support the residential hotel operation.

The existing public and private infrastructure (water, sewer, storm drainage, power and telephone systems) are adequate to serve planned development without additional costs or the creation of other fiscal impact. Likewise, police and fire protection are adequate and need not be expanded because of this project.

Chapter III THE EXPECTED IMPACT, INCLUDING THE FISCAL IMPACT, OF THE PLAN IN LIGHT OF ADDED SERVICES OR INCREASED POPULATION.

- a. Taxes - If acquired, both parcels will be operated as non-profits providing housing services, it is anticipated the portion of the buildings dedicated to housing will be exempt from real property taxes. The commercial spaces not occupied by non-profit corporations will remain taxable. The top three floors of the Estate Hotel, parcel B are already exempted from real property taxes.
- b. Infrastructure - The infrastructure capacity of the area is adequate for serving all contemplated redevelopment without additional public investment.

Chapter IV REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

In the context of this report, the two parcels shall be considered a single "urban renewal area" even though the area is situated within a larger urban renewal project area. The reasons for undertaking this project are listed below.

1. To bring together, in one easily accessible location in the North of Burnside area, a number of the social service programs serving the low income and transient population.
2. To better coordinate complimentary, and sometimes overlapping, services provided by social service organizations and public agencies in the North of Burnside area.
3. To provide a permanent facility with adequate accommodations at reasonable operation and maintenance costs for a number of Burnside area social service programs.
4. To save and renovate an existing low income, Single Room Occupancy (SRO) hotel which would otherwise be closed and likely converted to non-residential use.
5. To provide a source of income from ground floor commercial tenants and upper floor residents, to provide growing equity to support services and the maintenance of housing for the downtown low income population.

Both hotels are key components in implementing the City's policies to maintain the supply of low income housing and provide the necessary support services to the low income, homeless population. There is strong policy support for the provision of low income housing and social services in the

North of Burnside Area. This policy support is documented in the Housing Policy of Portland Downtown Housing Policy and the North of Burnside Study.

The Downtown Plan, revised in June, 1981 deals with housing issues for all income groups, but each of the specific goals under maintaining a coordinated housing program addresses the needs of the low income.

Acquisition of these two hotels has been identified by the Central City Concern as key to maintaining an adequate supply of housing for low income, single room occupants and to centralizing the services for these people. Burnside Projects has identified the need for a social service center in their 1985 Neighborhood Needs Request to the City.

In addition to the Downtown Plan, the Housing Policy for Portland, the Downtown Housing Policy, the Downtown Waterfront Urban Renewal Plan and the North of Burnside Study all have specific references to retention of low income housing and related social services.

1. Downtown Housing Policy - October 3, 1979

A. It is important that new and rehabilitated downtown housing be undertaken in the context of a "neighborhood". The City should see that services and amenities, which residents require to carry on their day-to-day lives and to make the area livable are provided for with each new and redeveloped housing project.

B. Policies and Objectives

1. Maintain low-income housing

- a. To use vacant or under-utilized structures to replace low-income housing lost to new development.
- b. To maintain and improve public services and facilities which support existing low-income housing.
- c. To develop and integrate special housing and social services to meet the needs of the single room occupant and transient.

2. Support related activities which reinforce downtown's residential neighborhoods.

- a. Encourage rehabilitation and reopening of vacant residential buildings.

C. Recommended Programs

1. Acquisition assistance: low-income

- a. Funding Source: Tax increment urban renewal bond proceeds in the Downtown Waterfront Urban Renewal Project. City Housing and Community Development funds in the remainder of Downtown.
- b. Terms: The terms of assistance under this program are variable. They could include public acquisition, improvement and retention of the property with management contracted to an agency specializing in services to this population group. Or, the City may negotiate an option to purchase, prepare specifications for property improvements and management for low-income and then seek a purchaser to develop and operate the property under those terms.

2. Technical Assistance

- a. Funding Source: A combination of Downtown Waterfront tax increment bond proceeds and City Housing and Community Development funds.
- b. Terms: Technical assistance and consultation as well as assistance in dealing with public agencies would be available on a project by project basis to those owning, managing and developing downtown housing.

II Housing Policy for the City of Portland - March 29, 1978

A. Lower Income Assisted Housing

1. Objectives

- a. To provide decent housing for lower income households who cannot compete in the housing market.
- b. To minimize the impact of public housing projects on neighborhoods and assure a geographic balance in the distribution of such housing.

III Urban Design Plan and Program: Waterfront Renewal Area

A. Funding for Social Services

- 1. The needs of residents of the Urban Renewal Area for the range of social services - health care, legal assistance, employment assistance - are not being met and the level of service is expected to decline.
 - a. The city should designate the Urban Renewal Area as a target area for the Housing and Community

Development Fund.

- b. A portion of the tax increment funds should be earmarked for physical facilities for social service agencies.

IV North of Burnside Study - May 14, 1981

- A. Encourage the location of temporary housing, drop-in centers and social service facilities intended primarily for use by non-resident transients or travelers to be outside the residential areas in the north part of the study area along N.W. Glisan or Flanders.
- B. Suggested improvements.
 - 1. Establishment of a Multi-Service Center.
 - 2. Funding to assist existing temporary housing drop-in centers and social programs and services.
- C. Low-income housing in the North of Burnside area, particularly SRO hotels, is a significant resource and is difficult to replace.
- D. Concentrate and consolidate long term low-income housing and supportive services where largest concentrations are currently located. Two such areas exist in the area of Ankeny and Davis, First and Third Avenues; between Burnside and Flanders, Sixth Avenue and Broadway. Continue to support housing rehabilitation and the reopening of vacant buildings, but select buildings for public assistance based on the number of low-income units that can be accommodated within each building and the location of the building within existing concentrations. Social services targeted for the long-term residents of North of Burnside should also be located within these areas of residential concentration.

Chapter V - THE RELATIONSHIP BETWEEN EACH PROJECT ACTIVITY TO BE UNDERTAKEN UNDER THE PLAN AND THE EXISTING CONDITIONS.1. Acquisition

The acquisition of Parcel A would have some effect on the existing conditions. The residential hotel tenants on the second floor may be relocated as a result of the needs of the social services agencies. If relocated, they will be relocated in like facilities with similar rents and given moving assistance.

There is a tavern on the first floor. Its lease would not be renewed. The tavern will be given adequate notice and will not be forced to move before its lease expires. The remainder of the building is vacant.

The acquisition of Parcel B would have little or no effect on the existing conditions. None of the tenants are proposed to be relocated and none of the existing leases in the ground floor are anticipated to be terminated before their regular renewal dates.

2. Rehabilitation

Parcel A would undergo substantial rehabilitation to the ground floor space and the third floor residential rooms. The second floor may have some rehabilitation.

Parcel B will undergo some rehabilitation.

3. Administration and Planning

Central City Concern, Burnside Projects and the Portland Development Commission will work on the administration and planning.

Chapter VI - THE ESTIMATED TOTAL COST OF EACH PROJECT OR ACTIVITY ANTICIPATED COMPLETION DATE FOR EACH PROJECT OR ACTIVITY

	Parcel A	Parcel B
Acquisition	\$565,000	\$710,000
Rehab	500,000	170,000
Legal & Administration	28,000	25,000
Total	\$1,093,000	\$905,000
Total - 2 parcels		\$1,998,000

Sources of funds will be a combination of City Bureau of Community Development funds, Tax Increment bond proceeds, Private Financing, Foundation grants, State of Oregon Housing Division Bond funds and any other sources which can be secured. Assistance will be in the form of a loan or grant to Central City Concern to enable them to purchase and rehabilitate the buildings.

Purchase options may only be exercised by Central City Concern, if at all, only when all funds for acquisition, rehabilitation and soft costs are identified and funding commitments secured and the social service plan is completed.

Anticipated completion dates:

Parcel A - August, 1986
Parcel B - August, 1986

Chapter VII - A FINANCIAL ANALYSIS OF THE PLAN WITH SUFFICIENT INFORMATION TO DETERMINE FEASIBILITY

The HCD and Tax Increment funds have been identified and are available without new bonding indebtedness. Options may only be exercised if at all, only when other funds sufficient to complete the projects are identified. The possibility of acquiring one parcel without acquiring the other parcel may be evaluated. Either or both projects may be excluded from acquisition dependent on the outcome of the work program being completed by the Central City Concern and the Portland Development Commission.

Chapter VIII - RELOCATION REPORT

- a. The Beaver Hotel, Parcel A, would be purchased directly from the present owner by Central City Concern, a private non-profit corporation. The existing ground floor tenant is the Jazz Nest, whose lease will not be renewed when it expires in December of 1986. The new owner plans to allow the tenant to remain under the terms of the present lease.

There are 13 residential tenants on the second floor of the Beaver Hotel. These tenants may be relocated to another SRO hotel by the new owner.

The ground floor tenants of the Estate Hotel will be allowed to remain in occupancy until their lease terms expire, so no relocation is anticipated.

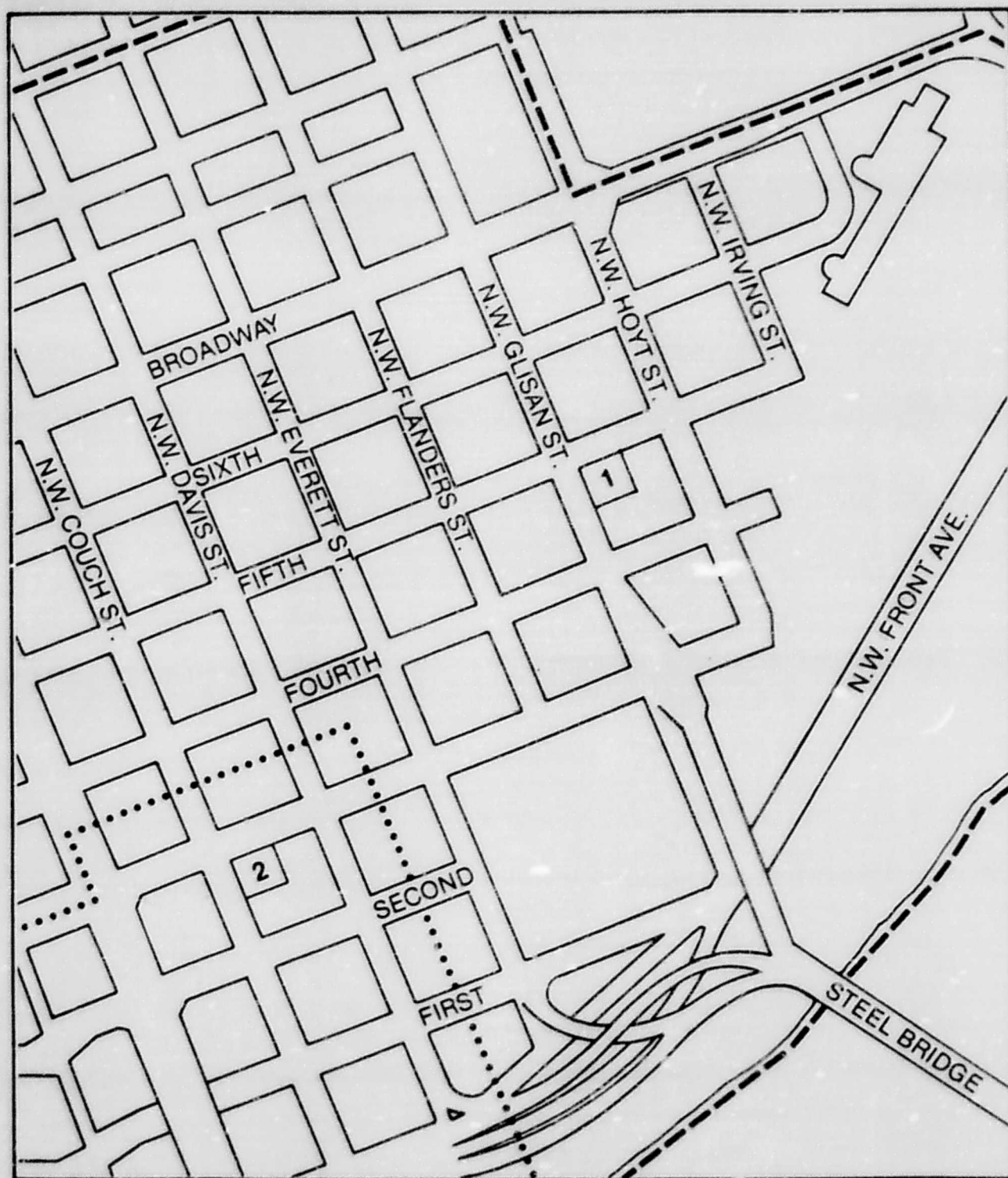
There will be no required relocation for the residential tenants in Parcel B.

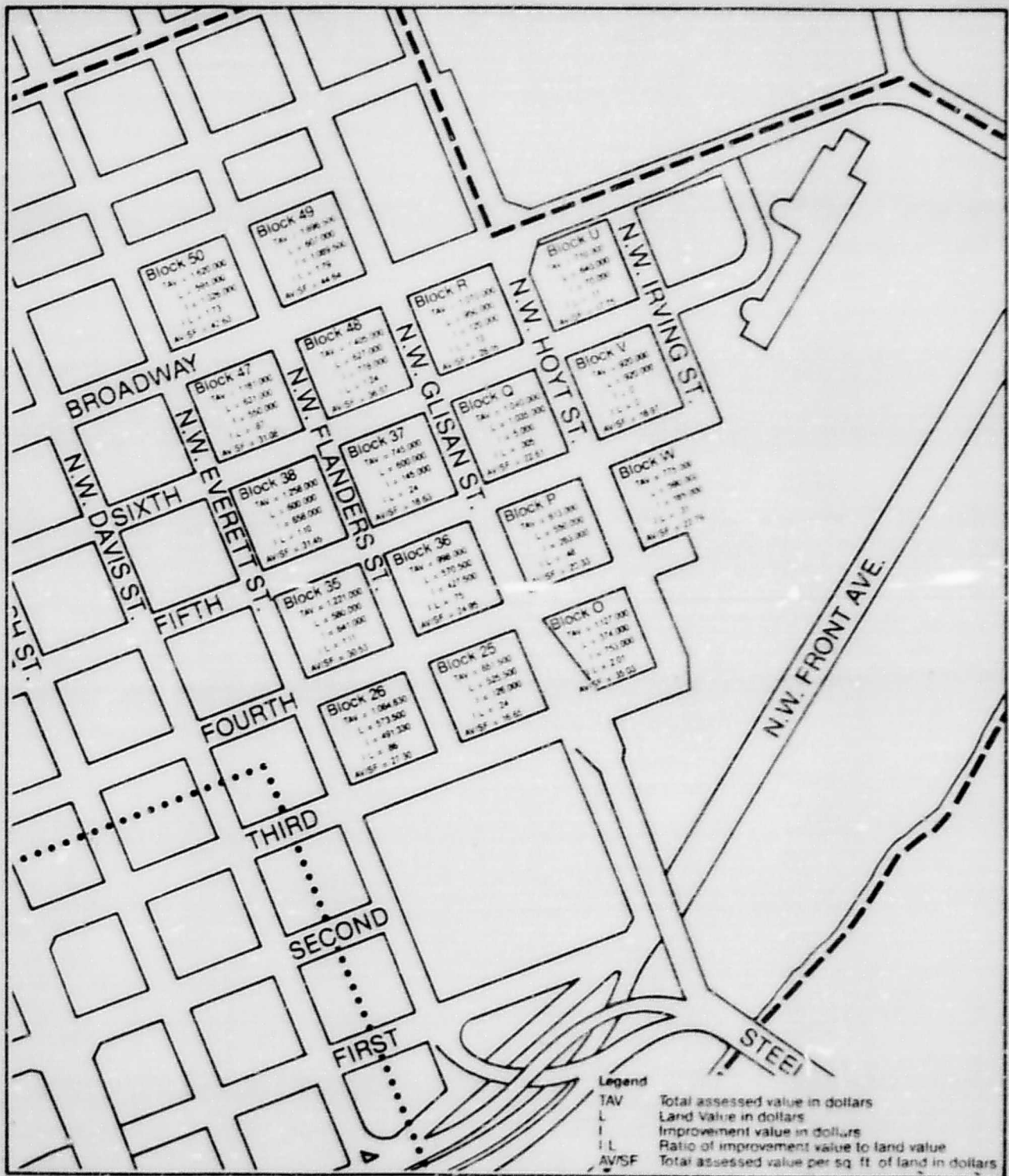
- b. The residential tenants in Parcel A will be assisted in finding equivalent housing if required to move by the new owner. They will be provided moving assistance in accordance with the City of Portland Moving Assistance Program which comes in effect when relocation of residential tenants is required by rehabilitation consistent with the Downtown Plan. The financial moving assistance would be up to \$250 per tenant.

No business relocation is anticipated.

- c. No housing units are anticipated to be destroyed. Parcel A, the Beaver Hotel, would have an additional 30 units of housing in the rental range of up to \$226. There will also be additional emergency night shelter units on the bottom floor. The remaining 28 units on the second floor may or may not be altered.

157 units in Parcel B, the Estate Hotel, may be minimally altered. The rental range is \$100 - 150 per month.

**EXHIBIT A—Hotel Acquisition****1-Lots 2 and 3, Block P****2-Lots 2 and 3, Block 18**



**EXHIBIT B — Beaver Hotel Vicinity —
Assessed Value of Property by Block and Ratio of
Improvement Value to Land Value 1984-85**

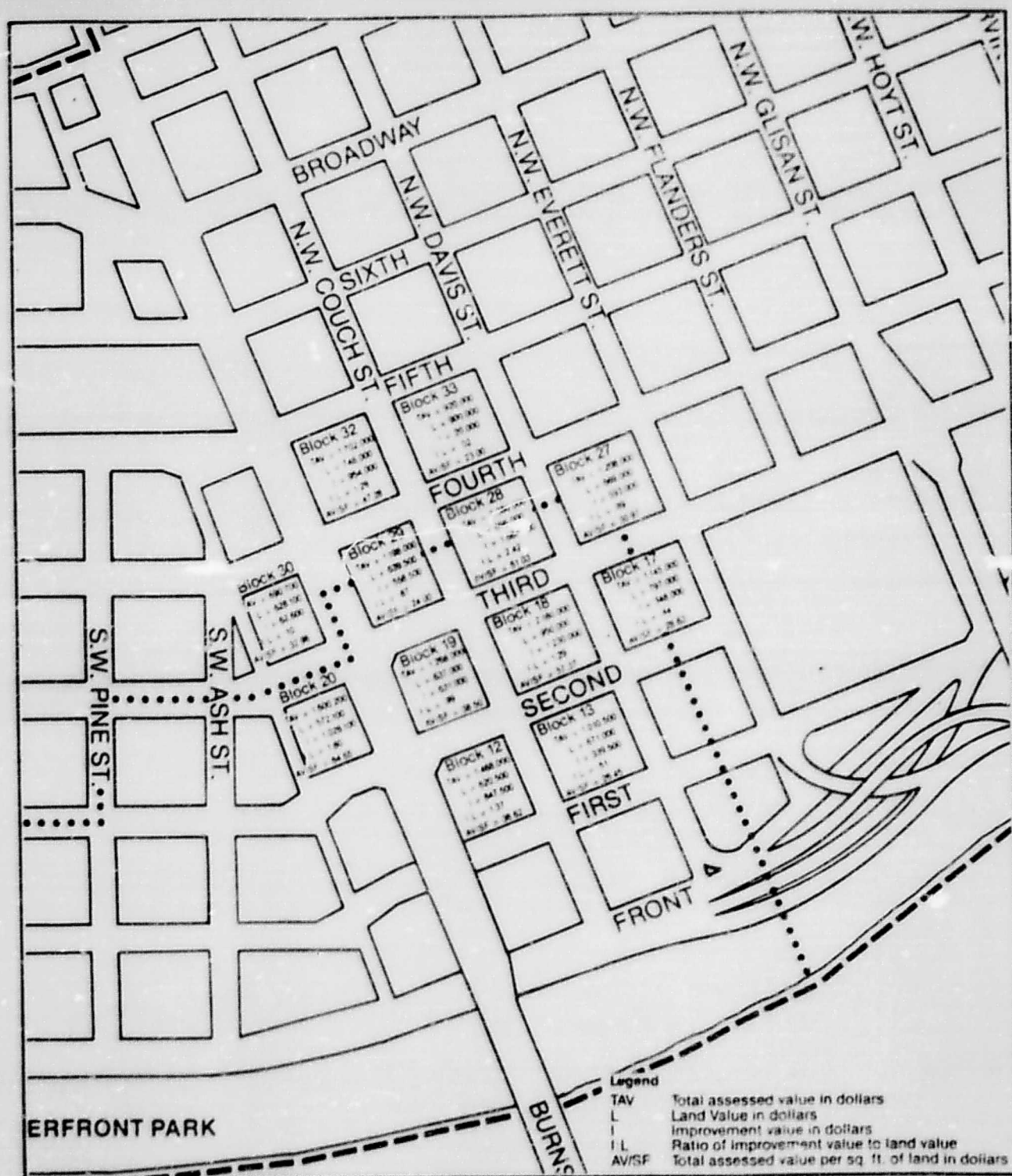


EXHIBIT C — Estate Hotel Vicinity —
Assessed Value of Property by Block and Ratio of
Improvement Value to Land Value 1984-85

ORDINANCE NO. 158193

AN ORDINANCE MAKING CERTAIN DETERMINATIONS RELATED TO AND ADOPTING
THE NINTH AMENDMENT TO THE DOWNTOWN WATERFRONT URBAN RENEWAL PLAN.

The City of Portland ordains:

Section 1. The Council finds:

1. On April 25, 1974, the Council of the City of Portland, by Resolution No. 31395 approved the Downtown Waterfront Urban Renewal Plan, hereinafter called the "Plan", as conforming to the General Plan of the City of Portland.
2. The Portland Development Commission, as the duly designated urban renewal agency of the City of Portland, is carrying out an urban renewal project known as the Downtown Waterfront Urban Renewal Project, hereinafter called the "Project", in accordance with the Plan.
3. The Portland Development Commission has prepared a "Report to the Ninth Amendment to the Downtown Waterfront Urban Renewal Plan", dated November 6, 1985, which has been filed with the City Auditor, and has found and determined that renewal action is required in order to carry out the Beaver and Estate Hotel acquisitions.
4. The Ninth Amendment has been prepared, reviewed and adopted by the Portland Development Commission, on November 6, 1985, which Amendment is attached as Exhibit "A" hereto and, by reference, is made a part hereof.
5. The Ninth Amendment has been reviewed by the Portland City Planning Commission which has recommended approval of the Amendment at its meeting of November 12, 1985, by a report to City Council, which report is attached as Exhibit "B" hereto and, by reference, is made a part hereof.
6. The Council has reviewed and considered the Report on the Ninth Amendment, the proposed Ninth Amendment, and does by this Ordinance desire to approve the Ninth Amendment.
7. The City Council hereby determines that:
 - a. The two specific project sites, the Beaver Hotel and the Estate Hotel, are within the total project area, and the project area is blighted in accordance with ORS 457.010.
 - b. Redevelopment is necessary to protect the public health, safety, and welfare of the City of Portland.

ORDINANCE No.

- c. The Ninth Amendment conforms to the Portland Comprehensive Plan, North of Burnside Plan, Downtown Housing Policy and Program and provides an outline for accomplishing the urban renewal project.
- d. If residential displacement occurs as a result of the Ninth Amendment, the residents would be relocated to other like facilities being managed by Central City Concern.
- e. Acquisition of real property is necessary to carry out the Ninth Amendment.
- f. Adoption and carrying out the Ninth Amendment is economically sound and feasible or the acquisitions will not be pursued.
- g. The City shall assume and complete activities prescribed to it by the Ninth Amendment

NOW, THEREFORE, the Council directs:

- 1. That the Ninth Amendment to the Plan for the Project conforms to the Comprehensive Plan of the City of Portland.
- 2. That said Plan and Ninth Amendment comply with all requirements of ORS Chapter 457.
- 3. The Ninth Amendment, attached hereto as Exhibit "A" and by reference made a part hereof, having been duly reviewed and considered by the Council, is hereby approved and adopted.
- 4. The Portland Development Commission shall file in the Deed Records of the County of Multnomah a copy of the Ninth Amendment and this Ordinance upon adoption by the Council.
- 5. The City Auditor shall forward forthwith to the Portland Development Commission and to the Portland City Planning Commission copies of this Ordinance upon adoption by the Council.
- 6. The City Auditor, in accordance with ORS 457.095, shall publish notice of the adoption of this Ordinance approving the Ninth Amendment in the newspaper having the greatest circulation in the City of Portland within four days following adoption of this Ordinance.

Passed by the Council, **JAN 30 1986**
Mayor Clark
PDC:EEH:fw

Jewel Lansing
Auditor of the City of Portland
By

Edna Cervera Deputy

216 159 140

Calendar No. ~~62~~

ORDINANCE No. 158193

Title

An Ordinance Making Certain Determinations Related To And Adopting The Ninth Amendment To The Downtown Waterfront Urban Renewal Plan.

JAN 9 1986

PASSED TO SECOND READING JAN 16 1986

JAN 16 1986 *Amended* *As Amended*

PASSED TO SECOND READING JAN 23 1986

THE CERTAIN *Amended*
JAN 23 1986 2:00

CONTINUED TO JAN 30 1986

JAN 02 1986

Filed _____

JEWEL LANSING
Auditor of the CITY OF PORTLAND

By *Jewel Lansing*
Auditor

INTRODUCED BY

Mayor J.E. "Bud" Clark

NOTED BY THE COMMISSIONER

Affairs

Finance and
Administration

Safety

Utilities

Works

BUREAU APPROVAL

Bureau

Portland Development Commission

Prepared By

Date

Elaine E. Howard 12/30/85

Budget Impact Review:

☐ Completed ☐ Not required

Bureau *Patrick L. Lacrosse*
Patrick L. Lacrosse

CALENDAR

Consent

Regular

NOTED BY

City Attorney

City Auditor

City Engineer

THE COMMISSIONERS VOTED AS FOLLOWS

	Yeas	Nays
BOGLE	✓	
LINDBERG	✓	
SCHWAB		✓
STRACHAN	✓	
CLARK	✓	

FOUR-FIFTHS CALENDAR

BOGLE	
LINDBERG	
SCHWAB	
STRACHAN	
CLARK	