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Portland approves \$80 million for affordable housing, road project in South Waterfront

by Ryan Frank

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The Portland City Council on Wednesday endorsed two major projects in South Waterfront, boosting the total taxpayer investment to at least \$175 million for one of Portland's most ambitious economic development projects.

A \$51 million overhaul of Moody Avenue will improve streetcar, light-rail and bike routes into the district of glassy condo towers and health clinics. A 209-unit apartment building -- with \$30 million in public money -- would be South Waterfront's first affordable-housing project.

The two projects bring the city's total financial stake in South Waterfront to at least \$175 million from local, state or federal sources.

The Moody Avenue project is expected to start in January and finish by February 2012. The council's vote approved a contract with construction company Stacy and Witbeck Inc., based in Alameda, Calif.

Portland Mayor Sam Adams made a strong push to attract federal stimulus money for the project. The work covers just six-tenths of a mile but is expensive because it requires a completely rebuilt street under a tight federal deadline. Workers will dig out the existing street and raise it by as much as 17 feet, install new water and sewer lines, add one traffic lane, re-install streetcar tracks and make room for the Portland-to-Milwaukie MAX line.

Adams said the expanded transportation network will also help the Oregon University System's plans for a \$170 million science complex along Moody Avenue.

Critics have questioned the city's investments in the high-rise neighborhood that continues to grow despite struggles from the real estate bust. But Adams and others say they're relying on South Waterfront to absorb residential and business expansion and reduce suburban sprawl over the next decade or more. This fresh round of work will also provide work for a construction industry battered by the recession, Adams said.

"This is a significant step forward on a project of citywide significance," Adams said at the meeting.

The council also approved a contract with Reach Community Development to build the apartment project at Moody Avenue and Bancroft Street. Reach still has to find millions of dollars in private funding before a scheduled groundbreaking this spring.

Affordable-housing advocates have criticized the city for its slow progress. South Waterfront's first affordable apartments were supposed to be under construction in October 2005.

Of the 209 apartments, 42 will be for veterans; all the apartments will be restricted to people making less than 50 percent of the region's median income, or about \$25,000 a year for a single person.

Commissioner Randy Leonard credited Commissioner Nick Fish with solving "fatal flaws" in the original proposals and said the project would be a symbol for the way the city takes care of veterans.

Early next year, the city expects to start work on another South Waterfront project: a \$12.6 million pedestrian bridge over Interstate 5 that will run under the tram cables.

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