Portland, Oregon
FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Karl Dinkelspiel	2. Telephone No. 823-1354	3. Bureau/Office/Dept. Portland Housing Bureau
4a. To be filed date April 24, 2013	4b. Calendar (Check One) Regular ☐ Consent ☒ 4/5ths ☐	5. Date Submitted to Commissioner's office and FPD Budget Analyst: April 10, 2013
6a. Financial Impact Section: ☒ Financial impact section completed		6b. Public Involvement Section: ☒ Public involvement section completed

1) Legislation Title:
Authorize an amended and restated disposition and development agreement between the Portland Housing Bureau and Piedmont Community Developers for property at 6431-6445 NE Martin Luther King, Jr. Blvd. (Ordinance)

2) Purpose of the Proposed Legislation:
Amend and restate the existing Disposition and Development Agreement (DDA) for the sale of the City-owned subject property.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

☐ City-wide/Regional   ☒ Northeast   ☐ Northwest   ☐ North
☐ Central Northeast   ☐ Southeast   ☐ Southwest   ☐ East
☐ Central City
☐ Internal City Government Services

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

For the first approximately ten years of the project, the legislation will neither generate nor reduce revenue coming to the City. The property will be transferred to the developer at no cost. Through the DDA and other legal means, the developer will be obligated to pass on this benefit to low to moderate income homeowners. It is expected that low and moderate homeowners that buy the project's twenty four units will utilize the community land trust model administered by Proud Ground. As part of the development and DDA obligations, the developer will transfer the property to Proud Ground who will lease the property to the homeowners. The lease will require that the homes remain affordable for ninety-nine years. To participate in the community land trust program homeowners can earn no more than 80% of area median family income (MFI). It is expected that all homeowners will take advantage of the Multi-Unit Limited Tax Exemption

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(MULTE), which will exempt taxes on the improvements for up to ten years. Once the tax exemption expires and if the exemptions are not renewed, the city (and other taxing jurisdictions) will see an increase in revenue from property taxes. If the units were on the tax rolls today, it is estimated they would pay on the order of $3,000/unit. For 24 units this equates to $72,000/year.

5) Expense: What are the costs to the City related to this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

This legislation is a key piece of the redevelopment of the subject property. As part of the redevelopment, the Portland Housing Bureau (PHB) will loan the developer a total of $1,750,000. The developer will use these funds to build the project's twenty-four homeownership units. As a condition of the DDA and PHB's loans to the project, the developer must arrange for the permanent affordability of the homeownership units. It is expected that Proud Ground, a community land trust, will insure this permanent affordability. In exchange for the permanent affordability benefit, PHB plans to convert the construction loan to a permanent housing affordability subsidy. Assuming this occurs, the cost to the city of project will be $1,750,000. In addition, while the City carries a book value for the property of $752,600, the property was transferred to the City from the Portland Development Commission (PDC) upon creation of the Portland Housing Bureau at no cost. The property will be sold to the developer for $0.

6) Staffing Requirements:
- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*
  No.

- **Will positions be created or eliminated in *future years* as a result of this legislation?**
  No.

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES**: Please proceed to Question #9.

☐ **NO**: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:+

a) What impacts are anticipated in the community from this proposed Council item?

While none have occurred recently, the developer has had a number of meetings with the project's immediate neighbors and the relevant neighborhood associations, Piedmont and Woodlawn. In general, neighbors have been supportive of the project. In addition, at the land use hearing, no neighbor or community member raised objection to the project.

The impact to the community should be beneficial as the project will develop twenty-four high-quality new dwellings on property that has long been vacant. In addition, the twenty-four units will be sold at prices well below market. This will allow new families to live in this part of the city where they otherwise might be priced out.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

Piedmont and Woodlawn Neighborhood Associations, as well as the project's immediate neighbors

c) How did public involvement shape the outcome of this Council item?

The project's immediate neighbors were instrumental in shaping the design of the project. For example, feedback from the neighbors identified issues with the alley that separates the them from the project. The alley will be rebuilt as a result of the project. The neighbors were also concerned about parking for the project. The parking will utilize the City's "shared court" standards making for softened, more aesthetically desirable parking areas.

d) Who designed/implemented the public involvement related to this Council item?

The project's developer, Piedmont Community Developers, in conjunction with PHB (and PDC) staff designed and implemented the public involvement.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Tom D. Walsh: 503.284.2603 tom@albinaconstruction.com

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No. Neighbors have been involved in the design process. The project will implement the design neighbors have seen.

Traci Manning, Bureau Director   Date 4.9.13