

Agenda



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting: TOD Steering Committee
Date: Tuesday, November 8, 2022
Time: 3:00 – 5:00 p.m.
Place: Virtual meeting

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|-------------|--|-----------|
| I. | Call to order, welcome and introductions | 3:00 p.m. |
| II. | Approval of October 20 meeting summary | 3:05 p.m. |
| III. | Executive Session | 3:10 p.m. |
| IV. | Action Item: Albina One | 3:30 p.m. |
| V. | Strategic Plan Update | 3:40 p.m. |
| VI. | Staff Updates | 4:10 p.m. |
| VII. | Adjourn | 4:20 p.m. |
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EXECUTIVE SESSION HELD PURSUANT WITH ORS 192.660(2)(e) TO CONDUCT DELIBERATIONS WITH PERSONS DESIGNATED BY THE GOVERNING BODY TO NEGOTIATE REAL PROPERTY TRANSACTIONS

Revised 11/7/22

For agenda and schedule information, contact Laura Dawson Bodner at laura.dawson-bodner@oregonmetro.gov

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| I. | Call to order, welcome and introductions | 3:00 p.m. |
| II. | Approval of October 20 meeting summary | 3:05 p.m. |
| III. | Presentation: 165th and Burnside | 3:10 p.m. |
| IV. | Presentation: Francis & Clare | 3:30 p.m. |
| V. | Executive Session | 3:50 p.m. |
| VI. | Action Item: Albina One | 4:10 p.m. |
| VII. | Strategic Plan Update | 4:20 p.m. |
| VIII. | Staff Updates | 4:50 p.m. |
| IX. | Adjourn | 5:00 p.m. |
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Metro

600 NE Grand Ave.
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Meeting minutes

Meeting: TOD Steering Committee
Date: October 20, 2022
Time: 9:00 – 11:00 a.m.
Place: Virtual meeting

Members

John Southgate, Tai Dunson-Strane, Guy Benn, Madeline Baron
Derek Abe (arrived at 10:25 a.m.)
Bob Hastings (left at 10:29 a.m.)

Staff

Jon Williams, Andrea Pastor, Pat McLaughlin, Laura Dawson Bodner, Eva Goldberg, Eryn Kehe
Joel Morton (arrived prior to Executive Session)
Guests: Amy Saberian, Christine Kwiecienski, Alex Aleman

I. CALL TO ORDER, WELCOME AND INTRODUCTIONS

Acting Chair John Southgate called the meeting to order at 9:05 a.m. and welcomed committee members.

II. APPROVAL OF MEETING SUMMARY: AUGUST 9, 2022 AND SEPTEMBER 13, 2022

Acting Chair Southgate asked if there were any changes to the meeting summaries for August 9 and September 13, 2022.

Madeline Baron requested a correction to the August 9 meeting summary to state that low income service industry workers are more likely to work outside the home. With this correction, Acting Chair Southgate asked for a motion to approve the August 9 meeting summary. Acting Chair Southgate made the motion. The motion was seconded by Madeline Baron. The motion was **approved** with one abstention, Guy Benn.

Acting Chair Southgate asked if there was a motion to approve the September 13 meeting summary. Guy Benn moved to approve the September 13 meeting summary. The motion was seconded by Tai Dunson-Strane. The motion was **approved** with one abstention, Madeline Baron.

PRESENTATION: TIGARD AVA ROASTERIA

Pat McLaughlin introduced Amy Saberian to talk about the Ava Roasteria project. Staff from City of Tigard was unable to attend. Amy explained that this is brownfield revitalization project in the Main Street/Fanno Creek area. She led a similar project for the City of Beaverton 16 years ago that started revitalization of downtown Beaverton.

Tigard was awarded a \$400,000 EPA Brownfield Cleanup Grant for this 16,400 square foot site. Cleanup was completed, a DDA was signed in 2018 and the property was sold in January 2021. This will be the first mixed use project in downtown Tigard with a coffeeshop, bakery, and coffee roastery on the first floor and 22 one bedroom apartments on the second and third floors. There will be 11 units on each floor, each unit at 500-800 square feet. It will have the lowest parking ratio in Tigard with 12-13 parking spaces. Challenges to development include contamination from the dry cleaner on the neighboring property, Fanno Creek directly west and Highway 99 to the north. In addition, the site is on a 100 year flood zone so they will raise 5 feet above the current grade. There is a main easement passing through the property that will restrict the footprint of the building. Financing challenges caused the redesign of building. The City's purchase of the property is making it possible.

Amy showed maps that detailed the challenges including flood zone and main easement, as well as slides showing sales summaries, estimated increase in foot traffic and public transportation. WES and TriMet bus routes are nearby. She said this project offers many opportunities including creating community space, jobs, supporting youth and providing a safe space for youth. She said her company has 55 employees.

Comments and questions included:

- Is there a staff training program? Amy said this is the first job for 90% of their employees and they are learning a skill.
- Amy said she was the first recipient of a loan of \$120,000 from Business Oregon for the coffee shop in Beaverton.

Acting Chair Southgate thanked the speaker. Pat noted that this project may be coming back to this committee in December.

PRESENTATION: ELMONICA STATION DESIGN UPDATE

Pat McLaughlin introduced Christina Kwiecienski and Alex Aleman who are working on Elmonica Station in Beaverton on a property purchased by the TOD program.

Alex introduced the project and gave a brief progress update. Christina said the project will be 4 stories. Access will be shared with the neighboring property owned by Rembold. There will be 181 units. There will be outdoor space for community events and general use that will include a BBQ area, seating, community gardens, plaza, play area and space for food trucks. Focus groups gave a lot of feedback. The first floor will have spaces for community and staff. The second to fourth floors will have apartments configured to host multi generations by locating a studio next to a three bedroom unit. They received feedback on in-unit amenities and on community spaces from different community groups, including youth transitioning from homelessness, Bienestar for families and the Somali Empowerment Circle. Christina and Alex showed slides on the design elements.

Comments and questions included:

- Does code require that the lobby is located on the NE corner? That corner has a hostile environment with traffic. Has the team considered putting it on the south side, oriented to the MAX station, where it is visible? The team said the decision was dictated by a zoning requirement to be located on 170th and that it could be on the south side of the building.
- The team responded that the office space at the corner will look out onto these spaces and there will be a buffer of trees. The city encouraged them to make sure the plaza faces the entrance.
- This is not best location regarding transit stops.
- A person on a bicycle would have to go through the hallway or cut through. The long hallway would not be convenient. It is ½ to ¾ mile to a transit station – not convenient in that long hallway.
- In earlier diagrams there was western access, a walkway from festival street to Baseline Road.
- Will there be screening between parking and the children's play area, all the way from ground level up? Suggest full screening.
- The team said they heard bike room safety concerns from residents at REACH and so had it facing south to exit to festival street. A lot were quoting safety concerns so it was indoors, with a camera.
- Will festival street be for parking, except about twice a year?

Acting Chair Southgate asked the committee if they were requesting design modifications.

- Members said they would like to see the location of the leasing office and the main entrance flipped. Flip the common area off the plaza. Be wary of desires of one person versus the rest of residents in the building. Alex said they could initiate that with Beaverton. Chair Southgate said Metro staff could provide support.
- Request full screening of the parking garage to provide separation from outdoor spaces. Without screening the dark parking area, the enclosure and safety of the play spaces will be lacking.
- The bike room: advise against locating bike rooms in center of property for access and security. Location in center of building causes people with bikes to walk through 3 sets of doors, so people may be more inclined to park bikes outside because of inconvenience. Feedback from the community is important. High capacity bike double decker bike parking is good but in addition provide some bike parking on the ground so people don't have to lift bikes. This is the #1 request for people who request longer term parking. Please reconsider the rack types.
- Plywood paneled walls is a trendy cool look but am concerned about off gassing of adhesives and resulting air quality in enclosed spaces.

Alex said he would route outcomes to these questions to Pat. Acting Chair Southgate thanked the guests.

Bob Hastings left just prior to executive session.

III. EXECUTIVE SESSION

Chair Ellsworth declared an executive session pursuant to 192.660(1)(e), for the purpose of deliberating with persons authorized to negotiate real property transactions to discuss the 74th and Glisan Preschool Parcel DDA and The 74th and Glisan PS Parcel DDA.

Members present: John Southgate, Tai Dunson-Strane, Guy Benn, Madeline Baron, Derek Abe

Staff present: Jon Williams, Andrea Pastor, Pat McLaughlin, Laura Dawson Bodner, Eva Goldberg, Joel Morton, Eryn Kehe

Time executive session started: 10:29 a.m.

Time executive session ended: 11:00 a.m.

III. ACTION: 74TH AND GLISAN PRESCHOOL PARCEL DDA

Acting Chair Southgate asked if there was a motion to recommend Metro enter into a Development and Disposition Agreement authorizing transfer of the 74th and Glisan Preschool Parcel to IRCO for as low as one dollar with the following conditions:

1. Preschool building (approximately 3,000 gross square feet), community garden (approximately 1,000 square feet) and permanent telecommunications space for Verizon Wireless
2. Reversion clause in the agreement allowing for reconveyance to Metro after five years if no preschool is constructed

Action: Guy Benn moved that the TOD Steering Committee recommend that Metro enter into a Development and Disposition Agreement authorizing transfer of the 74th and Glisan Preschool Parcel to IRCO for as low as one dollar. Tai Dunson-Strane seconded the motion. The motion was **approved** unanimously.

IV. ACTION: 74TH AND GLISAN PSH PARCEL DDA

Acting Chair Southgate asked if there was a motion for the TOD Steering Committee to approve staff to enter into a Development and Disposition Agreement authorizing transfer of the 74th and Glisan PSH Building Parcel to Related NW for as low as one dollar, \$500,000 in TOD Program funding, and \$250,000 in Urban Living Infrastructure funding with the following conditions:

1. One four story building
2. At least 41 affordable housing units restricted to households earning below 60 percent AMI
3. Zero dedicated parking spaces

Action: Derek Abe moved that the TOD Steering Committee approve staff to enter into a Development and Disposition Agreement authorizing transfer of the 74th and Glisan PSH Building Parcel to Related NW for as low as one dollar, plus provide \$500,000 in TOD Program funding and \$250,000 in Urban Living Infrastructure funding. Madeline Baron seconded the motion. The motion was **approved** unanimously.

Pat McLaughlin clarified that residents would be making under 30% AMI. John Southgate asked about the developer fee. Pat said that of \$2.5 million they are deferring \$1.7 million, then splitting it between Catholic Charities (15%) and Related (85%). Metro has its own fee restrictions - bond has a paid cash fee requirement of \$3 million. This is the maximum that an individual affordable project can charge regardless of project size. They cannot take cash during lease up. The rest has to be deferred. Jon Williams said the maximum deferral is 15 years.

Pat shared appreciation of the Steering Committee. Thank you!

V. ADJOURN

Chair Ellsworth thanked the committee and adjourned the meeting at 11:07 a.m.

Respectfully submitted by
Laura Dawson Bodner

Action Item: Albina One



Project Description

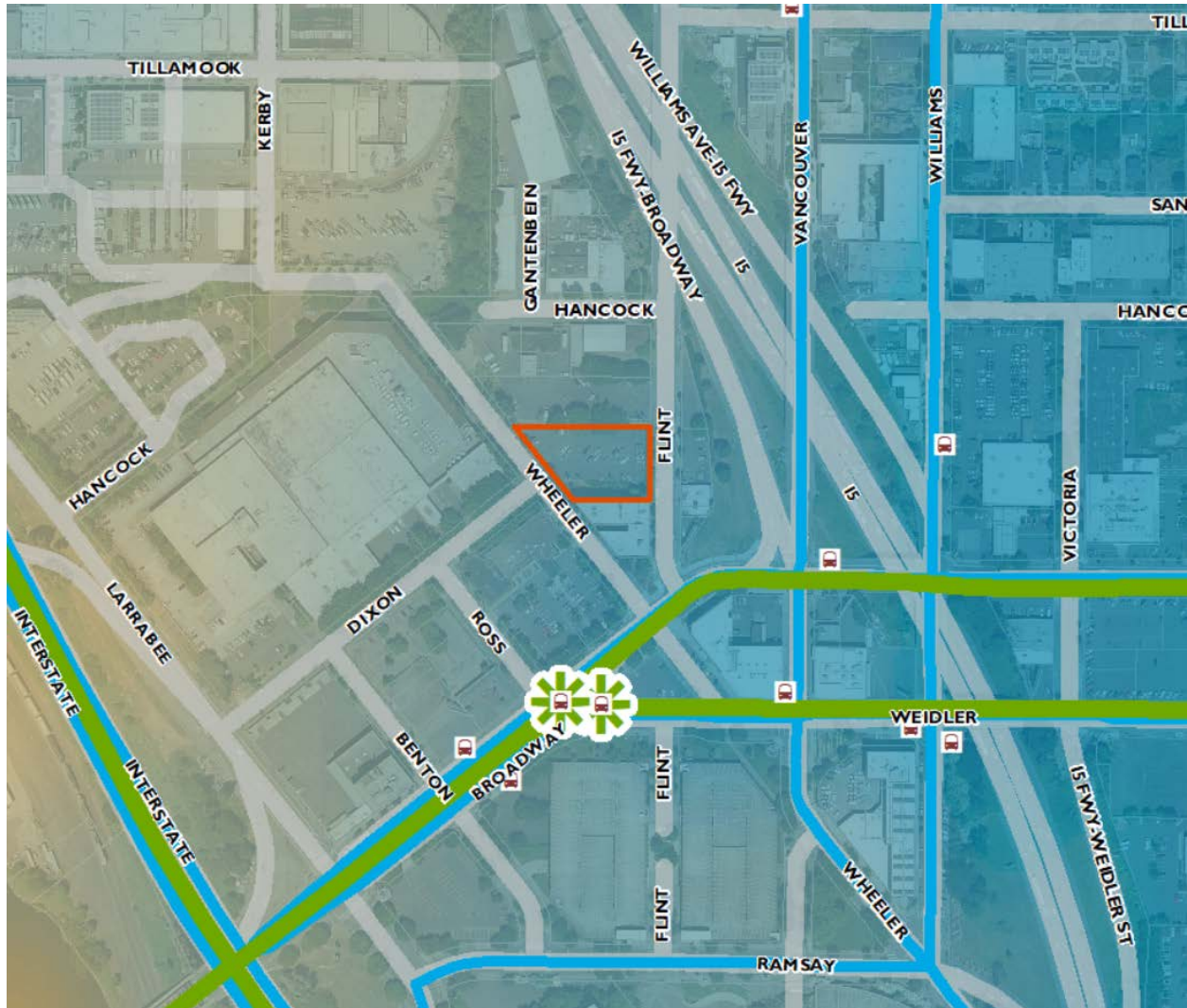
This request is for Steering Committee approval of \$500,000 in Transit-Oriented Development Program funding for the construction of Albina One. The Project is a seven-story affordable housing development that will include 94 total residential units available to households earning below 60 percent and 30 percent AMI. The project is adjacent to TriMet's #4 frequent service bus route and the Portland Streetcar. The Project will be developed by Albina Vision Trust in partnership with Edlen & Co.

Project Overview

Albina Vision Trust (AVT) and Edlen & Co will develop the Project in Portland's lower Albina neighborhood as part of a long-term strategy to counter the displacement of Black people from the area over the past several decades. AVT was created to help renovate this historical cultural center for Portland's Black community into a more vibrant and inclusive neighborhood. Albina One, with 94 units family-focused units is AVT's first land acquisition and is intended to anchor a multiphase development vision. Over half of the units in Albina One will be two or three bedrooms and nearly a third will be reserved for very low-income households. AVT will also partner with Portland Opportunities Industrialization Center + Rosemary Anderson High School (POIC+RAHS) to

provide culturally specific education, mentoring, family outreach, employment training and career placement services in the building for BIPOC households.

Site and Neighborhood

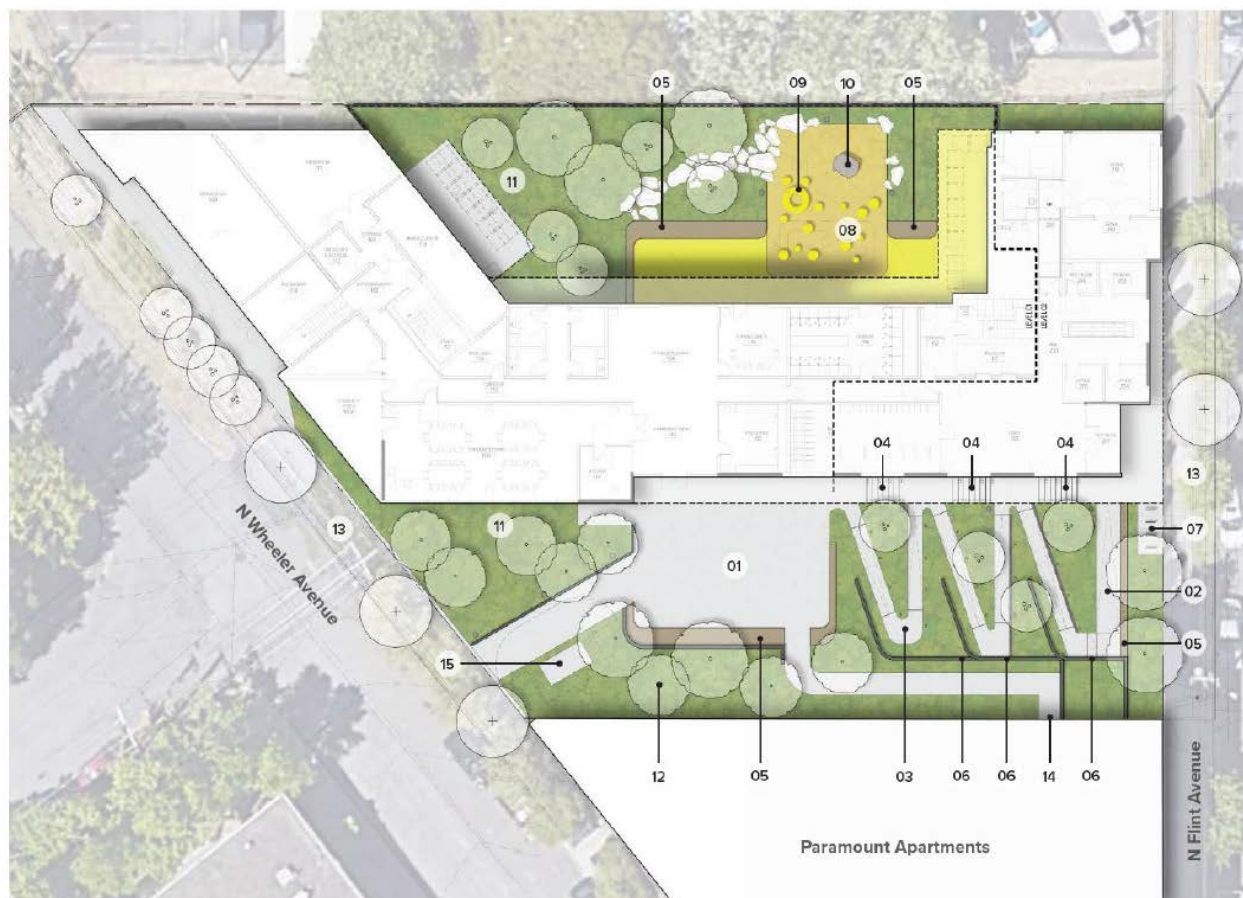


The Project is located north of Broadway and east of Wheeler Ave, between the I-5 and Interstate Blvd Corridors. The site is approximately 20,740 square feet and is currently a private parking lot. The Paramount Apartments border the Project to the south, and light industrial uses are to the north. A Portland Public Schools property management facility is across the street to the west. The Project connects to the north to the Eliot neighborhood via Flint Street and Vancouver Ave.

Portland Streetcar stops for both the A Loop and B Loop are just under 600 feet to the south along N Broadway. The Moda Center and Veterans Memorial Coliseum are a block beyond the transit stops. TriMet's frequent route #4 providing service to St Johns and Downtown Portland is just over 600 feet down N Vancouver Ave.

Development Program

Albina One will be seven stories tall with its main entrance oriented towards a community outdoor space built between the Project and the Paramount Apartments to the south. The ground floor will include a community room and lobby, as well as bike parking, shared laundry facility, and flexible maker space. Since the site slopes upward to east, the second floor of the project will also have a residential entrance at Flint St. Alternating residential floors will include large community patios at the southwest corner of the building.



All 94 units will be income restricted to households earning at or below 60 percent AMI. Of those 94, 32 will be reserved for very low-income households earning below 30 percent AMI. Sixteen of the 32 very low-income households are supported by project-based section 8 vouchers. Fifty-four of the units are two- or three-bedroom units ranging between 760 and just over 1,000 square feet.

Development Program

Unit Type	# Units	Avg Square Feet	Per SF Rent	Per Unit
One BR (30% AMI)	13	375	\$1.45	\$543.00
Two BR (30% AMI)	3	515	\$1.27	\$652.00
One BR (60% AMI)	27	515	\$2.11	\$1,088.00
Two BR (60% AMI)	23	760	\$1.72	\$1,306.00
Three BR (60% AMI)	12	1,063	\$1.42	\$1,509.00
Two BR (PBV)	10	760	\$1.72	\$1,306.00
Three BR (PBV)	6	1,063	\$1.42	\$1,509.00

Development Team

The Project will be developed in partnership with AVT and Edlen & Co. AVT is a non-profit created to steward the vision of a revitalized and redeveloped Lower Albina neighborhood. This project will be AVT's first development, so they are partnering with Edlen & Co, an experienced local development firm that provides development services to non-profit and government agencies. Edlen & Co. recently worked with Human Solutions to develop the Nick Fish, a TOD program funded project at NE 106th and NE Halsey in Portland's Gateway neighborhood.



Lever Architecture is designing Albina One, one of a few but growing number of multifamily projects in its portfolio. Lever is responsible for many custom-built office buildings in the region, including the Meyer Memorial Trust and Adidas headquarters buildings. Lever have designed more recent multifamily housing such as the Louisa Flowers building on NE Grand, and Dekum Court.



Colas Construction is serving as the Project's general contractor. Colas is the largest Black-owned construction firm in the Pacific Northwest and has ample experience throughout the region building affordable housing, including the TOD Program's Elmonica Station project and the Aurora.

Project Financing

The Project's total cost is just over \$51 million with equity generated by four percent low-income housing tax credits making up the largest source of funds at just under \$20 million. The next largest funding source comes from Portland Housing Bureau's share of Metro Housing Bond funds. Albina One competed and won an award earlier last year. While not a capital source, rents for 16 of the units will be subsidized by an allocation of project-based vouchers.

Albina One will earn a developer fee of just over \$5.8 million, however \$2.4 million will be deferred and an additional \$1.1 million will be reinvested into the project, leading to a cash fee of \$2.3 million. AVT and Edlen & Co will split the fee 49.5 percent and 50.5 percent.

The existing owner of the property has agreed to contribute nearly two million dollars of the property's appraised value to help support the development.

Albina One Project Financing	
Uses	Total
Site and Due Diligence	\$3,940,000
Hard Costs	\$30,654,000
Soft Costs	\$2,978,000
Contingency	\$1,995,000
Developer Fee	\$2,330,000
Contributed Developer Fee	\$1,096,000
Deferred Developer Fee	\$2,400,000
Permits/SDC	\$2,332,000
Financing Costs	\$3,385,000
Total Uses	\$51,110,000
Sources	Total
Limited Partner Equity (4% LIHTC)	\$19,750,000
Metro Housing Bond	\$13,752,000
Land Contribution	\$1,970,000
Contributed Developer Fee	\$1,096,000
Deferred Developer Fee	\$2,400,000
SDC Waiver	\$1,880,000
Permanent Loan	\$9,490,000
Misc. Grants	\$272,000
Metro TOD Funding	\$500,000
Total Sources	\$51,110,000



TOD Program Eligibility

Site Control

Is the applicant a public entity or a willing and capable private developer with site control or the ability to establish site control?

Albina Vision Trust has a purchase and sale agreement with Paramount Parking LLC for the project site.

Connection to Transit

Is there a functional, walkable connection to transit (generally less than ½ mile to MAX or ¼ mile to frequent service bus)?

Portland Streetcar stops for both the A Loop and B Loop are just under 600 feet to the south along N Broadway. TriMet's frequent route #4 providing service to St Johns and Downtown Portland is just over 600 feet away on N Vancouver Ave.

Eligible TOD Typology Area

Is the property in an eligible area with an eligible typology place type?

The Project qualifies for TOD Program support because it is within ¼ mile of a high frequency transit route. Metro's TOD Strategic plan defines the Project's location as an infill and enhance area with a strong market and strong transit-orientation. The Project qualifies for funding because it is a Housing Choice project that provides affordable housing opportunities for low and extremely low income households and has significant public support.



Housing Choice

Are the conditions for a Housing Choice project satisfied?

The Project qualifies for Housing Choice by providing residential units to households earning below 60 and 30 percent AMI.

Transportation and Environmental Benefits

a. Will there be substantially higher farebox revenue?

This analysis assumes a base case development that is a similar height that maximizes density at the site with a wood frame over two floors of concrete podium. The ground floor of the base case would include on-site parking and lose 8 units compared to the Project. The Project's additional units and lower income residents' propensity to utilize transit more often combine for an increase in transit mode share and an estimated \$1,179,805 in additional fair box revenue capitalized over a 30-year period.

TOD Cost Effectiveness - Albina One

DENSITY & TRANSIT BENEFITS	BASE CASE	Albina One	INCREASE
Residential Units	86	94	8
Residential Units per Acre	64	70	6
Commercial Square Footage	0	0	0
Transit Mode Share	10.3%	15.2%	4.9%
Daily Transit Trips	75	121	46
Annual Transit Trips	27,446	44,246	16,800

COST EFFECTIVENESS

VALUE

Year One Farebox Revenue @\$1.70 per Trip	\$30,240
Net Present Value Farebox Revenue (30 Years)	\$1,179,805
Total Project Development Costs (TDC)	\$51,110,000
Proposed TOD Funds	\$500,000
TOD Funds/TDC	0.98%
Cost per Induced Rider (FTA Formula)	\$1.42

b. Will vehicle miles traveled (VMT) be substantially reduced?

The Project will be near high frequency transit and will not have any dedicated on-site parking spaces.

- c. Do the site plan and building design enhance the pedestrian realm by making it more visibly attractive, active, vibrant, and safe?*

The Project will improve the current condition of a surface parking lot. Albina One will create a new active use along Wheeler Ave while adding ground floor transparency to Flint Street. The Project will also build a new green area between the new building the existing Paramount Apartments. Over 94 units of new family-oriented housing will create a much more vibrant, active area.

- d. Does the development have the lowest reasonable car parking ratio?*

The Project will have zero on-site parking spaces.

Land Use Efficiency

Does the Project have the highest reasonable floor area ration (FAR)?

The Project is maximizing height and density by eliminating parking and building five stories of wood frame on top of two floors of podium. This is as efficient of a construction method feasible before needing to shift to much more expensive steel frame building material.

Financial Need

- a. Has it been determined that the project financing gap for which TOD financing is requested is due to cost premiums related to higher density, urban infill, or vertically integrated mixed use development?*

The Project incurs cost premiums associated with the foregone value associated with rents restricted to 30 percent and 60 percent AMI levels. The amount of that foregone value is just under \$7.9 million.

Cost Premium Summary: Albina One

Affordability

Value of Market Rate Project less Value of Affordable Project	\$7,886,535
Total TOD Cost Premium	\$7,886,535

- b. Has it been determined that there are not adequate local, state, or federal resources or incentives to close the funding gap without Metro participation?*

The developer is taking reasonable steps to close the financing gap, including investing over \$1 million of its developer fee and deferring about \$2.4 million.

- c. Has it been determined that Metro funding would not exceed the minimum amount necessary for the project to go forward?*

Under the current financing assumptions, and inflationary cost and interest rate environment, Metro's funding would not exceed the necessary amount for the project to go forward.

Cost Effectiveness

a. Would Metro funding help leverage significant private funding?

The proposed \$500,000 in TOD funding represents about one percent of the over \$51.1 million total development cost. Private dollars account for nearly \$30 million of the total funding sources.

b. Is the cost per induced rider reasonable relative to other TOD project investments?

The Project's cost per induced rider is \$1.42 and is under TriMet's average ratio of \$1.79 per rider.

c. Are expected legal, staff, or other Metro expenses reasonably proportionate to the TOD program development investment in the Project?

TOD funding is within the range typically awarded and is not expected to create additional administrative expenses.

d. Is the Project expected to be financially feasible and successful in the market upon stabilization?

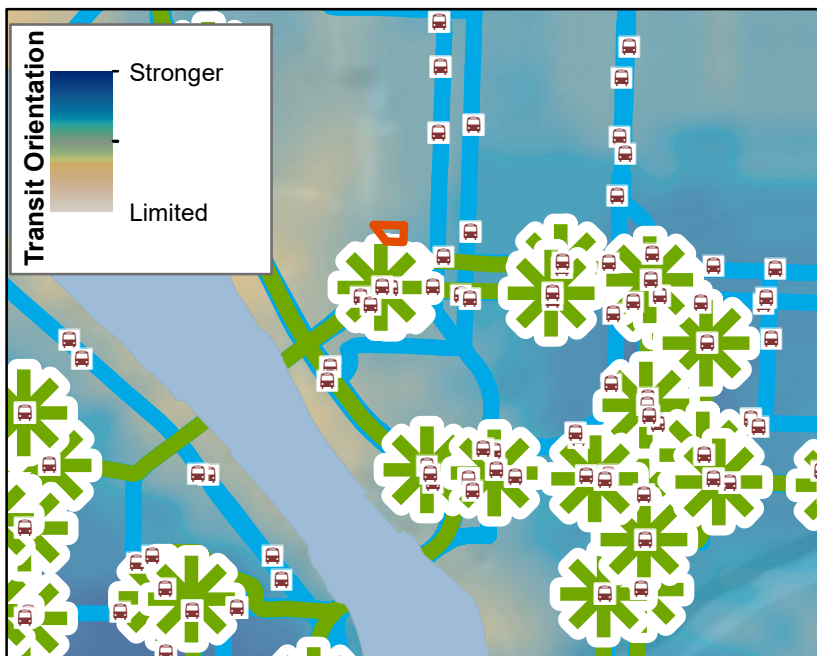
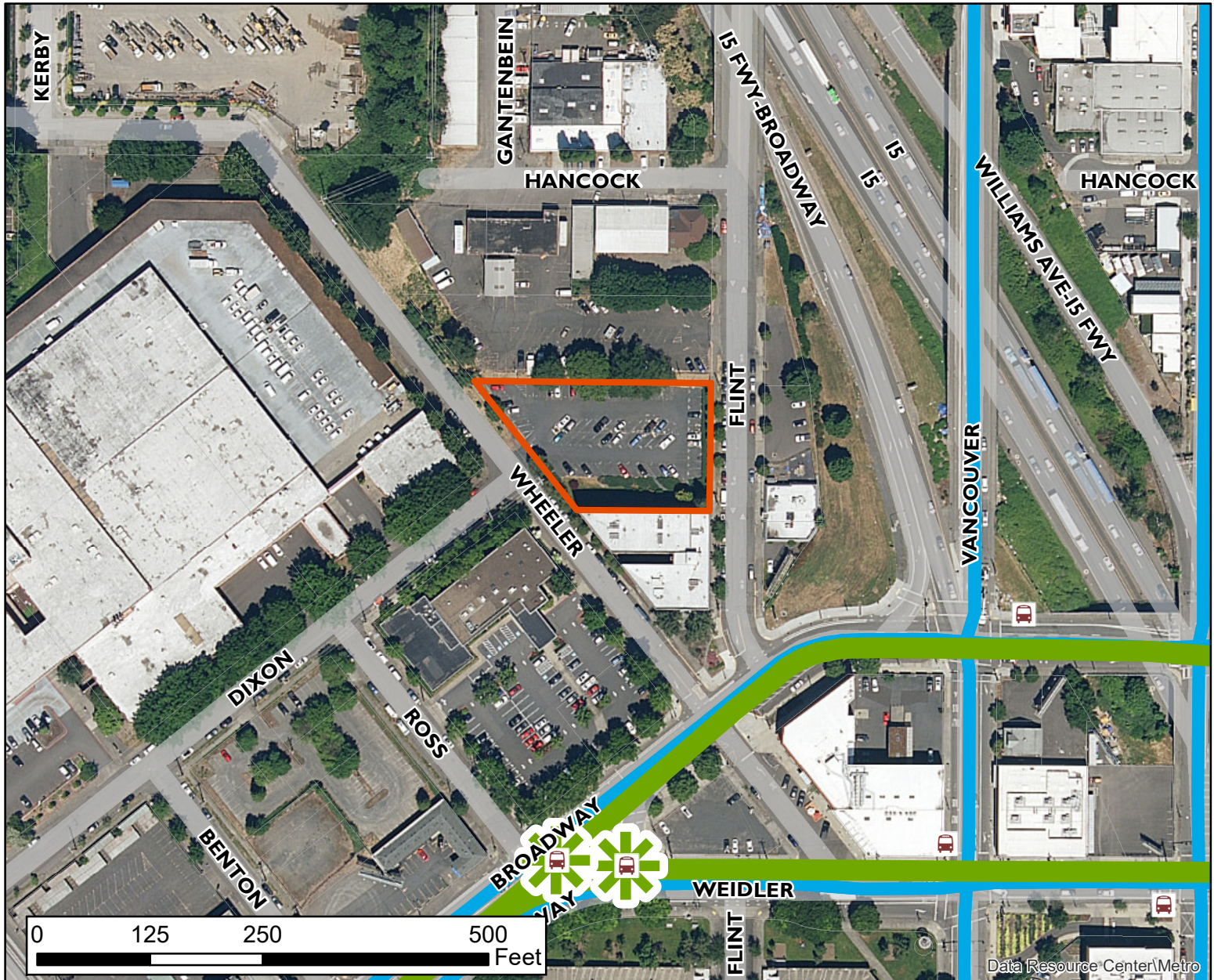
Staff expects that this project will serve an unmet demand for low-income, transit-supportive housing and will be successfully stabilized.

Recommended TOD Funding

Staff recommends that the TOD Steering Committee approve \$500,000 in TOD Program funding for the Albina One with the following conditions:

1. Seven-story building
2. 94 total housing units earning below 60 percent AMI
3. Zero dedicated parking spaces on site

Albina One



Legend



Albina One



Transit stops



Transit lines



Streetcar Stop



Streetcar



Metro