



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting minutes

Meeting: TOD Steering Committee
Date: June 13, 2023
Time: 3:00 – 5:00 p.m.
Place: Virtual

Members: Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Madeline Baron, Bob Hastings, John Southgate

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

Guests: Nick Sauvie, Ben Loftis, Jonathan McCall, Josh Schlesinger, Nick Hubert, Stan Hubert, Taylor Gentry

CALL TO ORDER, WELCOME AND INTRODUCTIONS

Chair Mark Ellsworth called the meeting to order at 3:09 p.m. and welcomed committee members and guests.

I. APPRECIATION FOR RETIRING COMMITTEE MEMBER

Chair Mark Ellsworth thanked John Southgate for his almost 10 years of service to the committee. Committee members and staff shared appreciations.

II. PRESENTATION: BERRY RANCH APARTMENTS

Nick Sauvie, Rose Community Development, introduced the proposed project located at SE 111th and SE Powell Boulevard. Rose Community Development owns the property. Partners include Housing Development Center, BDA Architecture and Planning and Walsh Construction. The project is located near Earl Boyles Elementary School and will prioritize families displaced in the area and families and households with intellectual, developmental and physical disabilities. They had a successful tax credit application. The site is adjacent to ODOT's Complete Streets on Powell.

Ben Loftis continued, noting construction started July 23. Lease up is planned for 2024. There will be 3 stories with 50 affordable units at or below 50% AMI: 13 one- bedroom, 28 two-bedroom and 3 three-bedroom units, plus onsite services. Affordability will be 60 years. Amenities will include a youth center, courtyard, playground, bike storage and community room. The larger units have washer/dryer hookups.

Nick said the project is located on the #9 Powell bus line, the 5th busiest in the TriMet system, plus nearby frequent service lines. The Outer Powell Transportation Safety Project will provide full sidewalks and separate bike lanes.

Discussion included:

- Powell is an ODOT highway. ODOT has been proactive and supportive of the project. The only thing lingering is median curb left hand turn westbound.
- There will be a manager's unit.
- The name derives from the historic use of the area.
- New TriMet line #91 will be going in east of 205 and will run north/south.
- Financing includes \$18 million tax credit, 4.4% permanent loan. NOAH is a lender, hoping for Metro TOD dollars. Have Portland Clean Energy Fund and deferred development fee.
- There will be solar panels, electric car chargers, backup car batteries and power available for emergencies or short term power outages.

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 Berry Ranch Apartments.

Members present: Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Derek Abe, Madeline Baron, Bob Hastings, Tai Dunson Strane, John Southgate

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

Time executive session started: 3:25 p.m.

Time executive session ended: 3:40 p.m.

IV. ACTION: BERRY RANCH APARTMENTS

Staff recommends that the TOD Steering Committee approve \$250,000 in TOD Program funding for Berry Ranch Apartments with the following conditions:

1. Three-story building
2. 49 residential units regulated at 60% of Area Median Income and one manager's unit
3. Not to exceed 13 off-street on-site parking spaces.

Action: John Southgate moved that the TOD Steering Committee recommend \$250,000 in TOD Program funding for Berry Ranch Apartments. Madeline Baron seconded the motion. The motion was **approved** unanimously.

V. APPROVAL OF MAY 9 MEETING SUMMARY

Chair Ellsworth asked if there were any changes to the meeting summary for May 9. Hearing none, he asked for a motion to approve the May 9 meeting summary. Bob Hastings made the motion. The motion was seconded by John Southgate. The motion was **approved**; Guy Benn abstained.

VI. PRESENTATION: 311 NE GRAHAM

Nick Hubert, Stan Hubert, and Taylor Gentry presented, saying they focus on high density and infill lots while providing attractive finishes and appliances. They provide all funding to maintain control and manage their developments for the long term. Their construction partner for all projects is Lisac Brothers Construction. Examples of past projects include 54 Woodstock, the first of three inclusionary projects to go through the City of Portland, and North Louie Apartments in St. John's. Each project is its own LLC.

311 NE Graham will be 29 units: 25 studios and 4 one-bedrooms. Amenities include air conditioning, an outdoor courtyard, space for bike storage and 2nd and 3rd story balconies. Rents for the three Inclusionary Housing units will be at 60% AMI. All other units will have market based rents that are expected to be slightly below the 80% AMI level. Bike storage will be in a separate building accessible through the building or from outside. The project is close to TriMet's #6 line in a neighborhood with high walk and bike scores and near Nike in NE Portland.

Discussion included:

- Like that there is no bike storage in the rooms, maximizing use of a small lot, proximity to services and that Legacy is a three minute walk.
- All units are separately metered, but in inclusionary housing only are utilities included; the rest of project pays for own.
- There is an interior hallway.

- Each unit has air conditioning.
- IZ requires 3 units inclusionary housing at 60% AMI. The rest of the units will rent at \$1,200 per month which is slightly above 60-80% AMI. Utilities are included. Their intent is to provide IZ levels of rent without going through the program.
- 80% level? It depends upon the cost of utilities, which have gone up a lot.

VII. PRESENTATION: OFFICE TO RESIDENTIAL CONVERSION

Jonathan McCall began a presentation on an office to residential conversion project. The building is owned by Schlesinger Companies, a fourth generation Portland company that owns about a dozen properties. This building, built in 1975, was purchased 16 years ago. They lease several stories, floors 2-6, with a bank leasing the main floor. In Portland there is a 26% vacancy rate in office space. Conversions require a large expense for seismic upgrades. The City of Portland changed standards in April. This opportunity is for half the building.

There is an 8,700 square foot building floor plate and open corridor down the middle. Three floors would be used with a total of 42 units. There would be 14 units per floor; 2 one bedroom units and 12 studios ranging from 400 to 643 square feet. Office restrooms can be repurposed for bike parking. They shared sources and uses, and said they are looking for funds to do an office to residential case study in Portland.

A preapplication with the City requires 20% of units to be 80% AMI. There are 8 parking spots with an additional 25 parking spaces in a building across the street that could be available. The Schlesingers use their own funds and don't often raise money from outside investors. They own the building and have refinanced recently.

Discussion included:

- Seismic can be waived if doing an office to residential conversion, according to the city.
- Cost will be \$280,000 per door.
- It wasn't known if the building is in a TIF district.
- Plans for the ground floor retail are in flux. Possible conversion to housing is challenging due to the existence of the bank safes.
- This type of conversion is essential to downtown Portland.
- Could they look for an operating partner?
- Considerations include seismic retrofitting, slabs are post tension, radar map of floor tendons. Adding the utilities is pricey.

VIII. TOD WORKPLAN - RACIAL EQUITY ELEMENTS

Andrea introduced today's workplan topic, racial equity elements. The timeline is June through October. She gave a short presentation and reviewed existing workplan language and proposed requirements for TOD grants and TOD-owned sites.

Eryn asked for immediate reactions.

- Push 80% AMI, push workforce housing.
- Have developers seen these - are you going to shop them to developers?
- Does this take us in a direction where we get boxed in and may miss opportunities?
- Does this marginalize our impact in the region, or does it increase or magnify our impact?
- Purpose of affordability goals - we've reduced the grant size and increased affordability requirements.
- No funding for asset management for affordable housing projects.

- Affordable housing deals will still come but they will get less, and innovators may stop coming, so it could cause narrowing.
- Market can do on its own, therefore focus on affordable.
- Need to negotiate and talk about how to support innovation.
- Like the menu idea for developers.
- Need to have affordability goals.
- Concern that it could be used by private developers to enhance their profits.

Eryn thanked the committee for their input.

IX. STAFF UPDATE: STEERING COMMITTEE

Ms. Kehe recognized Chair Mark Ellsworth and thanked him for his contributions to the TOD Steering Committee though the past 19 years and expressed gratitude at his continued participation.

X. ADJOURN

Chair Ellsworth adjourned the meeting at 5:04 p.m.