

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE	)	RESOLUTION NO. 23-5367
CHIEF OPERATING OFFICER TO ENTER INTO A	)	
GRANT AGREEMENT WITH THE STATE OF	)	Introduced by Chief Operating Officer
OREGON FOR THE 82ND AVENUE PROPERTY	)	Marissa Madrigal in concurrence with
ACQUISITION FUND	)	Council President Lynn Peterson

WHEREAS, Metro Council Resolution No. 08-1204A established Transit Oriented Development (“TOD”) as a “Matter of Metropolitan Concern.”

WHEREAS Metro Council Resolution No. 12-4363 established the 2012 TOD Program Work Plan which, as subsequently amended, establishes an objective, research-based investment framework that directs program funds and activities where they will be most effective in stimulating affordable housing development with moderate to high intensity land use form, physical or functional connection to the transit system, and design features that reinforce pedestrian relationships and scale needed to support the vibrant communities envisioned in the Region’s 2040 Growth Concept.

WHEREAS, the Metro TOD Program’s land acquisition efforts focus on supporting affordable housing near transit by providing financial incentives and acquiring developable land in areas that are well-served by transit, particularly those where communities are at risk of gentrification and displacement.

WHEREAS, pursuant to the Oregon Laws 2023, chapter 605, section 87(50), the Oregon Legislature appropriated \$5,000,000 from the General Fund for a general fund grant to Metro (the “Grant”) for its TOD Program to establish the 82nd Avenue Property Acquisition Fund (the “Fund”).

WHEREAS, the purpose of the Fund is to secure land for affordable housing and affordable commercial spaces in anticipation of transportation infrastructure improvements coming to the 82nd Avenue corridor, and the Fund will be expended by the TOD Program to purchase real property from willing sellers along or near 82nd Avenue within the City of Portland and Clackamas County.

WHEREAS, the state of Oregon requires that the Chief Operating Officer’s execution of the Grant agreement be authorized by a resolution of Metro Council; now therefore

BE IT RESOLVED that the Metro Council hereby authorizes the Chief Operating Officer to enter into the Grant Agreement with the state of Oregon for the 82nd Avenue Acquisition Fund, attached as Exhibit A.

ADOPTED by the Metro Council this sixteenth day of November, 2023.



Lynn Peterson, Council President

Approved as to Form:



Carrie MacLaren, Metro Attorney

IN CONSIDERATION OF RESOLUTION NO. 23-5367, FOR THE PURPOSE OF  
AUTHORIZING THE CHIEF OPERATING OFFICER TO ENTER INTO A GRANT  
AGREEMENT WITH THE STATE OF OREGON FOR THE 82ND AVENUE PROPERTY  
ACQUISITION FUND

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Date: November 2, 2023  
Department: Planning, Development and  
Research  
Meeting Date: November 16, 2023

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Development Manager  
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Presenter(s), (if applicable): Malu  
Wilkinson (she, her) Eryn Kehe (she, her)

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**ISSUE STATEMENT**

The State of Oregon allocated \$5 million for Metro’s Transit-Oriented Development (TOD) Program to establish an 82nd Avenue Property Acquisition Fund. The proposed resolution will allow Metro to enter into a grant agreement with the State of Oregon providing these funds to Metro.

The purpose of the Fund is to secure land for affordable housing and affordable commercial spaces in anticipation of transportation infrastructure improvements coming to the corridor.

The Fund will be reserved for purchasing property from willing sellers within the 82nd Ave. corridor within the City of Portland and Clackamas County. Costs associated with purchasing property, such as due diligence and holding costs may also be an eligible use. Staff anticipate purchasing up to two properties with the initial \$5 million allocation.

As recommended in the adopted 2023 TOD Program Strategic Plan, program staff will attempt to extend the life of the 82nd Avenue Property Acquisition Fund by recapturing the original purchase price from a development partner at the time that the land is transferred to the developer (typically upon the closing of the developer’s construction loan). Any recaptured funds would continue to be used for site acquisition within the boundary until the funds are exhausted.

**ACTION REQUESTED**

Consider a resolution that allows Metro to receive a grant to fund the 82nd Avenue Property Acquisition Fund.

**IDENTIFIED POLICY OUTCOMES**

Metro’s TOD Program implements the 2040 Growth Concept. Since 1998, the program has invested over \$40 million dollars along greater Portland’s transit system, supporting the construction of over 6,800 housing units in these areas. The 2010 Council approved TOD Work Plan establishes the program guidance that will implement this acquisition fund.

### **POLICY QUESTION(S)**

82nd Ave has both significant needs and exciting plans for much needed infrastructure investment. The people who live within half a mile of 82nd Avenue are significantly more likely to have lower incomes, be Black, Indigenous, or other people of color, have limited English proficiency, and to commute by transit than much of the rest of the Portland region. At the same time, residents along the corridor face unsafe pedestrian crossings, inadequate street lighting, inconsistent sidewalks, and often crowded or delayed buses. Fortunately, the jurisdictional transfer of 82nd Avenue is bringing much needed investment including wider sidewalks, street trees, improved lighting, new pedestrian crossings, and plans for enhanced transit.

### **POLICY OPTIONS FOR COUNCIL TO CONSIDER**

Site acquisition will help ensure current low-income residents and communities of color benefit from these coming transportation improvements. The City of Portland identified 82nd Avenue as a prime area for gentrification and displacement risk as far back as 2017. With rents rising dramatically along the Corridor, affordable housing is a dire need for the area's residents. Additionally, many small businesses along this corridor are not owner-occupied, meaning that rising land values also run the risk of displacing these community assets.

Metro's TOD program has the flexibility and experience to manage a site acquisition program for the 82nd Avenue Corridor. Metro has regional authority and can deploy funds in both the Portland and Clackamas County portions of the Corridor. In addition, the TOD Program has developed expertise acquiring affordable housing sites, engaging with stakeholders, and partnering with community-based organizations and developers to achieve community priorities. For example, in 2015, Metro's TOD Program acquired the "Furniture Store" building on 82nd Avenue and Division Street and subsequently partnered with the Asian Pacific American Network of Oregon (APANO) and ROSE CDC to develop the Orchards at 82nd Avenue, a 48-unit affordable housing development with ground floor community space and offices owned by APANO. Since the passage of the Regional Affordable Housing Bond in 2018, Metro's TOD Program staff also manage the Affordable Housing Bond Site Acquisition Program (SAP) and have replicated this community driven acquisition and development approach throughout the region. Seven SAP projects are at various stages of acquisition, planning, or construction and staff anticipates establishing a similar approach to site acquisition with the 82<sup>nd</sup> Avenue Property Acquisition Fund.

The current State of Oregon grant is the only identified funding for the 82nd Avenue Property Acquisition Fund.

### **STAFF RECOMMENDATIONS**

Staff recommends approving a resolution authorizing Metro to enter into a grant agreement with the State of Oregon in the amount of \$5,000,000 for the 82nd Avenue Property Acquisition Fund.

**STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION**

The establishment of an 82nd Avenue Property Acquisition Fund will help Metro advance goals for the production of affordable housing in the region. By responding to BIPOC community members expressed need for affordable housing along the 82<sup>nd</sup> Avenue corridor, the Fund will advance the goals of the Strategic Plan to Advance Racial Diversity Equity and Inclusion, specifically goals B (Metro meaningfully engages communities of color), D (Metro creates safe and welcoming services, programs and destinations) and E (Metro resources allocation advances racial equity).

The 82nd Avenue Property Acquisition Fund is included in FY24 Budget Amendments before the Metro Council for consideration.

**BACKGROUND**

This is the first time that the 82nd Avenue Property Acquisition Fund grant has been before the City Council.

**ATTACHMENTS**

None.