



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

# Meeting minutes

Meeting: TOD Steering Committee  
Date: January 9, 2024  
Time: 3:00 – 5:00 p.m.  
Place: Virtual

**Members:** Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Derek Abe, Rebecca Small, Bob Hastings, Victor Caesar

**Staff and Guests:** Eryn Kehe, Joel Morton, Andrea Pastor, Jon Williams, Patrick McLaughlin, Eva Goldberg, Miriam Hanes

## **I. CALL TO ORDER, WELCOME AND INTRODUCTIONS**

Chair Mark Ellsworth called the meeting to order at 3:05pm.

## **II. APPROVAL OF DECEMBER 12 MEETING SUMMARY**

Chair Ellsworth asked if there were any changes to the December 12 meeting summary. Hearing none, he asked for a motion to approve the meeting summaries.

**Action:** Guy Benn moved to approve the December 12 meeting summary. Rebecca Small seconded the motion. The motion was unanimously **approved**.

## **III. 82<sup>nd</sup> AVENUE PROJECT UPDATE**

Jon presented the 82<sup>nd</sup> Avenue Project update:

- **Project funding:** The project is funded by one time allocation of \$5 million from State of Oregon
- **Funding purpose:** Site acquisition for affordable housing and related commercial uses.
- **Site description:** Staff currently evaluating sites. Looking for parcels that can hold at least 50 units, so at least an acre, likely \$2-2.5M/site
- **Site locations:** Columbia Boulevard to Clackamas Town Center, one in Clackamas, one in Portland.
- **Number of sites:** Plan is to buy two sites and then when we get financing, buy more sites and use the TOD funds to pay for due diligence. Eryn noted that this is a separate set of funding and sites that are identified will come through this group for approval like other TOD approvals. It was a best use to use this committee as a steering committee and this is an additional set of funds with additional requirements, but it will follow the same as the others and come through for approvals.
- **Continued funding:** Intent is to have the funds last as long as possible, so plan to acquire sites and then ask developers when they have the funds together to pay us back so we can reuse those funds, hopefully creating a permanent fund. We want to reinvest in the corridor, recognizing that there's been a lot of affordable housing sites and there hasn't been corridor-specific funding to meet the demand and we'd like to deliver over time, making a long-term difference in the patterns along the corridor and if this model is successful other funding sources/agencies might want to join.
- **Corridor definition:** Jon noted that how the corridor is defined was that it varies at different points along the corridor. We want to drive transit to the corridor. We're committed to being on 82<sup>nd</sup> in more urban areas like Portland, but in more suburban areas like Clackamas, it might be a block or half a block out. We will feel it out as we go.
- **Going forward:** May warrant more patience with developers. Made an offer on one and will let folks know when it's under contract.

- **Questions/comments:**
  - Mark and Bob noted their enthusiasm for the project.
  - Duncan commented that they were able to organize the legislators that touch 82<sup>nd</sup> to make a shared ask on a Christmas Tree bill and have high expectations. They're hoping it is replicable and scalable and could see using it on SW Corridor or TV Highway.

#### IV. **BUDGET DECISION**

Jon presented on the budget:

- **Site acquisition account:** Establish set aside for site acquisition beginning with transfer of \$1 million from ULI account to site acquisition account
- **Future allocation:** Consider future allocation in May 2024 in advance of FY '24-'25
- **Questions/Comments:**
  - **Affordable Housing Bond:** Rebecca asked if this would have any overlap from the site acquisition from the Affordable Housing Bond and Jon said they're separate. We are doing our final acquisition with that set of money and that will have all the money spoken for. The Affordable Housing Bond funds are done in partnership with the local housing authorities and may not be tied to proximity to transit, due to the goals of that jurisdiction.
  - **Funding source and timeline:** Victor asked what the source was. Jon said it's setting aside a part of the \$3.5 million we get each year in regional flex funds. We have a small fund balance that we use for 2D grants and salaries and it's just taking a part of that. Eryn noted that it doesn't happen automatically, the work plan says that the group decides what to allocate each year. This is just a jump start since the plan was recently updated. We'll come back in May or June to see how much we are comfortable putting in the fund. Eryn asked folks to voice any concerns. Mark observed that no concerns were noted.

#### V. **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 two projects: Lombard Apartments and Hillside Park.

**Members present:** Chair Mark Ellsworth, Councilor Duncan Hwang, Guy Benn, Derek Abe, Rebecca Small, Bob Hastings, Victor Caesar

**Staff present:** Eryn Kehe, Joel Morton, Andrea Pastor, Jon Williams, Patrick McLaughlin, Eva Goldberg, Miriam Hanes

**Time executive session started: 3:30 p.m.**

**Time executive session ended: 4:02 p.m.**

#### VI. **ACTION: LOMBARD APARTMENTS**

**Action:** Bob Hasting moved to Authorize \$250,000 in TOD funding for Lombard Apartments with the following conditions:

1. One 4 story building
2. 46 affordable housing units restricted to households earning 60 percent AMI or below
3. Approximately 8 parking spaces

Rebecca seconded the motion. The motion was unanimously **approved**.

## **VII. ACTION: HILLSIDE PARK**

**Action:** Victor Caesar moved to Authorize \$250,000 in TOD Program funding for Hillside Park with the following conditions:

1. Three buildings total buildings, each with four stories
2. Approximately 117 onsite parking spaces and 98 street parking spaces
3. 275 units restricted to incomes ranging from 30% to 60% of Area Median Income
4. Funds to be utilized for Building C which will have 100 units, zero onsite parking spaces, and approximately 98 street parking spaces.

Guy Benn seconded the motion. The motion was unanimously **approved**.

## **VIII. STAFF UPDATES**

- **EPA Climate Pollution Reduction Plan participation:** Andrea checked in with the committee to see if they're interested in pursuing additional funding through the EPA Climate Pollution Reduction Plan and to see it fits with the program. Metro is doing a Priority Climate Action Plan and through innovation bonuses and might be able to get some funding to support those incentives.
  - **TOD role:** Rebecca asked how Metro would frame the TOD program for the climate pollution reduction grant application, what formula TOD program would use to show the required measurable greenhouse gas reductions. The City of Vancouver couldn't find the equation.
    - Andrea clarified that we're not applying for the TOD program as a whole. This is for specifically for the energy efficiency bonus. We're doing this with Energy Trust of Oregon, they are doing the compliance side of things already, then we would kick on an extra incentive. Andrea found some earlier work that showed quantifying this through TOD development that she will share.
    - Rebecca indicated that Vancouver would be happy to apply under the Metro umbrella for that grant.
- **Office to residential:** Andrea asked if there were any other questions about office to residential.
  - Bob was glad to hear we're looking into the office to residential.
  - Guy acknowledged that it's difficult, but prudent from a climate perspective. The challenge is that it's unfamiliar, but more established markets like NY show that it can be done.
  - Bob noted that this sends a message to Metro to advance these ideas, since a lot of the hurdles are regulatory and everyone will look to another partner for "how did you do that." The developer needs more assistance on the public side, that there's a

willingness to look into making these conversions happen. Doing it with our modern buildings would be a way to repair some zoning dilemmas.

- Guy added to Bob's comments that best practice for vibrant and sustainable cities and downtowns is to have a large element of mixed use. Bringing it into downtown will have that benefit, though it may be hard to quantify the benefit. There needs to be a wide variety of housing types. The SRO model has a place, but got eliminated due to poor management, effectively becoming urban slums. Need to approach a problem of many levels and many different spaces.
- Andrea appreciated the general support for the pursuit and will continue to give the committee updates as they come in.
- Eryn indicated that there were no other updates.

#### **IX. ADJOURN**

Chair Ellsworth adjourned the meeting at 4:18 p.m.