



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Meeting minutes

Meeting: TOD Steering Committee
Date: March 13, 2024
Time: 3:00 – 5:00 p.m.
Place: Metro Regional Center, Room 375

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

Staff and Guests: Eryn Kehe, Joel Morton, Andrea Pastor, Jon Williams, Patrick McLaughlin, Anne Buzzini, Steve Brooks, Kevin Kellogg, Jilian Saurage Felton, Mac Cunningham, Derek Edwards, Eva Goldberg, Jason Nolan

I. CALL TO ORDER, WELCOME AND INTRODUCTIONS

Chair Mark Ellsworth called the meeting to order at 3:04 pm.

II. APPROVAL OF JANUARY 9th MEETING SUMMARY

Chair Ellsworth asked if there were any changes to the January 9 meeting summary. Hearing none, he asked for a motion to approve the meeting summaries.

Action: Bob Hastings moved to approve the January 9 meeting summary. Derek Abe seconded the motion. The motion was **approved** with Madeline Baron abstaining.

III. GORMAN – CLARA VISTA PRESENTATION

- **Team and strategy**
 - Kevin Kellogg and Steve Brooks of Gorman and Co., a national company that works on local developments. Partnering with Hacienda CDC on this project.
 - The project is an existing 108-unit apartment complex in Cully. It will be a rebuild because the cost of rehabilitating the building is too high.
 - Salazar Architects is the architect, LMC is the contractor, Hacienda will manage all resident services.
 - Community engagement began with work planning another housing project at the old Sugar Shack site and is informed by continued work with the neighborhood.
- **Site location**
 - Councilor Hwang pointed out that a planned FX bus line on NE 82nd Avenue could terminate in this area. It is a well-served site with several uses within walking distance. The property is long and narrow. The property design includes a connection to Killingsworth to make walking trips easier for residents.
- **Current residents**
 - Funding source required current residents not be displaced. There will be one-to-one replacement of existing units. All residents can remain in their current unit until their new unit is built.
- **Amenities**
 - Amenities include resident services offices, conference room, package lockers, 3- and 4-bedroom units have washer and dryers, others will have shared laundry facilities on each floor. There will be several outdoor spaces.
- **Construction**

- Construction will be arranged so that residents can remain in their units through construction. The new buildings will concentrate the new units at the back of the long site.
- **Design concept**
 - Design concept is inspired by several Mexican artists.
 - Salazar Architects designed the buildings to include bright colors and a stucco façade.
 - There is a landscaped courtyard (“arroyo”) between two of the buildings connecting with the accessway to Killingsworth and two areas for surface parking and a playground. Sidewalks to be rebuilt to keep three large street trees in place.
 - Construction timeline is about 30 months for build-out.
- **Financing**
 - One financing package.
 - Councilor Hwang asked if they could access TIF dollars from the Cully District. They requested, but were unable to access, that funding.
- **Trees**
 - Rebecca asked what the process was to save the large trees. They hired an architect to assess their health and worked with PBOT on roadway engineering to adjust sidewalk placement to build around the trees.
 - Kevin explained how the groundwater is managed on the site in response to Mark’s question about how the trees will get moisture with all the impervious surfaces.
- **Balconies and security**
 - In response to Madeline’s question, Kevin acknowledged that it will be an adjustment for residents to lose balconies. Residents were concerned about security and the team worked with them to make the design responsive to needs around security.
 - Derek asked a question about how they dealt with the grade change from a couple feet to 15 feet. All of the units are below grade except the upper building. There is dirt against the building to preserve the root balls in one area and a path in another area.
- **Cost-per-unit**
 - The total project cost is \$62 million total, around \$574,000 per unit. Madeline asked about limitations on the site. Kevin responded that the property does not have any entitlements. Hacienda owns the property.
- **Building removal**
 - Jon asked about the area that will be used after the buildings are removed. Kevin responded that it will be preserved for open space and some will be left for parking until it gets redeveloped.
- **Sustainability**
 - Rebecca asked if they were working toward any sustainability standards. Kevin said they are working toward Earth Advantage Gold or Platinum. They intend to provide solar and manage the plant and provide utilities. They are receiving PCEF funding to provide power and support a resiliency center.

IV. CPAH – WOODLAND HEARTH PRESENTATION

- **Team and strategy**
 - Jilian Saurage-Felton, Mac Cunningham with Community Partners for Affordable Housing (CPAH). CPAH is a grassroots organization and member

of the SW Equity Coalition and has been around for 30 years providing quality affordable housing and services to the community. Their board is comprised of many people who live in affordable housing. They own 11 apartment communities in Washington County and Portland.

- The Metzger-area site was purchased in 2021 and is near several grocery stores and several other important services including the State Street Park.
- There is community need for family-size units and permanent affordable housing with implementation of the SW Corridor light rail line.
- 26 units will be at the 30% AMI level, 11 unit at 50% and 26 units at 60%. Community Action and NARA are partners on the project. There is 35% MWESB participation rate goal for the project.
- **Amenities**
 - The site plan includes solar panels, a community garden, an outdoor seating area with a grill adjacent to the internal community room space, a second outdoor seating area, a play area and a bike corral. There is a 59-spot parking area, one space per unit. There will be an e-bike program through the City of Tigard.
- **Financing**
 - The project will cost \$43 million. Funding will come from federal funds from Housing Trust Fund and HOME, Metro Housing Bond and Tigard URA funds.
 - The project was awarded funding from Washington County in 2023.
 - The supportive services site is subsidized.
- **Parking**
 - Jon asked how they got to the parking ratio on this project. Jilian responded that residents desire more parking. In their experience, their residents own cars. The e-bike program with Tigard has been very successful at another site in Tigard.
- **Site access**
 - Bob asked about site access. Jilian responded that access will be through Torchwood, which will someday be punched through to the east. There is a pedestrian pathway from Torchwood to 99W. Bob mentioned that sites like these can be difficult. Jilian agreed that infrastructure needs often raise the cost of development.
- **Cost-per-unit**
 - In response to Madeline's question about the cost \$683k/unit cost, Jilian said she believes they are in line with the costs of other projects. Their larger units have lower cost per square foot. Requirements for infrastructure construction have also added to cost.
 - Victor asked if they are triggering the higher labor construction costs and Jilian responded that they are.
- **Sustainability**
 - They are shooting for Earth Advantage Platinum. They will pay water and hot water for residents, and hope that the solar panels will cover the costs. It is an all-electric building.

V. **BREAK**

VI. **DEVELOPCO – 2480 NW VAUGHN**

- **Team and strategy**
 - Derek Edwards with DevelopCo.

- This project is self-selecting, no bond or LIHTC funding.
- They are working to create something that fits into the fabric of a neighborhood that has a lot to offer, but there is not a lot of existing affordable housing.
- The project is 60 studio units at 60% AMI affordability level. They hope this project will provide a blueprint for them to build more of these projects in other parts of the city.
- Andrea asked about the size of their company. He responded that they have done several hundred units around the city.
- **Financing and design**
 - They are early in design effort with the City of Portland. They have qualified for an expedited permitting process with the City. They have applied for multifamily energy funding and Metro's TOD funding.
 - They have some creative funding solutions for this project.
 - Portland provides an SDC fee exception, Construction Excise and tax exemptions. That requires affordable covenants on the units for the full life of the units.
 - Total development cost is \$10 million.
 - Site plan includes 13 stalls of parking. Timber framing. There is a covered outdoor community space on the ground level and on the roof. The site plan includes a community room. There will be affordable commercial ground floor retail. They are working on human-scale design.
 - All units are about 400 square feet and the same design. They are currently at 60% design.
 - Madeline Baron asked about the height of the building. Derek E. responded it is six stories with parking underground.
- **Commercial space**
 - Mark asked what they are thinking about the affordable commercial space. He responded that they have received inquiries. They have coordinated with Prosper Portland to earn a FAR allowance. They will likely find a café tenant.
- **Challenges and concerns**
 - Mark asked about challenges and concerns about the project. Derek E. responded that they have been working hard to keep construction costs in line. He worries about their ability to make their construction budgets. This is one of the largest concerns. Real estate projects come with a lot of uncertainties and challenges, but being affordable, it means they have a lot of confidence in the demand for units at this cost.
- **Sustainability**
 - It will include a vegetated Green Roof. They will have Energy Star appliances. They are exploring solar.
 - Andrea asked what sustainability features they might cut if construction costs come in high. He said energy efficient appliances have already been factored in. They will be standard.
 - Rebecca asked about the cost of the green roof. Derek E. said he could follow-up on that because he didn't have that information with him. Bob clarified that there will also be a deck space.

VII. STAFF UPDATES

- **82nd Avenue site acquisition fund**
 - Eryn shared information about the 82nd Avenue site acquisition fund. TOD was allocated \$5 million and is looking at two properties, one in Portland,

one in Clackamas. Due to the landfill history of the Portland property, Rebecca suggested that the preliminary environmental review include an analysis of soil compaction, uneven settling of the ground.

- **CPRG grant application**
 - Andrea provided an update on a CPRG grant application to EPA. The TOD program is preparing an application to support our climate leadership innovation bonus. The request is for \$5 million over 5 years.
- **Commercial to residential**
 - Bob asked about a project presentation that came to the TOD Steering Committee several months ago about converting commercial space to residential on the south side of downtown. Jon responded that he talked with them about our affordability requirement and he has not heard from them in a while. Jon will reach out for information.

VIII. ADJOURN

Chair Ellsworth adjourned the meeting at 4:54 p.m.