

BEFORE THE BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

RESOLUTION NO. 01-148

Approving Charter for Lease of Facility at 506 NW Fifth Avenue, Portland, Oregon from Central City Concern for Department of Community Justice/Transitional Services Unit Alcohol and Drug Free Housing Program

The Multnomah County Board of Commissioners Finds:

- a) The Department of Community Justice/Transitional Services Unit proposes to provide alcohol and drug free housing for certain clients under its supervision in the Portland central city area through lease of a facility from Central City Concern.
- b) The Department of Community Justice and the Facilities and Property Management Division, with assistance from the Department of Sustainable Community Development/ Housing Development, County Attorney's Office and Public Affairs Office, have prepared a Project Charter providing the Multnomah County Board of Commissioners with an understanding of the scope, conditions and estimated cost for lease of the Central City Concern facility at 506 NW Fifth Avenue, Portland, Oregon for the Department of Community Justice/Transitional Services Unit Alcohol and Drug Free Housing Program.
- c) An extensive public involvement process is to be used by Central City Concern, Public Affairs Office, Department of Community Justice and Department of Sustainable Community Development to develop community support for the Transitional Services Unit Alcohol and Drug Free Housing Program at the facility to be leased.
- d) The Board desires to complete the project within the parameters identified in the Project Charter.
- e) The Board wishes to review and approve any material changes, which may be made to the Project Charter.

The Multnomah County Board of Commissioners Resolves:

1. The Board approves the attached Project Charter for lease of the facility at 506 NW Fifth Avenue, Portland, Oregon from Central City Concern for the Department of Community Justice/Transitional Services Unit Alcohol and Drug Free Housing Program and directs the Facilities and Property Management Division to conduct negotiations for the lease.

2. If the Chair determines that material change to the Project Charter is required, the Chair will submit the proposed change to the Board for approval in the form of a Project Charter Amendment.
3. Any proposed lease negotiated under the Project Charter shall be submitted to the Board for approval.

ADOPTED this 8th day of November, 2001.



BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON

Diane M. Linn, Chair

REVIEWED:

THOMAS SPONSLER, COUNTY ATTORNEY
FOR MULTNOMAH COUNTY, OREGON

By _____
Patrick Henry, Assistant County Attorney

PROJECT CHARTER



Multnomah County
Facilities and Property Management

PROJECT NAME

Beaver Hotel – DCJ Lease

Project Number

CP06.17

Charter Creation Date

October 30, 2001

Project Description

To enter into a 13-year, pre-paid lease and property management agreement with Central City Concern (CCC) for the residential portions of the Beaver Hotel, located at 506 NW 5th Ave. This agreement needs to stipulate an investment of \$500,000 - \$600,000 in maintenance and capital improvements by CCC over the term of the lease, including approximately \$300,000 in up-front improvements to bring the building into a useable condition at the outset of the lease.

Stakeholders or Sponsors

Sponsor: Department of Community Justice – DCJ

Dept. for Whom Project is done: Department of Community Justice – DCJ

Dept. effected: Department of Community Justice – DCJ

Agreements/Contracts Needed Outside County: Real Property Lease with Central City Concern

Goals and Objectives

Why is This Project Being Done?

Based on Multnomah County Benchmarks, the goal of Transition Services Unit (TSU), Department of Community Justice is to ensure community safety by providing support and resources to assist clients in their successful integration into the community. TSU actively works to build partnerships with community services and organizations, as well as other Multnomah County Departments, to provide the continuum of care that is needed.

What Will It Achieve?

This action will expand the continuum of services for clients by providing safe, secure, and suitable transitional housing.

The 13-year lease of the Beaver Hotel provides the Department of Community Justice (DCJ) the opportunity to increase the number of transitional beds, as well as provides monetary support for the Danmoore replacement housing, constructed by the City of Portland's Portland Development Commission (PDC) at NW 8th and Burnside. The Danmoore replacement building will provide housing for low-income citizens who may be displaced by downtown development efforts. Central City Concern will operate the facility once it is completed.

The Glisan Street Shelter, located on the main floor of the Beaver Hotel, would remain. The Beaver Hotel would provide a true continuum of housing services from emergency to market rate.

Currently the Beaver Hotel is not alcohol and drug-free housing. However, commensurate with our lease activation it would be our intent to establish the Beaver Hotel as alcohol and drug-free housing. The lease of the Beaver Hotel would ensure 60 units of alcohol and drug-free housing for offenders who are supervised by Multnomah County, Department of Community Justice.

The target population served by Transition Services Unit is medium to high-risk male and female offenders under community supervision in Multnomah County who are in need of structure, support, and other resources including appropriate or available housing in the community.

Background Reports:

Lease Term Analysis (by R. Peter Wilcox)

Leasing Analysis (by DLM Real Estate Services)

Conditional Use Need Analysis (by Peter Livingston, Lane Powell Spears Lubursky, LLC)

Property Appraisal (Jackson S. Roholt and Associates) completed March 21, 2001

Zoning and Existing Condition Analysis (DLR Group) completed March 23, 2001

Key Personnel Resources

Mary Carroll, Executive Assistant to Commissioner Serena Cruz

Kevin Criswell, Adult Community Justice, West District Manager

Joanne Fuller, Director, Department of Community Justice

Patrick Henry, County Attorney

Liv Elsa Jenssen, Transition Services, Program Administrator

Gina Mattioda, Public Affairs Office

Althea Milechman, Public Affairs Office

Margaret Miller, Public Affairs Officer, Department of Community Justice

Bob Oberst, Real Property Manager, Facilities and Property Management

John Rakowitz, Chief of Staff for County Chair Diane Linn

Shelli Romero, Assistant to Commissioner Maria Rojo de Steffey

Andy J. Smith, Assistant to County Chair Diane Linn

R. Peter Wilcox, Housing Director, Department of Sustainable Community Development

Dan Brown, Director, Facilities and Property Management

Deliverables

CONTRACTS TO DATE (for each: list contract #, amount, termination date, company, contact, phone #, brief description of scope in attachment(s))

COMPLETE

Zoning and Existing Condition Analysis
For The Beaver Hotel
Completed on 23 MAR 01
By DLR Group

ONGOING (Listed by Contract Number)

CCC to pay off existing mortgage or land sales contract coincident with signing the lease

RFP's or Bids to Date: (List) None

Other Attachments:

City of Portland, Planning Bureau Letter
Lease Term Analysis (by R. Peter Wilcox)
Purchasing vs. Leasing Analysis (by DLM Real Estate Services)

Project Milestone Target Dates

Initial Expectations:

- Operating expenses (projected to be \$175,000/yr) are secured.
- Successful lease negotiations with CCC.
- Terms of lease agreement with CCC will be dependent on the final resolution of the purchase agreement being negotiated by CCC to buy out Dr. Gross, current owner. Should this agreement not be fulfilled, Multnomah County will negotiate a modified lease agreement by establishing a sub-lease with CCC. Establishment of an escrow account or some other financial mechanism to minimize the risk to Multnomah County of default will be considered.

Target Schedule as of this Charter:

Lease commitment and dispersal of funds – beginning 2002. Actual lease terms to begin after all requirements have been met and the county has determined that the facility is ready for occupancy by residents.

Project Budget Total

Total Amount Available: \$1,526,131.

Funding Plan

Funding will be provided from the Deferred Maintenance Fund. WBS CP06.17 has been assigned. Lease to be paid as a lump sum at the beginning of the lease period (13 years).

Exclusions

- A public involvement process that will extend the siting approval schedule.
- Any county responsibility for maintenance or capital improvement in the facility.
- In the event that the building becomes unusable, due to a lack of maintenance or capital investment, the county has no financial responsibility to correct.

Benefits

The proposed lease action would provide funding to increase the number of housing units at the Danmoore replacement as well as provide stable and secure housing for clients. A key factor in determining the success of clients is the ability to integrate back into the community. This reduces recidivism and the related costs to the county and to taxpayers for repeat offenses.

Impact

The proceeds from the prepayment of the lease of the Beaver Hotel, will provide financial support for the Danmoore replacement housing, constructed by the City of Portland's Portland Development Commission at NW 8th and Burnside. The Danmoore replacement building will provide housing for low-income people who may be displaced by downtown (West End) development efforts. The Beaver Hotel will provide 60 units of housing in a facility designated as alcohol and drug-free for clients currently under community supervision by the Department of Community Justice. The Glisan Street Shelter, located on the main floor of the Beaver Hotel, would remain. The Beaver Hotel would provide a true continuum of housing services from emergency to market rate.

Constraints

Risks and Concerns

- SPACE
- SCOPE
- PERMITS/ZONING – Household Living (SRO) in a CXd zone
- LAND ACQUISITION
- FUNDING/BUDGETING – Ability of CCC to fund the promised building upgrades over the term of the lease.
- TIMING
- NEIGHBORHOOD – DCJ plans to convene a neighborhood advisory committee that will be asked to provide input regarding the proposed lease.
- OTHER – Lease Agreement

Citizen Involvement

A public involvement plan was approved by the Chair's Office. Attached is the evaluation of siting criteria, used to develop the public involvement plan, and a Fact Sheet and Q&A.

Assumptions

Location and/or Directions to Project Site

506 NW 5th Ave.
Portland, OR 97209

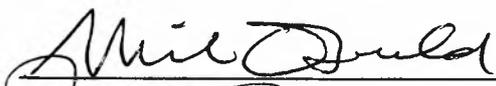
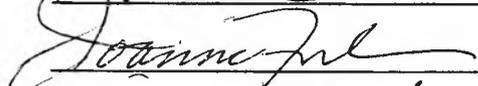
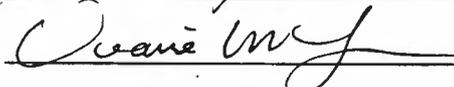
Map of Project Location

Not Provided.

Correspondence

See project file for correspondence.

Charter Approvals:

Charter Prepared By	<u></u>	Date <u>10 29 01</u>
Facilities & Property Management Director	<u></u>	Date <u>10 29 01</u>
Budget Office	<u>David C. Starvo</u>	Date <u>10 30 01</u>
Department of Sustainable Community Development Director	<u></u>	Date <u>10 30 01</u>
Department Stakeholder	<u></u>	Date <u>10 29 01</u>
Chair's Office	<u></u>	Date <u>11 8 02</u>



Multnomah County Department of Community Justice Housing Project FACT SHEET

Project Summary

Multnomah County Department of Community Justice (DCJ) is considering a long-term contract with Central City Concern to provide housing for clients currently under community supervision. Central City Concern (CCC) would provide and manage 60 units of housing at their building, the Beaver Hotel, located at 506 NW Fifth Avenue. The Glisan Street Shelter, located on the main floor of the Beaver Hotel would remain. The funds to CCC will allow them to provide additional financial support for the Danmoore replacement housing, constructed by the City of Portland's Portland Development Commission at NW 8th and Burnside. The Danmoore replacement building will provide housing for low-income citizens who may be displaced by downtown development efforts.

The Need

Many clients leave prison with no savings, no job prospects, little in the way of family support, and no stable housing. All clients will return to their communities when they complete their sentences. The goal of the housing project is to provide the support system for residents to stay crime-free while transitioning back into the community. The hotel will be designated alcohol and drug-free with case management services.

The Department of Community Justice reports that annually an average of 3,400 clients under supervision is in need of transitional housing. Less than 1,100, or approximately 32 percent of clients are able to be placed in current DCJ contracted housing. In addition, when Phase Two of InterChange Alcohol and Drug treatment program is operating, the number of clients completing treatment will nearly double. This will dramatically increase the need for alcohol and drug-free housing.

Compounding the problem is the overall reduction in low income housing as a result of downtown development projects. Not only would the lease contract of the Beaver Hotel supply much needed transitional housing, the funds received by Central City Concern would support one or more additional floors of low-income housing in the new Danmoore replacement building.

Proposed Location and Operation

The proposed location is the building currently known as the Beaver Hotel located at 506 NW Fifth Avenue. The first floor is occupied by the Glisan Street Shelter, which would remain. The hotel is currently owned and operated by Central City Concern. Multnomah County would enter into a long-term lease contract with CCC.

**Multnomah County Department of Community Justice
Transitional and Affordable Housing Project
Fact Sheet page 2**

Other Property Considered

A property search yielded ten tax-foreclosed properties. These were eliminated because of prohibitive cost, limited number of units, location, or need for asbestos abatement.

Funding

All residents will pay rent, based on their income. Approximately 15 of the 60 units will be rented at market rate. Operations funding comes from Oregon Department of Corrections.

Timeline

Site evaluation begins	March 2001
Outreach to community on proposed site	Oct 2001 – Jan 2002
Citizen Advisory Group convenes	Nov 2001
Citizen Advisory Group recommendations to County	Jan 2002
County response to recommendations	Feb 2002
Board of County Commissioners Meeting and public hearing	March 2002
Lease of property	Pending Board decision

Note: These dates are subject to change.

Opportunities for Public Comment

Project Presentation

Members of the project team can attend your organization's meeting to respond to questions and gather feedback. Call 503-988-6800 to schedule.

Board of County Commissioners Meeting

The Multnomah County Board of Commissioners will hear public testimony at a Board meeting. The date will be announced by public notice.

Other Ways to Comment

For questions:

Call Maggie Miller, Multnomah County Department of Community Justice, 503-988-5820 or email: maggie.miller@co.multnomah.or.us

To comment on the project for public record:

Call: 503-988-6800 FAX: 503-988-6801 Email: pao.org@co.multnomah.or.us

Write: Multnomah County Public Affairs Office
501 SE Hawthorne Blvd., Suite 600
Portland, OR 97214



Multnomah County Department of Community Justice Housing Project

Multnomah County Department of Community Justice (DCJ) is considering a long-term contract with Central City Concern to provide housing for clients currently under community supervision. Central City Concern (CCC) would provide and manage 60 units of housing at their building, the Beaver Hotel, located at 506 NW Fifth Avenue. The Glisan Street Shelter, located on the main floor of the Beaver Hotel would remain. The funds to CCC will allow them to provide additional financial support for the Danmoore replacement housing, constructed by the City of Portland's Portland Development Commission at NW 8th and Burnside. The Danmoore replacement building will provide housing for low-income citizens who may be displaced by downtown development efforts.

Why is this housing needed?

Many clients leave prison with no savings, no job prospects, little in the way of family support, and no stable housing. All clients will return to their communities when they complete their sentences. The goal of the housing project is to provide the support system for residents to stay crime-free while transitioning back into the community. The hotel will be designated alcohol and drug-free with case management services provided by DCJ. DCJ estimates that annually an average of 3,400 clients under supervision is in need of transitional housing. Less than 1,100 or approximately 32 percent of clients are able to be placed in current DCJ contracted housing.

Why a downtown location?

The facility will assist in transitioning downtown shelter residents to more permanent housing and allow homeless individuals to get off the streets. The West District Community Justice office supervises many individuals in the downtown area. The increased stability, as a result of this housing, will enhance the probability of success for those on community supervision.

How will this project help with the shortage of low-income housing?

A number of downtown hotels housing low income residents, including the 122 unit Danmoore Apartments at SW 13th and Alder, and the St. Francis Hotel at 1110 SW 11th will be demolished to accommodate downtown development. The City of Portland and Multnomah County have a common goal of preserving or replacing low-income housing.

Who currently occupies the hotel?

The hotel houses low income residents, many of whom are waiting for long-term housing options to become available. Some of these residents have been or are currently under supervision by the Department of Community Justice. Many will move to the new Danmoore replacement housing.

What level of offender will be at this facility?

Clients who are under supervision with Multnomah County Department of Community Justice will be housed here, including those who may have been convicted of one or more felonies. The population will be approximately 80% male and 20% female.

**Housing Project
Questions & Answers
Page 2**

How will the facility be monitored?

Central City Concern will operate the facility and provide 24 hour staffing. The Department of Community Justice will provide case management services. Parole and Probation Officers will visit residents on a regular basis. The hotel will be designated as drug and alcohol-free which will enhance safety for residents and neighbors.

What other sites were considered?

A property search yielded ten tax-foreclosed properties. These were eliminated because of prohibitive cost, limited number of units, location, or need for asbestos abatement.

What is the source of funding?

All residents will pay rent, based on their income. Approximately 15 of the 60 units will be rented at market rate. Operations funding comes from Oregon Department of Corrections.

Who do I call if I have a question or comment about this project?

For questions:

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Multnomah County Department of Community Justice Housing Project Evaluation of Siting Criteria

For internal use and discussion purposes only

Multnomah County Department of Community Justice (DCJ) is considering a long-term contract with Central City Concern to provide housing for clients currently under community supervision. Central City Concern (CCC) would provide and manage 60 units of housing at their building, the Beaver Hotel, located at 506 NW Fifth Avenue. The Glisan Street Shelter, located on the main floor of the Beaver Hotel would remain. The funds to CCC will allow them to provide additional financial support for the Danmoore replacement housing, constructed by the City of Portland's Portland Development Commission at NW 8th and Burnside. The Danmoore replacement building will provide housing for low-income citizens who may be displaced by downtown development efforts.

Timing and Budget Factors

- Contract will allow funding to be available for support of the Danmoore replacement housing.

Impact to Community and Neighborhood

- No net loss of affordable housing in downtown Portland.
- Building is zoned appropriately; legal counsel advised that no conditional use process is necessary. City will make final determination on conditional use.
- Residents will have a minimal impact on traffic and parking in the immediate area. Most residents will use public transportation.
- Community will have concerns about the residents and impact on neighborhood safety.
- Prior efforts to site a parole and probation office in vicinity were met with resistance from community.

Legislation and Legal Matters

- ORS 169.680 applies. Requires citizen advisory committee.
- Federal Fair Housing Act applies.
- Building meets ADA requirements: ground floor housing units will be available.

Type of Facility and Services Provided

- The facility would remain under ownership and operation of Central City Concern. Clients from Community Justice are among the current residents.
- A lease contract between will be negotiated between the county and CCC.
- Facility will provide transitional and permanent housing for clients under supervision with Community Justice.
- Facility will have a alcohol and drug-free policy.
- County will provide case management.

**Community Justice Housing Project
Evaluation of Siting Criteria page 2**

Clients Served

- All levels of offenders to reside in facility. Residents may have been convicted of one or more felonies and are currently under community supervision.
- Eighty percent men, 20 percent women.