



Project: Garfield Ave. Housing and Business HUB Development

Jurisdiction: Portland / Multnomah

Zoning: Commercial Mixed Use 3

Project Description

As part of its strategic housing development plan, in 2024, SEI purchased a 10,000 sq ft parcel to develop affordable housing. To develop the vision, SEI must acquire adjacent property to create a vibrant place to revitalize the community. The project has been developed through multiple community engagement sessions, resulting in a funding gap of ten million dollars. This request will be used to acquire adjacent parcels, fund soft costs, and fund the commercial space on the ground floor to complete the project's vision.

The project is imagined to be a Housing and Cultural Business Hub for the community in N/E Portland. The project includes a daycare to meet the needs of the community, commercial retail, food carts, a café on the ground floor, and affordable and workforce housing on the upper levels. The project would require \$4,000,000 for land acquisition, predevelopment, and commercial space development to scale. The seven-story development will house 114 units.



3D VISUALIZATION
KING CULTURAL BUSINESS HUB
NOVEMBER 27TH, 2024



Project Funding Sources

The project lacks the full resources needed to create a housing and business hub that meets the community's needs. The gap in the project is created because we need to acquire neighboring lots for the project to realize the entirety of the program. The project, as designed, has a **\$10,000,000** gap, which the funding from SB 949 would address.

Sources of Funding	Affordable Housing	Commercial	Total
Low-Income Housing Tax Credit - Equity & 45L & ITC	\$27,853,686		\$27,853,686
GP Contribution (Grants)	1,000,000		1,000,000
Local Innovation Fast Track	17,127,162		17,127,162
Deferred Developer Fee	2,700,000		2,700,000
Portland Clean Energy Fund	4,700,511		4,700,511
System Development Charges Waivers	1,425,000		1,425,000
Contributed Developer Fee	2,937,187		2,937,187
Permanent Loan	8,869,476	\$1,844,372	10,713,848
Sub Total	\$66,613,022	\$1,844,372	\$68,457,394
Gap (SB 949)	\$5,800,112	\$4,199,888	\$10,000,000
Total Sources	\$72,413,134	\$6,044,260	\$78,457,394

Soft Cost Breakdown

Due Diligence	\$50,000
A&E and Permits	5,466,215
Insurance	701,342
Marketing	415,510
Legal	125,000
Outreach/Engagement	25,000
Additional A&E	30,000
Appraisal	10,000
Green Certification	130,000
Security	50,000
Lease-up	80,000
Marketing Study	10,000
Developer Fee Permits	5,466,215
Developer Fee Contributed as Sponsor Equity	2,937,479
Deferred Developer Fee	2,700,000
TOTAL SOFT COATS	16,849,733

Allocation of Funding

USES	Amount
SEI owned land	\$1,000,000
Land Acquisition	4,000,000
Construction	47,005,114
Other Hard Costs	620,000
Soft Costs ¹	16,849,733
Financing Costs	6,071,923
Contingency	2,910,624
Total	\$78,457,394

Is Self Enhancement, Inc. an Affordable Housing Developer?

Yes!! SEI is an affordable housing developer.

2019

In 2019, SEI entered the affordable housing development arena by partnering with Community Development Partners (CDP) to co-develop affordable housing as part of the multi-site Alberta Alive. These buildings are named after prominent African Americans in Portland: Paul and Geneva Knauls, Ronnie Herndon, and Dr. Darrell Millner. All three are located on Alberts Street.

The partnership has two more Alberta Alive projects currently under construction: The Abbey Lots Homeownership Development and The Strong Empowerment Village.

NOW

Recently, SEI invested over \$5.3M to acquire two major property sites for its land bank. It also received two land donations. Its total real estate holdings exceed \$9.3M. The funding from SB 949 will combine housing and a commercial business hub.



HOUSING AND BUSINESS HUB DEVELOPMENT TEAM

Sponsor/Developer: Self Enhancement Inc.

Development Consultant: Edlen & Co

Architect: Scott Edwards Architect

Contractor: Colas Construction

Community Engagement: Gordly Burch Center



Co-Chair Lieber, Co-Chair Sanchez, and members of the Joint Ways and Means Committee:

My name is **Sahaan McKelvey**, I am the **Director of Advocacy & Engagement at Self Enhancement, Inc. (SEI)**. SEI has been doing affordable housing development projects in N/NE Portland since 2019. I am submitting testimony today in strong support of SB 949.

SB 949 will direct OHCS to allocate 10 million dollars to a mixed use affordable housing project that SEI will be developing in NE Portland on MLK Jr. Blvd. and Failing St. This project would connect SEI services, African American owned commercial businesses, childcare and community space, and 114 units of family sized affordable housing. SEI has been working with Community Development Partners to build affordable housing since 2019 and our partnership has completed 3 buildings that have provided 115 affordable housing units (30 and 60 percent AMI units) that create opportunities for African Americans who have been pushed out of their historical neighborhoods to afford to live in the community that they have been displaced from and priced out of. The SEI/CDP partnership has a fourth project under construction right now that will provide an additional 75 affordable housing units. This project will bring the total number of affordable units in our portfolio to 190. All four of these current projects are located on Alberta Street and are part of our [Alberta Alive Project](#).

There are two primary points that I want to uplift regarding SB 949. The first is that, “Homelessness is a Housing Problem.” We know that homelessness is one of the Governor’s priorities, and that disrupting homelessness is a primary issue for our state Legislature. The biggest driver of homelessness is the lack of affordable housing. Increasing the stock of affordable housing is the best and most effective way to disrupt homelessness. This mixed use project will add 114 affordable units (Please see attachment). The second point that I want to highlight is that a 10 million dollar investment for the state in order to complete a 78 million dollar project is a TREMENDOUS return on investment for the state. Investing these dollars is a smart thing to do in this current restraint environment where we are looking at a deficit budget. Ensuring that the dollars that are allocated are able to be effectively leveraged is what we should be looking at.

The last thing that I want to speak to with SB 949 is that SEI is seeking to develop communities that are able to dwell in optimal living environments. We want to ensure that we create homes that are both comfortable and desirable. We want to ensure that the residents that will inhabit this mixed use development are part of a thriving community. Being able to ensure that we do not need to cut resident amenities in order to complete this project at a lower cost is one of the goals of this bill.



Please support SB 949 and please take the opportunity to invest in disrupting homelessness, increasing the availability of affordable housing, and partnering with SEI to create community where our people can enjoy optimal living environments.

Thank you for your attention to this legislation and I would be happy to answer any questions.

Sahaan McKelvey

Director of Advocacy & Engagement

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