

ORDINANCE No. 185963

*Authorize a \$3,142,568 loan from the Interstate Corridor Urban Renewal Area budget to support the development of a residential facility by LifeWorks NW. (Ordinance)

The City of Portland ordains:

SECTION 1. The Council finds that:

1. LifeWorks Northwest (LWNW or LifeWorks NW) began as an organization established in 1961 to support mental health services in Washington County and is now a leading non-profit, community-based, agency offering prevention, mental health, and addiction recovery services in the Portland metro area at 22 locations with 400 employees.
2. In 2004, LWNW added "Project Network"—a powerful recovery program focusing on pregnant, addicted, African American women and their children—into its family of programs and began to plan for a new facility for the Northeast Portland-based program.
3. In December 2011, the Portland Housing Bureau (PHB) solicited proposals for affordable housing in the Interstate Corridor Urban Renewal Area (ICURA) under the PHB Notice of Funding Availability (NOFA 2011) with up to \$5,000,000 available from the City's affordable housing set-aside of tax increment financing (TIF) in the ICURA budget.
4. LWNW and Home Forward, formerly known as the Housing Authority of Portland, jointly applied under NOFA 2011 and PHB reserved \$4,500,000 for the proposed development comprised of permanent affordable housing and space for LWNW's residential treatment program including transitional housing for participants.
5. Working with Holst Architecture and Gerding Edlen Development, Home Forward and LWNW designed a two condominium project with a wing for the Home Forward-sponsored, permanent housing and a wing for the LWNW residential treatment facility on a site between NE Mallory, NE Garfield, and NE Beech Street in Northeast Portland.
6. The LWNW condominium is a 3-story structure with 35 transitional housing beds in sixteen units, offices, and space for addiction recovery services, counseling, and day care for participant's children. This condominium abuts Home Forward's 4-story, residential apartment condominium comprised of 32 units which will operate as alcohol- and drug-free, permanent housing (Beech Street Apartments).
7. Each condominium will be separately owned and financed, and PHB allocated the NOFA 2011 reservation to each project based on financial need with \$3,142,568 for the LWNW facility and \$1,357,432 for the Beech Street Apartments.

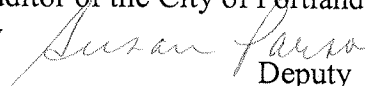
8. The City will join other lenders and investors including Meyer Memorial Trust, Multnomah County, Wells Fargo Bank NA, Oregon Housing and Community Development, Wells Fargo Community Development Enterprises, Wells Fargo Affordable Housing and Community Development Corporation, Home Forward, and LWNW to finance the facility as a \$8,200,000 New Market Tax Credit project and the Beech Street Apartments as a \$10,800,000 Low Income Housing Tax Credit project.
9. Because the use of the property as a residential treatment facility will not provide sufficient stable, long term, operating revenue to re-pay debt; the loan to LWNW will not require periodic payments and will be forgiven after sixty years of facility operation in compliance with the City's regulatory and loan agreements. The loan is due only if the property is conveyed to an entity not affiliated with LWNW or the use as a facility providing services to low-income individuals is discontinued during the sixty year term.
10. The LWNW loan is expected to close in May 2013, construction will begin immediately, and occupancy is anticipated in February 2014.
11. The PHB loans for both the LWNW residential treatment facility and the abutting Beech Street Apartments were approved pursuant to PHB processes; however, the loan to LWNW is for more than \$3,000,000 and therefore requires City Council authorization.

NOW, THEREFORE, the Council directs:

- a. The City's loan to LWNW, or an affiliate of LWNW, will consist of up to \$3,142,568 in TIF proceeds in the ICURA budget with loan terms and conditions as approved by PHB.
- b. The Director of PHB is authorized to execute regulatory agreements, loan documents, trust deeds, subordination agreements, and such other documents as required to implement the financing authorized by this Ordinance, within the maximum amounts approved under this Ordinance, and subject to the approval as to the form of such documents by the City Attorney's Office.
- c. The Mayor and Auditor are hereby authorized to draw and deliver checks chargeable to the PHB budget when demand is presented and approved by the proper authority.

SECTION 2. The Council declares that an emergency exists because delay in funding would interrupt the project's ability to move forward on a timeline required by other financing sources and would delay the development of this community facility and transitional housing; therefore, this Ordinance shall be in full force and effective from and after its passage

Passed by the Council: APR 10 2013
 Mayor: Charlie Hales
 Prepared by: Barbara Shaw
 Date Prepared: March 27, 2013

LaVonne Griffin-Valade
 Auditor of the City of Portland
 By  Deputy

307

1140

Agenda No.
ORDINANCE NO.
Title

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INTRODUCED BY
Commissioner/Auditor:
Mayor Charlie Hales

CLERK USE: DATE FILED APR 05 2013

COMMISSIONER APPROVAL

Mayor /Finance and Administration - Hales *MR*

Position 1/Utilities - Fritz

Position 2/Works - Fish

Position 3/Affairs - Saltzman

Position 4/Safety - Novick

BUREAU APPROVAL

Bureau: Portland Housing Bureau
Bureau Head: Traci Manning

Prepared by: Barbara Shaw
Date Prepared: March 27, 2013

Financial Impact & Public Involvement
Statement
Completed ☒ Amends Budget ☐

Portland Policy Document
If "Yes" requires City Policy paragraph stated
in document. Yes ☐ No ☒

Council Meeting Date
April 10, 2013

City Attorney Approval

LaVonne Griffin-Valade
Auditor of the City of Portland

By:  Deputy

ACTION TAKEN:

AGENDA

TIME CERTAIN ☒ *2012*

Start time: 9:30

Total amount of time needed: _____
(for presentation, testimony and discussion)

CONSENT ☐

REGULAR ☒

Total amount of time needed: _____
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA

COMMISSIONERS VOTED AS FOLLOWS:

		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Novick	4. Novick	<input type="checkbox"/>	<input type="checkbox"/>
Hales	Hales	<input checked="" type="checkbox"/>	