

IMPACT STATEMENT

Legislation title: *Approve financing not to exceed \$13,262,131 using Lents Town Center tax increment urban renewal funds for the Oliver Station Apartments at 5932 SE 92nd Avenue and 9138 SE Foster Road to develop 126 units of affordable rental housing within a mixed use and mixed income development (Ordinance)

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Purpose of proposed legislation and background information:

This legislation is the final approval step to build 126 units of affordable rental housing at Oliver Station Apartments in the Lents Town Center Urban Renewal Area through a joint PHB/PDC initiative begun in the Fall of 2014. In late November 2016, PHB plans to originate loans totaling \$13,262,131 using Lents Town Center tax increment funding for the project to be located at 5932 SE 92nd Avenue and 9138 Foster Road.

The project will be developed by Palindrome Lents Limited Partnership ("Palindrome") with Urban Edge Builders Inc. as the general contractor. Palindrome will operate the housing when complete. The affordable portion of the project will include 6 units serving households earning up to 30% of the area median family income ("MFI"), 119 serving households earning up to 60% of the area MFI, and one unrestricted manager's unit.

Total cost for the project is forecast to be \$55,508,000. In addition to the affordable units, the project will include 19 market rate units, and 29,56 square feet of retail space. The \$41 Million affordable housing component will utilize a 4% low income housing tax credit financing structure and private activity bonds from Home Forward. Other lenders and investors include Citibank N.A., Oregon Housing & Community Services, Citibank Real Estate Advisors, PGE, and Energy Trust of Oregon.

Oliver Station Apartments

<u>Total Units:</u>	126
<u>No. at or below 30% MFI:</u>	6 units = PHB Restriction
<u>No. at or below 60% MFI:</u>	119 units, and 1 unrestricted manager's unit
<u>PHB Subsidy:</u>	\$13,262,131 in Lents Town Center Urban Renewal Funds \$105,255 per unit subsidy
<u>Leveraged Funds:</u>	\$27,749,504 or 68%

Bedroom Mix:

Unit Size	Count	Income Restriction (MFI)
One Bedroom	2	30%
One Bedroom	46	60%
Two Bedroom	4	30%
Two Bedroom	73	60%
Manager's unit	1	
TOTAL	126	

Financial and budgetary impacts:

The funds are currently included in the PHB FY 16/17 and 17/18 budgets under the Lents Town Center URA program budget (\$13,262,131).

PHB anticipates that the project will require about \$10.7 Million in tax increment funds during FY 16/17, with the balance of the tax increment disbursed in FY 17/18.

The PHB loan is secured by a subordinate deed of trust on the property and a ground lease.

Community impacts and community involvement:

Community Involvement: This action is possible due to involvement of the Lents neighborhood association from the selection of the developer following PDC's October 2014 Request For Information, four public meetings between February 2015 and March 2016, including an October 27, 2015 open house with more than 150 community members in attendance, monthly "Meet the Developer" breakfast meetings with community stakeholder groups, updates to the Lents Neighborhood Association, and updates at PDC's project website with more than 200 community members providing online feedback.

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ YES: Please complete the information below.
☒ NO: Skip this section