

## ORDINANCE NO. 188132

\*Authorize a contract with CBRE HMF, Inc. for the facilitation of the refinance of the Headwaters Apartments for a not to exceed amount of \$350,000 (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. PHB is charged with developing and implementing housing policies for the City of Portland (the "City") that increase the availability of housing affordable to low and moderate-income households. PHB carries out this mission using a number of tools, including the development of real property and the financing of construction;
2. Portland is experiencing a housing crisis due to very low vacancy rates, leading to a housing shortage. Such shortage has greater impact on low-income household, forcing them to either move or have a greater percentage of their income go to housing;
3. In 2006, the Portland Development Commission (PDC), under the auspices of the City Lights program, acquired The Headwaters Apartments. The Headwaters opened in 2007 as a 100-unit residential community (with 76 one-bedroom and 24 two-bedroom units) located at 8833 SW 30th Avenue in southwest Portland;
4. The Headwaters Apartments were conveyed to the Portland Housing Bureau (PHB) by PDC when the bureau was created on July 1, 2010. Since then, PHB has taken a limited role in the management of the Headwaters Apartments, primarily monitoring its fiscal performance in order to ensure bond and other requirements were met;
5. There is a need to expedite the number of affordable housing units to address the housing crisis, restricting forty percent (40%) of the units would increase the affordable stock by 40 units;
6. Refinancing the Headwaters Apartments allows the City to maximize the project's value by liquidating public equity, while increasing affordable units in the City. The equity materialized out of the refinance will allow PHB to re-invest those resources addressing safety and rehabilitation needs of other City owned affordable housing assets;
7. In addition to the Headwaters Apartments, PHB also owns the Fairfield Apartments, an Un-Reinforced Masonry (URM) 82-unit Single Room Occupancy (SRO) building located at 1117 SW Stark. Because of its URM status, the Fairfield Apartments have been identified as an at-risk property subjective to grave disrepair should there be an earthquake;
8. A portion of the proceeds from the refinance will be set-aside for seismic retrofit and rehabilitation of the Fairfield Apartments which house vulnerable, very low-income households;

9. On July 18, 2016 an Intermediate Request for Proposals was issued through the City's online bidding system and on August 6, 2016 one proposal was received. The proposal from CBRE HMF is responsive to the RFP requirements and is recommended for award of a contract.
10. Procurement rules require contracts estimated over \$100,000 be issued as a Formal Request for Proposals. Although this project was issued as an Intermediate Request for Proposals, it substantially followed the formal solicitation requirements. A different result would not have occurred using the formal solicitation process.

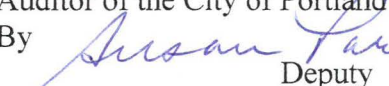
NOW THEREFORE, the Council directs that:

- a. The Formal Request for Proposals solicitation requirements as stated in the Professional, Technical and Expert Services Contracting Manual are waived.
- b. The Chief Procurement Officer is authorized to execute a contract with CBRE HMF, Inc., for a not to exceed amount of \$350,000, provided the contract has been approved as to form by the City Attorney's office.

Section 2. The Council declares that an emergency exists because of volatile credit market conditions and the need to increase affordable housing units in the City; therefore, this ordinance shall be in full force and effect from and after its passage by Council.




Passed by the Council: DEC 08 2016

Commissioner: Dan Saltzman  
Prepared by: Javier Mena  
Date Prepared: November 28, 2016

Mary Hull Caballero  
Auditor of the City of Portland  
By  Deputy

Agenda No.  
**ORDINANCE NO. 188132**  
 Title

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Dan Saltzman</b>	CLERK USE: DATE FILED <u>NOV 29 2016</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman <i>DS/SC</i> Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland  By:  Deputy  <b>ACTION TAKEN:</b>
<b>BUREAU APPROVAL</b> Bureau: Portland Housing Bureau Bureau Head: Kurt Creager  Prepared by: Javier Mena Date Prepared: October 25, 2016 Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>City Auditor Office Approval:</b> required for Code Ordinances <b>City Attorney Approval:</b>  Council Meeting Date <b>December 7, 2016</b>	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input type="checkbox"/> <b>Start time:</b> _____ <b>Total amount of time needed:</b> _____ (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input checked="" type="checkbox"/> <b>Total amount of time needed: 15 minutes</b> (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 checked="" type="checkbox"/>	
Hales	Hales <input checked="" type="checkbox"/>	