

## IMPACT STATEMENT

**Legislation title:** \*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)

**Contact name:** Javier Mena  
**Contact phone:** 503.823.3377  
**Presenter name:** Kurt Creager

**Purpose of proposed legislation and background information:**

The Portland Housing Bureau requests City Council's approval to authorize the Portland Housing Bureau enter in a contractor agreement with CBRE HMF, Inc. for the refinance of the Headwaters Apartments (Ordinance). Through a competitive process, PHB identified CBRE HMF, Inc. to assist in the refinance of the Headwaters Apartments. In 2006, the Portland Development Commission (PDC), under the auspices of City Lights program, developed 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. It was 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. Since 2006, the property has been managed by Guardian Real Estate Services under a contract with PDC.

**Headwaters Apartments**

<u>Total Units</u>	100
<u>No. at or below 30% MFI:</u>	0
<u>No. at or below 60% MFI:</u>	40
<u>Population Specific Units:</u>	N/A
<u>PHB Subsidy:</u>	N/A (PHB-owned)
<u>Leveraged Funds:</u>	N/A (PHB-owned)

**Financial and budgetary impacts:**

Of the estimated \$350,000 costs to refinance, about \$82,933 will be paid upfront with funds currently included in PHB's FY 16/17, with the remaining fees paid at closing with loan proceeds. Based on current operations, the Headwaters provides an annual income of \$1,474,344. By restricting 40 per cent of the units (40%), the income would decrease by \$177,720 to \$1,296,624. The proposed change can be absorbed within the projects operating budget. This transaction will also free up the City's debt capacity by paying off associated City-issued bonds.

**Community impacts and community involvement:**

PHB has engaged the community at a variety of locations and events, the consistent feedback from such events is the need to increase the affordable housing stock This actions does that.

The Professional, Technical, Expert Services contracting community, including contractors certified with the State of Oregon as minority, women and emerging small businesses became involved when the solicitation was advertised and publically noted on the City's Online Procurement System in July 2016. Potential proposers were able to review the competitive solicitation, ask questions, provide comments and submit proposals.

The Notice of Intent to Award a contract was issued in August 2016 and no protest were received.

No known persons or groups will be testifying.

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

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