

RESOLUTION No. 37261

Authorize a temporary operating loan of \$51,000,000 between the Development Services Fund and the Housing Property Fund (Resolution)

WHEREAS, on November 8, 2016, the voters of the City of Portland approved the issuance of \$258,400,000 in general obligation bonds to finance capital costs of affordable housing for low income households; and

WHEREAS, the City has an opportunity to purchase an affordable housing project, known as the Ellington Apartments, an approximately 10.7 acre, 263-unit housing project located between NE Halsey and Tillamook Streets and 65th and 67th Avenues, for use as an affordable housing project (the "Project"). Capital costs of purchasing the Project are not expected to exceed \$51 million; and

WHEREAS, the Portland Housing Bureau intends to fund the purchase through a combination of to-be-acquired bond sale proceeds and federal funds; and

WHEREAS, the latest closing date for the purchase agreement is February 6, 2017. It is unlikely that bond sale proceeds or federal loan funds will be available before this deadline; thus, an interim financing method is likely to be necessary to complete the purchase agreement; and

WHEREAS, the use of a temporary interfund loan is deemed to be the most expedient and favorable interim financing option available to the City to complete this purchase; and

WHEREAS, by separate Ordinance to be heard on December 21st, 2016, Council will authorize the establishment of the Housing Property Fund in order to record the transactions of resources and requirements resulting from the acquisition, development, and operation of property by the Portland Housing Bureau; and

WHEREAS, the Development Services Fund contains \$64,150,478 in total available resources budgeted in Unappropriated Fund Balance and Contingency, and continued strong revenue projections make it unlikely that the bureau will need these funds over the short term.

NOW, THEREFORE, BE IT RESOLVED, that a temporary operating loan is hereby authorized immediately from the Development Services Fund to the Housing Property Fund in the not-to-exceed amount of \$51,000,000 with a repayment of principal due by June 30, 2018; and

BE IT FURTHER RESOLVED, that the repayment of the loan will include accrued interest at the rate of return on moneys invested in City of Portland's investment pool; and

BE IT FURTHER RESOLVED, that the primary source of repayment of the loan to the Housing Property Fund will be through the issuance of general obligation bonds or through the receipt of grant funding.

Adopted by the Council: DEC 21 2016

Commissioner Dan Saltzman

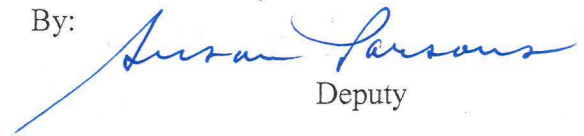
Prepared by: Mike K. Johnson

Date Prepared: December 12, 2016

Mary Hull Caballero

Auditor of the City of Portland

By:



Deputy

1453

Agenda No.
RESOLUTION NO.

37261

As Amended

Title

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INTRODUCED BY
Commissioner/Auditor:
Dan Saltzman,

CLERK USE: DATE FILED DEC 15 2016**COMMISSIONER APPROVAL**

Mayor—Finance and Administration - Hales

Position 1/Utilities - Fritz *AF*

Position 2/Works - Fish

Position 3/Affairs - Saltzman *Dan Saltzman*

Position 4/Safety - Novick

Mary Hull Caballero
Auditor of the City of Portland

By: *[Signature]*

Deputy

ACTION TAKEN:

BUREAU APPROVAL

Bureau: Portland Housing Bureau
Bureau Head: Kurt Creager

Prepared by: Mike K. Johnson
Date Prepared: December 13, 2016

Financial Impact & Public Involvement Statement

Completed ☒ Amends Budget ☐

Portland Policy Document
If "Yes" requires City Policy paragraph stated in document.

Yes ☐ No ☒

City Auditor Office Approval: N/A

City Attorney Approval: *OK*

Council Meeting Date
December 21, 2016

AGENDA**TIME CERTAIN** ☐

Start time: _____

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

CONSENT ☐**REGULAR** ☒

Total amount of time needed: **5 mins**
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA**COMMISSIONERS VOTED AS FOLLOWS:**

	YEAS	NAYS
1. Fritz <i>Amade Fritz</i>	<input checked="" type="checkbox"/>	
2. Fish <i>SMS for Nick Fish</i>	<input checked="" type="checkbox"/>	
3. Saltzman <i>Dan Saltzman</i>	<input checked="" type="checkbox"/>	
4. Novick <i>[Signature]</i>	<input checked="" type="checkbox"/>	
Hales <i>[Signature]</i>	<input checked="" type="checkbox"/>	