

ORDINANCE No. 188287

* Authorize conveyance of city-owned property located at 3368 NE Martin Luther King Junior Boulevard to PCRI Northeast Housing LLC and funding in an amount not to exceed \$7,350,000 to its affiliate, MLK & Cook Apartments, LP for the construction of a new affordable multifamily/mixed-use housing development located in the Interstate Corridor Urban Renewal Area (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. On behalf of the City of Portland, PHB administers affordable housing programs using resources, including tax increment proceeds and city-owned real estate, to support the development of affordable housing.
2. The Portland Development Commission ("PDC") acquired certain real property in the Interstate Corridor Urban Renewal Area ("ICURA") located at 3368 NE Martin Luther King Jr. Boulevard (the "Property") in 2004 and conveyed it to the Portland Housing Bureau ("PHB") in 2010.
3. In July 2015, PHB published a Request for Qualifications Grant Warehouse Redevelopment (RFQ) solicitation to select a development team for the Property in a rapidly gentrifying area, and awarded development rights to the Portland Community Reinvestment Initiatives ("PCRI") in September 2015. PCRI's development team includes Gerding Edlen. In addition to the Property, PHB is seeking to award ICURA funds in an amount not to exceed \$7,350,000 (the "City Funding") for a proposed 80-unit mixed-use affordable housing project ("Project").
4. The Project will have 80 residential units, 44 of which are larger family-sized two and three-bedroom units. All rental units are affordable to households at or below 60% of the area's median family income (MFI), with 24 units affordable to those at or below 30% MFI. Twenty of the twenty-four 30% MFI units are supported by project-based Section 8 vouchers. On the ground floor is community space and approximately 6,000 square feet of commercial space. One of the residential units is an unregulated manager's unit.
5. PHB and PCRI Northeast Housing LLC ("Developer") or MLK & Cook Apartments, LP, an Oregon Limited Partnership ("Developer's Affiliate") intend to enter into a Disposition and Development Agreement, generally in the form attached hereto as Exhibit A ("DDA") that sets forth the terms and conditions of the Property disposition and Project development. .
6. PHB intends to convey the Property as a donation to Developer, who, as the general partner of Developer's Affiliate, will transfer the Property to Developer's Affiliate for tax credit purposes.
7. The City Funding is necessary to leverage more than \$19,000,000 of other public and private financing needed to develop the Project. The City Funding will be comprised of ICURA funds.

8. Other funders include Bellwether Enterprise (Freddie Mac, permanent loan), US Bank (tax credit investor and private purchaser of tax exempt bonds for construction financing), Oregon Housing and Community Services (tax exempt bond), Meyer Memorial Trust (grant).
9. The PHB Housing Investment Committee recommended approval of the Property conveyance and City Funding on March 2, 2017.
10. The Project will be the first new construction multifamily rental project subject to PHB's Preference Policy, which requires that persons who were dislocated from the North/Northeast Neighborhood as a consequence of historic city planning decisions have priority to rent these newly-constructed units.

NOW, THEREFORE, the Council directs:

- a. The Director of PHB is hereby authorized to execute the DDA and any other documents as may be required to convey the Property to Developer or Developer's Affiliate, subject to the approval as to form of such documents by the City Attorney's Office.
- b. The Director of PHB is hereby authorized to execute any and all financing documents necessary to provide the City Funding to Developer's Affiliate in an amount not to exceed \$7,350,000 of ICURA funds for the Project.
- c. The Director of PHB is authorized to approve amendments or modifications to the DDA, regulatory agreements, loan documents, trust deed, and such other documents in form and substance as required to complete the conveyance and financing authorized by this Ordinance, within the maximum amount approved under this Ordinance and subject to the approval as to form of such documents by the City Attorney's Office.

SECTION 2. The Council declares that an emergency exists because a delay in the City's action would delay the start of the project construction, and could affect the project's long term budget, and impact the availability of funds with which to pay the City: therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council: MAR 22 2017

Mayor Ted Wheeler

Prepared by: Siobain Beddow

Date Prepared: February 28, 2017

Mary Hull Caballero
Auditor of the City of Portland

By


Deputy

140

268
Agenda No.
ORDINANCE NO. 188287

Title

* Authorize conveyance of city-owned property located at 3368 NE Martin Luther King Junior Boulevard to PCRI Northeast Housing LLC and funding in an amount not to exceed \$7,350,000 to its affiliate, MLK & Cook Apartments, LP for the construction of a new affordable multifamily/mixed-use housing development located in the Interstate Corridor Urban Renewal Area (Ordinance)

<p>INTRODUCED BY Commissioner/Auditor: Ted Wheeler</p>	<p>CLERK USE: DATE FILED <u>MAR 14 2017</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor-Finance and Administration - Wheeler <i>W</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>L Susan Parsons</i></u> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head Kurt Creager <i>for K.C.</i></p> <p>Prepared by: Siobain Beddow Date Prepared: February 28, 2017</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: <i>bt</i></p>	<p>ACTION TAKEN:</p>
<p>Council Meeting Date March 22, 2017</p>	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:																			
<p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: 10:30</p> <p>Total amount of time needed: 30 mins (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th style="width: 15%; text-align: center;">YEAS</th> <th style="width: 15%; text-align: center;">NAYS</th> </tr> <tr> <td>1. Fritz</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td>2. Fish</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td></td> </tr> <tr> <td>Wheeler</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td></td> </tr> </table>		YEAS	NAYS	1. Fritz	<input checked="" type="checkbox"/>		2. Fish	<input checked="" type="checkbox"/>		3. Saltzman	<input checked="" type="checkbox"/>		4. Eudaly	<input checked="" type="checkbox"/>		Wheeler	<input checked="" type="checkbox"/>			
	YEAS	NAYS																			
1. Fritz	<input checked="" type="checkbox"/>																				
2. Fish	<input checked="" type="checkbox"/>																				
3. Saltzman	<input checked="" type="checkbox"/>																				
4. Eudaly	<input checked="" type="checkbox"/>																				
Wheeler	<input checked="" type="checkbox"/>																				