ORDINANCE No. 188288

Authorize revenue bonds for affordable housing projects (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1.   The City is authorized to issue revenue bonds for a public purpose under ORS 287A.150 and related statutes (the "Act"). Revenue bonds issued under the Act may be payable from all or any portion of the "revenue" of the City, as defined in ORS 287A.001(16). ORS 287A.001(16) defines "revenue" to include all fees, tolls, excise taxes, assessments, property taxes and other taxes, rates, charges, rentals and other income or receipts derived by a public body or to which a public body is entitled. The City is also authorized to issue revenue bonds to refund revenue bonds pursuant to ORS 287A.360 to 287A.375.

2.   The City may authorize revenue bonds under the Act by nonemergency ordinance. The City may not sell the revenue bonds under the Act until the period for referral of the nonemergency ordinance authorizing the revenue bonds has expired. If a nonemergency ordinance authorizing the revenue bonds is referred, the City may not sell the revenue bonds unless the voters approve the revenue bonds.

3.   It will be beneficial to borrow money under the Act to provide financing for affordable housing projects ("Housing Projects").

4.   In December 2015, the City Council adopted Resolution 37170, which directed the City Budget Office to create an ongoing General Fund transfer of estimated revenues from short term rentals to the Housing Investment Fund starting July 1, 2016, to be used for affordable housing projects.

5.   The Portland Housing Bureau ("PHB") has requested that up to $1 million of short term rental revenues be used to support debt service payments on bonds issued for affordable housing projects and that the City Budget Office transfer such amount to repayment of the debt.

NOW, THEREFORE, the Council directs:

a.   Revenue Bonds Authorized. The City is hereby authorized to issue bonds under the Act to provide up to $9 million of financing for the costs of Housing Projects, including costs related to issuing the bonds.

b.   Refunding Bonds Authorized. If all or any portion of the revenue bonds authorized by Section 1.a are issued to provide interim financing for Housing Projects, the City may issue revenue bonds to refund those interim financing bonds and pay associated costs pursuant to ORS 287A.360 to 287A.375. The refunding revenue bonds that are

authorized by this Section 1.b may be issued in amounts that are sufficient to pay principal and interest on the refunded revenue bonds, plus costs related to the refunding.

c. Security and Use of Bond Proceeds. Proceeds of the bonds authorized by Sections 1.a and 1.b of this ordinance (the "Bonds") may be spent only to pay costs of Housing Projects and costs related to issuing, paying and refunding the Bonds. The Bonds shall be secured by the City's full faith and credit and taxing power as provided in ORS 287A.315. The City expects to pay the Bonds from transient lodging taxes on short term residential rentals in the City. Should such revenues not be sufficient to pay the Bonds, the City will pay the Bonds from its available general funds.

d. Transfer of General Fund Revenues. For each fiscal year while the Bonds are outstanding, prior to transferring short-term rental revenues to the Housing Investment Fund as directed by Resolution 37170, the City Budget Office shall transfer to the Governmental Bond Redemption Fund, or successor fund, (from short-term rental revenues, if sufficient, and if not sufficient, from available General Fund revenues) an amount required to pay debt service and related costs on the Bonds for that fiscal year up to $1 million.

e. No Additional Taxes Authorized. No Bonds shall be general obligations of the City and neither the authorization nor the issuance of any Bonds shall authorize the City to levy any additional taxes.

f. Procedure. No Bonds may be sold and no purchase agreement for any Bonds may be executed until the period of referral of this nonemergency ordinance has expired and this ordinance takes effect. If this ordinance is referred, the City may not sell the Bonds unless the voters approve this ordinance.

g. Delegation. After this ordinance takes effect the City's Debt Manager, Chief Financial Officer, Chief Financial Officer and Director of the Bureau of Revenue and Financial Services, Chief Administrative Officer of the Office of Management and Finance, or the person designated by the Chief Administrative Officer of the Office of Management and Finance to act as Debt Manager under this ordinance (any of whom is referred to in this ordinance as a "Debt Manager") may, on behalf of the City and without further action by the Council:

1. Issue the Bonds in one or more series, which may be sold at different times and in combination with other series of revenue bonds authorized by the Council.

2. Determine the security for each series of Bonds, within the limitations stated in Section 1.c of this ordinance.

3. Issue one or more series of the Bonds to provide interim financing for the Housing Projects, enter into lines of credit or similar documents which permit the City to draw Bond proceeds over time, and issue short or long term Bonds to refund the Bonds that provide interim financing for the Housing Projects.

4.   Issue one or more series of the Bonds to provide long term financing for the Housing Projects.

5.   Participate in the preparation of, authorize the distribution of, and deem final preliminary and final official statements or other disclosure documents for each series of the Bonds.

6.   Subject to the limits in this ordinance, establish the final principal amounts, maturity schedules, interest rates, sale prices, redemption terms, payment terms and dates, record dates and other terms for each series of the Bonds, and either publish a notice of sale, receive bids and award the sale of each series to the bidder complying with the notice and offering the most favorable terms to the City, or select one or more underwriters or lenders and negotiate the sale of any series with those underwriters or lenders.

7.   Undertake to provide continuing disclosure for any series of the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.

8.   Finalize the terms of, execute, and deliver bond declarations or other documents that describe the terms of each series of the Bonds. The bond declarations or other documents may also contain covenants for the benefit of the owners.

9.   Appoint and enter into agreements with service providers for the Bonds.

10. Issue any qualifying series of Bonds as "tax-exempt bonds" bearing interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, (the "Code") and enter into covenants for the benefit of the owners of those series to maintain the excludability of interest on those series from gross income under the Code.

11. If federal law then permits, issue any qualifying series of Bonds as "tax credit bonds," "federal subsidy bonds" or other obligations that are eligible for federal tax credits, federal interest rate subsidies or other federal benefits, and enter into any covenants and take any actions that are required to qualify for those federal benefits.

12. Issue any series of Bonds as "taxable bonds" bearing interest that is includable in gross income under the Code.

13.   Apply for and purchase municipal bond insurance or obtain other forms of credit enhancements for any series of Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.

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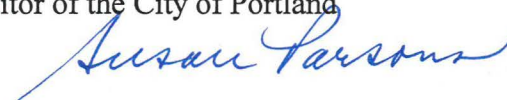
Passed by the Council:

Mayor Ted Wheeler
Prepared by: Bond Counsel:Eric Johansen
Date Prepared: February 28, 2017
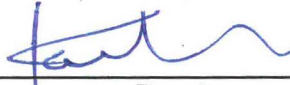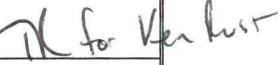
Mary Hull Caballero
Auditor of the City of Portland
By   *Susan Parsons*

                              Deputy

Agenda No.

ORDINANCE NO. 188288

Title

Authorize revenue bonds for affordable housing projects (Ordinance)

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INTRODUCED BY Commissioner/Auditor: **Mayor Ted Wheeler**	CLERK USE: DATE FILED ___MAR 07 2017___
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland
Mayor—Finance & Administration - Wheeler KD	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	By: _____
Position 3/Affairs - Saltzman	Deputy
Position 4/Safety - Eudaly	**ACTION TAKEN:**
BUREAU APPROVAL	MAR 15 2017 PASSED TO SECOND READING MAR 22 2017 9:30 A.M.
Bureau: Revenue and Financial Services Bureau Head: Ken Rust TK for Ken Rust	
Prepared by: Bond Counsel: Eric Johansen EHJ Date Prepared: 2/28/2017	
Impact Statement Completed ☒ Amends Budget ☐	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes ☐ No ☒	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date **3/15/2017**	

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
TIME CERTAIN ☐ Start time: _____			YEAS	NAYS
Total amount of time needed: _____ (for presentation, testimony and discussion)	1. Fritz	1. Fritz	✓	
	2. Fish	2. Fish	✓	
CONSENT ☐	3. Saltzman	3. Saltzman	✓	
REGULAR ☒	4. Eudaly	4. Eudaly	✓	
Total amount of time needed: 5 minutes (for presentation, testimony and discussion)	Wheeler	Wheeler	✓	