

**IMPACT STATEMENT**

**Legislation title:** Authorize revenue bonds for affordable housing projects (Ordinance)  
**Contact name:** Eric Johansen, Debt Manager  
**Contact phone:** x3-4222  
**Presenter name:** Eric Johansen

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

The Ordinance authorizes the issuance of revenue bonds in an amount up to \$9 million to finance the costs of certain affordable housing projects (the “Bonds”). The Bonds will be secured by the City’s full faith and credit, but are expected to be paid from transient lodging tax revenues on short-term residential rentals in Portland. The proposed financing is being done in conformance with debt limitations established in the City’s Debt Management Policy (FIN 2.12).

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 residential rentals to be used for affordable housing. The amount of the transfer starts at \$1.2 million per year and is indexed to inflation. The Portland Housing Bureau (“PHB”) has requested that up to \$1 million of these revenues be used each fiscal year to support debt service payments on bonds issued for affordable housing projects. The Ordinance authorizes the City Budget Office to transfer to the Governmental Bond Redemption Fund (or any successor fund) an amount required to pay debt service on the Bonds in each fiscal year for as long as the Bonds are outstanding.

Because certain property acquisitions expected to be financed with the Bonds are currently being negotiated, the proposed Bonds are expected initially to be issued in the form of a line of credit. Once all acquisitions are completed, the financing plan anticipates the issuance of long-term bonds to repay the line of credit. The Ordinance authorizes both the interim financing and long-term take out financing.

**Financial and budgetary impacts:**

Based on current credit market conditions, PHB’s request of \$1 million per year for debt service supports approximately \$9 million of Bonds for affordable housing projects. The Bonds will be amortized over a ten-year period with the first debt service payment in FY 2017-18.

**Community impacts and community involvement:**

This is an administrative action taken to authorize the issuance of the Bonds, the proceeds of which will be used to finance affordable housing projects. There is no community impact or involvement anticipated.

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

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

Impact Statement for Requested Council Action

---

<b>Fund</b>	<b>Fund Center</b>	<b>Commitment Item</b>	<b>Functional Area</b>	<b>Funded Program</b>	<b>Grant</b>	<b>Sponsored Program</b>	<b>Amount</b>