

IMPACT STATEMENT

Legislation title: *Approve new construction financing in a total amount of \$1,377,173 for New Meadows from the Interstate Corridor URA (Ordinance)

Contact name: **Siobain Beddow, Housing Portfolio Finance Coordinator, Portland Housing Bureau (“PHB”)**

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Presenter name: **Kurt Creager, Director, PHB**

Purpose of proposed legislation and background information:

- This Ordinance requests City Council approval of financing in an amount up to \$1,377,173 using Interstate Corridor URA funding from years 2015-18. The purpose of funding is to allow Bridge Meadows and New Avenues for Youth to construct a new 15-unit multifamily residential project on the site and provide authority for the execution of related loan documents by the Director of the Portland Housing Bureau.
- The project was originally selected by HomeAid, a national non-profit provider of housing for the homeless. They selected a local contractor, Renaissance Homes as the build captain. Unfortunately, Renaissance does not have background with multifamily projects, and they were unable to obtain a performance bond. Staff did not include this in the ordinance itself, just in this background document. Bridge Meadows then requested Walsh Construction to provide a construction cost estimate. Walsh was able to continue \$73,000 in labor and materials discounts initially offered by Renaissance, included in Walsh’s GMP contract as a discount. Bringing an experienced general contractor on board demonstrated a probable underestimation of the project costs. The sponsor raised approximately half of the additional gap from a large private donor to the project, and PHB was asked to fill the remaining amount of \$577,173.

Financial and budgetary impacts:

- There are no additional costs to the City associated with approving this Ordinance other than the \$1,377,173 provided for the project in the Bureau’s 2016-19 budget.
- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for sixty years. The ongoing cost of this work is anticipated in PHB staffing budgets.

Community impacts and community involvement:

This project was awarded funding through two Notice of Funding Availability rounds; the first for \$800,000 in the May 1, 2014 round and an additional \$577,173 in the January 23, 2017 round. This project was also subject to neighborhood variance appeals all the way to City Council. This delayed the project significantly, as well as adding over \$100,000 in legal and additional hard costs.

Because of the narrow tenant targeting, former foster youth, the project is exempt from the Preference Policy. Because the project was already vested, it is not subject to Inclusionary Housing.

Executive Director of Bridge meadows Derenda Schubert and project manager Ross Cornelius will be attending City Council to answer any questions about the project.

Total Units	15
No. at or below 30% MFI	14 units = unsubsidized
	1 units = residential counsellor unregulated
No. at or below 60% MFI	14
Population Specific Units	All target homeless or those at risk of homelessness former foster youth, potentially with a dependent.
PHB Subsidy	\$1,377,173 in Interstate Corridor URA

Budgetary Impact Worksheet

Does this action change appropriations?

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