

## IMPACT STATEMENT

**Legislation title:** \*Authorize construction and permanent financing in an amount not to exceed \$5,766,360, and a ground lease with 72<sup>nd</sup> and Foster Limited Partnership for portions of City-owned property at 5005 SE 72<sup>nd</sup> Avenue to facilitate the affordable redevelopment project known as 72Foster (Ordinance)

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

**Contact phone:** 503-823-3273

**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 \$5,766,360 using Lents Town Center URA funding from years 2016-19, and to execute a 99-year ground lease with 72<sup>nd</sup> and Foster Limited Partnership for the city owned site.
- The purpose of funding is to allow REACH Community Development Corporation to construct a new 101-unit mixed-use project on the site and provide authority for the execution of related ground lease and loan documents by the Director of the Portland Housing Bureau.

### Financial and budgetary impacts:

- The only additional cost to the City associated with approving this Ordinance other than the \$5,766,360 provided for the project in the Bureau's 2016-19 budget is a quarterly sewer/water billing in an estimated amount of \$50, prior to the developer assuming the water bill.
- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for ninety-nine years. The ongoing cost of this work is anticipated in PHB staffing budgets.
- The ground lease income of \$1 is the total revenue from the lease.

### Community impacts and community involvement:

This project was awarded funding and development rights to the site through PHB's Notice of Funding Availability, published October 27, 2015.

The general contractor is LMC Construction, and the project is estimated to obtain a 38% goal for MWESB subcontractor involvement. The architectural firm is MWESB certified, Holst Architects, resulting in 92% MWESB target reached for architectural and engineering services (professional services).

REACH's Executive Director Dan Valliere, Housing Development Manager, Jessica Woodruff, and Project manager, Lucy Corbett have been invited to testify.

Total Units	101
No. at or below 30% MFI	20 units = Project based Section 8
No. at or below 60% MFI	81 = PHB restriction

Total	101
Population Specific Units	none
PHB Subsidy	\$5,766,360 in Interstate Corridor URA

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

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