

ORDINANCE No. 189069

*Authorize the purchase of certain real property located at 5827 NE Prescott St at a price and closing costs not to exceed \$558,000 to develop new affordable housing (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. On behalf of the City of Portland, the Portland Housing Bureau (“PHB”) administers programs to support the development and preservation of affordable housing.
2. In November 2016 Portland voters approved Measure 26-179, authorizing the City to issue up to \$258,400,000 in general obligation bonds (“Portland’s Housing Bond” or “the Bond”) for affordable housing. In April 2017, the Portland Housing Bureau (PHB) convened the Stakeholder Advisory Group (SAG) to create a Framework to guide bond investments and operations. The Portland City Council accepted the Stakeholder Advisory Group Framework (“SAG Framework”) in October of 2017.
3. Upon identification of the subject property for potential acquisition, PHB staff and the Bond Property Review committee (which includes the PHB leadership team, two members of the Bond Oversight Committee and a Home Forward representative) confirmed that the property would meet the SAG Framework goals for Bond expenditures.
4. With the Bond Oversight Committee’s concurrence, on February 20, 2018 PHB entered into an agreement with the owner “Philip M. Rothrock Trust” to purchase the property in the amount of \$500,000.
5. In the ensuing days, PHB completed a due diligence investigation of the property including a home inspection, real estate valuation report, title report, surveys, hazardous materials testing and phase I and II environmental testing. From these PHB has determined the risks associated with acquiring the property and deemed them acceptable.
6. The approximately 19,000 square foot property currently contains a single-family home. The property is currently zoned Commercial Mixed-Use (CM2h). PHB intends to keep the property as-is and continuing leasing the existing home until a development plan is in place. It is projected that this property will be redeveloped as a 50-70-unit, new construction project for the Portland Housing Bond.

7. Home Forward will provide asset management services for the property under the Intergovernmental Agreement (IGA) approved by Council on February 28, 2018. Asset management services will include contracting a third-party property management firm to coordinate day-to-day operations and maintenance for the existing home, and eventually, the new construction building.
8. Council's approval of the transaction is a necessary condition to the City's acquisition of the property which could take place as early as July 20, 2018.

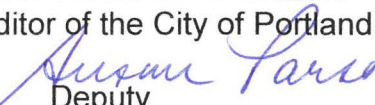
NOW, THEREFORE, the Council directs:

- a. The Portland Housing Bureau Director is hereby authorized to acquire real property located at 5827 NE Prescott Street in Portland for an amount not to exceed the purchase price of \$500,000 and to pay, in addition to the purchase price, customary costs related to the Closing in an amount not to exceed \$58,000, and to enter into any and all agreements necessary to complete the transaction contemplated by this Ordinance.
- b. The Portland Housing Bureau Director is further authorized to approve amendments or modifications to the Agreement or other related agreements within the maximum amounts 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 approval would delay Portland Housing Bureau's ability to acquire the property in accordance with the purchase agreement and compromise its ability to make the property immediately available for use for affordable housing; therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council, JUL 18 2018

Commissioner Ted Wheeler
Prepared by: Tanya Wolfersperger
Date Prepared: June 7, 2018

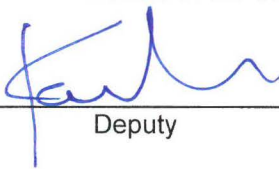
MARY HULL CABALLERO
Auditor of the City of Portland
By 
Deputy

Agenda No. **ORDINANCE NO.**


189069

Title

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to develop new affordable housing

INTRODUCED BY Commissioner/Auditor: Mayor Wheeler	CLERK USE: DATE FILED <u>JUL 10 2018</u>
COMMISSIONER APPROVAL	Mary Hull Caballero Auditor of the City of Portland By:  Deputy ACTION TAKEN:
Mayor—Finance & Administration - Wheeler <i>KC</i>	
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Eudaly	
BUREAU APPROVAL	
Bureau: Housing Bureau Head: Shannon Callahan <i>[Signature]</i>	
Prepared by: Tanya Wolfersperger Date Prepared: June 25, 2018	
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input checked="" type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i>	
Council Meeting Date July 18, 2018	

AGENDA
TIME CERTAIN <input checked="" type="checkbox"/> <i>10:35</i> Start time: 10:45 10:35 Total amount of time needed: ¹⁵ <u>20 minutes</u> (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz		
2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	<input checked="" type="checkbox"/>	
4. Eudaly	<input checked="" type="checkbox"/>	
Wheeler	<input checked="" type="checkbox"/>	