

IMPACT STATEMENT

Legislation title: * Authorize new construction financing in an amount not to exceed \$4,000,000 for the Magnolia 2 Apartments (Ordinance)

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

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Presenter name: Shannon Callahan, Interim Director, PHB

Purpose of proposed legislation and background information:

- This Ordinance requests City Council approval of financing in an amount up to \$4,000,000 using Interstate Corridor Urban Renewal Area (ICURA) Tax Increment Financing (TIF) from fiscal years 2018-2020.
- The purpose of funding is to allow Innovative Housing Inc. to construct a new 50-unit affordable housing project and provide authority for the execution of loan documents by the Director of the Portland Housing Bureau.
- The Project will provide 50 units at or below 60% of area median income (AMI), including 6 units at or below 30% AMI. Three of those 30% AMI units will be for permanent supportive housing (PSH) as long as funding for related supported services are available. If no funding for PSH is available, the requirement for PSH units terminates.

Financial and budgetary impacts:

- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for sixty years. PHB elects to require a 99-year affordability period for this project. The ongoing cost of this work is anticipated in PHB staffing budget.

Community impacts and community involvement:

As required by PHB, IHI presented to the N/NE Neighborhood Housing Strategy Oversight Committee on September 14th. Committee response was overwhelmingly positive. IHI provided a written update in November, briefing the committee on the project’s progress and revised timeline. No further correspondence with the N/NE Oversight Committee was required.

IHI also presented to the Eliot Neighborhood Land Use Committee. In January, IHI sent the required Bureau of Development Services (BDS) meeting request form along with a letter offering to present the project to the neighborhood association and presented to the committee on February 12th. They were generally supportive and did not request a follow up meeting or further correspondence. The last piece of the BDS Neighborhood Contact requirement was a follow up letter sent to the neighborhood association in March updating any substantial changes in the project since that meeting.

Total Units	50
No. at or below 30% MFI	6 units
No. at or below 60% MFI	50
Total	50

Population Specific Units	3 Permanent Supportive Housing Units, subject to funding for service support from the Joint Office of Homeless Services.
PHB Subsidy	\$4,000,000 in Interstate URA

100% Renewable Goal:

Project will be certified Earth Advantage GOLD and will contribute to the City's goals to reach 100% energy needs with renewable energy by 2050 by decreasing total energy use.

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

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