

## ORDINANCE No. 189210

\*Authorize financing in an amount not to exceed \$3,213,319 for the redevelopment of the Oak Leaf Mobile Home Park located at 4552 and 4556 NE Killingsworth St (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 affordable housing programs using resources, including federal Community Development Block funds (“CDBG”), to support the development of affordable housing.
2. At the direction of the City Council, PHB worked with the residents of the Oak Leaf Mobile Home Park (“Project”, “Oak Leaf”) on the acquisition and redevelopment of the park to preserve it as affordable housing. Located at 4552 & 4556 Northeast Killingsworth Street, the Project originally had 34 rental spaces, 27 of which were occupied at the time (6/16/16 City Council meeting) PHB was asked to provide funding.
3. Initially, Living Cully Oak Leaf acquired the project while PHB searched for a replacement non-profit to CASA of Oregon, which was initially involved, but unable to complete the initial purchase process. St. Vincent de Paul Society of Lane County Inc. (“SVDP”) stepped in in 2017 to acquire the Project from Living Cully Oak Leaf and operate the park while performing due diligence.
4. As a result of due diligence to determine the physical needs of the Project, SVDP has requested that PHB provide up to \$3,213,319 (the “City Funding”) to assist in the acquisition and redevelopment of the park.
5. Rents will be restricted at 60% median family income (“MFI”) or below. However rents charged to residents may not increase for twelve months post-rehabilitation in keeping with CDBG requirements. While the regulated rents will be restricted at or below 60% MFI, the current residents have incomes closer to 30% MFI. Rents may escalate at 2% per annum from the time of rehabilitation, after the twelve-month stay. Rents may increase to the higher 60% MFI only after the unit turns over to a new tenant. Because the unit sizes range from one- to two-bedroom, the Project could currently serve households with incomes from \$17,904 to \$50,793.
6. Because of changes to the zoning of the property, there is room for only 22 units in the park.
7. Oak Leaf will enter into a 99-year regulatory agreement with PHB.
8. The City Funding is necessary to leverage more than \$2,056,266 of other public and private financing needed from Oregon Housing and Community Services, Network for Oregon Affordable Housing, Multnomah County, Oregon Community Foundation, Bank of America and Energy Trust of Oregon.

9. On September 20, 2018, the PHB Housing Investment Committee recommended approval of the City Funding for Oak Leaf.

NOW, THEREFORE, the Council directs:

- a. The Director of PHB is hereby authorized to execute any and all financing documents necessary to provide an amount not to exceed \$3,213,319 to SVDP for the Project.
- b. The Director of PHB is authorized to approve amendments or modifications to any and all financing documents, 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 impair the ability of the Project to meet the timeline required by other financing sources and would delay the Project and could affect the budget: therefore, this Ordinance shall be in full force and effective from and after its passage.

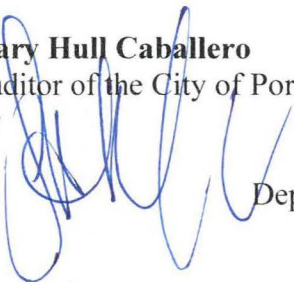
Passed by the Council: OCT 17 2018

Mayor Ted Wheeler

Prepared by: Siobain Beddow

Date Prepared: September 17, 2018

**Mary Hull Caballero**  
Auditor of the City of Portland  
By



Deputy

Agenda No.  
**ORDINANCE NO. 189210**  
 Title

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b>	CLERK USE: DATE FILED <b>OCT 09 2018</b>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration – Wheeler <i>MTF</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <i>[Signature]</i> Deputy
<b>BUREAU APPROVAL</b> Bureau: Housing Bureau Head: Shannon Callahan <i>[Signature]</i> Prepared by: Siobain Beddow Date Prepared: 9/17/18	<b>ACTION TAKEN:</b>
<b>Impact Statement</b> Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
<b>Portland Policy Document</b> If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
<b>City Auditor Office Approval:</b> required for Code Ordinances	
<b>City Attorney Approval:</b> <i>10/3/18</i> required for contract, code, easement, franchise, charter, Comp Plan <i>[Signature]</i>	
Council Meeting Date <b>10/17/18</b>	

<b>AGENDA</b> <b>TIME CERTAIN</b> <input checked="" type="checkbox"/> Start time: <del>2:20 PM</del> <b>10:00</b> <b>Total amount of time needed: 20 minutes</b> (for presentation, testimony and discussion)
<b>CONSENT</b> <input type="checkbox"/>
<b>REGULAR</b> <input type="checkbox"/> <b>Total amount of time needed: 20 minutes</b> (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	✓	
Wheeler	Wheeler	✓	