

ORDINANCE No. 189250 As Amended

*Authorize the purchase of certain real property known as the Westwind Apartments located at 323-327 NW Sixth Ave for purchase price and closing costs in an amount not to exceed \$3,052,056 (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 (or "the Bond") for affordable housing. In April 2017, the 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 June 20, 2018 PHB entered into an agreement with the owner "Westwind Building LLC" to purchase the property in the amount of \$3,000,000. PHB has identified TIF funds from the Downtown Waterfront Urban Renewal District as the funding source for this acquisition.
5. In the ensuing days, PHB completed a due diligence investigation of the property including a capital needs assessment, appraisal, title report, survey, seismic analysis and phase I environmental testing. Based on the results of this investigation work, PHB has determined the risks associated with acquiring the property and deemed them acceptable.
6. The approximately 10,000 square foot lot is improved with an apartment building that contains 70 single-room occupancy (SRO) residential units and approximately 5,000 square feet of ground-floor commercial space. The property is zoned Central Commercial (CX), a high density commercial zone. Upon acquisition, PHB would immediately begin life, health and safety related repairs while finalizing a longer-term development and programming plan for the building and its residents. It is possible that residents may need to relocate, either temporarily or permanently, during the rehabilitation work.

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 with a third-party property management firm to coordinate day-to-day operations, maintenance and service contracts.
8. Council's approval of the transaction is a necessary condition to the City's acquisition of the property which must take place no later than November 30, 2018.

NOW, THEREFORE, the Council directs:

- a. The Portland Housing Bureau Director is hereby authorized to acquire the real property located at 323-327 NW Sixth Avenue in an amount not to exceed the purchase price of \$3,000,000 and to pay, in addition to the purchase price, customary costs related to the closing, 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 and related agreements within the maximum expenditure amounts approved under this Ordinance, and subject to approval as to the form of such documents by the City Attorney's Office.
- c. In order to ensure sufficient cash flow to operate the subject property for the remainder of the fiscal year, this ordinance authorizes a transfer of \$154,000 from the Housing Investment Fund to the Tax Increment Financing Reimbursement Fund.

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 effect from and after its passage.

Passed by the Council, NOV 14 2018

Commissioner Ted Wheeler
Prepared by: Tanya Wolfersperger
Date Prepared: September 24, 2018

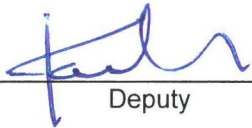
MARY HULL CABALLERO
Auditor of the City of Portland
By

Deputy

1166
Agenda No.
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Title known as the Westwind Apartments

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Wheeler</p>	<p>CLERK USE: DATE FILED <u>NOV 06 2018</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p>	<p style="text-align: right;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Housing Bureau Head: Shannon Callahan</p> <p>Prepared by: Tanya Wolfersperger Date Prepared: October 17, 2018</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input checked="" type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter</p> <p>Council Meeting Date 11/14/18</p>	<p>ACTION TAKEN:</p>

AGENDA	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:																			
<p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>9:45</u></p> <p>Total amount of time needed: 30 minutes (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th></th> <th style="width: 15%; text-align: center;">YEAS</th> <th style="width: 15%; text-align: center;">NAYS</th> </tr> <tr> <td>1. Fritz</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>2. Fish</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>Wheeler</td> <td style="text-align: center;">✓</td> <td></td> </tr> </table>		YEAS	NAYS	1. Fritz	✓		2. Fish	✓		3. Saltzman	✓		4. Eudaly	✓		Wheeler	✓			
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