

## ORDINANCE No. 189275

\* Authorize conveyance of city-owned property located at 6431-6435 and 6445 NE Martin Luther King Jr Blvd to PCRI NE Housing 2 LLC and funding in an amount not to exceed \$5,700,000 to its affiliate, King Parks Apartments Limited Partnership for the construction of a new affordable multifamily housing development located in the Interstate Corridor Urban Renewal Area (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. On behalf of the City of Portland, PHB administers affordable housing programs using resources, including tax increment proceeds and city-owned real estate, to support the development of affordable housing.
2. The Portland Development Commission (“PDC”) acquired certain real property in the Interstate Corridor Urban Renewal Area (“ICURA”) located at 6431-6435 and 6445 NE Martin Luther King Junior Boulevard (the “Property”) in 2002-2004 and conveyed it to the Portland Housing Bureau (“PHB”) in 2010.
3. In the Fall of 2015, PHB published a Notice of Funding Availability to select an applicant for affordable housing projects in Portland, and reserved funding for the development at the site to Portland Community Reinvestment Initiatives (“PCRI”) in September 9, 2016. In addition to the Property, PHB is seeking to award ICURA funds in an amount not to exceed \$5,700,000 (the “City Funding”) for a proposed 70-unit affordable housing project (“Project”).
4. The Project will have 70 residential units, 50 of which are larger family-sized two and three-bedroom units. All rental units are affordable to households at or below 60% of the area’s median family income (MFI), with 24 units affordable to those at or below 30% MFI. Twenty of the twenty-four 30% MFI units are supported by project-based Section 8 vouchers. Six of the units will be listed as Inclusionary Housing units. One of the residential units is an unregulated manager’s unit.
5. PHB and PCRI Northeast Housing 2 LLC (“Developer”), a PCRI controlled entity, intend to enter into a Disposition and Development Agreement (“DDA”) that sets forth the terms and conditions of the Property disposition and Project development.
6. PHB intends to convey the Property at a nominal fee to Developer, who will transfer the Property to King Parks Apartments Limited Partnership (the “Borrower”) for tax credit purposes.
7. Total Project costs are about \$27,800,000. The City Funding is necessary to leverage more than \$18,300,000 of other public and private financing needed to develop the Project. The City Funding will be comprised of ICURA funds.

8. Other funders include Umpqua Bank, US Bank, Oregon Housing and Community Services, and Metro.
9. The PHB Housing Investment Committee recommended approval of the Property conveyance and City Funding on October 9, 2018.
10. The Project will be the fourth multifamily rental project subject to the City's Preference Policy and will enter into a regulatory agreement with PHB in accordance with City Code to maintain affordability for a minimum of 60 years.

NOW, THEREFORE, the Council directs:

- a. The Director of PHB is hereby authorized to execute the DDA and any other documents as may be required to convey the Property to Developer, subject to the approval as to form of such documents by the City Attorney's Office.
- b. The Director of PHB is hereby authorized to execute any and all financing documents necessary to provide the City Funding in an amount not to exceed \$5,700,000 of ICURA funds for the Project.
- c. The Director of PHB is authorized to approve amendments or modifications to the DDA, any and all financing documents in form and substance as required to complete the conveyance and financing authorized by this Ordinance, within the maximum amount 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 action would delay the start of the project construction, and could affect the project's long term budget, and impact the availability of funds with which to pay the City: therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council: DEC 05 2018

Mayor Ted Wheeler  
Prepared by: John D. Marshall  
Date Prepared: November 16, 2018

Mary Hull Caballero  
Auditor of the City of Portland

By 

Deputy

Agenda No.

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<b>INTRODUCED BY</b> Commissioner/Auditor: <b>Mayor Wheeler</b>	CLERK USE: DATE FILED <u>NOV 27 2018</u>
<b>COMMISSIONER APPROVAL</b> Mayor—Finance & Administration - Wheeler <i>WA</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: <u><i>Susan Pearson</i></u> Deputy
<b>BUREAU APPROVAL</b> Bureau: Housing Bureau Head: Shannon Callahan <i>[Signature]</i> Prepared by: John Marshall Date Prepared: Nov. 19, 2018 Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input type="checkbox"/> <b>City Auditor Office Approval:</b> required for Code Ordinances <b>City Attorney Approval:</b> required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i> Council Meeting Date <b>Dec. 5, 2018</b>	<b>ACTION TAKEN:</b>

<b>AGENDA</b> <b>TIME CERTAIN</b> <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion) <b>CONSENT</b> <input type="checkbox"/> <b>REGULAR</b> <input checked="" type="checkbox"/> Total amount of time needed: <b>20 mins</b> (for presentation, testimony and discussion)	<table border="1"> <tr> <th>FOUR-FIFTHS AGENDA</th> <th colspan="2">COMMISSIONERS VOTED AS FOLLOWS:</th> </tr> <tr> <th></th> <th>YEAS</th> <th>NAYS</th> </tr> <tr> <td>1. Fritz</td> <td>✓</td> <td></td> </tr> <tr> <td>2. Fish</td> <td>✓</td> <td></td> </tr> <tr> <td>3. Saltzman</td> <td>✓</td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td>✓</td> <td></td> </tr> <tr> <td>Wheeler</td> <td>✓</td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	✓		2. Fish	✓		3. Saltzman	✓		4. Eudaly	✓		Wheeler	✓	
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