

**ORDINANCE No. 189597**

\*Authorize new construction financing in an amount not to exceed \$3.3 million for the Kilpatrick affordable home ownership project (Ordinance)

The City of Portland Ordains:

Section 1. The Council finds:

1. On behalf of the City of Portland, the Portland Housing Bureau (“PHB”) administers affordable housing programs using resources, including Tax Increment Financing (“TIF”) from Urban Renewal Areas (“URAs”), to support the development of affordable housing.
2. On November 9, 2017, the N/NE Oversight Committee reviewed and agreed to the project and funding sources and PHB issued a reservation of funds letter issued on November 13, 2017 for \$3,000,000 from the Interstate Corridor URA for the development of Kilpatrick townhouses; since then costs have increased.
3. The Kilpatrick townhouses (the “Project”), located in the Kenton Neighborhood, will be a new construction, 30-unit, for-sale affordable home ownership project, consisting of all family-sized units, fifteen (15) two-bedrooms and fifteen (15) three-bedrooms.
4. All homebuyers will be identified through the N/NE Preference Policy. The Kilpatrick is projected to house an estimated 113 people from families previously displaced in the Interstate Corridor.
5. All units will be permanently affordable with two-bedroom units covenanted to be at or below 80% median family income (“MFI”) and three-bedroom units at or below 100% MFI.
6. Initial Preference Policy homebuyers will range in income, with twelve (12) families at 35-60% MFI, thirteen (13) families at 61-80% AMI and five (5) families at 81-100% MFI.
7. The proposed City Funding leverages more than \$7,000,000 of financing from First Republic Bank, Habitat sponsors and donations, and other City waivers including system development charges and home ownership limited tax exemption.
8. On June 20, 2019, the PHB Housing Investment Committee recommended approval of the City Funding for the Kilpatrick.


NOW, THEREFORE, the Council directs:

- a. The Director of PHB is hereby authorized to execute any and all financing and related documents necessary to provide an amount not to exceed \$3,300,000 to Habitat for Humanity Portland/Metro East or its affiliates.
- b. The Director of PHB is authorized to approve amendments or modifications to any and all financing and related 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 Project timeline for construction, delivery of units to homebuyers, and could potentially affect the budget. therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: JUL 10 2019

Mayor Ted Wheeler  
Prepared by: Jill Chen  
Date Prepared: June 24, 2019

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

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<p><b>INTRODUCED BY</b>                  Commissioner/Auditor:  <b>Mayor Wheeler</b></p> <p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance &amp; Administration - Wheeler <i>mw</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Hardesty</p> <p>Position 4/Safety - Eudaly</p> <p><b>BUREAU APPROVAL</b></p> <p>Bureau: Housing                  Bureau Head: Shannon Callahan <i>SC</i></p> <p>Prepared by: Jill Chen                  Date Prepared: 6/24/2019</p> <p>Impact Statement                  Completed <input checked="" type="checkbox"/> Amends Budget <input 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><b>City Auditor Office Approval:</b>                  required for Code Ordinances</p> <p><b>City Attorney Approval:</b>                  required for contract, code, easement, franchise, comp plan, charter <i>AD</i></p> <p>Council Meeting Date <b>7/10/2019</b></p>	<p>CLERK USE: DATE FILED <u>JUL 01 2019</u></p> <p>Mary Hull Caballero                  Auditor of the City of Portland</p> <p>By: <i>[Signature]</i>                  Deputy</p> <p><b>ACTION TAKEN:</b></p>
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<p><b>AGENDA</b> <i>2 of 3</i></p>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/>                  Start time: <u>10:15</u></p> <p><b>Total amount of time needed: 15minutes</b>                  (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p><b>Total amount of time needed:</b> _____                  (for presentation, testimony and discussion)</p>

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