

ORDINANCE No. 189598

*Authorize new construction financing in an amount not to exceed \$7,350,000 for the 106Halsey/Gateway Park project (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 tax increment financing ("TIF") from urban renewal areas ("URAs"), to support the development of affordable housing.
2. Under the "Fall 2015 Notice of Funding Availability dated October 17, 2015" (referred to as "2015 NOFA"), PHB awarded resources in an amount not to exceed \$4,500,000 in Gateway Urban Renewal Area ("GWURA") TIF for a mixed-income and mixed use, new construction development at NE 106th & NE Halsey (the "Project" or "GWP") to Gateway Halsey Limited Partnership, an affiliate of the non-profit affordable housing developer, Human Solutions Inc. ("HS").
3. Due in part to the 2017 federal tax reform which reduced the pricing for Low Income Housing Tax Credits, a consistent and steep rise in construction costs, the increased number of affordable units, and challenges surrounding the non-affordable components of the Project, the required PHB funding increased to \$7,350,000. Of this total amount, \$6,602,708 is GWURA funds, \$446,767 is PHB HOME funds and \$300,495 is Multnomah County HOME funds (collectively, the "City Funding").
4. GWP will be new construction containing office space for HS, several retail spaces, and 75 multifamily rental units with community space, bicycle and vehicle parking and a leasing office. Of the 75 rental units, 23 are market and middle-income units and 52 are affordable to households at or below 60% of median family income. City Funding requested here will only be used to support the 52 affordable units and related portions of community spaces, which will be in a separate legal condominium from the rest of the building; however, units will be scattered throughout the total 75 rental units. As required by tax credit regulations, there are no differences between affordable and market rate units.
5. Under the same 2015 NOFA, Prosper Portland offered development rights to the site at NE 106th & NE Halsey, later electing to lease rather than sell the site to the Project. Prosper Portland is providing funding support to the non-income restricted residential condo and will develop and own the ground floor retail condominium directly. Neither PHB nor Prosper are providing funding for the office space.
6. The 52 affordable units will serve individuals and families with incomes at or below 60% of median family income ("MFI"). These equate to households of four with current annual incomes of \$44,240 or less.

7. The Project is comprised of 11 studios, 31 one-bedroom, and 10 two-bedroom units. A total of seven units will be affordable at 30% MFI, all of which are unsubsidized. The composition of the 30% MFI units is: 5 one-bedroom, and 2 two-bedroom units. Unit sizes range from 616 square feet to 904 square feet.
8. GWP will enter into regulatory agreements with PHB in accordance with City policies to maintain the affordability for the Project's 52 units for up to 99 years.
9. The proposed City Funding leverages more than \$10,000,000 of other public and private financing contributed by Oregon Housing and Community Services, Chase Bank, PNC Real Estate, Portland Metro and Multnomah County.
10. On June 20, 2019, the PHB Housing Investment Committee recommended approval of the City Funding for GWP.

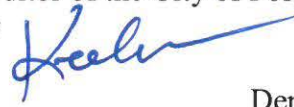
NOW, THEREFORE, the Council directs:

- a. The Director of PHB is hereby authorized to execute any and all financing documents necessary to provide an amount not to exceed \$7,350,000 to HS or its affiliates.
- 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 by the Council.

Passed by the Council: JUL 10 2019

Mayor Ted Wheeler
Prepared by: Siobain Beddow
Date Prepared: 5/30/19

Mary Hull Caballero
Auditor of the City of Portland
By 
Deputy

651

Agenda No.
ORDINANCE NO. 189598
 Title

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INTRODUCED BY Commissioner/Auditor: Mayor Wheeler	CLERK USE: DATE FILED JUL 01 2019
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler <i>[Signature]</i> Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Hardesty Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: <i>[Signature]</i> Deputy
BUREAU APPROVAL Bureau: Housing Bureau Head: Shannon Callahan <i>[Signature]</i> Prepared by: Siobain Beddow Date Prepared: 05/30/19 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 checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i> Council Meeting Date 07/10/19	ACTION TAKEN:

AGENDA <i>1 of 3</i> TIME CERTAIN <input checked="" type="checkbox"/> Start time: 10:15 Total amount of time needed: 20 (for presentation, testimony and discussion) CONSENT <input type="checkbox"/> REGULAR <input type="checkbox"/> Total amount of time needed: (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><i>[Signature]</i></td> <td></td> </tr> <tr> <td>2. Fish</td> <td><i>[Signature]</i></td> <td></td> </tr> <tr> <td>3. Hardesty</td> <td><i>[Signature]</i></td> <td></td> </tr> <tr> <td>4. Eudaly</td> <td><i>[Signature]</i></td> <td></td> </tr> <tr> <td>Wheeler</td> <td><i>[Signature]</i></td> <td></td> </tr> </table>	FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:			YEAS	NAYS	1. Fritz	<i>[Signature]</i>		2. Fish	<i>[Signature]</i>		3. Hardesty	<i>[Signature]</i>		4. Eudaly	<i>[Signature]</i>		Wheeler	<i>[Signature]</i>	
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