

ORDINANCE No. 190265

*Authorize conveyance of City-owned real property located at 5827 NE Prescott Street and financing in amount not to exceed \$8,025,000 to NE Prescott Limited Partnership or a Community Development Partners, Inc. / Native American Youth and Family Center affiliate for development of a new 50-unit affordable housing 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 Portland Housing Bonds (Portland Bonds) to support the development of affordable housing.
2. In the spring of 2019, PHB published a Bond Opportunity Solicitation (BOS) inviting developers to submit proposals for affordable rental housing projects. The BOS offered three City-owned sites including 5827 NE Prescott Street for affordable housing development and/or rehabilitation.
3. On October 7, 2019 PHB issued an Award Letter to Community Development Partners, Inc. (CDP) and Native American Youth and Family Center (NAYA) indicating selection of their project to receive Portland Bond funds and development rights to the Prescott site.
4. CDP and NAYA will form a limited partnership, NE Prescott Limited Partnership (Borrower), to acquire the site from PHB for a nominal fee in exchange for a 99-year covenant to maintain the site for affordable housing and to develop a new 4-story multifamily rental project known as Hayu Tilixam (Project). The Project is located at 5827 NE Prescott Street in the Cully neighborhood and consists of 50 affordable rental units.
5. Nine (9) Permanent Supportive Housing (PSH) units in the Project will receive additional funding for supportive services provided through the BOS from the Joint Office of Homeless Services (JOHS) totaling up to \$10,000 per year per unit. PSH units are intended to serve the homeless or those at risk of homelessness. Eight (8) of the PSH units will have rental support from Project-Based Section 8 vouchers.
6. Twenty-two (22) units in the Project will be affordable to individuals and families earning up to 60% of area median income (AMI), and 11 units will be affordable to those earning up to 50% AMI. The remaining 17 units will serve households earning up to 30% AMI, of which nine are PSH units. The Project does not include any manager's units.
7. The Project consists of 8 studios, 22 one-bedroom units, 11 two-bedroom units, and 9 three-bedroom units. Family-sized units, defined as two- and three-bedroom units, comprise forty percent (or 20) of the total units.

8. The Borrower will enter into two regulatory agreements with PHB. The first agreement will be for 20 years to comply with the Portland Bond requirements. The second regulatory agreement will be for 99 years to continue affordability requirements and comply with additional City requirements.
9. The proposed Portland Bond funding leverages more than \$10 million of other public and private financing contributed by NAYA, Washington Federal, Citibank, National Equity Fund, the Oregon Housing and Community Services Department and other funders, and City development incentives in the form of System Development Charge exemptions. The Project will also result in the conveyance of City-owned real property to support the development of affordable housing.
10. On December 17, 2020 the PHB Housing Investment Committee recommended approval of the use of Portland Bond funds for development of the Project.

NOW, THEREFORE, the Council directs:

- a. The Director of the Portland Housing Bureau is hereby authorized to execute, amend or modify a Disposition and Development Agreement and any other documents as may be required to convey the property to NE Prescott Limited Partnership or a CDP/NAYA affiliate, 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 and related documents necessary to provide an amount not to exceed \$8,025,000 to the Borrower or a CDP / NAYA affiliate for the construction and operation of the Project.
- c. 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 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: January 20, 2021

Commissioner Dan Ryan
Prepared by: Lindsay Brown
Date Prepared: 12/17/20

Mary Hull Caballero
Auditor of the City of Portland

By *Keelan McClymont*
Deputy

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 Agenda No.
 ORDINANCE NO. **190265**
 Title

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<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Dan Ryan</p>	<p>CLERK USE: DATE FILED <u>January 12, 2021</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance & Administration - Wheeler</p> <p>Position 1/Utilities - Rubio</p> <p>Position 2/Works - Ryan <i>Yesenia L. Carrillo</i> <small>Digitally signed by Yesenia L. Carrillo Date: 2021.01.11 12:29:48 -08'00'</small></p> <p>Position 3/Affairs - Hardesty</p> <p>Position 4/Safety - Mapps</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p style="text-align: center;"><i>Keelan McClymont</i> By: _____ Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Housing Bureau Head: <i>Shannon Callahan</i> <small>DocuSigned by: Shannon Callahan DAB2F65BDAFB-CD...</small></p> <p>Prepared by: Lindsay Brown Date Prepared: 12/21/2020</p>	<p>ACTION TAKEN:</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>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>Adrienne DelCotto</i> <small>Digitally signed by Adrienne DelCotto Date: 2021.01.07 16:24:48 -08'00'</small></p>	
<p>Council Meeting Date <u>1/20/2021</u></p>	

AGENDA

TIME CERTAIN
 Start time: _____

Total amount of time needed: _____
 (for presentation, testimony and discussion)

CONSENT

REGULAR 30 mins
Total amount of time needed: _____
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Rubio	✓	
2. Ryan	✓	
3. Hardesty	✓	
4. Mapps	✓	
Wheeler	✓	