

## IMPACT STATEMENT

**Legislation title:** \*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).

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**Presenter name:** Shannon Callahan, Director, PHB  
Paul Lumley, Executive Director, Native American Youth and Family Center (NAYA), [PaulL@nayapdx.org](mailto:PaulL@nayapdx.org)  
Eric Paine, Chief Executive Officer, Community Development Partners, Inc., [Eric@communitydevpartners.com](mailto:Eric@communitydevpartners.com)

**Also present:** Oscar Arana, Director of Community Development, NAYA, [OscarA@nayapdx.org](mailto:OscarA@nayapdx.org)  
Keith Ferrante, Housing Development Project Manager, NAYA, [FerranteK@nayapdx.org](mailto:FerranteK@nayapdx.org)  
Lucy Corbett, Development Manager, CDP Inc., [Lucy@communitydevpartners.com](mailto:Lucy@communitydevpartners.com)

**Purpose of proposed legislation and background information:**

- This Ordinance requests City Council approval:
  - a. To convey the City-owned site located at 5827 NE Prescott Street to NE Prescott Limited Partnership or a Community Development Partners, Inc. (CDP) / Native American Youth and Family Center (NAYA) affiliate, and
  - b. Of financing in an amount up to \$8,025,000 using Portland Housing Bonds (“Portland Bonds”) from fiscal years 2020-23.
- The land conveyance and funds will allow NE Prescott Limited Partnership or a Community Development Partners, Inc. (CDP) / Native American Youth and Family Center (NAYA) affiliate to construct a new 50-unit affordable housing project at the site named Hayu Tilixam (the Project). Approval of the Ordinance will authorize the Director of the Portland Housing Bureau to execute a Disposition and Development Agreement (“DDA”) governing the terms of the conveyance and the construction and operation of the development as affordable housing.

- Hayu Tilixam will provide 17 units at or below 30% of area median income (AMI), including nine (9) Permanent Supportive Housing (PSH) units for people who are homeless or at risk of homelessness. The PSH units will receive service subsidy from the Joint Office of Homeless Services (JOHS). Eleven units will be restricted to households earning up to 50% AMI; the remaining twenty-two units will be restricted to households earning up to 60% AMI. Eight (8) of the PSH units will be subsidized by Federal Project Based Section 8 vouchers.

**Financial and budgetary impacts:**

- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for a minimum of sixty years and PHB funded projects are regulated for a term of 99 years.
- The financing amount requested in this legislation is included in the PHB FY 2020-21 Adopted Budget and the bureau five-year forecast.
- The cost of PHB delivery of the units including community outreach, establishment and coordination of a Bond Oversight Committee, project due diligence, construction monitoring, negotiations, and documentation related to the development of the Project are anticipated and included in the PHB FY 20-21 Adopted Budget and covered by the Program Delivery Fee.
- PHB will charge a fee over the life of the project to cover compliance monitoring costs.
- The Project is applying and qualifies for System Development Charge (SDC) waivers, which collectively total an estimated \$806,150 in foregone City revenue.
- Costs to PHB to maintain the site (landscaping, security, cleanup) will be eliminated in FY 2020-21 budget as new affordable housing development is expected to close in first quarter 2021.
- PHB has an adjusted basis of \$ \$380,059 for the Property based on the PHB purchase price in 2018. The value of the property will be removed from the City's accounts upon conveyance to NE Prescott Limited Partnership or a CDP/NAYA affiliate.

**Community impacts and community involvement:**

- Redevelopment of a site with a vacant, uninhabitable single-family home.
- 50 units of affordable housing in northeast Portland, in the Cully neighborhood.
- 17 (or 34%) of the affordable units will be restricted to households earning 30% AMI or less.
- 20 (or 40%) of the affordable units will be family sized (two and three bedrooms).
- NAYA and Native American Rehabilitation Association of the Northwest (NARA) will provide case management, peer support and additional services to PSH residents.
- The Project is on track to meet or exceed PHB's required equity in contracting goals of 30% for certified DMWESB-SDV for construction costs and 20% for professional services. At time of bid reconciliation, CDP/NAYA reports 33% of construction costs to certified firms and 27% for professional services.

Community Development Partners and NAYA hosted a community outreach meeting on July 22, 2020, via Zoom. Members of the Cully Boulevard Alliance, Cully Association of Neighbors, and Our 42<sup>nd</sup> Avenue attended, as well as unaffiliated community members and interested parties. Portland Public Schools and the Central Northeast Neighborhood Coalition were also invited. The Development team gave a presentation and overall, reception to the project was warm. One neighbor brought up

safety issues, including houseless people camping on the block. Several attendees remarked that they liked the design, and the incorporation of Native American art. One asked about the carbon footprint of the building and its features, and another asked about prioritizing current residents of the neighborhood. All questions directed to the development team were answered, and the questions and answers along with summaries of the presentations are reflected in meeting minutes. The developers have not received any opposition to the Project from the neighborhood.

### **Unit Mix and Affordability**

Project Overview: DDA and financing for future low-income affordable multifamily construction

Total Units: 50

Permanently Affordable: 50 (17 at 30% AMI, 11 at 50% AMI, and 22 at 60% AMI)

### Unit Mix:

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 50% AMI	Total @ 60% AMI	PSH Units	PBS8 vouchers
Studio	8	8	-	-	-	-
1 Bedroom	22	-	11	11	-	-
2 Bedroom	11	5	-	6	5	4
3 Bedroom	9	4	-	5	4	4
<b>Total</b>	<b>50</b>	<b>17</b>	<b>11</b>	<b>22</b>	<b>9</b>	<b>8</b>

### **100% Renewable Goal:**

Hayu Tilixam is pursuing Earth Advantage Multifamily Gold certification. This project will contribute to the City's goals to reach 100% of energy needs with renewable energy by 2050.

**Budgetary Impact Worksheet****Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section