

Agenda No. 162

ORDINANCE No. 190327

*Authorize new construction financing not to exceed \$14,926,500 to Rosewood Stark Limited Partnership or a Human Solutions, Inc. affiliate for development of a 93-unit affordable housing project (Ordinance)

The City of Portland ordains:

Introduced by
Commissioner Ryan

Section 1. The Council finds that:

Bureau
Housing Bureau

Prepared by
Danell Norby &
Lindsay Brown

Date Prepared
February 24, 2021

**Requested Council
Date**
March 17, 2021

**Requested Agenda
Type**
Regular

Time Requested
20 minutes

Date Filed with Clerk
March 9, 2021

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) to invite developers to submit proposals for affordable rental housing projects. On October 7, 2019 PHB issued an Award Letter to Human Solutions, Inc. (HSI) indicating selection of their project to receive Portland Bond funds.
3. Human Solutions, Inc will form a limited partnership, Rosewood Stark Limited Partnership (Borrower), to develop a new 5-story multifamily rental project known as Stark Street Housing (Project). The Project is located at 16015 SE Stark Street in the Glenfair neighborhood within the community-recognized Rosewood area and consists of 93 affordable rental units.
4. Sixteen (16) Permanent Supportive Housing (PSH) units in the Project will receive additional funding support 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. All sixteen

(16) of the PSH units will have rental support from Project-Based Section 8 vouchers.

5. Sixty-two (62) units in the Project will be affordable to individuals and families earning up to 60% of area median income (AMI). The remaining 31 units will serve households earning up to 30% AMI. Sixteen (16) units will be PSH units affordable at the 30% AMI level and will house individuals and families exiting homelessness with services funded by JOHS. The Project does not include any manager's units.
6. The Project includes 47 one-bedroom units, 33 two-bedroom units, and 13 three-bedroom units. Family-sized units, consisting of two- and three-bedroom units, comprise 46 of the total units.
7. The Borrower will enter into regulatory agreements with PHB to maintain the affordability requirements for the Project for 20 years to comply with the Portland Bond requirements and for up to 99 years to comply with additional City requirements.
8. The proposed City funding leverages more than \$24 million of other public and private financing contributed by Human Solutions, Inc., JP Morgan Chase Bank, Metro, the Oregon Housing and Community Services Department and other funders, and City development incentives in the form of System Development Charge exemptions.
9. On February 23, 2021 the PHB Housing Investment Committee recommended approval of the use of up to \$14,926,500 in Portland Bond funds for development of the Project.

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 \$14,926,500 to the Borrower or a Human Solutions, Inc. affiliate for the construction and operation of the Project.
- B. The Director of PHB is hereby authorized to approve amendments or modifications to any and all financing and related documents, within the maximum amounts approved under this Ordinance, consistent with City policies,

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 Council: March 17, 2021

MARY HULL CABALLERO

Auditor of the City of Portland

By *Megan Lehman*
Deputy

Action taken:

Four Fifths Agenda	Commissioners voted as follows:		
		YEAS	NAYS
1. Rubio	1. Rubio	✓	
2. Ryan	2. Ryan	✓	
3. Hardesty	3. Hardesty	✓	
4. Mapps	4. Mapps	✓	
Wheeler	Wheeler	✓	