

**IMPACT STATEMENT**

**Legislation title:** \*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)

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

- This Ordinance requests City Council approval of financing in an amount up to \$14,926,500 using Portland Housing Bonds (“Portland Bonds”) from fiscal years 2021-23.
- The funds will allow Rosewood Stark Limited Partnership to construct a new 93-unit affordable housing project at 16015 SE Stark Street known as Stark Street Housing (“Project”).
- Stark Street Housing will provide 31 units at or below 30% of area median income (AMI), including 16 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). The remaining 62 units will be restricted to households earning up to 60% AMI. All 16 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 \$1,539,740 in foregone City revenue.

### Community impacts and community involvement:

- Redevelopment of a site with a vacant and deteriorating commercial structure.
- 93 units of affordable housing in outer southeast Portland, in the Glenfair neighborhood, within the community-recognized Rosewood area.
- 31 (or 33%) of the affordable units will be restricted to households earning 30% AMI or less.
- 46 (or 49%) of the affordable units will be family sized (two and three bedrooms).
- Human Solutions, Inc and Lifeworks Northwest 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 50% CD/permit set pricing, General Contractor Colas reports 31.6% of construction costs to certified firms and more than 67% for professional services.

Human Solutions, Inc. hosted a virtual community outreach meeting in June of 2020. The Development team gave a presentation and overall, reception to the project was warm. Human Solutions has also consulted with Rosewood Initiative, area service providers including Immigrant and Refugee Community Organization (IRCO), Reynolds School District, and the East Portland Area Plan Housing Subcommittee, and provided information about the project to Glenfair and Centennial neighborhood associations. These discussions with residents and other stakeholders informed the project's design and programming, including the addition of indoor and outdoor play areas, partnership with Lifeworks NW to offer on-site counseling, increased number of family-sized units, and space layout to better serve families with children. The developers have not received any opposition to the Project from the neighborhood.

### Unit Mix and Affordability

Project Overview: New rental housing construction  
 Total Units: 93  
 Permanently Affordable: 93 (31 units at 30% AMI and 62 units at 60% AMI)

#### Unit Mix:

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH Units	PBS8 vouchers
1 Bedroom	47	8	39	-	-
2 Bedroom	33	13	20	8	8
3 Bedroom	13	10	3	8	8
<b>Total</b>	<b>93</b>	<b>31</b>	<b>62</b>	<b>16</b>	<b>16</b>

**100% Renewable Goal:**

Stark Street Housing is pursuing Earth Advantage Multifamily Platinum 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