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190961

Emergency Ordinance

***Authorize new construction financing for an affordable housing project located at 5415 SE 122nd to be developed by Northwest Housing Alternatives, Inc. or affiliate not to exceed \$8,913,411**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Metro Housing Bond ("Metro Bond") Measure 26-199 was approved by voters in the Metro region in 2018 authorizing Metro to distribute the Metro Bond funds to local jurisdictions to fund affordable housing.
2. The Portland Housing Bureau ("PHB") is charged with implementing the housing policies of the City of Portland ("City") under City Council Ordinance No. 184329 including the Local Implementation Strategy for the Metro Bond approved by City Council Ordinance No. 190095 on August 12, 2020.
3. On behalf of the City of Portland, the Portland Housing Bureau (PHB) administers affordable housing programs using resources including Metro Housing Bonds (Metro Bonds) and federal HOME Investment Partnerships Program (HOME) funds, to support the development of affordable housing.
4. In summer of 2018, PHB published a Notice of Funding Availability (NOFA) to invite developers to submit proposals for affordable rental housing projects. PHB issued an award letter to Northwest Housing Alternatives, Inc (NHA) indicating selection of their project to receive HOME funds. This letter was later revised to reflect an increased award of HOME funds and an award of Metro Bonds.
5. NHA and equity investor National Affordable Housing Trust have together formed the Harold Powellhurst Limited Partnership (Borrower) to acquire a vacant site located at 5415 SE 122nd Avenue in the Powellhurst-Gilbert neighborhood on which to construct a

Introduced by

[Commissioner Dan Ryan](#)

Bureau

[Housing Bureau](#)

Contact

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For email inquiries, please include the name of the project in the subject line to promote an efficient response.

Requested Agenda Type

Regular

multifamily affordable rental project with 64 rent-regulated units and one manager's unit, to be known as Powellhurst Place (Project).

6. The Project is comprised of 19 one-bedroom units and 45 two-bedroom units (plus 1 two-bedroom unit for a manager). Twelve (12) units in the Project will be affordable to individuals earning up to 30% of area median income (AMI) targeted for homeless households needing supportive services. Nine (9) units will be affordable to individuals earning up to 50% of AMI, and forty-three (43) units will be affordable at 60% AMI. The manager's unit is unregulated.
7. The twelve (12) Permanent Supportive Housing (PSH) units in the Project will receive additional funding support provided by the Joint Office of Homeless Services (JOHS) totaling up to \$10,000 per year per unit. PSH units are intended to serve the chronically homeless or those at risk of homelessness. All twelve (12) of the PSH units will have rental support from Project-Based Section 8 vouchers awarded by Home Forward.
8. The Borrower will enter into regulatory agreements with PHB in accordance with City policies to maintain the affordability of the Project for 20 years to comply with the HOME requirements and for up to 99 years to comply with additional City and Metro Bond requirements.
9. The proposed City funding leverages over \$18 million of other public and private financing contributed by Banner Bank, National Affordable Housing Trust and the Oregon Housing and Community Services Department.
10. On June 24, 2022, the PHB Housing Investment Committee recommended approval of the use of Metro Bond and HOME funds for the Project.

NOW, THEREFORE, the Council directs:

- A. The Director of PHB is hereby authorized to execute any and all documents necessary to advance the project and to provide an amount not to exceed \$8,913,411 to the Borrower or a Northwest Housing Alternatives, Inc. affiliate for the acquisition, construction and operation of the Project.
- B. The Director of PHB is authorized to approve amendments or modifications to any and all Project financing and related documents, within the maximum amounts approved under this Ordinance, consistent with City housing policies, and subject to the approval as to form of such documents by the Office of the City Attorney.

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, would delay the Project and

could affect the budget; therefore, this Ordinance shall be in full force and effective from and after its passage.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
August 3, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

- This Ordinance requests City Council approval of financing in an amount up to \$8,913,411 consisting of \$4,091,048 in Metro Bonds and \$4,822,363 in PHB HOME funds from fiscal years 2022-25.
- The purpose of the funding is to enable Northwest Housing Alternatives, Inc to construct 64 new units of affordable housing and one manager's unit located at 5415 SE 122nd in the Powellhurst-Gilbert neighborhood (the Project).
- Approval of the Ordinance will authorize the Director of the Portland Housing Bureau to execute all funding and related documents needed to advance the Project including construction and operation of the development as affordable housing. Given inflation and costs increases, closing expeditiously and adherence to construction timelines are critical; however, the City's funding will not be increased.

Financial and Budgetary Impacts

- The Metro Bond award of up to \$4,091,048 is from the City of Portland's eligible share of Metro Bond funds totaling \$211,056,579.
- PHB will regulate and monitor the project for a term of 99 years, charging a fee over the life of the project to cover compliance monitoring costs. A Program Delivery Fee pays for the costs of awarding and underwriting the Metro Bond funds.
- The Project has been approved for System Development Charge (SDC) waivers, which collectively total an estimated \$1,090,338 in foregone City revenue.

Community Impacts and Community Involvement

Community impacts:

- 64 units of affordable housing in Southeast Portland.

- Development of a vacant site adjacent to public transit and near the Leach Botanical Garden, Springwater Trail, and other amenities.
- Twelve (12) units of Permanent Supportive Housing (PSH); all supported by federal Project-Based Vouchers awarded by Home Forward.
- 12 (or 19%) of the units will be restricted to households earning 30% of the area median income (AMI) or less. 9 units will be restricted to households earning 50% AMI or less, and 43 units will be affordable to families earning a maximum 60% AMI. There is one manager's unit which will not be regulated as affordable.
- 46 (or 72%) of the units will be family-sized (two bedrooms).
- Northwest Housing Alternatives, Inc will provide onsite resident services including housing stability support, financial education workshops, and assistance in accessing social services and community benefits.
- Native American Rehabilitation Association (NARA) will provide onsite supportive services to PSH residents including mental health case management, peer support, and access to culturally specific and supportive programming.
- The Project is on track to meet or exceed PHB's required equity in contracting goals of 30% certified DMWESB-SDV firms for construction costs and 20% for professional services.

Community involvement:

The project concept was presented early in the schematic design phase to interested parties in the surrounding neighborhood as well as to the internal Resident Advisory Council, a group of residents from NHA properties who regularly convene to advise on NHA's projects, programs, and services.

The neighborhood interested-party presentation took place on June 21st, 2021, via a remote ZOOM meeting. The meeting information was posted on a project sign onsite and shared via emails to the Powellhurst Gilbert Neighborhood Association and the East Portland Community Coalition. The attendees provided input about the overall project and helped inform its parking egress/ingress strategy as well as worker access/operations during the construction period.

The Resident Advisory Council meeting took place via ZOOM on August 11th, 2021. Six longtime residents of different NHA properties attended the meeting, which took members through the conceptual drawings, funding and population targets, planned amenities, etc. Members voiced their opinions concerning safety features, garbage collection plans, and finishing/waterproofing details, informing later iterations of project designs.

Unit Mix and Affordability

Project Overview: New multifamily rental housing construction

Total Units: 65

Permanently Affordable: 64 (12 at 30% AMI, 9 at 50% AMI, and 43 at 60% AMI)

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 50% AMI	Total @ 60% AMI	PSH Units	Project-Based Vouchers	Manager's Units
1 BR	19	12	0	7	12	12	0
2 BR	46	0	9	36	0	0	1
Total	65	12	9	43	12	12	1

100% Renewable Goal

Powellhurst Place is on track to earn the Earth Advantage Multifamily Gold certification. This project will contribute to the City's goals of reaching 100% of energy needs with renewable energy by 2050. Part of the energy needs of the community spaces will be met with rooftop solar panels made possible by federal solar tax credits and a rebate from Energy Trust of Oregon.

Budget Office Financial Impact Analysis

Funding is available for this purpose in the bureau's Metro bond proceed allocation and HOME funds from fiscal years 2022-25.

Agenda Items

700 Regular Agenda in [August 3, 2022 Council Agenda](#)

Passed

Commissioner Jo Ann Hardesty Absent

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea