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191280

Emergency Ordinance

***Authorize new construction financing for an affordable housing project located at 1131 SE Oak St to be developed by Francis + Clare Place Limited Partnership or a Catholic Charities of Oregon affiliate not to exceed \$9,421,891**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On behalf of the City of Portland, the Portland Housing Bureau (PHB) administers affordable housing programs using resources, including Portland Housing Bond funds, to support the development of affordable housing.
2. In October 2021, PHB published a Notice of Funding Availability (NOFA) to invite developers to submit proposals for affordable rental housing projects that include permanent supportive housing (PSH). In March 2022, PHB issued an award letter to Catholic Charities of Oregon indicating selection of their project to receive Portland Housing Bond funds.
3. Catholic Charities of Oregon and Enterprise Community Investment have formed Francis + Clare Place Limited Partnership (Borrower) to acquire the site and construct a multifamily affordable rental project with 61 regulated units known as Francis + Clare Place (Project) in the Buckman neighborhood.
4. The Project is comprised of 54 studios and 7 one-bedroom units. All 61 units will be affordable to individuals earning up to 30% of area median income and supported by Project-Based Section 8 Vouchers awarded by Home Forward. The Project does not include any manager's units.
5. The Project will have 61 PSH units with additional funding support provided by the Joint Office of Homeless Services (JOHS) totaling up to \$10,000 per unit per year. PSH units are intended to serve households who are chronically homeless or at risk of homelessness.

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Housing Bureau](#)

Contact

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Housing Portfolio Finance
Coordinator

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

May 17, 2023

Time Requested

20 minutes

6. The Borrower will enter into regulatory agreements with PHB in accordance with City policies to maintain the affordability of the Project for 99 years to comply with the Portland Housing Bond requirements and additional City requirements.
7. The proposed City funding leverages over \$18 million of other public and private financing contributed by Heritage Bank, Enterprise Community Investment, Oregon Housing and Community Services, Metro, City development incentives in the form of System Development Charge exemptions, and Portland Clean Energy Funds.
8. On May 4, 2023, the PHB Housing Investment Committee is expected to recommend approval of the use of Portland Housing Bonds for the Project.

NOW, THEREFORE, the Council directs:

- A. The Interim Director of PHB is hereby authorized to execute any and all financing and related documents necessary to advance the project and provide an amount not to exceed \$9,421,891 to the Borrower or a Catholic Charities of Oregon affiliate for the construction and operation of the Project.
- B. The Interim Director of PHB is authorized to approve amendments or modifications to any and all financing and related documents, within the maximum expenditure amounts approved under this Ordinance, consistent with City housing 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.

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
May 17, 2023

Auditor of the City of Portland
Simone Rede

Impact Statement

Purpose of Proposed Legislation and Background Information

- This Ordinance requests City Council approval of financing of up to \$9,421,891 in Portland Housing Bonds from fiscal years 2022-25.
- The funds will enable Francis + Clare Place Limited Partnership or a Catholic Charities of Oregon affiliate (Borrower) to develop 61 new units of affordable housing at 1131 SE Oak Street, known as Francis + Clare Place (the Project).
- Approval of the Ordinance will authorize the Interim 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.

Financial and Budgetary Impacts

- The financing amount requested in this legislation is included in the PHB FY 2022-2023 Adopted Budget and the bureau five-year forecast.
- 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 is included in the PHB FY 2022-2023 Adopted Budget and covers PHB's costs to deliver the units, including community outreach, establishment and coordination of a Bond Oversight Committee, Project due diligence, construction monitoring, negotiations, and loan/regulatory documentation.
- The Project has been approved for System Development Charge (SDC) waivers, which collectively total an estimated \$1,010,799 in foregone City revenue.

Community Impacts and Community Involvement

Community impacts:

- 61 units of affordable housing in the centrally located Buckman neighborhood targeted to serve households experiencing or at risk of homelessness.
- All 61 units will be Permanent Supportive Housing (PSH) with rental support from Project-Based Section 8 Vouchers and supportive services funding from the Joint Office of Homeless Services (JOHS).
- All 61 units will be restricted to households earning 30% of the area median income (AMI) or less.
- Resident and PSH services will be provided by Catholic Charities and the Native American Rehabilitation Association (NARA). Services will focus on housing stability and retention including case management, peer support, referrals, new resident orientation and resources, income support, and health care access.

- 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:

In 2021, Catholic Charities and consulting firm Cascadia Partners conducted project-specific engagement including one-on-one interviews, focus groups, and a community advisory group. Stakeholders included unhoused individuals in the surrounding neighborhood, people who have lived experiences similar to the Project’s target residents, service providers specializing in homeless and mental health services, and people living and working in the community. Feedback that informed the project design included a need for units housing both single adults and adult partners, a preference for the property to be 100% permanent supportive housing, and a desire for community spaces that function as classrooms for workshops and other supportive programming.

The development team answered questions about the Project at the July 2022 Buckman Community Association meeting. Nearby property owners and other interested parties received notices regarding the proposal in February and March 2023 as part of the land use decision process.

Unit Mix and Affordability

Project Overview: New multifamily rental housing construction

Total Units: 61

Permanently Affordable: 61 at 30% AMI

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH Units	Project-Based Vouchers
Studio	54	54	0	54	54
1 BR	7	7	0	7	7
Total	61	61	0	61	61

100% Renewable Goal

The Project will contribute to the City’s goals of reaching 100% of energy needs with renewable energy by 2050. Francis + Clare Place is designed as solar ready, and the Project team is working with PHB and the Portland Clean Energy Fund to secure financing for the solar installation. The Project is also on track for Earth Advantage Multifamily Gold certification with features that include low-flow fixtures, Energy Star appliances and lighting, an electric water heater, and durable/sustainable materials.

Budget Office Financial Impact Analysis

This ordinance requests Council approval of financing up to \$9,421,891 in Portland Housing Bonds for fiscal years 2022-25. The financing amount requested is included in PHB's FY 2022-23 budget and the bureau's five-year forecast. 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 is included in the FY 2022-23 budget and covers PHB's costs to deliver the units. The project has been approved for System Development Charge (SDC) waivers, which collectively total an estimated \$1,010,799 in foregone City revenue.

Agenda Items

393 Regular Agenda in [May 17-18, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/5/17)
(<https://www.portland.gov/council/agenda/2023/5/17>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea