

## ORDINANCE NO. 185256

\* Authorize an allocation of \$1.8 million of Community Development Block Grant funds to Home Forward to support the development of Stephens Creek Crossing. (Ordinance)

The City of Portland ordains:

### SECTION 1. The Council finds:

1. Home Forward is an independent public corporation established in 1941 as the Housing Authority of Portland by resolution of the Portland City Council.
2. Home Forward currently provides affordable housing to approximately 33,000 people through the ownership and operation of approximately 6,500 housing units and the administration of rent subsidy to approximately 8,000 households throughout Multnomah County, Oregon.
3. Built in 1968, Hillsdale Terrace is a public housing development owned by Home Forward and located on 6.25 acres at 6775 SW 26<sup>th</sup> Street in the Multnomah neighborhood of southwest Portland, Oregon.
4. The Home Forward Board of Commissioners prioritized the redevelopment of Hillsdale Terrace because the distressed buildings were difficult to maintain and did not meet requirements and expectations for handicapped accessibility, energy efficiency, open space, safe play space for children, and connectivity to the neighborhood.
5. In 2009 and 2010, Home Forward requested HOPE VI funding for the redevelopment from the US Department of Housing and Community Development (HUD).
6. By City Council Resolution #36752 in November 2009, the City of Portland supported Home Forward's application for HOPE VI funds and resolved that up to \$5 million (MM) in city resources would be available for the redevelopment effort.
7. In May 2011, HUD announced a HOPE VI award of \$18.5MM to Home Forward for its plan to replace 60 units at Hillsdale Terrace with 122 new units and two community buildings to be known as "Stephens Creek Crossing."
8. The redevelopment of Hillsdale Terrace was planned with the active participation of Hillsdale Terrace residents, neighborhood residents, community groups, and other stakeholders and advances broader City housing and community goals by integrating sustainable development practices, improving pedestrian and traffic safety, including community garden and green space in the plan, supporting stable schools and family educational success with an on-site early education center, and creating family wage job and minority contracting opportunities.

9. Residents of Hillsdale Terrace relocated to other affordable housing with assistance from Home Forward, and Hillsdale Terrace is now vacant. Many households will return to live at the redeveloped site in early-2014 and some have relocated permanently to other locations.
10. The financial assistance needed from the City for the development of Stephens Creek Crossing is \$1.8MM rather than \$5MM as anticipated in the City Council Resolution #36752 due to the financial structuring efforts of Home Forward.
11. In addition to the City's allocation of \$1.8MM, other primary funding sources for the project include a HUD HOPE VI allocation of \$18.5MM, \$17.3MM in private capital to be invested in the project pursuant to allocations of both 4% and 9% low income housing tax credits, \$6.1MM in proceeds from Home Forward's Public Housing Preservation Initiative and \$4.7MM in permanent debt. An anticipated waiver of the City's System Development Charges will also save the project approximately \$50,000.
12. The City of Portland received an allocation of Community Development Block Grant (CDBG) funds from HUD for activities identified in the City of Portland, Gresham, and Multnomah County Consolidated Plan One-Year Action Plan for FY 2011-2012 (Consolidated Plan).
13. The Consolidated Plan, as amended, provides for an allocation of \$1.8MM in CDBG funds by the City of Portland for the demolition of Hillsdale Terrace and related infrastructure work to support the development of Stephens Creek Crossing.
14. The City-allocated CDBG funds will be used to fund some of the earliest activities at the site including demolition of existing buildings beginning in April 2012.
15. To protect the City's early stage investment of federal funds, the City will provide CDBG funds as a loan during construction, and the loan will convert to a grant when the housing is ready for occupancy.
16. Home Forward will execute regulatory agreements with the City in May 2012 requiring that all residential units at Stephens Creek Crossing be made available for sixty years at rents affordable to households earning at or below 60% of the median household income for family size as determined by HUD. These agreements will be recorded at the time of the other financial closings.
17. The majority of units (109) at Stephens Creek Crossing will be public housing with additional rent subsidy assistance provided by an allocation of Project Based Section 8 rent assistance. Thirteen units (13) will not have operating subsidy.

18. The proposed CDBG funding of \$1.8MM is available in the City's approved budget for FY 2011-12 (\$1.5MM) and the proposed budget for FY 2012-13 (\$300,000).

NOW THEREFORE, the Council directs:

- a. The Director of PHB is hereby authorized to enter into a funding agreement, four regulatory agreements, and other documents as may be required to provide CDBG funds in an amount not to exceed \$1.8 million to Home Forward to support the development of Stephens Creek Crossing in accordance with the findings set forth above and upon approval as to form of the documents by the City Attorney's Office.
- b. The Mayor and Auditor are hereby authorized to draw and deliver warrants chargeable to the PHB budget when demand is presented and approved by the proper authority up to the amount of \$1.8 million.

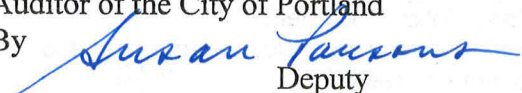
SECTION 2. The Council declares that an emergency exists because delay in funding would interrupt the project's ability to move forward on a timeline required by other financing sources and would delay the development of this community facility and the availability of construction jobs; therefore, this ordinance shall be in full force and effective from and after its passage.

Passed by the Council: APR 11 2012

Commissioner Fish  
Prepared by: Barbara Shaw  
March 30, 2012

**LaVonne Griffin-Valade**  
Auditor of the City of Portland

By

  
Deputy

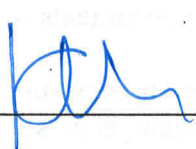
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Agenda No. **185256**  
**ORDINANCE NO.**  
 Title

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<p style="text-align: center;"><b>INTRODUCED BY</b>          Commissioner/Auditor:  <b>Nick Fish</b></p>	<p>CLERK USE: DATE FILED <u>APR 06 2012</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor /Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p>	<p style="text-align: center;">LaVonne Griffin-Valade          Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Portland Housing Bureau          Bureau Head: Traci Manning</p> <p>Prepared by: Barbara Shaw          Date Prepared: March 30, 2012</p> <p>Financial Impact &amp; Public Involvement          Statement          Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document          If "Yes" requires City Policy paragraph stated          in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>Council Meeting Date          April 11, 2012</p> <p>City Attorney Approval</p>	<p><b>ACTION TAKEN:</b></p>

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input checked="" type="checkbox"/></p> <p>Start time: <b>10:30</b></p> <p>Total amount of time needed: <b>15 minutes</b>          (for presentation, testimony and discussion)</p> <p><b>CONSENT</b> <input type="checkbox"/></p> <p><b>REGULAR</b> <input type="checkbox"/></p> <p>Total amount of time needed: _____          (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	_____	_____