

ORDINANCE No. 185533

*Authorize a pilot Water Safety Net Loan Program to qualified property owners in the Deltawood Phase I Local Improvement District similar to and in conjunction with the Bureau of Environmental Services' Safety Net Loan Program (Ordinance; C-10031)

The City of Portland ordains:

Section 1. The Council finds:

1. Resolution No. 36661 was adopted on December 17, 2008, declaring its intent to initiate local improvement district (LID) formation proceedings to construct water main improvements to serve properties located on NE Gertz Circle and NE Gertz Court in the Deltawood Phase I LID.
2. Resolution No. 36660 was adopted on December 17, 2008, declaring its intent to initiate LID formation proceedings to construct sanitary sewer improvements to serve properties located on NE Gertz Circle and NE Gertz Court in the Deltawood Phase II LID.
3. Subsequently, Ordinance No. 182545 passed on February 18, 2009, creating the Deltawood Phase I LID. The scope of the LID was to construct water main improvements consisting of a 6-inch water system including fire hydrants, connection of the new water system to the existing City of Portland public water system, installation of metered domestic services, and removal of the existing 2-inch metered service. The amount of the future assessment for the Deltawood Phase I LID was estimated to be \$485,784.60. The assessment for each parcel was estimated to be \$11,566.30.
4. Ordinance No. 182543 passed on February 18, 2009 which created the Deltawood Phase II LID to construct sanitary sewer improvements.
5. The water main improvements and sanitary sewer improvements for Deltawood Phase I and II LIDs are substantially complete. Pursuant to City Code, assessments to property owners for the LIDs will be imposed by separate and subsequent ordinances. As of July 2, 2012 the City's LID Administrator anticipated that the LID Final Assessment ordinance would be heard by City Council in October, 2012.
6. Prior to presenting the LID Final Assessment for Council approval, the Bureau of Environmental Services (BES) proposes to offer a Sewer Safety Net low income loan option to eligible low-income Deltawood property owners on terms generally consistent with its existing Sewer Safety Net program. The Sewer Safety Net loans are secured by a lien on each benefited property and accrue simple interest at a rate of 5% per year. Eligible property owners under the age of 62 can defer loan payments for 5 years, which are renewable upon requalification.

Eligible property owners age 62 and older may defer loan payments until the property is sold or transferred. At LID Final Assessment, the sanitary sewer LID assessments for qualified Deltawood property owners will be paid by the Bureau of Environmental Services and will be replaced by Sewer Safety Net loans and new liens for these deferrals.

7. Low-income senior citizens could previously defer payments on special assessments such as LIDs through a State of Oregon Special Assessment Deferral Program. A lien would be placed on the homeowner's property, 6% simple interest would accrue, and the State of Oregon would make the LID payments on behalf of the homeowner until sale of the home. However, in 2011 the Oregon Legislature (HB 2543) phased out the Special Assessment Deferral Program, and the State's Deferral Program no longer accepts new applications.
8. The Water Bureau does not have a Safety Net low income loan option. Since the Deltawood property owners no longer have access to the State's Deferral Program, the Water Bureau needs authority from City Council to offer eligible Deltawood property owners a payment deferral option for their water LID assessment that is secured by a new lien on the benefited property to replace the LID lien, similar in terms and conditions to the deferral option that will be offered for their sewer LID assessment through BES' Safety Net loan program.

NOW, THEREFORE, the Council directs:

- a. The Bureau of Environmental Services is authorized, at LID Final Assessment, to pay sewer LID assessments for qualified Deltawood property owners and replace the LID assessments with loans bearing terms and conditions consistent with the existing Sewer Safety Net loan program and new liens to secure those loans.
- b. The Water Bureau is authorized to create and offer a pilot Water Safety Net Loan Program that provides a deferral financing option to qualified property owners in the Deltawood Phase I Local Improvement District that is secured by new liens on benefited properties. The pilot Water Safety Net loan program shall have program criteria and implementation measures generally similar to and shall be offered in conjunction with the Bureau of Environmental Services' Safety Net Loan Program.
- c. At LID Final Assessment, the Water Bureau is authorized to pay water LID assessments for qualified Deltawood property owners and replace the LID assessments with Water Safety Net loans and new liens to secure those loans.
- d. The Water Bureau shall evaluate the feasibility of offering an ongoing Safety Net loan option for future LIDs and shall report back to the Council once the evaluation is complete.

Section 2. The Council declares that an emergency exists because the City must provide adequate time to notify and prequalify all eligible Deltawood property owners prior to the Council hearing on the LID Final Assessment, and the City must have adequate time to establish a new Water Safety Net lien process in the City lien system. Therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council,

AUG 01 2012

Commissioner Leonard
Cindy Dietz
July 13, 2012

LaVonne Griffin-Valade
Auditor of the City of Portland

By
Deputy

Susan Peterson

881

Agenda No.
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Title

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INTRODUCED BY Commissioner/Auditor: Commissioner Leonard	CLERK USE: DATE FILED <u>JUL 27 2012</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Leonard <i>Randy Leonard</i>	LaVonne Griffin-Valade Auditor of the City of Portland By: <i>Susan Parsons</i> Deputy
BUREAU APPROVAL Bureau: Water Bureau Head: David G. Shaff <i>David G. Shaff</i>	ACTION TAKEN:
Prepared by: Cynthia Dietz Date Prepared: 07/13/12	
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Council Meeting Date 08/01/12	
City Attorney Approval	

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

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	_____	_____