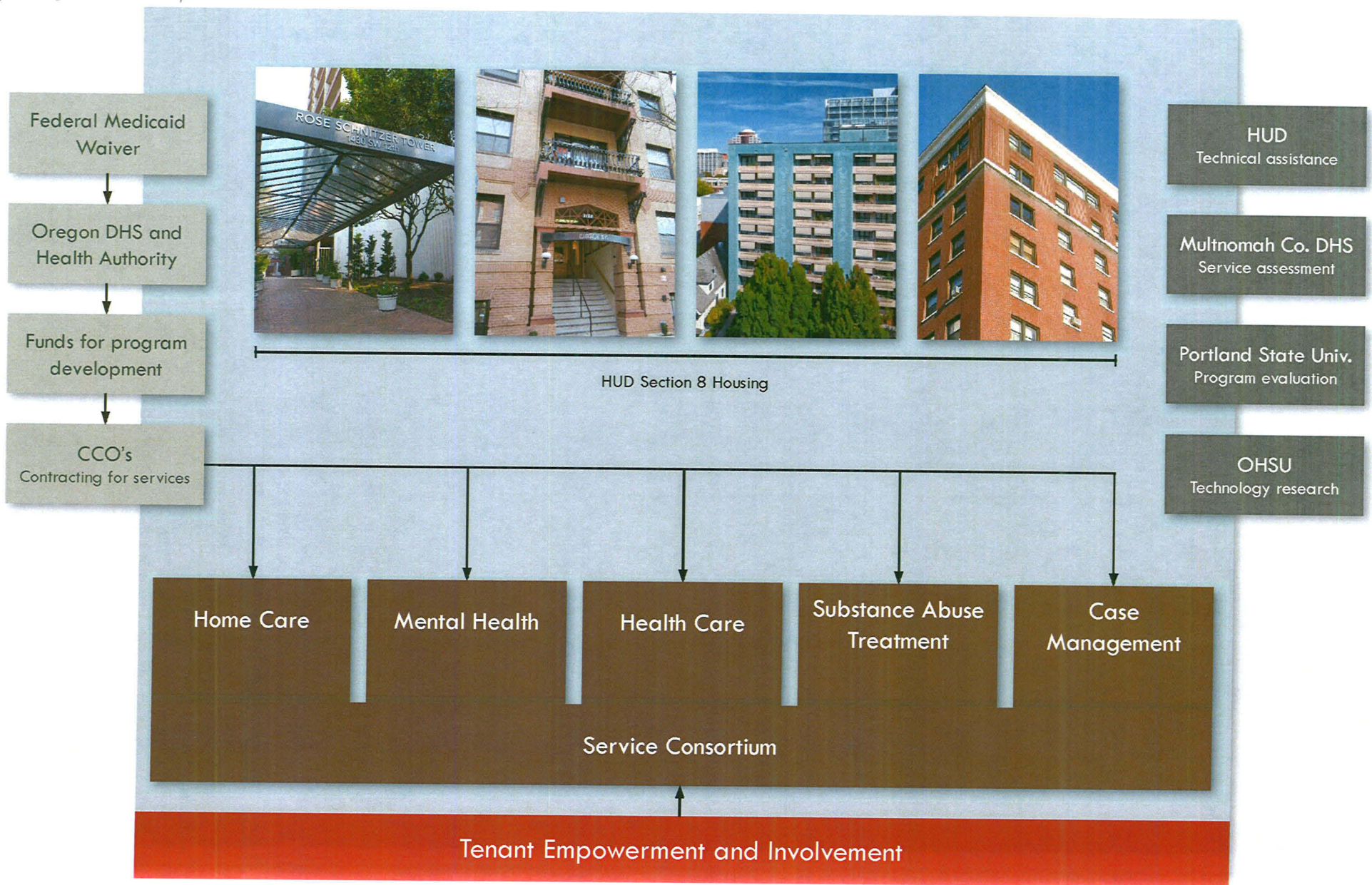


8/29/12

Submitted by  
DAVID FUKS, Cedar Sinai

185577

# HOUSING WITH SERVICES MODEL



Portland, Oregon  
**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT**  
**For Council Action Items**

(Deliver original to Financial Planning Division. Retain copy.)

|   |   |   |
|---|---|---|
| 1. Name of Initiator<br>John Marshall   | 2. Telephone No.<br>823-3232  | 3. Bureau/Office/Dept.<br>Portland Housing Bureau   |
| 4a. To be filed date<br>8/29/2012   | 4b. Calendar (Check One)<br>Regular    Consent    4/5ths<br><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> | 5. Date Submitted to Commissioner's office and FPD Budget Analyst:<br>8/13/2012                             |
| 6a. Financial Impact Section:<br><input checked="" type="checkbox"/> Financial impact section completed |   | 6b. Public Involvement Section:<br><input checked="" type="checkbox"/> Public involvement section completed |

**1) Legislation Title:**

\*Authorize a loan of up to \$3.4 million of Tax Increment Financing for the acquisition and rehabilitation of the 1200 Building to preserve an expiring Section 8 rental assistance contract currently serving the elderly and disabled, and 89 units of affordable housing located in the South Park Blocks URA. (Ordinance)

**2) Purpose of the Proposed Legislation:**

Approve a loan of up to \$3.4M in tax increment financing for acquisition and rehabilitation of the 1200 Building to preserve an expiring Section 8 rental assistance contract serving the elderly and disabled and to preserve an affordable housing project with 89 unit units.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |  |                                    |                                    |                                |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional                | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast                 | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input checked="" type="checkbox"/> Central City           |                                    |                                    |                                |
| <input type="checkbox"/> Internal City Government Services |                                    |                                    |                                |

**FINANCIAL IMPACT**

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

One promissory note, in the amount of \$3,400,000 will be issued, carrying a 2% interest rate for a 30 year term with repayment beginning the earlier of year eleven of the Permanent Period or payment in full of the Deferred Developer Fee for the Project. Repayment requirements are cash flow dependent, and any repayment is program income to the South Park Blocks URA.

**5) Expense:** What are the costs to the City related to this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in

future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

Construction/permanent financing will be up to \$3,400,000 of South Park Blocks URA tax increment financing. There is a guaranteed maximum price contract. This in combination with PHB staff review and the prior history with the sponsor team on housing development projects promotes a high level of confidence that it is the upper limit of funding that will be needed.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** (If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** (If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)

| Fund | Fund Center | Commitment Item | Functional Area | Funded Program | Grant | Sponsored Program | Amount |
|------|-------------|-----------------|-----------------|----------------|-------|-------------------|--------|
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |
|      |             |                 |                 |                |       |                   |        |

**PUBLIC INVOLVEMENT**

**8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:**

- YES:** Please proceed to Question #9.  
 **NO:** Please, explain why below; and proceed to Question #10.

This Council item is an Ordinance approving a loan for the acquisition and rehabilitation of a 30 year old affordable apartment development which provides 89 apartments for elderly and disabled residents. Preservation of existing affordable rental housing is a core goal of the Portland Housing Bureau Strategic Plan, which was developed with significant public involvement, and is overseen by the Portland Housing Advisory Commission, PHB's citizen advisory board.

Implementation of the goal is detailed in PHB's "11X13" Preservation Strategy, which identified eleven affordable rental apartments at risk of being converted to market rate dwellings upon expiration (by 2013) of HUD rental housing subsidy contracts with the current owners. PHB and community stakeholders have prioritized preservation of these developments, as many are home to vulnerable populations.

**9) If "YES," please answer the following questions:**

**a) What impacts are anticipated in the community from this proposed Council item?**

This action will preserve the affordable homes of 89 elderly or disabled current residents of the building, and will preserve the development as affordable rental housing for 60 years.

**b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?**

Partners in identifying and prioritizing rental housing preservation include: Oregon Opportunity Network; Oregon Housing and Community Services and the Network for Oregon Affordable Housing.

**c) How did public involvement shape the outcome of this Council item?**

Public involvement set the priority for allocation of PHB resources for preservation of existing affordable rental housing over other expenditures for new housing.

**d) Who designed and implemented the public involvement related to this Council item?**


Public involvement was designed and implemented by PHB as part of the Comprehensive Plan process.

**e) Primary contact for more information on this public involvement process (name, title, phone, email):**

Daniel Ledezma, Director Equity, Policy and Communications, Portland Housing Bureau, 503.823.3607

**10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.**

No. The project approved by the Council action is directly responsive to the priorities established through the public involvement process to date. No further action is needed.



Traci Manning, Bureau Director

Date